



City of Jacksonville Beach

11 North Third Street
Jacksonville Beach, Florida

Regular Meeting Agenda

Pension Board

Tuesday, June 7, 2022

2:00 PM

Council Chambers

MEMORANDUM TO:

Members of the City of Jacksonville Beach Pension Board

The following Agenda of Business has been prepared for consideration and action at a Regular Meeting of the Pension Board:

CALL TO ORDER

ADMINISTER OATHS OF OFFICE TO NEW BOARD MEMBERS

- A. Police Officers' Pension Board of Trustees – Marvin Dupree – selected by City Council to a 2-year term commencing on 4/1/2022
- B. Police Officers' Pension Board of Trustees – Rudy Dean – selected by City Council to a 2-year term commencing on 4/1/2022
- C. Police Officers' Pension Board of Trustees – John Gosztyla – selected by Board Members as 5th member to a 2-year term commencing 4/1/2022
- D. Firefighters' Pension Board of Trustees – Gaylord George Candler – selected by City Council to a 2-year term commencing on 4/1/2022
- E. Firefighters' Pension Board of Trustees – Lance Huish – selected by City Council to a 2-year term commencing on 4/1/2022
- F. Firefighters' Pension Board of Trustees – Deborah White – selected by Board Members as 5th member to a 2-year term commencing on 4/1/2022

ROLL CALL

APPROVAL OF MINUTES

- A. **Consideration by General Employees', Police Officers', Firefighters' Pension Board of Trustees**
Joint Quarterly Meeting held on February 8, 2022
- B. **Consideration by Police Officers' and Firefighters' Board of Trustees**
Special Joint Meeting held on March 22, 2022

COURTESY OF THE FLOOR TO VISITORS

ITEMS FOR DISCUSSION

- A. *Discussion* - Legal Update with Sugarman & Susskind, P.A. (Pedro Herrera), Pension Board Attorney Legislative Update on Legal Matters

OLD BUSINESS

NEW BUSINESS**A. Consideration by General Employees' Board of Trustees**

- 1 *Approve* - Application for Retirement- Lorraine Troendle – Administrative Assistant (Parks) Deferred Retirement effective 3/1/2022; Separation Date 12/23/2020; Meets age/service requirements for Deferred retirement (15 years 0 months of service)
- 2 *Approve* - Application for Retirement - Clifford Abshire – Cut-In Cut-Out Technician (Beaches Energy) Back-DROP Retirement Effective 6/1/2019; Separation Date 5/31/2022; Meets age/service requirements for Back-DROP service retirement (23 years 6 months of service)
- 3 *Approve* - Application for Retirement - Richard Amato – Bus Relations Conservation Coordinator (Beaches Energy) Back-DROP Retirement effective 03/01/2021; Separation Date 07/29/2022; Meets age/service requirements for service retirement 13 years 4 months of service)

B. Consideration by Police Officers' Board of Trustees

- 1 *Approve* - Application for Retirement - Paul Watkins – Police Sergeant (Police) Back-DROP Retirement Effective 4/1/2022; Separation Date 4/17/2022; Meets service requirements for normal retirement (25 years 1 month of service)
- 2 *Approve* - Application for Retirement - Bradley DiFiore – Police Officer (Police) Normal Retirement Effective 6/1/2022; Separation Date: 5/31/2022; Meets age/service requirements for normal retirement (10 years of service)

C. Consideration by General Employees', Police Officers' and Firefighters' Board of Trustees

- 1 Consultant's Reports/Presentations
 - a *Approve* - GRS Consulting (Brad Armstrong), Actuary - October 1, 2021 Seventy-First Annual Actuarial Valuations (Actuarial Valuation Provided)
 - b *Approve* - Purvis Gray & Company (Ryan Tucker), Independent Auditors - September 30, 2021 Audited Financial Statements (Audited Financial Statements Provided)
 - c *Approve* - AndCo Consulting (Brendan Vavrica), Investment Consultant - March 31, 2022; Quarterly Investment Performance Report
 - d *Informational* - AndCo Consulting (Brendan Vavrica), Investment Consultant - Intermediate Fixed Income Manager Analysis
- 2 Plan Administrator's Reports/Presentations
 - a *Approve* - Pension Administrator's Reports/Presentations - 2023 Proposed Annual Budgets
 - b *Informational* - Pension Administrator's Reports/Presentations - March 31, 2022; Quarterly Pension Plan Administrator's Report

D. Consideration by General Employees' and Police Officers' Board of Trustees

- 1 Set Expected Rate of Return
 - a *Approve* Set the expected rate of return to 7.5% for the next year, the next several years, and the long term thereafter

E. Consideration by Firefighters' Board of Trustees

- 1 Set Expected Rate of Return

- a *Approve Set the expected rate of return to 6.625% for the next year, the next several years, and the long term thereafter*

ADJOURNMENT

NOTICE

In accordance with Section 286.0105, Florida Statutes, any person desirous of appealing any decision reached at this meeting may need a record of the proceedings. Such person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing a special accommodation to participate in this meeting should contact the City Clerk's Office at (904) 247-6299 no later than one business day before the meeting.

cc: Mike Staffopoulos, City Manager; Sandra Robinson, City Attorney; Sheri Gosselin, City Clerk

Minutes of the JOINT QUARTERLY MEETING of the Firefighters', General Employees', and Police Officers' Retirement Systems, held Tuesday, February 8, 2022, at 3:00 P.M., in the Council Chambers, 11 North 3rd Street, Jacksonville Beach, Florida.



Call to Order

Brandon Maresma of the General Employees' Board of Trustees called the meeting to order at 3:00 P.M.

Roll Call: General Employees' Board: Nick Currie, Dan Janson, Christine Hoffman (absent), Brandon Maresma, Eddie Vergara

Police Officers' Board: David Cohill, Marvin Dupree, John Galarneau (absent), John Gosztyla, Jason Sharp

Firefighters' Board: Gaylord Candler, Ed Dawson, John McDaniel (absent), Dennis Povloski (absent), Debbie White

Oath of Office

- A. Administer Oath of Office
Firefighters' Pension Board of Trustees – Ed Dawson - Re-elected by Member Employees to a 2-year term commencing 10/1/2021

Courtesy of the Floor to Visitors

No one came forward to address the Boards.

APPROVAL OF MINUTES

Consideration by General Employees', Police Officers' and Firefighters' Board of Trustees

1. *Approve* Minutes of Joint Quarterly Meeting held November 9, 2021

Motion: It was moved by Mr. Cohill and seconded by Mr. Janson to *Approve* Minutes of Joint Quarterly Meeting held on November 9, 2021.

Vote: Voice vote resulted in all Ayes by all Boards.

OLD BUSINESS

None

NEW BUSINESS

Consideration by Police Officers' Board of Trustees

1. Applications for Retirement
- A. *Approve* Charles (Mark) Evans – Police Officer (Police) Back-DROP Retirement effective 07/01/2019; Separation Date 05/13/2022; Meets Age/Service Requirements for Back-DROP retirement (32 years 11 months of service)

Motion: It was moved by Mr. Sharp and seconded by Mr. Cohill to *Approve* Charles (Mark) Evans – Police Officer (Police) Back-DROP Retirement effective 07/01/2019; Separation Date 05/13/2022; Meets Age/Service Requirements for Back-DROP retirement (32 years 11 months of service)

Roll call vote: Ayes – Cohill, DuPree, Gosztyla, Sharp
The motion passed unanimously

- B. *Approve* Bradley DiFiore – Police Officer (Police) Retirement effective 06/01/2022; Separation Date 05/31/2022; Meets Age/Service Requirements for Duty Service Retirement (10 years 0 months of service and over age 55)

Motion: It was moved by Mr. Cohill and seconded by Mr. DuPree to *Approve* Bradley DiFiore – Police Officer (Police) Retirement effective 06/01/2022; Separation Date 05/31/2022; Meets Age/Service Requirements for Duty Service Retirement (10 years 0 months of service and over age 55)

Roll call vote: Ayes – Cohill, DuPree, Gosztyla, Sharp
The motion passed unanimously

Consideration by General Employees', Police Officers' and Firefighters' Board of Trustees

1. Consultant's Reports/Presentations
 - a. AndCo Consulting (Brendon Vavrica), Investment Consultant
 - i. *Approve* December 31, 2021; Quarterly Investment Performance Report

Motion: It was moved by Mr. Janson and seconded by Mr. Currie to *Approve* December 31, 2021; Quarterly Investment Performance Report

Roll call vote: Ayes – Currie, Janson, Maresma, Vergara
The motion passed unanimously.

Motion: It was moved by Mr. Sharp and seconded by Mr. Cohill to *Approve* December 31, 2021; Quarterly Investment Performance Report

Roll call vote: Ayes – Cohill, DuPree, Gosztyla, Sharp
The motion passed unanimously.

Motion: It was moved by Ms. White and seconded by Mr. Candler to *Approve* December 31, 2021; Quarterly Investment Performance Report

Roll call vote: Ayes – Candler, Dawson, White
The motion passed unanimously.

ITEMS FOR DISCUSSION

A. Pension Administrator's reports/presentation

1. *Informational* December 31, 2021; Quarterly Pension Plan Administrator's Report

ADJOURNMENT

Motion: It was moved by Mr. Janson and seconded by Ms. White to adjourn the meeting.

Vote: Voice vote resulted in all Ayes by all Boards.

The meeting adjourned at 3:45 P.M.

Submitted by: Jodilynn Byrd
Deputy City Clerk

Approval: _____

Chair: Brandon Maresma

Date: _____

**Minutes of the SPECIAL MEETING of the
Firefighters' and Police Officers' Retirement Systems,
held Tuesday, March 22, 2022, at 3:00 P.M.,
in the Council Chambers, 11 North 3rd Street,
Jacksonville Beach, Florida.**



Call to Order

Debbie White of the Firefighters' Board of Trustees called the meeting to order at 3:05 P.M.

Roll Call:

Police Officers' Board: David Cohill, Marvin Dupree (absent), John Galarneau (absent), John Gosztyla, Jason Sharp

Firefighters' Board: Gaylord Candler, Ed Dawson, John McDaniel, Dennis Povloski, Debbie White

APPROVAL OF MINUTES

None

OLD BUSINESS

None

NEW BUSINESS

A. Consideration by Police Officers' Board of Trustee

1. Nominate John Gosztyla or Debbie White to a new two-year term as the selected fifth member of the Police Officers' Pension Board with the term expiring March 31, 2024.

Motion: It was moved by Mr. Sharp and seconded by Mr. Cohill to nominate John Gosztyla to a new two-year term as the selected fifth member of the Police Officers' Pension Board with the term expiring March 31, 2024.

Roll call vote: Ayes – Cohill, Gosztyla, Sharp
The motion passed unanimously

B. Consideration by Firefighters' Board of Trustee

1. Nominate Debbie White or John Gosztyla to a new two-year term as the selected fifth member of the Police Officers' Pension Board with the term expiring March 31, 2024.

Motion: It was moved by Mr. Candler and seconded by Mr. Povloski to nominate Debbie White to a new two-year term as the selected fifth member of the Firefighters' Pension Board with the term expiring March 31, 2024.

Roll call vote: Ayes – Candler, Dawson, McDaniel, Povloski, White
The motion passed unanimously

ITEMS FOR DISCUSSION

None

COURTESY OF THE FLOOR TO VISITORS

Mr. Rudy Dean introduced himself, the recently appointed member of the Police Officers' Pension Board.

ADJOURNMENT

Motion: It was moved by Mr. Sharp and seconded by Mr. Povloski to adjourn the meeting.

Vote: Voice vote resulted in all Ayes by the Trustees of the two pension funds.

The meeting adjourned at 3:07 P.M.

Submitted by: Jodilynn Byrd
Deputy City Clerk

Approval: _____

Chair: Debbie White

Date: _____

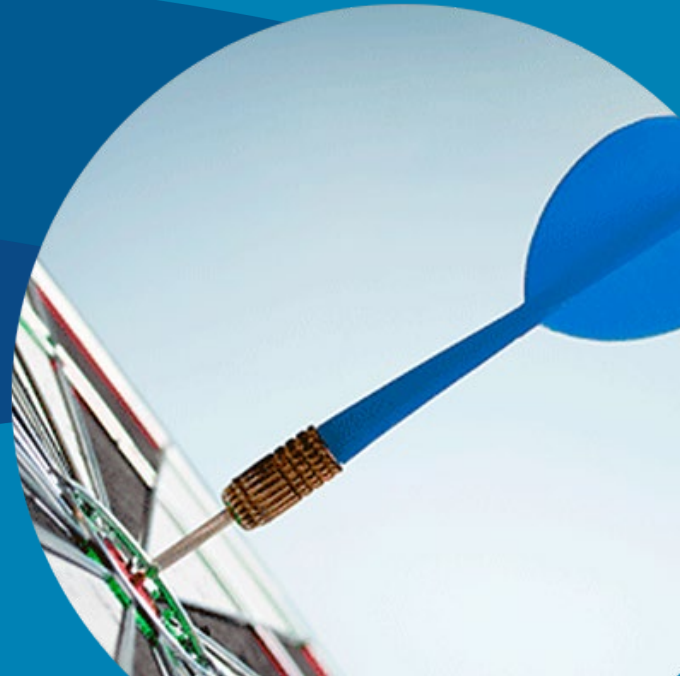


City of Jacksonville Beach

October 1, 2021

Annual Actuarial Valuations

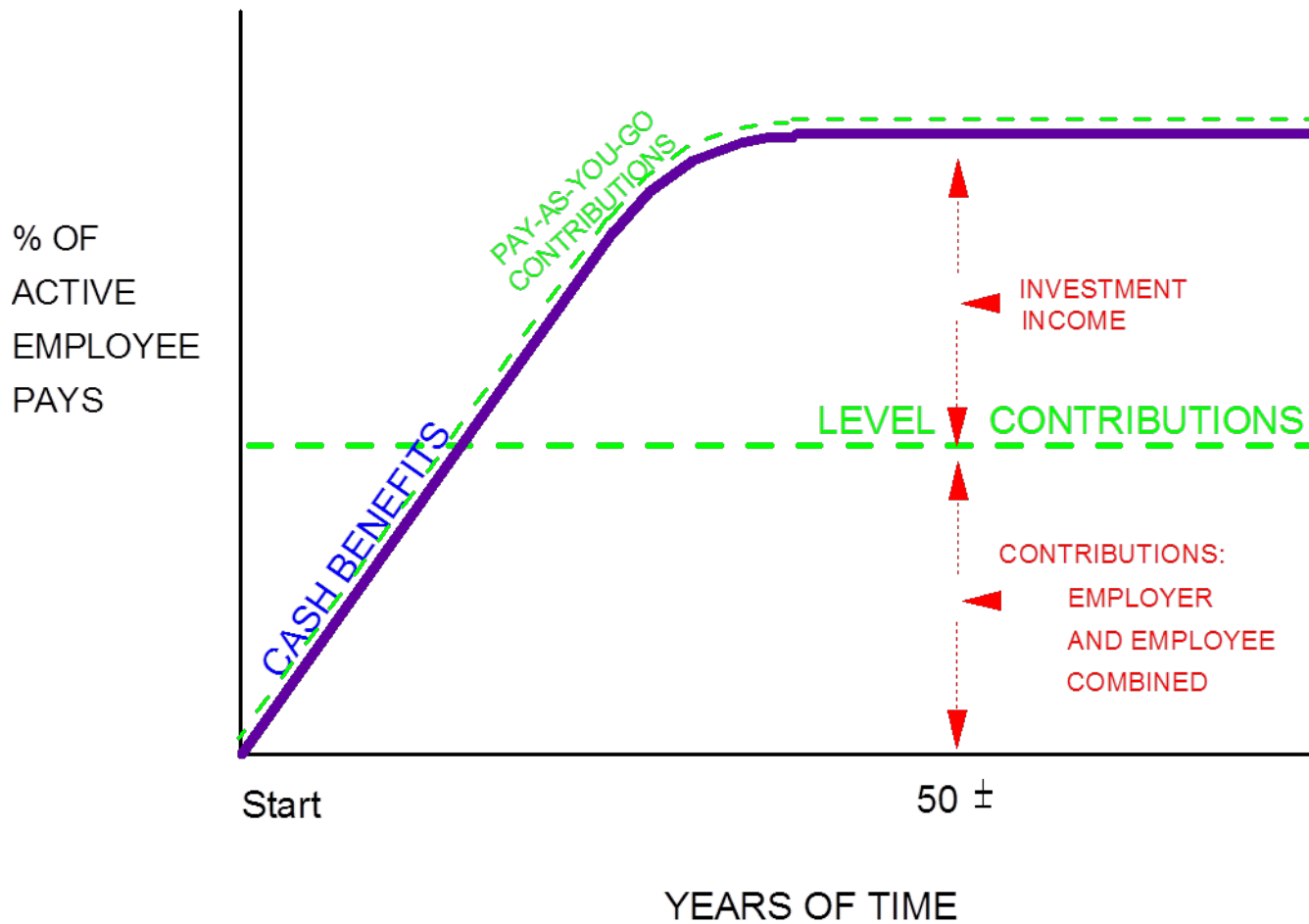
May 10, 2022



October 1, 2021 Actuarial Valuations

- October 1, 2021 actuarial valuations performed for the purposes of:
 - Determining annual required contributions for the fiscal year beginning October 1, 2022
 - Determining the funded ratios of the Systems as of October 1, 2021
 - Assessing certain risks and trends beyond the contributions and funded ratios

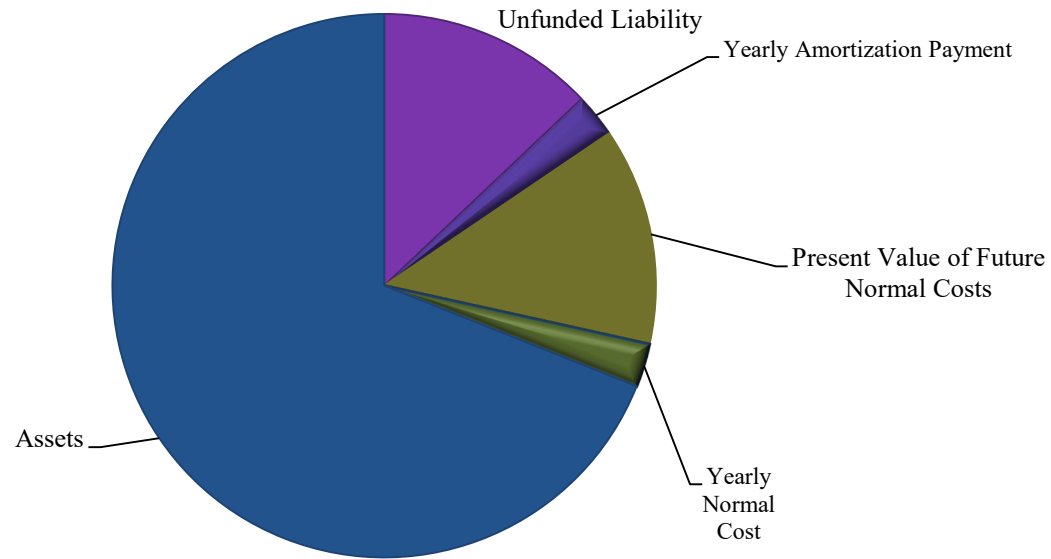
Financing Diagram



The Concept of a Present Value

- The present value of an amount of money payable in the future is the amount of money that, if we had it today, would accumulate to the amount that will be payable considering:
 - Investment Return
 - Probability that money will be paid
- The present value of \$1,000 payable 1 year from now with certainty at 7.5% interest is \$930, i.e., $\$1,000/1.075$.

Present Value of Future Benefits



Retired and Vested Terminated Members

Retired Members

	General	Police	Fire
Number	199	42	23
Avg. Benefit	\$23,882	\$32,379	\$35,969
Annual Benefit	\$4,752,593	\$1,359,930	\$822,290

Vested Terminated Members

	General	Police	Fire
Number	11	4	1
Average Benefit	\$15,688	\$31,026	\$39,307
Deferred Annual Benefit	\$172,573	\$124,105	\$39,307

Active Members

	Active Members		
	General	Police	Fire
Number	240	66	25
Average Age	45.6 years	42.0 years	44.1 years
Average Service	9.3 years	11.0 years	15.9 years
Average Pay	\$57,737	\$78,454	\$74,839
Total Pay	\$13,856,763	\$5,177,955	\$1,870,976

Funding Value of Assets

- Reported market value is converted to a funding value of assets for valuation purposes.
- The 2021 Funding value of assets recognizes assumed investment return of 7.50% for General and Police and 6.625% for Fire. This is the investment return assumption from the prior valuation.
- Differences between market return and assumed return are phased-in over a closed 4-year period.
- The reason for this method is an attempt to moderate employer contribution rate volatility.

Funding Value of Assets

(Values as of October 1)

	General				Police			
	2021	2022	2023	2024	2021	2022	2023	2024
Beginning of Year Values								
Market Value	\$60,578,014				\$26,848,519			
Funding Value	59,925,630				26,597,835			
End of Year								
Market Value	69,890,527				31,982,965			
Excess Investment Income Recognized								
Total Cap. Val. Change Recogn.	1,950,689	\$1,775,422	\$2,044,183	\$1,705,969	836,486	\$768,301	\$883,279	\$745,792
End of Year								
Funding Value	64,364,953				29,585,593			
Funding Value Rate of Return	10.8%				10.6%			
	Fire							
	2021	2022	2023	2024				
Beginning of Year Values								
Market Value	\$15,276,169							
Funding Value	15,068,979							
End of Year								
Market Value	18,196,218							
Excess Investment Income Recognized								
Total Cap. Val. Change Recogn.	520,632	\$483,172	\$547,770	\$448,127				
End of Year								
Funding Value	16,717,149							
Funding Value Rate of Return	10.3%							



Calculated Contributions

Contributions for	Contributions Expressed as			Level Dollar Amounts
	Percents of Active Member Payroll			
	General	Police	Fire	
	<u>FY Beginning October 1, 2021</u>			<u>FYE 2022</u>
<i>Normal Cost</i>				
Total Normal Cost	11.26%	14.46%	18.82%	\$ 352,088
<i>Unfunded Actuarial Accrued Liability</i>				
Total Unfunded Actuarial Accrued Liability	11.77	6.66	37.82	707,653
<i>Administrative Expenses</i>	0.75	1.62	4.04	75,574
<i>Total Calculated Contribution Requirement</i>	23.78	22.74	60.68	\$ 1,135,315
<i>Adjustments to Calculated Contribution Requirement</i>				
FS 112.64(5) compliance	0.56	0.00	0.00	-
Total Adjustments	0.56	0.00	0.00	\$ -
<i>Total Adjusted Contribution Requirement</i>	24.34	22.74	60.68	\$ 1,135,315
Member Portion	7.95	7.95	7.39	138,197
Estimated Chapter 185/175	N/A	5.65	-	-
City's Portion (Fire includes Jacksonville)	16.39	9.14	53.29	\$ 997,118

Calculated Contributions

	General	Police	Fire
Total Contribution Requirement	\$ 3,500,001	\$ 1,221,896	\$ 1,135,315
Less Member Contributions	1,143,180	427,180	138,197
Less Accumulated Prepaid Contributions &	N/A	52,546	N/A
Total Employer Contribution Requirement	2,356,821	742,170	997,118
Less Estimated Chapter 185/175 Contributions	N/A	303,569	N/A
City's Contributions (paid quarterly)*	2,356,821	438,601	997,118
City's Contributions (paid in full on October 1)	\$ 2,327,902	\$ 433,219	\$ 984,883

& To be used by the City of Jacksonville Beach against their contribution requirement.

Fire Contribution Requirement

Fiscal Year Ending September 30,	2023	2022
City of Jacksonville Beach [#]	\$ 707,653	\$ 680,045
City of Jacksonville	289,465	121,298

** Chapter 185 Florida Statutes. The City of Jacksonville Beach Employers' contribution amount may need to be increased if the amount received under the provisions of Chapter 185, Florida Statutes, is not sufficient to meet the total employer contribution requirement.*

The required contribution by the City of Jacksonville Beach is fixed to be the amount of the amortization of the unfunded liability as of the date of the interlocal agreement less any credits due to the City of Jacksonville Beach.

5-Year Projection of Employer Contributions

General

Year Ended 9/30	Active Count	Payroll	Benefit Payments	Actuarial Accrued Liability	Actuarial Value of Assets	Funded Ratio	Estimated City's Contributions		
							Fiscal Year	% of Payroll	Dollar Amount
2021	240	\$ 13,856,763	\$ 4,752,593	\$ 75,742,546	\$ 64,364,953	85.0%	2023	15.64%	2,248,972
2022	240	14,249,766	5,124,265	77,590,357	67,219,762	86.6%	2024	14.92%	2,206,289
2023	240	14,649,027	5,350,605	79,522,777	70,896,187	89.2%	2025	14.00%	2,128,250
2024	240	14,962,091	5,572,391	81,409,766	74,960,069	92.1%	2026	12.80%	1,987,413
2025	240	15,278,387	5,854,914	83,183,098	77,960,837	93.7%	2027	11.85%	1,878,805
2026	240	15,608,073	6,139,076	84,831,006	80,820,846	95.3%	2028	10.84%	1,755,757

Police

Valuation Date 10/1	Active Count	Payroll	Benefit Payments	Actuarial Accrued Liability	Actuarial Value of Assets	Funded Ratio	Total Employer Contribution				
							Fiscal Year	% of Payroll	Dollar Amount	Less Estimated Chapter 185	Estimated City's Contributions
2021	66	\$ 5,177,955	\$ 1,359,930	\$ 29,968,242	\$ 29,585,593	98.7%	2023	14.79%	\$ 794,717	\$ 303,569	\$ 491,148
2022	66	5,232,755	1,527,774	31,326,270	32,249,339	102.9%	2024	13.64%	740,610	303,569	437,041
2023	66	5,297,324	1,743,460	32,571,259	34,921,242	107.2%	2025	12.36%	679,421	303,569	375,852
2024	66	5,396,654	1,921,361	33,748,580	37,433,296	110.9%	2026	11.27%	631,295	303,569	327,726
2025	66	5,536,953	2,042,079	34,920,100	39,227,018	112.3%	2027	11.24%	646,003	303,569	342,434
2026	66	5,647,144	2,177,733	36,052,759	40,993,495	113.7%	2028	11.22%	657,445	303,569	353,876

Fire

Valuation Date 10/1	Active Count	Payroll	Benefit Payments	Actuarial Accrued Liability	Actuarial Value of Assets	Funded Ratio	Total Employer Contribution				Estimated Local Employers' Contributions		
							Fiscal Year	% of Payroll	Dollar Amount	Less Estimated Chapter 175	City of Jacksonville Beach	City of Jacksonville	Total
2021	25	\$ 1,870,976	\$ 822,078	\$ 20,081,104	\$ 16,717,149	83.2%	2023	53.29%	\$ 997,118	\$ -	\$ 707,653	\$ 289,465	\$ 997,118
2022	23	1,763,499	858,915	20,913,122	18,552,141	88.7%	2024	56.49%	996,163	-	707,653	288,510	996,163
2023	22	1,752,608	887,776	21,753,957	20,585,394	94.6%	2025	56.03%	982,048	-	707,653	274,395	982,048
2024	21	1,742,458	890,849	22,645,375	22,643,651	100.0%	2026	55.02%	958,707	-	707,653	251,054	958,707
2025	18	1,520,078	977,327	23,482,025	24,267,936	103.3%	2027	62.04%	943,012	-	707,653	235,359	943,012
2026	16	1,385,315	1,110,995	24,196,083	25,806,066	106.7%	2028	67.29%	932,119	-	707,653	224,466	932,119



Observed Experience

- Funded ratios as of October 1, 2021 are:
 - 85.0% for General, an increase from 82.0% last year
 - 98.7% for Police Officers, an increase from 94.2% last year
 - 83.2% for Firefighters, an increase from 81.0% last year
- This was a result of an aggregate experience gain and assumption changes for all three Systems.

Risk Measures – General Employees

Actuarial Valuation Date (9/30)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Payroll	(5) Funded Ratio (1) / (2)	(6) Retiree Liabilities (RetLiab)	(7) RetLiab / AAL (6)/(2)	(8) AAL / Payroll (2) / (4)	(9) Assets / Payroll (1) / (4)	(10) UAAL / Payroll (3) / (4)	(11) Non- Invest. Cash Flow (NICF)	(12) NICF / Assets (11)/(1)	(13) Market Rate of Return	(14) 5-year Trailing Average
2017 *	\$ 52,342	\$ 67,352	\$ 15,010	\$ 13,291	77.7%	\$ 39,655	58.9%	506.8%	393.8%	112.9%	\$ (2,193)	(4.2)%	12.1%	N/A
2018 *	54,189	69,364	15,174	12,761	78.1%	41,787	60.2%	543.5%	424.6%	118.9%	(1,887)	(3.5)%	9.2%	7.8%
2019 *	57,082	72,015	14,932	13,057	79.3%	41,713	57.9%	551.6%	437.2%	114.4%	(1,608)	(2.8)%	5.6%	6.9%
2020 *	59,926	73,088	13,162	13,674	82.0%	43,499	59.5%	534.5%	438.2%	96.3%	(2,134)	(3.6)%	10.0%	9.0%
2021	64,365	75,743	11,378	13,857	85.0%	46,469	61.4%	546.6%	464.5%	82.1%	(1,933)	(3.0)%	18.9%	11.1%

- Revised actuarial assumptions.

(5). The funded ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.

(6) and (7). The ratio of retiree liabilities to total accrued liabilities gives an indication of the maturity of the system. As the ratio increases, cash flow needs increase, and the liquidity needs of the portfolio change. A ratio on the order of 50% indicates a maturing system.

(8) and (9). The ratio of liabilities and assets to payroll gives an indication of both maturity and volatility. Many systems have ratios between 500% and 700%. Ratios significantly above that range may indicate difficulty in supporting the benefit level as a level % of payroll.

(10) The ratio of unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. A ratio above approximately 300% or 400% may indicate difficulty in discharging the unfunded liability within a reasonable time frame.

(11) and (12). Positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means benefits and expenses exceed contributions, and existing funds may be used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

(13) and (14). Investment return is probably the largest single risk that most systems face. The year-by-year return and the five-year geometric average both give an indication of the reasonableness of the system's assumed return. Of course past performance is not a guarantee of future results. Market rate shown is based on actuarial estimation method and will differ modestly from figures reported by the investment consultant.

Risk Measures – Police Officers

Actuarial Valuation Date (9/30)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Payroll	(5) Funded Ratio (1) / (2)	(6) Retiree Liabilities (RetLiab)	(7) RetLiab / AAL (6)/(2)	(8) AAL / Payroll (2) / (4)	(9) Assets / Payroll (1) / (4)	(10) UAAL / Payroll (3) / (4)	(11) Non- Invest. Cash Flow (NICF)	(12) NICF / Assets (11)/(1)	(13) Market Rate of Return	(14) 5-Year Trailing Average
2017 *	21,889	24,750	2,861	4,431	88.4%	12,486	50.4%	558.6%	494.0%	64.6%	(292)	(1.3)%	11.9%	N/A
2018 *	23,213	26,047	2,834	4,451	89.1%	10,876	41.8%	585.1%	521.5%	63.7%	(261)	(1.1)%	9.1%	7.7%
2019 *	24,523	27,732	3,209	4,756	88.4%	12,486	45.0%	583.1%	515.6%	67.5%	(594)	(2.4)%	5.6%	6.8%
2020 *	26,598	28,245	1,647	5,093	94.2%	11,508	40.7%	554.6%	522.2%	32.3%	(64)	(0.2)%	9.9%	8.9%
2021	29,586	29,968	382	5,178	98.7%	12,768	42.6%	578.8%	571.4%	07.4%	151	0.5%	18.5%	10.9%

- *Revised actuarial assumptions.*

(5). The funded ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.

(6) and (7). The ratio of retiree liabilities to total accrued liabilities gives an indication of the maturity of the system. As the ratio increases, cash flow needs increase, and the liquidity needs of the portfolio change. A ratio on the order of 50% indicates a maturing system.

(8) and (9). The ratio of liabilities and assets to payroll gives an indication of both maturity and volatility. Many systems have ratios between 500% and 700%. Ratios significantly above that range may indicate difficulty in supporting the benefit level as a level % of payroll.

(10) The ratio of unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. A ratio above approximately 300% or 400% may indicate difficulty in discharging the unfunded liability within a reasonable time frame.

(11) and (12). Positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means benefits and expenses exceed contributions, and existing funds may be used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

(13) and (14). Investment return is probably the largest single risk that most systems face. The year-by-year return and the five-year geometric average both give an indication of the reasonableness of the system's assumed return. Of course past performance is not a guarantee of future results. Market rate shown is based on actuarial estimation method and will differ modestly from figures reported by the investment consultant.

Risk Measures – Firefighters

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Actuarial Valuation Date	Actuarial Value of	Actuarial Accrued Liability	Unfunded AAL (UAAL)		Funded Ratio	Retiree Liabilities	Ret Liab / AAL	AAL / Payroll	Assets / Payroll	UAAL / Payroll	Non- Invest. Cash Flow	NICF / Assets	Market Rate of	5-year Trailing
(10/1)	Assets	(AAL)	(2) - (1)	Payroll	(1) / (2)	(Ret Liab)	(6)/(2)	(2) / (4)	(1) / (4)	(3) / (4)	(NICF)	(11)/(1)	Return	Average
2017 *	\$ 12,223	\$ 15,748	\$ 3,525	\$ 2,162	77.6%	\$ 7,145	45.4%	728.5%	565.4%	163.1%	\$ (151)	(1.2)%	11.9%	N/A
2018 *	13,028	16,888	3,860	2,153	77.1%	7,630	45.2%	784.3%	605.0%	179.3%	(80)	(0.6)%	9.1%	N/A
2019 *	13,901	19,204	5,303	2,089	72.4%	8,721	45.4%	919.1%	665.3%	253.8%	(202)	(1.4)%	5.6%	6.8%
2020 *	15,069	18,602	3,533	1,797	81.0%	9,173	49.3%	1,035.1%	838.5%	196.6%	18	0.1%	9.9%	8.9%
2021 *	16,717	20,081	3,364	1,871	83.2%	9,185	45.7%	1,073.3%	893.5%	179.8%	85	0.5%	18.5%	10.9%

- *Revised actuarial assumptions.*

(5). The funded ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.

(6) and (7). The ratio of retiree liabilities to total accrued liabilities gives an indication of the maturity of the system. As the ratio increases, cash flow needs increase, and the liquidity needs of the portfolio change. A ratio on the order of 50% indicates a maturing system.

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(10) The ratio of unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. A ratio above approximately 300% or 400% may indicate difficulty in discharging the unfunded liability within a reasonable time frame.

(11) and (12). Positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means benefits and expenses exceed contributions, and existing funds may be used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

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Disclaimers

- This presentation is intended to be used in conjunction with the General, Police and Fire actuarial valuation reports issued on April 4, 2022, March 19, 2022 and April 19, 2022, respectively. This presentation should not be relied on for any purpose other than the purpose described in the valuation reports.
- The reports were prepared using our proprietary valuation model and related software, which in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.
- This presentation shall not be construed to provide tax advice, legal advice or investment advice.

City of Jacksonville Beach General Employees' Retirement System

Seventy-First Annual Actuarial Valuation
October 1, 2021



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April 4, 2022

Board of Trustees
City of Jacksonville Beach
General Employees' Retirement System
Jacksonville Beach, Florida

The results of the October 1, 2021 Annual Actuarial Valuation of the City of Jacksonville Beach General Employees' Retirement System are presented in this report. The purpose of the annual valuation is to measure the System's funding progress and to determine the City's contribution rate for the fiscal year beginning October 1, 2022 in accordance with established funding policies. The results of the valuation may not be applicable for other purposes. Disclosures under the Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68 were issued in a separate report.

This report should not be relied on for any purposes other than those described above. It was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The signing actuaries are independent of the plan sponsor.

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

Valuation results, comments, recommendations (if any), and conclusion and our certification are contained in Section A.

The valuation was based upon information compiled during the fiscal year ending September 30, 2021, furnished by the City, concerning pension fund benefits, financial transactions, and individual members, terminated members, retired members and beneficiaries. Data was checked for reasonableness and missing information, but was not audited. GRS is not responsible for the accuracy or completeness of the data provided to us. This information is summarized in Section B.

A description of the actuarial valuation process, actuarial assumptions and definitions of technical terms are contained in Section C. Additional disclosure information is contained in Section D and a summary of valuation results in the State format is contained in Section E.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section C of this report. This report includes certain risk metrics but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of investment and other significant risks that may have a material effect on the plan's financial condition.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. We certify that the information contained in this report is accurate and fairly presents the actuarial position of the City of Jacksonville Beach General Employees' Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Brad Lee Armstrong and Jeffrey T. Tebeau are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Brad Lee Armstrong, ASA, EA, FCA, MAAA



Jeffrey T. Tebeau, FSA, EA, FCA, MAAA

BLA/JTT:sc

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SECTION A

**VALUATION RESULTS, COMMENTS, LOOKING FORWARD,
RECOMMENDATIONS (IF ANY), CONCLUSION AND STATEMENT
BY ENROLLED ACTUARY**

Funding Objective

The funding objective of the Retirement System is to establish and receive contributions, expressed as percents of active member payroll, which will achieve progress towards 100% funded status and will remain approximately level from year-to-year and will not have to be increased for future generations of citizens in the absence of benefit improvements. This objective is stated in the Ordinance and meets the requirements of Part VII, Chapter 112, Florida Statutes.

Contribution Rates

The Retirement System is supported by member contributions, City contributions, and investment income from Retirement System's assets.

Contributions which satisfy the funding objective are determined by the actuarial valuation and are sufficient to:

- (1) Cover the actuarial costs allocated to the current year (the normal cost) by the actuarial cost methods described in Section C; and
- (2) Finance over a period of future years the actuarial costs not covered by present assets and anticipated future normal costs (unfunded actuarial accrued liability).

Contribution requirements for the Plan and fiscal year beginning October 1, 2022 are shown on page A-2.

Contributions to Finance Benefits of the Retirement System for the Plan Year Beginning October 1, 2022 to be Contributed During the Fiscal Year Beginning October 1, 2022

Contributions for	Contributions Expressed as Percents of Active Member Payroll
<i>Normal Cost</i>	
Service pensions	7.85 %
Disability pensions	0.36
Survivor pensions	
Pre-retirement	0.38
Termination benefits	
Deferred service pensions	1.25
Refunds of member contributions	<u>1.42</u>
Total Normal Cost	11.26
<i>Unfunded Actuarial Accrued Liability ⁽¹⁾</i>	
Retired members and beneficiaries	0.00
Active and vested terminated members	<u>11.77</u>
Total unfunded actuarial accrued liability	11.77
<i>Administrative Expenses</i>	0.75
<i>Total Calculated Contribution Requirement</i>	23.78
<i>Adjustments to Calculated Contribution Requirement</i>	
Temporary full funding credit	0.00
FS 112.64(5) compliance	<u>0.56</u>
Total adjustments	0.56
<i>Total Adjusted Contribution Requirement</i>	24.34 %
Member portion	7.95 %
City portion	16.39 %

⁽¹⁾ *Unfunded Actuarial Accrued Liability was financed as level percents of member payroll. Please refer to page A-12 for a schedule of financing periods.*

FS 112.64 requires that City contributions be deposited not less frequently than quarterly. Member contributions, which are in addition to the City contributions, must be deposited immediately after each payroll period.

Procedures for determining dollar contributions are shown on page A-3.

Comparative contribution amounts for prior fiscal years are shown on page A-14.



Determining Dollar Contributions for the Fiscal Year Beginning October 1, 2022

For any period of time, the percent-of-payroll contribution rate needs to be converted to dollar amounts. We recommend the following procedure.

Contribute the City amount indicated in the following schedule. Included in these amounts is the projected increase in salary level between the valuation date and the fiscal year in which the contribution is made. The projection factor of 1.037733 $[(1.025)^{1.5}]$ is consistent with that used to calculate the actuarial liability. The member contribution amounts should not be used to reconcile actual member contributions.

Total Contribution Requirement	\$ 3,500,001
Less Member Contributions	1,143,180
City Contribution	\$ 2,356,821

The above contribution amounts are estimated to be contributed, on average, halfway through the fiscal year. If contributions are made on a later schedule, interest should be added at the rate of .60% (.0060) for each month of delay.

Funding Progress Achievement Indicators

There is no single all-encompassing measure of a retirement system's funding progress and current funded status.

A traditional measure has been the relationship of valuation assets to unfunded actuarial accrued liability - a measure that is influenced by the choice of actuarial cost method. This relationship is shown on page A-13.

We believe a better understanding of funding progress and status can be achieved using the following indicators.

Indicator (1) *The actuarial present value of gains or losses realized in the operation of the retirement system.* Gains and losses are expected to cancel each other over an economic cycle but sizable year-to-year fluctuations are common. An experience gain can result from assets increasing in value by more than anticipated, or by the System's obligation increasing by less than anticipated, or by other favorable combinations or deviation from expected asset and liability changes. Further details on the derivation of the gain/(loss) are shown on page A-11.

Indicator (2) *The ratio of valuation assets to the actuarial present value of credited projected benefits* allocated in the proportion credited service is to projected total service. The ratio is expected to increase over time, but the basic trend may be interrupted by benefit improvements. This ratio is the most appropriate of the three described here for assessing the need for future contributions above the amounts needed to fund the normal cost.

Indicator (3) *The ratio of the unfunded actuarial present value of credited projected benefits to member payroll.* The unfunded actuarial present value of credited projected benefits is controlled by the funding program. The ratio to payroll is a relative index of condition where inflation is present in both components. The ratio is expected to decrease over time, but the basic trend may be interrupted by benefit improvements.

Funding Progress Indicators^{**} - Historical Development (\$ Amounts in Thousands)

Valuation Date	<i>Indicator (1)</i>		<i>Indicator (2)</i>			<i>Indicator (3)</i>		
	Gain/(Loss)		Funding Value of Assets	APVCPB [^]	Funded Ratio	Unfunded APVCPB [^]	Member Payroll	Ratio to Payroll
	Amount	% of AAL						
10/1/1995 (a)	\$ 1,315	4.5 %	\$ 30,791	\$ 28,889	106.6 %	\$ (1,902)	\$ 10,601	(17.90) %
10/1/2000 (a)	1,142	4.4	32,832	24,230	135.5	(8,602)	7,975	(107.86)
10/1/2005	(2,079)	(5.7)	34,445	36,504	94.4	2,059	10,714	19.22
10/1/2007	819	1.9	39,424	42,244	93.3	2,820	11,700	24.11
10/1/2008	(796)	(1.7)	40,975	44,747	91.6	3,772	11,556	32.64
10/1/2009	(949)	(1.9)	41,538	46,829	88.7	5,291	11,677	45.31
10/1/2010	(961)	(1.9)	41,771	48,954	85.3	7,183	11,485	62.55
10/1/2011	(2,280)	(4.3)	40,809	51,068	79.9	10,259	11,449	89.61
10/1/2012	(156)	(0.3)	42,288	53,647	78.8	11,359	10,884	104.36
10/1/2013 (a)	602	1.1	45,066	53,927	83.6	8,861	10,714	82.70
10/1/2014	1,366	2.4	47,138	57,746	81.6	10,608	10,663	99.49
10/1/2015 (a)	1,659	2.9	49,153	60,403	81.4	11,250	11,196	100.48
10/1/2016 (a)	(562)	(0.9)	50,816	64,652	78.6	13,836	11,529	120.01
10/1/2017	(1,214)	(1.9)	52,342	67,352	77.7	15,010	13,291	112.94
10/1/2018 (a)	562	0.8	54,189	69,364	78.1	15,175	12,761	118.91
10/1/2019 (a)	852	1.2	57,082	72,015	79.3	14,933	13,057	114.37
10/1/2020 (a)	499	0.7	59,926	73,088	82.0	13,162	13,674	96.25
10/1/2021	842	1.2	64,365	75,743	85.0	11,378	13,857	82.11

(a) After changes in benefit provisions and/or actuarial assumptions and actuarial cost methods.

Prior to 1999 valuation, results include General, Police and Fire.

[^] AAL starting with 2014.

* None of these funding progress indicators are appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.

Comments, Looking Forward, Recommendations (if any), and Conclusion

Comment A: For the fiscal year ended September 30, 2021, the General System had an \$842,000 experience gain. The gain was primarily the result of higher than expected recognized investment return on the funding value of assets (10.8% recognized vs. 7.5% assumed). The investment gain was partially offset by normal retirement losses and lower than expected retiree mortality. In addition, the increase in the 10-year average payroll growth was 1.3% and caused an increase in the City's contribution rate of approximately 0.56% in compliance with Florida Statue 112.64(5). Additional experience information is reported on pages B-6, B-12, C-4, C-5 and C-6. The funded ratio increased from 82.0% to 85.0% from 2020 to 2021 on a funding value of assets basis and increased from 82.9% to 92.3% on a market value of assets basis.

Comment B: Since there were no administrative expenses reported during the year, we used the same contribution load as the prior valuation, 0.75%. There were no other changes to actuarial assumptions, methods, or benefit provisions during the year.

Looking Forward: Due to the Board's use of a four-year smoothed market asset valuation method, greater than expected market returns during 2018, 2020 and 2021 and lower than expected market returns during 2019 have been partially recognized in developing the funding value of assets as of September 30, 2021. The market value of assets currently exceeds the funding value of assets by \$5,525,574. If losses from investment returns or from other sources do not emerge, this will create downward pressure on contribution requirements and a coinciding upward pressure on the funded ratios in subsequent valuation years.

Risks to Future Employer Contribution Requirements: There are ongoing risks to future employer contribution requirements to which the Retirement System is exposed, such as:

- Actual and Assumed Investment Rate of Return
- Actual and Assumed Mortality Rates
- Amortization Policy
- F.S. 112.64(5) Compliance Regarding Payroll Growth
- F.S. 112.63(1)(f) Updated FRS Mortality Assumptions

Conclusion: It is the actuary's opinion that the required contribution rates determined by the most recent actuarial valuation are sufficient to meet the Retirement System's funding objective, presuming continued timely receipt of required contributions.

Other Observations

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Contributions and Funded Status

Given the System's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the Retirement System earning 7.50% on the Market Value of Assets), it is expected that:

1. The employer normal cost is sufficient to cover the cost of benefits accruing each year;
2. The Unfunded Actuarial Accrued Liabilities (UAAL) will continue to be fully amortized; and
3. The funded status of the Retirement System will continue to increase gradually towards a 100% funded ratio.

Limitations of Funded Status Measurements

Unless otherwise indicated, a funded status measurement presented in this report is based upon the Actuarial Accrued Liability (AAL) and the Funding Value of Assets (FVA). Unless otherwise indicated, with regard to any funded status measurements presented in this report:

1. The measurement is inappropriate for assessing the sufficiency of Retirement System assets to cover the estimated cost of settling the Retirement System's benefit obligations, for example: transferring the liability to an unrelated third party in a market value type transaction.
2. The measurement is dependent upon the Actuarial Cost Method which, in combination with the Retirement System's amortization policy, affects the timing and amounts of future contributions. The amounts of future contributions will most certainly differ from those assumed in this report due to future actual experience differing from assumed experience based upon the actuarial assumptions. A funded status measurement in this report of 100% is not synonymous with no required future contributions. Even though the funded status is over 100%, the Retirement System would still require future normal cost contributions (i.e., contributions to cover the cost of active membership accruing an additional year of service credit).
3. The measurement would produce a different result if the Market Value of Assets (MVA) were used instead of the FVA, unless the MVA is used in the measurement.

Limitations of Project Scope

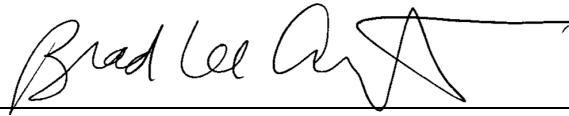
Actuarial standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entities to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.

Statement by Enrolled Actuary

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."

4/4/2022

Date



Brad Lee Armstrong, ASA, EA, FCA, MAAA [20-5614]

Risk Measures - Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

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

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

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

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

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

The computed contribution shown on page A-2 may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the Plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

Risk Measures

(\$ in Thousands)

Actuarial Valuation Date (9/30)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Payroll	(5) Funded Ratio (1) / (2)	(6) Retiree Liabilities (RetLiab)	(7) RetLiab / AAL (6)/(2)	(8) AAL / Payroll (2) / (4)	(9) Assets / Payroll (1) / (4)	(10) UAAL / Payroll (3) / (4)	(11) Non- Invest. Cash Flow (NICF)	(12) NICF / Assets (11)/(1)	(13) Market Rate of Return	(14) 5-year Trailing Average
2017 *	\$ 52,342	\$ 67,352	\$ 15,010	\$ 13,291	77.7%	\$ 39,655	58.9%	506.8%	393.8%	112.9%	\$ (2,193)	(4.2)%	12.1%	N/A
2018 *	54,189	69,364	15,174	12,761	78.1%	41,787	60.2%	543.5%	424.6%	118.9%	(1,887)	(3.5)%	9.2%	7.8%
2019 *	57,082	72,015	14,932	13,057	79.3%	41,713	57.9%	551.6%	437.2%	114.4%	(1,608)	(2.8)%	5.6%	6.9%
2020 *	59,926	73,088	13,162	13,674	82.0%	43,499	59.5%	534.5%	438.2%	96.3%	(2,134)	(3.6)%	10.0%	9.0%
2021	64,365	75,743	11,378	13,857	85.0%	46,469	61.4%	546.6%	464.5%	82.1%	(1,933)	(3.0)%	18.9%	11.1%

* Revised actuarial assumptions.

(5). The funded ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.

(6) and (7). The ratio of retiree liabilities to total accrued liabilities gives an indication of the maturity of the system. As the ratio increases, cash flow needs increase, and the liquidity needs of the portfolio change. A ratio on the order of 50% indicates a maturing system.

(8) and (9). The ratio of liabilities and assets to payroll gives an indication of both maturity and volatility. Many systems have ratios between 500% and 700%. Ratios significantly above that range may indicate difficulty in supporting the benefit level as a level % of payroll.

(10) The ratio of unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. A ratio above approximately 300% or 400% may indicate difficulty in discharging the unfunded liability within a reasonable time frame.

(11) and (12). The ratio of Non-Investment Cash Flow to assets is an important measure of sustainability. Negative ratios are common and expected for a maturing system. In the longer term, this ratio should be on the order of approximately (4)%. A ratio that is significantly more negative than that for an extended period could be a leading indicator of potential exhaustion of assets.

(13) and (14). Investment return is probably the largest single risk that most systems face. The year-by-year return and the five-year geometric average both give an indication of the reasonableness of the system's assumed return. Of course, past performance is not a guarantee of future results. Market rate shown is based on an actuarial estimation method and will differ modestly from figures reported by the investment consultant.

Experience Gain/(Loss) Year Ended October 1, 2021

DERIVATION

(1) UAAL* at start of year	\$ 13,162,020
(2) Normal cost for year (ER normal cost & expenses from the prior corresponding valuation x current valuation pay)	583,370
(3) Actual City contribution	2,443,559
(4) Interest accrual .0750 x [(1) + 1/2 [(2)-(3)]]	917,394
(5) Expected UAAL before changes	12,219,225
(6) Effect of timing/accounting	0
(7) Effect of assumption/cost method changes	0
(8) Effect of benefit changes	0
(9) Expected UAAL after changes	12,219,225
(10) Actual UAAL at end of year	11,377,593
(11) Gain/(loss): (9) - (10)	\$ 841,632
(12) % of AAL at start of year	1.2%

* UAAL represents Unfunded Actuarial Accrued Liability.

Valuation Date October 1	Actuarial Gain/(Loss) as a % of Beginning Accrued Liabilities
2012	(0.3) %
2013	1.1
2014	2.4
2015	2.9
2016	(0.9)
2017	(1.9)
2018	0.8
2019	1.2
2020	0.7
2021	1.2

Sources and Financing of Unfunded Actuarial Accrued Liability

Source of Unfunded Act. Accrued Liab.	Unf'd. Act. Acc. Liab.		Current Amount	Remaining	Amort. Factor	Contribution		FS112.64(5) Compliance
	Initial			Financing		% of		
	Amount	Fin. Per.		Period 9/30/2021			Dollar	
Initial Unfunded Actuarial Accrued Liability								
			\$ (652,400)	4 yrs.	3.642066	\$ (179,129)	(1.29)%	(0.03)%
Changes from experience deviations.								
9/30/2002	\$ 830,757	25	623,071	6	5.218850	119,389	0.86%	0.03%
9/30/2003	3,620,586	25	2,969,868	7	5.952674	498,913	3.60%	0.15%
9/30/2004	2,816,885	25	2,476,763	8	6.652368	372,313	2.69%	0.12%
9/30/2005	2,079,169	25	1,930,027	9	7.319519	263,682	1.90%	0.10%
9/30/2006	313,554	25	303,632	10	7.955639	38,166	0.28%	0.01%
9/30/2007	(818,787)	25	(818,916)	11	8.562173	(95,643)	(0.69)%	(0.04)%
9/30/2008	796,288	25	816,296	12	9.140496	89,305	0.64%	0.05%
9/30/2009	949,402	25	991,008	13	9.691920	102,251	0.74%	0.05%
9/30/2010	960,943	25	983,906	14	10.217697	96,294	0.69%	0.06%
9/30/2011	2,280,449	25	2,281,643	15	10.719020	212,859	1.54%	0.12%
9/30/2012	155,825	25	152,897	16	11.197025	13,655	0.10%	0.01%
9/30/2013	(602,138)	25	(586,857)	17	11.652798	(50,362)	(0.36)%	(0.04)%
9/30/2014	(1,365,869)	25	(1,338,672)	18	12.087373	(110,750)	(0.80)%	(0.08)%
9/30/2015	(1,659,101)	25	(1,658,148)	19	12.501734	(132,633)	(0.96)%	(0.09)%
9/30/2016	561,707	25	559,674	20	12.896824	43,396	0.31%	0.04%
9/30/2017	1,214,470	25	1,199,302	21	13.273537	90,353	0.65%	0.07%
9/30/2018	(562,039)	25	(554,775)	22	13.632729	(40,694)	(0.29)%	(0.04)%
9/30/2019	(851,937)	25	(840,409)	23	13.975214	(60,136)	(0.43)%	(0.05)%
9/30/2020	(498,719)	25	(493,566)	24	14.301770	(34,511)	(0.25)%	(0.03)%
9/30/2021	(841,632)	25	(841,632)	25	14.613138	(57,594)	(0.42)%	(0.05)%
Changes from actuarial assumption and actuarial cost method revisions.								
9/30/1995	\$ (203,286)	25 yrs.	\$ (81,150)	4 yrs.	3.642066	\$ (22,281)	(0.16)%	0.00%
9/30/2002	306,659	25	229,995	6	5.218850	44,070	0.32%	0.01%
9/30/2015	2,519,513	25	2,518,067	19	12.501734	201,417	1.45%	0.15%
9/30/2016	2,044,097	25	2,036,702	20	12.896824	157,923	1.14%	0.12%
9/30/2018	1,052,845	25	1,039,238	22	13.632729	76,231	0.55%	0.06%
9/30/2019	1,094,290	25	1,079,482	23	13.975214	77,243	0.56%	0.06%
9/30/2020	(568,095)	25	(562,225)	24	14.301770	(39,312)	(0.28)%	(0.05)%
Changes from amendments to benefit provisions.								
9/30/1997	\$ 814,818	25 yrs.	\$ 144,308	1 yrs.	0.976560	\$ 147,772	1.07%	0.00%
9/30/2000	226,722	25	129,682	4	3.642066	35,607	0.26%	0.00%
9/30/2013	(2,728,463)	25	(2,659,218)	17	11.652798	(228,204)	(1.65)%	(0.15)%
Totals			\$ 11,377,593			\$ 1,629,590	11.77%	0.56%

Weighted average remaining financing period: 15.3

Unfunded Actuarial Accrued Liability

	<u>October 1, 2021</u>	<u>October 1, 2020</u>
A. Actuarial present value of future benefits	\$86,398,088	\$83,523,526
B. Actuarial present value of future normal costs	<u>10,655,542</u>	<u>10,435,876</u>
C. Actuarial accrued liability	75,742,546	73,087,650
D. Funding value of assets	<u>64,364,953</u>	<u>59,925,630</u>
E. Unfunded actuarial accrued liability	<u>\$11,377,593</u>	<u>\$13,162,020</u>

Unfunded actuarial accrued liability is not a good measure of the System's funded status because the amount is dependent upon the actuarial cost method (please refer to page C-1). The funding progress indicators (2) and (3) on pages A-4 and A-5 are less dependent of the actuarial cost method and are a better guide to funded status and funding progress. The funded status and the funding progress indicators would be different if based on the market value of assets instead of the funding value of assets.

Recommended and Actual Contributions Comparative Statement

Fiscal Year	Valuation Date	City/Chapter Dollar Contributions#		Recommended City % of Payroll Contributions
		Recommended	Actual	
98/99	10/1/1997 (a)	\$ 200,563	\$ 200,562	2.56 %
99/00	10/1/1998	17,714	17,724	0.23
00/01	10/1/1999	0	87,641	0.00
01/02	10/1/2000 (a)	0	3	0.00
02/03	10/1/2001	0	22,268	0.00
03/04	10/1/2002 (a)	0	32,662	0.00
04/05	10/1/2003	82,709	82,709	0.52
05/06	10/1/2004	241,358	241,358	2.33
06/07	10/1/2005	389,150	389,150	3.40
07/08	10/1/2006	612,047	623,377	4.95
08/09	10/1/2007	612,416	612,416	4.90
09/10	10/1/2008	749,331	737,532	6.07
10/11	10/1/2009	971,717	971,717	7.79
11/12	10/1/2010	1,132,385	1,132,385	9.23
12/13	10/1/2011	1,490,902	1,490,902	12.19
13/14	10/1/2012 (a)	1,205,756	1,216,994	10.37
14/15	10/1/2013 (a)	1,387,165	1,387,165	12.12
15/16	10/1/2014	1,321,320	1,321,320	11.60
16/17	10/1/2015 (a)	1,591,545	1,591,545	13.50
17/18	10/1/2016 (a)	1,892,707	1,898,689	15.82
18/19	10/1/2017	2,097,788	2,100,105	15.21
19/20	10/1/2018 (a)	2,322,790	2,324,624	17.54
20/21	10/1/2019 (a)	2,442,960	2,443,559	18.03
21/22	10/1/2020 (a)	2,405,220		16.95
22/23	10/1/2021	2,248,973		15.64

(a) After changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

Prior to the fiscal year ending 9/30/99, results include General, Police and Fire.

Actuarial Balance Sheet - October 1, 2021

Present Resources and Expected Future Resources

A. Funding value of System assets:	
1. Net assets from System financial statements (market value)	\$69,890,527
2. Funding value adjustment	<u>(5,525,574)</u>
3. Funding value of assets	64,364,953
B. Actuarial present value of expected future employer contributions:	
1. For normal costs	2,941,391
2. For unfunded actuarial accrued liability	<u>11,377,593</u>
3. Totals	14,318,984
C. Actuarial present value of expected future member contributions	<u>7,714,151</u>
D. Total present and expected future resources	<u><u>\$86,398,088</u></u>

Actuarial Present Value of Expected Future Benefit Payments and Reserves

A. To retired members and beneficiaries	\$46,469,490
B. To vested terminated members	1,163,042
C. To present active members:	
1. Allocated to service rendered prior to valuation date	28,110,014
2. Allocated to service likely to be rendered after valuation date	<u>10,655,542</u>
3. Totals	38,765,556
D. Total actuarial present value of expected future benefit payments	86,398,088
E. All Reserves	0
F. Total actuarial present value of expected future payments and reserves	<u><u>\$86,398,088</u></u>

5-Year Projections of Funded Ratios and Future Employer Contributions

Year Ended 9/30	Active Count						Funded Ratio	Estimated City's Contributions		
		Payroll	Benefit Payments	Actuarial Liability	Actuarial Value of Assets			Fiscal Year	% of Payroll	Dollar Amount
2021	240	\$ 13,856,763	\$ 4,752,593	\$ 75,742,546	\$ 64,364,953		85.0%	2023	15.64%	\$ 2,248,972
2022	240	14,249,766	5,124,265	77,590,357	67,219,762		86.6%	2024	14.92%	2,206,289
2023	240	14,649,027	5,350,605	79,522,777	70,896,187		89.2%	2025	14.00%	2,128,250
2024	240	14,962,091	5,572,391	81,409,766	74,960,069		92.1%	2026	12.80%	1,987,413
2025	240	15,278,387	5,854,914	83,183,098	77,960,837		93.7%	2027	11.85%	1,878,805
2026	240	15,608,073	6,139,076	84,831,006	80,820,846		95.3%	2028	10.84%	1,755,757

Uses 2.5% wage growth assumption.

We have reflected compliance with F.S. 112.64(5) to remain constant with year ended 9/30/2021.

We have not determined any additional possible impact due to F.S. 112.64(5).

Future experience was assumed to be consistent with the actuarial assumptions. If experience differs from the actuarial assumptions, future results could be significantly different from the projected results above.

Existing schedule of unrecognized investment gains and losses are reflected in this projection.

SECTION B

SUMMARY OF BENEFIT PROVISIONS AND VALUATION DATA SUBMITTED BY THE RETIREMENT SYSTEM

Summary of Benefit Provisions (as of October 1, 2021)

Normal Retirement (no reduction factor for age):

Eligibility - 30 years of service regardless of age, or age 60 with 5 or more years of service for members with at least 10 years of service as of November 25, 2013. Age 55 with 30 or more years of service, or age 62 with 10 or more years of service for members with less than 10 years of service as of November 25, 2013.

Mandatory Retirement Age - None.

Pension Amount - Total credited service times 2.50% of final average compensation. Maximum pension is 75% of final average compensation or \$90,000, whichever is less.

The normal form of benefit is a benefit payable for the life of the retired member. Optional benefit forms are available on an actuarial equivalent basis. Assumptions used to calculate optional forms of payment are those in effect at the member's commencement date.

Final Average Compensation - Highest 5 years out of the last 10. Compensation includes base pay plus longevity. Compensation excludes overtime, shift differential, incentive pay, leave payouts and all other compensation.

Early Retirement:

Eligibility - After completion of 20 years of service, but before the member's earliest projected normal retirement date.

Pension Amount - Computed as regular retirement, but reduced to take into account earlier commencement of retirement income payments, as follows:

7.5% per year reduction for the first five years prior to Normal Retirement
5.5% per year reduction for all years in excess of five years prior to Normal Retirement

Deferred Retirement (vested benefit):

Eligibility - 5 or more years of service with benefit beginning at regular retirement age of 60 for members with at least 10 years of service as of November 25, 2013. The vesting requirement is 10 years of service for members with less than 5 years of service as of November 25, 2013. Members with less than 10 years of service as of November 25, 2013 may commence benefits beginning at age 55 with 30 or more years of service, age 62 with 10 or more years of service, or age 65 with 5 or more years of service.

Pension Amount - Computed as a normal retirement but based upon service and final average compensation at time of termination.



Summary of Benefit Provisions (Continued)

Duty Disability Retirement:

Eligibility - No age or service requirements.

Pension Amount - Computed as a normal retirement to regular retirement age. Minimum benefit is not less than 50% of final average compensation. At regular retirement age the participant has the option to have the benefit re-computed as a normal retirement with additional service credit granted from date of retirement to the later of normal retirement age or five years after date of disability. Minimum benefit is not less than 42% of final average compensation.

Non-Duty Disability Retirement:

Eligibility - 10 or more years of service.

Pension Amount - Computed as a normal retirement. Minimum benefit is not less than 25% of final average compensation.

Duty Death Before Retirement:

Eligibility - No age or service requirements.

Pension Amount - To spouse: 100% of the normal retirement benefit. Minimum benefit is not less than 35% of final average compensation.

Non-Duty Death Before Retirement:

Eligibility - 10 or more years of service.

Pension Amount - To spouse: 100% of the normal retirement benefit.

Member Contributions: 7.95% of pay effective November 30, 2013.

City Contributions: Actuarially determined amounts which together with member contributions and premium tax monies are sufficient to at least cover the requirements of the funding objective stated on page A-1.

Forfeiture of Retirement Benefits: Retirement benefits granted by the Retirement System are subject to forfeiture if an employee is convicted of an offense specified in Section 112.3173, Florida Statutes, pursuant to the procedures set forth in the cited statute.

Prior Service Purchases: A former member with credited service who wishes to return to city employment may restore the forfeited credited service to receive credit for prior service within ninety (90) days after return to city employment.



Summary of Benefit Provisions (Concluded)

Backwards Deferred Retirement Option Program (BackDROP):

Eligibility – Same as normal retirement. Member must not be participating in the DROP on November 25, 2013 and must continue employment beyond the normal retirement date. The member may elect a BackDROP period for the number of months worked beyond their normal retirement date, up to a maximum of 36 months.

Amount of Pension – Computed as if the member had chosen to terminate on a day chosen by the member but not before the member's normal retirement date, using credited service and final average salary at the BackDROP date. In addition to the pension, there will be a lump sum payment equal to the pension benefits the member would have received had he/she retired on the BackDROP date with interest at the rate of 3.0% per year.

Claims Procedure: Claims for benefits should be filed with the Human Resources Department. If a claim is denied, you will be notified and informed of the procedure to request a hearing before the Board of Trustees. An applicant for benefits must appeal said denial within 20 days of being informed of the denial by filing an appeal with the Board Secretary. If no appeal is filed within the time period then the denial shall be final.

Disclaimer: The preceding summary briefly describes the principle benefits of the Retirement System. Detailed benefit conditions and limitations are contained in the City of Jacksonville Beach General Employees' Retirement System Ordinance as amended, which establishes the System. The Internal Revenue Code, Florida Statutes, and the Ordinance all govern the operation of the System, and should be consulted before you take any action concerning your membership or benefits. In case of any conflict between this Summary and the Ordinance or other applicable law, the Ordinance or other applicable law will prevail. Copies of the Ordinance are available at the office of the City Clerk.

Accounting Information Submitted for Valuation

Revenues and Expenditures

	Year Ended September 30, 2021	Year Ended September 30, 2020
Revenues:		
a. Member contributions	\$ 1,147,477	\$ 1,110,267
b. City contributions	<u>2,443,559</u>	<u>2,324,624</u>
c. Total contributions to System	\$ 3,591,036	\$3,434,891
d. Investment income		
1. Interest and dividends	1,474,070	1,437,393
2. Realized gain on investments	3,454,839	1,285,267
3. Unrealized gain on investments	6,435,857	2,990,561
4. Investment expense	<u>(118,963)</u>	<u>(103,182)</u>
e. Total investment income	<u>11,245,803</u>	<u>5,610,039</u>
f. Total revenues	<u>\$14,836,839</u>	<u>\$9,044,930</u>
Expenditures:		
a. Refunds of member contributions	101,416	557,035
b. Benefits paid	5,422,910	4,908,805
c. Administrative expenses	<u>0</u>	<u>102,704</u>
d. Total expenditures	<u>5,524,326</u>	<u>5,568,544</u>
Reserve Increase:		
Total revenues minus total expenditures	\$ 9,312,513	\$3,476,386
Adjustment - Prior Period		

Summary of Assets (Market Value)

	September 30, 2021	September 30, 2020
Cash and equivalents	\$ 3,528,525	\$ 1,045,476
Receivables less payables	(49,166)	68,007
Certificates of deposit & savings	none	none
U.S. Government Securities	11,690,252	10,095,752
Bonds: - government	none	none
- corporate	3,942,932	6,180,873
Stocks: - common	none	none
- preferred	none	none
Real Estate Fund	3,410,511	3,061,585
Other (Equity, Mutual Funds)	<u>47,367,473</u>	<u>40,126,321</u>
Total Assets	<u>\$ 69,890,527</u>	<u>\$ 60,578,014</u>

Derivation of Funding Value of Retirement System Assets

	2019	2020	2021	2022	2023	2024
<u>Beginning of Year Values</u>						
(1) Market Value	\$55,646,916	\$57,101,628	\$60,578,014			
(2) Funding Value	54,189,183	57,082,442	59,925,630			
<u>End of Year</u>						
(3) Market Value	57,101,628	60,578,014	69,890,527			
(4) Net Addition to Assets	(1,607,614)	(2,133,653)	(1,933,290)			
Excluding Investment Income#						
(5) Total Net Investment Income#	3,062,326	5,610,039	11,245,803			
= (3) - (1) - (4)						
(6) Projected Net Rate of Return#	7.75%	7.60%	7.50%			
(7) Projected Investment Income	4,137,367	4,257,187	4,421,924			
= (6) x [(2) + 0.5 x (4)]						
(8) Investment Income in Excess of Projected	(1,075,041)	1,352,852	6,823,879			
<u>Excess Investment Income Recognized</u>						
(9a) From Current Year = .25 x (8)	(268,760)	338,213	1,705,970			
(9b) From One Year Prior	175,266	(268,760)	338,213	\$1,705,970		
(9c) From Two Years Prior	474,935	175,266	(268,760)	338,213	\$1,705,970	
(9d) From Three Years Prior	(17,935)	474,935	175,266	(268,761)	338,213	\$1,705,969
(9e) Total Cap. Val. Change Recogn.	363,506	719,654	1,950,689	1,775,422	2,044,183	1,705,969
= (9a) + (9b) + (9c) + (9d)						
(10) Increase(Decr.) in Funding Value	2,893,259	2,843,188	4,439,323			
= (4) + (7) + (9e)						
<u>End of Year</u>						
(11) Market Value	57,101,628	60,578,014	69,890,527			
(12) Funding Value = (2) + (10)	57,082,442	59,925,630	64,364,953			
(13) Market Value Rate of Return	5.6%	10.0%	18.9%			
(14) Funding Value Rate of Return	8.4%	8.9%	10.8%			
(15) Ratio of Market to Funding Value	100.0%	101.1%	108.6%			

Net of expenses paid from investment income.



Retired Member and Beneficiary Data Historical Schedule

Year Ended	Added		Removed		Net Increase		End of Year		Expected Removals	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Pensions
9/30/1975			3	\$ 5,238	(3)	\$ (5,238)	38	\$ 96,998		
9/30/1980	4	\$ 12,535	2	6,322	2	6,213	43	126,043		
9/30/1985	6	38,897	3	9,338	3	29,559	54	206,265	1.7	\$ 4,085
9/30/1990	6	63,868	5	14,043	1	49,825	63	346,855	1.9	6,447
9/30/1995	8	184,693	6	24,617	2	160,076	85	1,015,250	2.3	14,657
9/30/1997	5	65,068	4	22,208	1	42,860	93	1,272,018	2	16,685
9/30/1998							76	800,890		
9/30/1999 #	10	172,208	1	6,329	9	165,878	85	966,768	2.2	14,706
9/30/2000	10	136,587	7	59,619	3	76,968	88	1,043,736	2.4	18,374
9/30/2001	4	24,217	2	11,788	2	12,429	90	1,056,165	2.4	19,964
9/30/2002	11	151,501	3	10,618	8	140,883	98	1,197,048	2.7	21,848
9/30/2003	8	172,085	1	10,667	7	161,418	105	1,358,466	2.7	24,633
9/30/2004	11	134,489	3	15,936	8	118,553	113	1,477,019	3	27,076
9/30/2005	6	49,379	5	62,667	1	(13,288)	114	1,463,731	2.9	29,309
9/30/2006	10	202,781	5	22,299	5	180,482	119	1,644,213	3.1	31,396
9/30/2007	14	322,021	5	65,654	9	256,367	128	1,900,580	3.2	34,413
9/30/2008	10	298,652	8	44,625	2	254,027	130	2,154,607	3.6	39,721
9/30/2009	9	195,633	4	63,680	5	131,953	135	2,286,560	3.7	43,533
9/30/2010	10	184,355	3	64,710	7	119,645	142	2,406,205	3.9	47,327
9/30/2011	16	363,208	7	119,896	9	243,312	151	2,649,517	4.3	51,034
9/30/2012	13	435,110	4	39,274	9	395,836	160	3,045,353	4.6	54,980
9/30/2013	13	323,154	3	15,400	10	307,754	170	3,353,107	4.9	62,669
9/30/2014	19	484,768	11	263,155	8	221,613	178	3,574,720	5.3	70,395
9/30/2015	9	181,304	5	68,058	4	113,246	182	3,687,966	5.7	76,746
9/30/2016	10	304,651	5	79,399	5	225,252	187	3,913,218	5.9	80,101
9/30/2017	9	181,804	7	69,064	2	112,740	189	4,025,958	5.7	78,887
9/30/2018	10	322,298	7	106,475	3	215,824	192	4,241,782	5.4	80,605
9/30/2019	6	92,582	6	99,879	0	(7,297)	192	4,234,485	5.5	86,398
9/30/2020	14	341,374	13	153,134	1	188,239	193	4,422,724	5.9	90,664
9/30/2021	11	397,067	5	67,198	6	329,869	199	4,752,593	5.8	93,156
Expected for 9/30/2022	-----								6.0	101,543

Prior to 1999 valuation, numbers include General, Police and Fire.



Normal (Age and Service) Retirements*

Valuation Year	No.	Average			Newly Retired During Year			
		Attained Age	Retirement Age	Annual Pensions	Averages			
					No.	Retirement Age	Service	Annual Pensions
2007	100	68.6 yrs.	60.1 yrs.	\$ 15,822	12	59.6 yrs.	19.2 yrs.	\$ 23,639
2008	104	68.8	59.7	17,352	9	61.0	22.9	30,855
2009	109	69.1	60.4	17,871	4	55.8	23.9	36,241
2010	113	69.4	60.5	17,861	7	62.1	18.7	19,289
2011	120	69.1	60.3	18,762	13	60.8	20.4	26,434
2012	131	69.1	60.2	20,282	13	60.0	24.5	33,470
2013	143	69.2	60.1	21,008	13	59.1	19	24,858
2014	144	69.3	60.0	21,460	11	64.2	17.4	30,863
2015	148	69.7	60.1	21,767	8	59.6	18.8	22,159
2016	153	70.1	60.1	21,776	8	61.4	21.3	29,172
2017	155	70.0	59.9	22,266	8	59.3	19.1	20,232
2018	156	70.2	59.8	23,150	7	61.1	20.9	34,139
2019	155	71.1	59.8	23,102	3	62.9	14.2	17,613
2020	157	70.7	59.8	24,039	12	61.7	20.3	26,134
2021	162	70.9	59.9	25,012	9	63.1	21.4	36,642

* Includes DROP members in years prior to 2018.

Retired Members and Beneficiaries

Historical Comparison

Valuation Date	% Incr. in	No. of Active Per Retired	Pension	Average Pension
	Annual Pensions		Payroll as % of Active Payroll	
10/1/2007	15.6	2.0	16.2	\$ 14,848
10/1/2008	13.4	1.8	18.6	16,574
10/1/2009	6.1	1.8	19.6	16,937
10/1/2010	5.2	1.6	21.0	16,945
10/1/2011	10.1	1.5	23.1	17,546
10/1/2012	14.9	1.3	28.0	19,033
10/1/2013	10.1	1.3	31.3	19,724
10/1/2014	6.6	1.2	33.5	20,083
10/1/2015	3.2	1.3	32.9	20,264
10/1/2016	6.1	1.2	33.9	20,926
10/1/2017	2.9	1.3	30.3	21,301
10/1/2018	5.4	1.2	32.5	22,093
10/1/2019	(0.2)	1.2	32.4	22,055
10/1/2020	4.4	1.2	32.3	22,916
10/1/2021	7.5	1.2	34.3	23,882



Retired Members and Beneficiaries as of October 1, 2021

by Type of Pension Being Paid*

New Plan Pensions

Type of Pension Being Paid	No.	Annual Pension	Average Pension	Actuarial Liability
<i>Age and Service Pensions</i>				
Regular	87	\$2,154,352	\$24,763	\$ 19,991,873
Option I	14	285,092	20,364	2,589,067
Option II	37	922,795	24,940	10,538,281
Option III	23	678,735	29,510	7,122,838
Total Age and Service Pensions	161	4,040,974	25,099	40,242,059
<i>Survivor Pensions</i>				
Surviving Beneficiaries	24	409,613	17,067	3,417,396
Death-in-Service	6	140,806	23,468	1,357,848
Total Survivor Pensions	30	550,419	18,347	4,775,244
<i>Disability Pensions</i>				
Regular	3	62,829	20,943	493,350
Option I	0	0	0	0
Option II	3	64,977	21,659	754,897
Option III	1	22,402	22,402	181,338
Total Disability Pensions	7	150,208	21,458	1,429,585
Total New Plan Pensions	198	\$4,741,601	\$23,947	\$46,446,888

* Regular - benefit terminating upon death of retired member.

Option I - 10-year certain.

Option II - 100% joint and survivor benefit.

Option III - 50%/67%/75% joint and survivor benefit.

Surviving Beneficiaries - benefit terminating upon death of beneficiary.

Retired Members and Beneficiaries as of October 1, 2021 by Type of Pension Being Paid*

Old Plan Pensions

Type of Pension Being Paid	No.	Annual Pension	Average Pension	Actuarial Liability
<i>Age and Service Pensions</i>				
Regular	1	\$ 10,992	\$ 10,992	\$ 22,602
Total Age and Service Pensions	1	10,992	10,992	22,602
Total New Plan Pensions	1	\$ 10,992	\$ 10,992	\$ 22,602
Total New & Old Plan	199	\$4,752,593	\$23,882	\$46,469,490

* Regular - benefit terminating upon death of retired member.

Automatic Spouse Benefit - 75% joint and survivor benefit.

Surviving Beneficiaries - benefit terminating upon death of beneficiary.

Retired Member and Beneficiary Data as of October 1, 2021 by Attained Ages

Attained Ages	New Plan		Old Plan		Totals	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
45	1	\$ 20,348			1	\$ 20,348
47	1	15,483			1	15,483
51	2	21,329			2	21,329
54	1	18,238			1	18,238
55	1	65,706			1	65,706
56	3	43,928			3	43,928
57	1	49,829			1	49,829
58	5	159,207			5	159,207
59	3	98,899			3	98,899
60	4	145,901			4	145,901
61	5	149,258			5	149,258
62	5	211,101			5	211,101
63	13	376,650			13	376,650
64	9	320,974			9	320,974
65	11	262,537			11	262,537
66	9	241,045			9	241,045
67	15	517,405			15	517,405
68	7	178,762			7	178,762
69	13	418,350			13	418,350
70	5	97,529			5	97,529
71	8	132,842			8	132,842
72	3	50,883			3	50,883
73	8	241,916			8	241,916
74	10	202,181			10	202,181
75	3	53,629			3	53,629
76	1	1,633			1	1,633
77	7	104,440			7	104,440
78	9	126,675			9	126,675
79	4	55,747			4	55,747
80	2	41,642			2	41,642
81	2	33,297			2	33,297
82	6	69,541			6	69,541
83	1	12,036			1	12,036
84	4	45,331			4	45,331
85	3	44,772			3	44,772
86						
87	2	18,075			2	18,075
88	2	16,737			2	16,737
89	3	26,976			3	26,976
90	1	8,466			1	8,466
91	5	42,303			5	42,303
101			1	\$10,992	1	10,992
Totals	198	\$4,741,601	1	\$10,992	199	\$4,752,593

Vested Terminated Members as of October 1, 2021 by Attained Ages

Attained Ages	No.	Annual Benefits
30 - 34	1	\$ 12,756
38	1	15,573
41	1	13,546
46	1	11,774
50	1	16,356
52	1	7,327
53	1	37,774
55	1	17,401
59	1	12,705
60	1	12,640
61	1	14,723
Totals	11	\$172,575

Active and Vested Terminated Members (Excluding DROP Members)

Valuation Date	Active Members	Vested Terminated Members	Valuation Payroll	Average		
				Age	Service	Pay
10/1/2012	214	16	\$ 10,884,445	47.0 yrs.	11.2 yrs.	\$50,862
10/1/2013	213	16	10,713,988	47.2	11.1	50,300
10/1/2014	218	16	10,662,900	46.6	10.3	48,912
10/1/2015	233	13	11,196,298	46.1	9.8	48,053
10/1/2016	231	13	11,528,990	46.6	9.9	49,909
10/1/2017	249	11	13,290,665	46.3	9.3	53,376
10/1/2018	240 *	10	12,761,296 *	46.0	9.8	53,172
10/1/2019	238 *	11	13,056,744 *	46.9	10.2	54,860
10/1/2020	238 *	11	13,674,121 *	46.5	9.4	57,454
10/1/2021	240 *	11	13,856,763	45.6	9.3	57,737

* Beginning In 2018 there were 0 DROP members.

Number Added to and Removed from Active Membership

Year Ended September 30	Number Added During Year		Terminations During Year										Active Members End of Year
	A	E	Normal Retirement		Disability Retirement		Died-in- Service		Withdrawal				
			A	E	A	E	A	E	Vested	Other	Total		
	A	E	A	E	A	E	A	E	A	A	A	E	
2012	19	24	13	10.6	0	0.3	0	0.3	5	6	11	14.1	214
2013	15	16	11	9.5	0	0.3	0	0.2	1	4	5	14.5	213
2014	35	30	11	9.5	1	0.3	0	0.3	2	16	18	14.2	218
2015	35	20	5	7.1	0	0.3	0	0.2	1	14	15	19.9	233
2016	30	32	6	9.7	0	0.3	1	0.2	2	23	25	23.8	231
2017	38	20	6	7.2	0	0.3	0	0.4	1	13	14	21.7	249
2018	19	28	6	6.7	0	0.3	0	0.4	0	22	22	25.3	240
2019	26	28	2	7.5	0	0.3	0	0.4	2	24	26	21.2	238
2020	35	35	10	7.3	0	0.3	0	0.4	2	23	25	19.9	238
2021	31	29	6	9.3	0	0.3	1	0.3	3	19	22	22.5	240
5-yr. Totals													
2017 - 2021	149	140	30	38	0	1.5	1	1.9	8	101	109	111	
Expected for 2022				8.4		0.3		0.3				23.1	

A Represents actual number.

E Represents expected number.



Active Members as of October 1, 2021 by Near Age and Years of Service

Near Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
15-19	1							1	\$ 42,120
20-24	12							12	503,075
25-29	13							13	537,498
30-34	19	10						29	1,266,303
35-39	12	6	6	4	1			29	1,650,224
40-44	14	11	3	2	2			32	1,966,537
45-49	12	2	1	2	3			20	1,228,328
50-54	10	4	2	4	2	4	1	27	1,821,521
55-59	7	6	5	14	2	5	4	43	2,764,527
60	2	4	1	2	1	1		11	687,850
61	1	1		1		1	1	5	300,793
62	3	1	1		1		2	8	503,832
63	1	1						2	118,442
65		1	1				1	3	188,233
66		1				1		2	98,479
68	1							1	47,405
70		1	1					2	131,596
Totals	108	49	21	29	12	12	9	240	\$ 13,856,763

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 45.6 years
Service: 9.3 years
Annual Pay: \$57,737

SECTION C

ACTUARIAL COST METHOD, ACTUARIAL ASSUMPTIONS, AND DEFINITIONS OF TECHNICAL TERMS

Actuarial Cost Method

The actuarial cost method is a procedure for allocating the actuarial present value of benefits and expenses to time periods. The method used for your valuation is known as the individual entry-age actuarial cost method, and has the following characteristics:

- (i) The annual normal costs for each individual active member is sufficient to accumulate the value of the member's pension at time of retirement.
- (ii) Each annual normal cost is a constant percentage of the member's year-by-year projected pensionable compensation.

The entry-age actuarial cost method allocates the actuarial present value of each member's projected benefits on a level basis over the member's pensionable compensation between the entry age of the member and the estimated active status exit ages. This was based on our understanding of the approach preferred by the Florida Division of Retirement.

The portion of the actuarial present value allocated to the valuation year is called the normal cost. The portion of the actuarial present value not provided for by the actuarial present value of future normal costs is called the actuarial accrued liability. Deducting accrued assets from the actuarial accrued liability determines the unfunded actuarial accrued liability. The unfunded actuarial accrued liability was financed as a level percent of member payroll. Please refer to page A-12 for a schedule of financing periods.

The characteristics of this method of financing the unfunded actuarial accrued liability are shown on page C-2.

The sum of active member payroll was assumed to increase 2.5% a year for the purpose of determining the level percent contributions, except to the extent needed for FS 112.64(5) compliance. This assumption is consistent with the base rate of increase in salaries used to calculate actuarial present values.

Level Percent of Active Participant Payroll Amortization of Unfunded Actuarial Accrued Liability (Amortization Schedule \$ Amounts in Thousands)

Year Ended September 30	Payroll		Unfunded		Contribution	
	Inflated Dollars	Constant Value	Inflated Dollars	Constant Value	Inflated Dollars	Constant Value
2021	\$13,857	\$13,857	\$ 11,378	\$ 11,378	\$ 1,630	\$ 1,630
2022	14,203	13,857	10,520	10,264	1,519	1,482
2023	14,558	13,857	9,715	9,247	1,557	1,482
2024	14,922	13,857	8,809	8,180	1,596	1,482
2025	15,295	13,857	7,794	7,061	1,819	1,648
2030	17,305	13,857	2,015	1,614	436	349
2035	19,579	13,857	322	228	168	119
2040	22,152	13,857	(157)	(98)	340	213
2044	24,452	13,857	(321)	(182)	(232)	(131)
2045	25,063	13,857	(102)	(56)	(104)	(58)
2046	13,519	13,857	0	0	0	0
\$ (841,632) over 25 years			\$ 983,906 over 14 years			
(1,055,791) over 24 years			991,008 over 13 years			
239,073 over 23 years			816,296 over 12 years			
484,463 over 22 years			(818,916) over 11 years			
1,199,302 over 21 years			303,632 over 10 years			
2,596,376 over 20 years			1,930,027 over 9 years			
859,919 over 19 years			2,476,763 over 8 years			
(1,338,672) over 18 years			2,969,868 over 7 years			
(3,246,075) over 17 years			853,066 over 6 years			
152,897 over 16 years			(603,868) over 4 years			
2,281,643 over 15 years			144,308 over 1 years			
			\$11,377,593			

Level percent-of-payroll financing of unfunded actuarial accrued liability treats each generation of taxpayers equally during the financing period. The alternative, level dollar financing, produces declining percent-of-payroll contributions and places a greater relative burden on current taxpayers.

The annual rate of increase in participant payroll used to compute the level percent-of-payroll contribution is the same rate of payroll growth used to compute actuarial liability and costs. It reflects across-the-board salary increases, not group size increases.

If future payroll growth is less than the assumed rate due to smaller than projected salary increases, the percent-of-payroll contribution rate for unfunded actuarial accrued liability will tend to decline.

If future payroll growth is less than the assumed rate due to decreases in the number of participants, the percent-of-payroll contribution rate for unfunded actuarial accrued liability will tend to increase but dollar contributions will be less than indicated in the preceding schedule.

Actuarial Assumptions Used for the Valuation

Funding objective contribution requirements and actuarial present values are calculated by applying estimates of future plan activities (actuarial assumptions) to the benefit provisions and people information of the system, using the actuarial cost method described on page C-1. All actuarial assumptions used in this report are estimates of future experience.

The principal areas of risk which require estimates of future plan activities are:

- (i) Long-term rates of investment return to be generated by the assets of the system
- (ii) Patterns of pay increases to active members
- (iii) Rates of mortality among active members, retired members and beneficiaries
- (iv) Rates of withdrawal of active members
- (v) Rates of disability among active members
- (vi) The age patterns of actual retirements

In making a valuation, the monetary effect of each activity is calculated for as long as a present covered person survives - - a period of time which can be as long as a century.

Actual activities of the System will not coincide exactly with estimated activities, due to their nature. Each valuation provides a complete recalculation of estimated future activities and takes into account the effect of differences between estimated and actual activity to date. The result is a continual series of adjustments (usually small) to the computed contribution rate. From time-to-time one or more of the assumptions are modified to reflect experience trends (but not random or temporary year-to-year fluctuations).

The actuarial assumptions are adopted by the Board of Trustees after consultation with the actuary. In general, the actuarial assumptions were based on the System's experience, as well as experience of plans similar in nature where the System's experience was insufficient. In addition, the mortality tables also reflect actual trends. The reasonableness of the economic assumptions was based upon capital market expectations provided by various investment consultants and other sources such as the Social Security Trustees report. All actuarial assumptions are based on future expectations, not market measures.

The actuarial assumptions regarding the INFLATION rate, the SALARY INCREASE rates, and REAL INVESTMENT RETURN were effective October 1, 2020. These actuarial assumptions are used, in combination with the other actuarial assumptions, to (i) determine the present value of amounts expected to be paid in the future and (ii) establish rates of contribution which are expected to remain relatively level as a percent of covered payroll.

PRICE INFLATION. 2.5% per annum, compounded annually. This is the rate at which growth in the supply of money and credit is estimated to exceed growth in the supply of goods and services. It may be thought of as the rate of depreciation of the purchasing power of the dollar. There are a number of indices for measuring the inflation rate. The recent inflation rate, as measured by the Consumer Price Index, has been:

	Year Ended September 30					Average	
	2021	2020	2019	2018	2017	3-Year	5-Year
Actual	5.4%	1.4%	1.7%	2.3%	2.2%	2.8%	2.6%
Assumed	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

REAL INVESTMENT RETURN. 5.00% per annum, compounded annually. This is the rate of return estimated to be produced by investing a pool of assets in an inflation-free environment. Recent real investment return for the Retirement System has been:

	Year Ended September 30					Average	
	2021	2020	2019	2018	2017	3-Year	5-Year
Net Rate	10.8%	8.9%	8.4%	7.3%	7.5%	9.3%	8.6%
Less Inflation Rate	<u>5.4%</u>	<u>1.4%</u>	<u>1.7%</u>	<u>2.3%</u>	<u>2.2%</u>	<u>2.8%</u>	<u>2.6%</u>
Net Real Rate	5.4%	7.5%	6.7%	5.0%	5.2%	6.5%	6.0%
Target Real Rate	5.0%	5.1%	5.3%	5.4%	5.4%	5.1%	5.2%

The total investment return rate was computed using the approximate formula $i = I \text{ divided by } 1/2 (A + B - I)$, where I is actual realized investment income plus market value adjustments, A is the beginning of year funding asset value and B is the end of year funding value of assets.

The preceding investment return rates reflect the particular characteristics of this Retirement System and should not be used to measure an investment advisor's performance or for comparison with other retirement systems. Such use will usually mislead.

SALARY INCREASES. Employee salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation-related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel.

A schedule of estimated rates of increases in individual salaries for sample ages follows:

Attributable to:	Annual Rates for Salary Increase for Sample Ages				
	20	30	40	50	60
Merit & Seniority	3.8%	2.7%	2.1%	1.1%	0.2%
General Increase in Wage Level Due to:					
Price Inflation	2.5	2.5	2.5	2.5	2.5
Other Factors	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	6.3%	5.2%	4.6%	3.6%	2.7%

The valuation is based on a constant group size and total payroll increasing at the rate of the general increase in wage levels due to inflation and other causes, which in this case is 2.5% a year.

A schedule of recent salary change experience, as measured by average reported pay, follows:

	Year Ended September 30					Average		
	2021	2020	2019	2018	2017	3-Year	5-Year	10-Year
% Change:								
Actual ⁽¹⁾	4.2%	9.8%	4.4%	(0.3)%	10.1%	6.1%	5.6%	4.2%
Assumed	3.8%	3.8%	3.8%	3.9%	3.8%	3.8%	3.8%	4.6%
% Change in Total Payroll ⁽²⁾	1.3%	4.7%	2.3%	(4.0)%	13.2%	2.8%	3.4%	1.3%

(1) Excluding terminations and new members.

(2) Including pays of members electing DROP participation but still working at the time of the respective valuation.

In order to achieve the funding objective of a contribution rate which remains level as a percent-of-payroll, the total rate of investment return must exceed the rate of average increase in salaries by an amount equal to the estimated real investment return rate. The following schedule illustrates the recent history of the relationship between total investment return and average pay changes.

	Year Ended September 30					Average	
	2021	2020	2019	2018	2017	3-Year	5-Year
Net Investment Return Rate	10.8%	8.9%	8.4%	7.3%	7.5%	9.3%	8.6%
Rate of Change in Average Pay	4.2%	9.8%	4.4%	(0.3)%	10.1%	6.0%	5.6%
Difference: Actual	6.6%	(0.9)%	4.0%	7.6%	(2.6)%	3.2%	2.9%
Target	5.0%	5.1%	5.3%	5.4%	5.4%	5.1%	5.2%

MORTALITY TABLE. The mortality tables used to measure retired life mortality were the Florida Retirement System (FRS) Mortality Tables, as described below:

- Male non-disabled pre-retirement mortality: fully generational mortality. PUB-2010 Headcount Weighted General Below Median Employee Male Table, set back 1 year, projected with scale MP-2018.
- Female non-disabled pre-retirement mortality: fully generational mortality. PUB-2010 Headcount Weighted General Below Median Employee Female Table, projected with scale MP-2018.
- Male non-disabled post-retirement mortality: fully generational mortality. PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male Table, set back 1 year, projected with scale MP-2018.
- Female non-disabled post-retirement mortality: fully generational mortality. PUB-2010 Headcount Weighted General Below Median Healthy Retiree Female Table, projected with scale MP-2018.
- Male disabled mortality: PUB-2010 Headcount Weighted General Disabled Retiree Male Table, set forward 3 years.
- Female disabled mortality: PUB-2010 Headcount Weighted General Disabled Retiree Female Table, set forward 3 years.

Sample values follow:

PUB-2010 Fully Generational Mortality Tables				
Sample Ages in 2021	Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Men	Women	Men	Women
50	\$140.42	\$146.47	33.10	36.91
55	134.26	142.30	28.73	32.46
60	127.43	136.04	24.64	27.92
65	118.36	127.04	20.58	23.35
70	106.15	114.98	16.58	18.87
75	91.61	100.19	12.87	14.69
80	75.52	83.21	9.59	10.93

Applicable to calendar year 2021. Values for future years are determined using the MP-2018 projection scale. The above values are for healthy participants.

The margin for future mortality improvements is included in the projection scales. 25% of pre-retirement deaths were assumed to be duty related.

RATES OF WITHDRAWAL FROM ACTIVE MEMBERSHIP. The rates do not apply to members eligible to retire and do not include separation on account of death or disability. This assumption measures the probabilities of members remaining in employment.

Sample Ages	Years of Service	% of Active Members Separating During Next Year
ALL	0	37.00%
	1	23.50%
	2	14.10%
	3	9.40%
	4	6.58%
25	5 & Over	11.01%
30		8.90%
35		6.15%
40		4.23%
45		2.98%
50		2.22%
55		1.78%
60		1.50%

These rates were first used for the October 1, 2002.

RATES OF DISABILITY. These rates represent the probabilities of active members becoming disabled.

Sample Ages	% of Active Members Becoming Disabled During Next Year
20	0.0004
25	0.0004
30	0.0004
35	0.0008
40	0.0012
45	0.0016
50	0.0023
55	0.0042
60	0.0061
65	0.0077

The mortality table was set forward ten years from the age at disability for projecting disability costs, of which 25% were assumed to be duty related.

These rates were first used for the October 1, 1995 valuation.



RATES OF RETIREMENT. These rates are used to measure the probabilities of an eligible member retiring during the next year.

Retirement Ages	Age Based		Yrs. of Service	Service Based	Early Retirement Ages	Early Retirement Rates
	With 10 Years of Service at 11/25/2013	With Less Than 10 Years of Service at 11/25/2013				
55		75%	30	75%	45	5%
56		75%	31	30%	46	5%
57		75%	32	30%	47	5%
58		75%	33	30%	48	5%
59		75%	34	30%	49	5%
60	40%	75%	35	30%	50	5%
61	10%	75%	36	30%	51	5%
62	20%	40%	37	30%	52	5%
63	20%	20%	38	30%	53	5%
64	20%	20%	39	30%	54	5%
65	20%	20%	40	100%	55-59	5%
66	20%	20%				
67	25%	25%				
68	25%	25%				
69	25%	25%				
70	100%	100%				

A General member with at least 10 years of service at November 25, 2013 is eligible for normal retirement after 30 years of service or after attaining age 60 with 5 years of service. Members with less than 10 years of service at November 25, 2013 are eligible for normal retirement at age 55 with 30 years of service or age 62 with 10 years of service.

A General member is eligible for early retirement after 20 years of service.

These rates were first used for the October 1, 2013 valuation.

ADMINISTRATIVE EXPENSES. Administrative expenses are projected to continue at the same percent-of-payroll as experienced during the preceding fiscal year.

INVESTMENT EXPENSES. Investment expenses are offset against gross investment income.

ACTIVE MEMBER GROUP SIZE. The valuation was based on a constant active member group size. This is unchanged from previous valuations.

VESTED MEMBERS who terminate with a benefit worth less than 100% of their own accumulated contributions were assumed to forfeit their vested benefit.

COMPENSATION reported for the actuarial valuation includes all amounts included in final average compensation for benefit purposes.



Summary of Assumptions Used September 30, 2021

Pensions in an Inflationary Environment

Value of \$1,000/month Retirement Benefit to an Individual Who Retires at Age 60 in an Environment of 2.5% Inflation

Age	Value
60	\$1,000
61	976
62	952
63	929
64	906
65	884
70	780
75	689
80	609
85	539
90	476
95	420

The life expectancy of a 60-year-old male retiree is age 85. The life expectancy for a 60-year-old female retiree is age 88. Half of the people will outlive their life expectancy. The effects of even moderate amounts of inflation can be significant for those who live to an advanced age.

Summary of Assumptions Used

Miscellaneous and Technical Assumptions

Marriage Assumption. 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits.

Pay Increase Timing. Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

Decrement Timing. Decrements of all types are assumed to occur mid-year.

Eligibility Testing. Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

Benefit Service. Exact fractional service is used to determine the amount of benefit payable.

Decrement Relativity. Decrement rates are used without adjustment for multiple decrement table effects.

Decrement Operation. Disability and mortality decrements do not operate during the first five years of service. Disability and withdrawal do not operate during retirement eligibility.

Normal Form of Benefit. The assumed normal form of benefit is the straight life form. Optional benefit forms are available on an actuarial equivalent basis.

Incidence of Contributions. Contributions are assumed to be received continuously throughout the year based upon the computed percent-of-payroll shown in this report, and the actual payroll payable at the time contributions are made. New entrant normal cost contributions are applied to the funding of new entrant benefits.

Definitions of Technical Terms

Accrued Service. Service credited under the system which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability. The difference between the actuarial present value of future benefit payments and the actuarial present value of future normal costs. Also referred to as "accrued liability" or "past service liability."

Actuarial Assumptions. Estimates of expected future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement estimates (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic estimates (salary increases and investment income) consist of the underlying rates in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future benefit payments" between future normal costs and actuarial accrued liabilities. Sometimes referred to as the "actuarial valuation cost method."

Actuarial Equivalent. A single amount or series of amounts of equal actuarial present value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

Actuarial Present Value. The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment. Also referred to as "present value."

Amortization. Paying off an interest-discounted amount with periodic payments of interest and principal -- as opposed to paying off with a lump sum payment.

Experience Gain (Loss). The difference between actual actuarial costs and assumed actuarial costs -- during the period between two valuation dates.

Funding Value of Assets. Also referred to as actuarial value of assets, smoothed market value of assets, or valuation assets.

Valuation assets recognize assumed investment return fully each year. Differences between actual and assumed investment return are phased-in over a closed four-year period. During periods when investment performance exceeds the assumed rate, valuation assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, valuation assets will tend to be greater than market value. If assumed rates are exactly realized for three consecutive years, valuation assets will become equal to market value.

Definitions of Technical Terms (Concluded)

Normal Cost. The actuarial cost allocated to the current year by the actuarial cost method. Sometimes referred to as "current service cost."

Pension Benefit Obligation. A standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The PBO is independent of the actuarial funding method used to determine contributions.

Unfunded Actuarial Accrued Liability. The difference between actuarial accrued liability and the funding value of system assets. Sometimes referred to as "unfunded past service liability," "unfunded accrued liability" or "unfunded supplemental present value."

Most retirement systems have unfunded actuarial accrued liability. An amount arises each time new benefits are added and each time an experience loss occurs.

The existence of unfunded actuarial accrued liability is not in itself bad, any more than a mortgage on a house is bad. Unfunded actuarial accrued liability does not represent a debt that is payable today. What is important is the ability to control the amount of unfunded actuarial accrued liability and the trend in the amount (after due allowance for devaluation of the dollar).

SECTION D

ADDITIONAL DISCLOSURE INFORMATION

GASB Statements No. 67 and No. 68 are the accounting standards which replaced GASB Statements No. 25 and No. 27. GASB Statement No. 67 was first effective for fiscal year 2014 and GASB Statement No. 68 was first effective for fiscal year 2015. A separate GASB Statements No. 67 and No. 68 report has been issued outside of this report. This section contains historical GASB Statements No. 25 and No. 27 reporting information for prior fiscal years and illustrative information for fiscal year 2015 and after.

Contributions Required and Contributions Made

The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an entry-age actuarial funding method. Unfunded actuarial accrued liability is being amortized as a level percent-of-payroll over periods of 1 to 25 years.

During the year ended September 30, 2021 contributions totaling \$3,591,036 -- \$2,443,559 employer and \$1,147,477 employee -- were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of October 1, 2019. The employer contributions consisted of \$561,199 for normal cost and administrative expenses and \$1,882,360 for amortization of the unfunded actuarial accrued liability. Employer contributions represented 17.63% of covered payroll.

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the actuarial accrued liability.

Computed Employer Contribution Comparative Schedule

Fiscal Year Beginning October 1	Valuation Date	Contribution Rates		Dollar Contribution	
		as Percents of Valuation Payroll	Valuation Payroll	for Fiscal Year Computed	Actual
2013	10/1/2012	10.4	\$ 10,884,445	\$ 1,205,756	\$ 1,216,994
2014	10/1/2013 *	12.1	10,713,988	1,387,166	1,387,166
2015	10/1/2014	11.6	10,662,900	1,321,320	1,321,320
2016	10/1/2015 *	13.5	11,196,298	1,591,545	1,591,545
2017	10/1/2016 *	15.8	11,528,990	1,892,707	1,898,689
2018	10/1/2017	15.2	13,290,665	2,097,788	2,100,105
2019	10/1/2018 *	17.5	12,761,296	2,322,790	2,324,624
2020	10/1/2019 *	18.0	13,056,744	2,442,960	2,443,559
2021	10/1/2020 *	17.0	13,674,121	2,405,220	
2022	10/1/2021	16.4	13,856,763	2,356,820	

* After changes in benefit provisions and/or actuarial assumptions.

Actuarial Accrued Liability

The actuarial accrued liability is a measure intended to help users assess (i) a pension fund's funded status on a going-concern basis, and (ii) progress being made toward accumulating the assets needed to pay benefits as due. Allocation of the actuarial present value of projected benefits between past and future service was based on service using the individual entry-age actuarial cost method. Assumptions, including projected pay increases, were the same as used to determine the Fund's level percent of payroll annual required contribution between entry-age and assumed exit age. Entry-age was established by subtracting credited service from current age on the valuation date.

The preceding methods comply with the financial reporting standards established by the Governmental Accounting Standards Board.

The entry age actuarial accrued liability was determined as part of an actuarial valuation of the plan as of October 1, 2021. Significant actuarial assumptions used in determining the entry age actuarial accrued liability include (a) a rate of return on the investment of present and future assets of 7.50% per year compounded annually, (b) projected salary increases of 2.5% per year compounded annually, 2.5% attributable to inflation, (c) additional projected salary increases of 3.8% to 0.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement.

As of October 1, 2021, the unfunded actuarial accrued liability was \$11,377,593 determined as follows:

Actuarial Accrued Liability:

Active participants (83 vested and 157 non-vested)	\$28,110,014
Retired participants and beneficiaries currently receiving benefits (199 vested)	46,469,490
Vested terminated participants not yet receiving benefits (11 vested)	<u>1,163,042</u>
Total Actuarial Accrued Liability	75,742,546
Actuarial Value of Assets (market value was \$69,890,527)	<u>64,364,953</u>
Unfunded Actuarial Accrued Liability	<u><u>\$11,377,593</u></u>

During the year ended September 30, 2021, the plan experienced a net change of \$2,654,896 in the actuarial accrued liability. There were no changes in actuarial assumptions, benefit provisions, or methods.



Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date October 1	Actuarial Value of Assets# (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b)-(a)	Funded Ratio (a)/(b)	Active Participant Covered Payroll (c)	Unfunded AAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
2002 *	\$34,361	\$30,057	\$ (4,304)	114.3 %	\$ 8,405	(51.2) %
2003	33,997	33,590	(407)	101.2	9,259	(4.4)
2004	33,674	36,614	2,940	92.0	9,697	30.3
2005	34,445	40,242	5,797	85.6	10,714	54.1
2006	36,644	43,650	7,006	83.9	11,575	60.5
2007	39,424	46,208	6,785	85.3	11,700	58.0
2008	40,975	49,110	8,135	83.4	11,556	70.4
2009	41,538	51,118	9,580	81.3	11,677	82.0
2010	41,771	53,050	11,279	78.7	11,485	98.2
2011	40,809	54,975	14,166	74.2	11,449	123.7
2012	42,288	57,220	14,932	73.9	10,884	137.2
2013 *	45,066	56,970	11,904	79.1	10,714	111.1
2014	47,138	57,746	10,608	81.6	10,663	99.5
2015 *	49,153	60,403	11,250	81.4	11,196	100.5
2016 *	50,816	64,652	13,836	78.6	11,529	120.0
2017	52,342	67,352	15,010	77.7	13,291	112.9
2018 *	54,189	69,364	15,175	78.1	12,761	118.9
2019 *	57,082	72,015	14,933	79.3	13,057	114.4
2020 *	59,926	73,088	13,162	82.0	13,674	96.3
2021	64,365	75,743	11,378	85.0	13,857	82.1

Dollar amounts are in thousands.

* After changes in benefits and/or actuarial assumptions and/or actuarial cost methods.

The actuarial value of assets is four year smoothed market value.

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, or unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the System's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.



SECTION E

SUMMARY OF VALUATION RESULTS IN STATE FORMAT

Summary of Valuation Results in State Format (\$ Amounts in Thousands)

	<u>October 1, 2021</u>	<u>October 1, 2020</u>
(a) Participant Data		
(i) Active members		
- number	240	238
- annual payroll	\$13,857	\$ 13,674
(ii) Retired members & beneficiaries (excl. disability)		
- number	185	178
- annualized benefit payroll	\$ 4,451	\$ 4,115
(iii) Disabled members & beneficiaries		
- number	7	7
- annualized benefit payroll	\$ 150	\$ 150
(iv) Terminated vested members		
- number	11	11
- annualized deferred benefit payroll	\$ 173	\$ 187
(b) Assets		
(i) Actuarial value for funding	64,365	59,926
(ii) Market value	69,891	60,578
(c) Actuarial Liability		
(i) Actuarial present value of active member benefits:		
service retirement	33,852	33,829
termination benefits - pension	2,431	2,364
disability retirement	746	726
survivor benefits (pre-retirement)	1,012	1,003
termination benefits - refunds	725	674
Total	<u>38,766</u>	<u>38,596</u>
(ii) Actuarial present value of terminated vested member benefits	1,163	1,429
(iii) Actuarial present value of retired member benefits:		
total service retirement & survivors	45,040	42,046
disability retirement & survivors	1,430	1,452
Total	<u>46,469</u>	<u>43,499</u>
(iv) Total actuarial present value of future benefit payments	86,398	83,524
(v) Payables	0	0
(vi) Actuarial accrued liability	75,743	73,088
(vii) Unfunded actuarial accrued liability ⁽¹⁾	\$ 11,378	\$ 13,162

⁽¹⁾ Please refer to page A-12 for requested detail.

Summary of Valuation Results in State Format (\$ Amounts in Thousands)

	<u>October 1, 2021</u>	<u>October 1, 2020</u>
(d) Actuarial Present Value of Accrued Benefits (calculated in accordance with FASB Statement No. 35)		
(i) Vested accrued benefits		
Retired members and beneficiaries	\$46,469	\$ 43,499
Terminated members	1,163	1,429
Active members (includes non-forfeitable accum. member contributions of \$10,905 for 2021 and \$10,760 for 2020)	21,096	21,638
Total	<u>\$68,728</u>	<u>\$ 66,566</u>
(ii) Non-vested accrued benefits	2,977	3,052
(iii) Total actuarial p.v. of accrued benefits	71,705	69,618
(iv) Actuarial p.v. of accrued benefits at begin. of year	69,618	67,915
(v) Changes attributable to:		
Amendments	0	0
Assumption change	0	(428)
Operation of decrements	7,611	7,597
Benefit payments	(5,524)	(5,466)
Other	none	none
(vi) Net change	<u>2,087</u>	<u>1,703</u>
(vii) Actuarial p.v. of accr. benefits at end of year	\$71,705	\$ 69,618
(e) Plan costs for fiscal year beginning October 1, 2022 and October 1, 2021 (EANC)		
(i) Normal costs		
Service pensions	7.85%	8.03%
Disability pensions	0.36%	0.35%
Survivor pensions (pre-retirement)	0.38%	0.39%
Deferred service pensions	1.25%	1.24%
Refunds of member contributions	1.42%	1.40%
Total normal cost	<u>11.26%</u>	<u>11.41%</u>
(ii) Payment to amortize unf'd. act. accr. liab.	11.77%	11.93%
(iii) FS112.64(5) Compliance	0.56%	0.81%
(iv) Administrative expenses	0.75%	0.75%
(v) Amount to be paid by members	7.95%	7.95%
(vi) Expected plan sponsor	16.39%	16.95%
- dollars	\$ 2,357	\$ 2,405

Summary of Valuation Results in State Format (\$ Amounts in Thousands)

		<u>October 1, 2021</u>	<u>October 1, 2020</u>
(f)	Past Contributions (fiscal year ending 9/30/2021 & 2020)		
	(i) Required minimum:		
	Plan sponsor	\$ 2,443	\$ 2,323
	Members	1,077	1,053
	Total	<u>3,520</u>	<u>3,376</u>
	(ii) Actual:		
	Plan sponsor	2,444	2,325
	Members	1,147	1,110
	Total	<u>3,591</u>	<u>3,435</u>
(g)	Net Experience Gain (Loss)	842	499
(h)	Other Disclosures		
	(i) Present value of active member future salaries		
	from attained age	\$97,033	\$94,214
	from entry age	not applicable to individual EANC method	
	(ii) Present value of active member future contribs.		
	from attained age	\$ 7,714	\$ 7,490
	from entry age	not applicable to individual EANC method	

Reconciliation of Membership for the Plan Year Ended September 30, 2021

	Active Members	Vested Terminated Members			
			Service Retired	Disability Retired	All Beneficiaries
No. at Start of Year	238	11	157	7	29
Increase (Decrease) From					
Service Retirement	(6)	(3)	9		
Disability Retirement					
Deaths	(1)		(4)		(1)
Other Pension Terminations					
Vested Terminations	(3)	3			
Non-Vested Terminations	(19)				
Transfer to another division					
New Entrants/Rehires	31				2
No. at End of Year	240	11	162 *	7	30 *

**Includes two members who retired in FY 2021 and were already receiving a survivor pension from their late spouse.*



April 4, 2022

Mr. Duston Scott
Payroll/Benefits Administrator
City of Jacksonville Beach
11 North Third Street
Jacksonville Beach, FL 32250

Dear Duston:

Enclosed are 15 copies of the report of the Seventy-First Annual Actuarial Valuation of the City of Jacksonville Beach General Employees' Retirement System. As directed, copies have been sent directly to:

Attention: Mr. Ryan Tucker
Purvis, Gray and Company
222 N.E. 1st Street
Gainesville, FL 32602

Attention: Mr. Douglas E. Beckendorf, Actuary
Division of Retirement
Bureau of Local Retirement Systems
P.O. Box 9000
Tallahassee, FL 32315-9000

Sincerely,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink, appearing to read "Brad Lee Armstrong". The signature is fluid and stylized, with a large, sweeping "A" at the end.

Brad Lee Armstrong, ASA, EA, FCA, MAAA

BLA:sc
Enclosures

Purvis, Gray and Company
Attention: Mr. Ryan Tucker
P.O. Box 23999
222 N. E. 1st Street
Gainesville, FL 32602
Fax (941-365-0238)

City of Jacksonville Beach Police Officers' Retirement System

Seventy-First Annual Actuarial Valuation Report
October 1, 2021



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Report of October 1, 2021 Actuarial Valuation

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March 31, 2022

Board of Trustees
City of Jacksonville Beach
Police Officers' Retirement System
Jacksonville Beach, Florida

The results of the October 1, 2021 Annual Actuarial Valuation of the City of Jacksonville Beach Police Officers' Retirement System are presented in this report. The purpose of the annual valuation is to measure the System's funding progress and to determine the City's contribution rate for the fiscal year beginning October 1, 2022 in accordance with established funding policies. The results of the valuation may not be applicable for other purposes. Disclosures under the Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68 were issued in a separate report.

This report should not be relied on for any purposes other than those described above. It was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

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

Valuation results, comments, recommendation and our certification are contained in Section A.

The valuation was based upon information, compiled during the fiscal year ending September 30, 2021, furnished by the City, concerning pension fund benefits, financial transactions, individual members, terminated members, retired members and beneficiaries. Data was checked for reasonableness and missing information, but was not audited. GRS is not responsible for the accuracy or completeness of the data provided to us. This information is summarized in Section B.

A description of the actuarial valuation process, actuarial assumptions and definitions of technical terms are contained in Section C. Additional disclosure information is contained in Section D and a summary of valuation results in the State format is contained in Section E.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. We certify that the information contained in this report is accurate and fairly presents the actuarial position of the City of Jacksonville Beach Police Officers' Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. It is our opinion that the actuarial assumptions used for the valuation produce results which are reasonable.

This report was prepared using our proprietary valuation model and related software, which in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report does not fully reflect the recent and still developing impact of COVID-19, which is likely to influence demographic experience and economic expectations, at least in the short term. We will continue to monitor these developments and their impact.

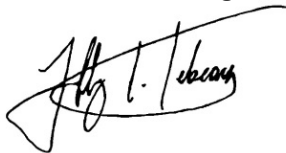
Brad Lee Armstrong and Jeffrey T. Tebeau are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Brad Lee Armstrong, ASA, EA, FCA, MAAA



Jeffrey T. Tebeau, FSA, EA, FCA, MAAA

BLA/JTT:ah

C2221



SECTION A

**VALUATION RESULTS, COMMENTS, CONCLUSION,
RECOMMENDATIONS (IF ANY) AND STATEMENT BY
ENROLLED ACTUARY**

Funding Objective

The funding objective of the Retirement System is to establish and receive contributions, expressed as percents of active member payroll, which will achieve progress towards 100% funding status and will remain approximately level from year-to-year and will not have to be increased for future generations of citizens in the absence of benefit improvements. This objective is stated in the Ordinance and meets the requirements of Part VII, Chapter 112, Florida Statutes.

Contribution Rates

The Retirement System is supported by member contributions, casualty insurance premium tax monies received from the State pursuant to Chapter 185 Florida Statutes, City contributions, and investment income from Retirement System assets.

Contributions which satisfy the funding objective are determined by the actuarial valuation and are sufficient to:

- (1) Cover the actuarial costs allocated to the current year (the normal cost) by the actuarial cost methods described in Section C; and
- (2) Finance over a period of future years the actuarial costs not covered by present assets and anticipated future normal costs (unfunded actuarial accrued liability).

Contribution requirements for the plan and fiscal year beginning October 1, 2022 are shown on page A-2.

Contributions to Finance Benefits of the Retirement System for the Plan Year Beginning October 1, 2022 to be Contributed during the Fiscal Year Beginning October 1, 2022

Contributions for	Contributions Expressed as Percents of Active Member Payroll
<i>Normal Cost</i>	
Service pensions	9.24 %
Disability pensions	1.07
Survivor pensions	
Pre-retirement	0.37
Termination benefits	
Deferred service pensions	2.54
Refunds of member contributions	<u>1.24</u>
Total Normal Cost	14.46
<i>Unfunded Actuarial Accrued Liability ⁽¹⁾</i>	
Retired members and beneficiaries	0.00
Active and vested terminated members	<u>6.66</u>
Total unfunded actuarial accrued liability	6.66
<i>Administrative Expenses</i>	1.62
<i>Total Calculated Contribution Requirement</i>	22.74
<i>Adjustments to Calculated Contribution Requirement</i>	
Temporary full funding credit	0.00
FS 112.64(5) compliance	<u>0.00</u>
Total adjustments	0.00
<i>Total Adjusted Contribution Requirement</i>	22.74 %
Member portion	7.95 %
Estimated Chapter 185 portion	
and Additional premium tax revenue	5.65 %
City portion	9.14 %

⁽¹⁾ Unfunded actuarial accrued liability was financed as level percents of member payroll. Please refer to page A-13 for a schedule of financing periods.

FS 112.64 requires that City contributions be deposited not less frequently than quarterly. FS 185.11 requires that Chapter 185 monies be deposited within 5 days of receipt from the state. Member contributions, which are in addition to the City/Chapter contributions, must be deposited immediately after each pay period.

Procedures for determining dollar contributions are shown on page A-3.

Comparative contribution amounts for prior fiscal years are shown on page A-15.



Chapter Revenue

Actuarial Confirmation of the Use of State Chapter Money	
1. Base Amount Previous Plan Year	\$ 251,023
2. Amount Received for Previous Plan Year	303,569
3. Benefit Improvements	0
4. Excess Funds for Previous Plan Year	52,546
5. Accumulated Excess at Beginning of Previous Year	175,679
6. Prior Excess Used in Previous Plan Year	175,679
7. Accumulated Excess as of Valuation Date (4) + (5) - (6)	52,546
8. Base Amount This Plan Year	\$ 303,569

The Accumulated Excess shown in line 7 is being held in reserve and is included in System liabilities. The base amount in line 8 is available to the City of Jacksonville Beach as a credit against the total employer contribution requirement.

Under the Collective Bargaining Agreement between the City of Jacksonville Beach and FOP Lodge 17, the City of Jacksonville Beach may use all amounts received during the fiscal year ending 9/30/2021 (shown in line 8) and all of the Accumulated Excess as of Valuation Date (shown in line 7) to offset funding requirements. Refer to CBA Effective 10/1/2017 Sections 29.11 and 29.12.

Determining Dollar Contributions for the Fiscal Year Beginning October 1, 2022

For any period of time, the percent-of-payroll contribution rate needs to be converted to dollar amounts. We recommend the following procedure.

Contribute the City/Chapter amount indicated in the following schedule. Included in these amounts is the projected increase in salary level between the valuation date and the fiscal year in which the contribution is made. The projection factor of 1.037733 $[(1.025)^{1.5}]$ is consistent with that used to calculate the actuarial liability. The member contribution amounts should not be used to reconcile actual member contributions.

Total Contribution Requirement	\$1,221,896
Less Member Contributions	427,180
Less Accumulated Prepaid Contributions &	52,546
Total Employer Contribution Requirement	742,170
Less Estimated Chapter 185 Contrib. and Funding from Additional Premium Tax Revenue	303,569
Base City Contribution	\$ 438,601 *

& To be used by the City of Jacksonville Beach against their contribution requirement.

* Chapter 185 Florida Statutes. The base City contribution amount may need to be increased if the amount received under the provisions of Chapter 185, Florida Statutes, and the Prepaid Employer Reserve are not sufficient to meet the total employer contribution requirement.

The above City/Chapter contribution amounts are estimated to be contributed, on average, halfway through the fiscal year. If contributions are made on a later schedule, interest should be added at the rate of .60% (.0060) for each month of delay.

Funding Progress Achievement Indicators

There is no single all-encompassing measure of a retirement system's funding progress and current funded status.

A traditional measure has been the relationship of valuation assets to unfunded actuarial accrued liability - a measure that is influenced by the choice of actuarial cost method. This relationship is shown on page A-14.

We believe a better understanding of funding progress and status can be achieved using the following indicators.

Indicator (1) *The actuarial present value of gains or losses realized in the operation of the retirement system.* Gains and losses are expected to cancel each other over an economic cycle but sizable year-to-year fluctuations are common. An experience gain can result from assets increasing in value by more than anticipated, or by the system's obligation increasing by less than anticipated, or by other favorable combinations or deviation from expected asset and liability changes. Further details on the derivation of the gain (loss) are shown on page A-12.

Indicator (2) *The ratio of valuation assets to the actuarial present value of credited projected benefits* allocated in the proportion credited service is to projected total service. The ratio is expected to increase over time, but the basic trend may be interrupted by benefit improvements. This ratio is the most appropriate of the three described here for assessing the need for future contributions needed to fund the normal cost.

Indicator (3) *The ratio of the unfunded actuarial present value of credited projected benefits to member payroll.* The unfunded actuarial present value of credited projected benefits is controlled by the funding program. The ratio to payroll is a relative index of condition where inflation is present in both components. The ratio is expected to decrease over time, but the basic trend may be interrupted by benefit improvements.

Funding Progress Indicators* - Historical Development (\$ Amounts in Thousands)

Valuation Date	Indicator (1)		Indicator (2)			Indicator (3)		
	Gain/(Loss)		Funding Value of Assets	APVCPB^	Funded Ratio	Unfunded APVCPB^	Member Payroll	Ratio to Payroll
	Amount	% of AAL						
10/1/1995 (a) #	\$ 1,315	4.5 %	\$ 30,791	\$ 28,889	106.6 %	\$ (1,902)	\$ 10,601	(17.90) %
10/1/2000 (aa)	545	4.9	13,280	11,234	118.2	(2,047)	2,419	(84.60)
10/1/2005	(965)	(6.7)	13,021	14,466	90.0	1,445	3,231	44.72
10/1/2006	306	1.9	13,707	14,988	91.5	1,281	3,181	40.28
10/1/2007	220	1.3	14,694	15,751	93.3	1,057	3,572	29.59
10/1/2008 (a)	(998)	(5.1)	15,104	17,470	86.5	2,366	3,931	60.19
10/1/2009	(220)	(1.1)	15,342	18,047	85.0	2,705	3,873	69.84
10/1/2010	(103)	(0.5)	15,646	18,602	84.1	2,956	3,896	75.87
10/1/2011	(1,043)	(4.8)	15,458	19,479	79.4	4,021	3,786	106.21
10/1/2012	517	2.4	16,365	19,925	82.1	3,560	3,743	95.10
10/1/2013	597	2.7	17,469	20,657	84.6	3,188	3,559	89.56
10/1/2014 (a)	816	3.6	18,367	20,779	88.4	2,412	3,946	61.13
10/1/2015 (a)	557	2.7	19,489	22,018	88.5	2,529	4,006	63.13
10/1/2016 (a)	361	1.6	20,651	23,397	88.3	2,746	4,254	64.55
10/1/2017 (a)	(211)	(0.9)	21,889	24,750	88.4	2,861	4,431	64.57
10/1/2018 (a)	339	1.4	23,213	26,047	89.1	2,834	4,451	63.67
10/1/2019 (a)	(92)	(0.4)	24,523	27,732	88.4	3,209	4,756	67.48
10/1/2020 (a)	854	3.1	26,598	28,245	94.2	1,647	5,093	32.34
10/1/2021	878	3.2	29,586	29,968	98.7	382	5,178	7.38

(a) After changes in benefit provisions and/or actuarial assumptions and actuarial cost methods.

(aa) After minimum benefit changes.

Prior to 1999 valuation, results include General, Police and Fire.

^ Actuarial Accrued Liability starting in 2014.

* None of these funding progress indicators are appropriate for assessing the sufficiency of plan assets to cover the estimated cost of setting the Plan's benefit obligations.

Comments and Conclusion

Comment A: For the fiscal year ended September 30, 2021, the Police System had a \$878,466 experience gain. The gain was attributable to better than expected investment experience offset by active member and retiree mortality experience. The 10-year average payroll growth rate was 3.9% (higher than the current wage inflation assumptions of 2.5%). Therefore, there was no increase in the City's contribution rate due to Florida Statute 112.64(5). Additional experience information is reported on pages B-6, B-12, C-4, C-5 and C-6. The funded ratio increased from 94.2% to 98.1% from 2020 to 2021 on a funding value of assets basis and increased from 95.1% to 106.0% on a market value of assets basis.

Looking Forward: Due to the Board's use of a four-year smoothed market asset valuation method, greater-than-expected market returns during 2018, 2020 and 2021 and lower-than-expected market returns during 2019 have only been partially recognized in developing the funding value of assets as of September 30, 2021. The Market Value of Assets currently exceeds the Funding Value of Assets by \$2,397,372. If losses from investment returns below the 7.50% assumed or losses from other sources do not emerge, this will create a downward pressure on contribution requirements and a coinciding upward bias on the funded ratios in subsequent valuation years. An additional risk factor to the level of the contribution rate is the 10-year average payroll growth, which was 3.9% for the 10 years ending September 30, 2021. If the average payroll growth is lower than the wage inflation assumption of 2.5%, this will increase the City's contribution requirement pursuant to compliance with Florida Statute 112.64(5).

Risks to Future Employer Contribution Requirements: There are ongoing risks to future employer contribution requirements to which the Retirement System is exposed, such as:

- Actual and Assumed Investment Rate of Return;
- Actual and Assumed Mortality Rates;
- Amortization Policy;
- F.S. 112.64(5) Compliance Regarding Payroll Growth; and
- F.S. 112.63(1)(f) Updated FRS Mortality Assumptions.

Conclusion: It is the actuary's opinion that the required contribution rates determined by the most recent actuarial valuation are sufficient to meet the Retirement System's funding objective, presuming continued timely receipt of required contributions.

Other Observations

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Contributions and Funded Status

Given the System's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the Retirement System earning 7.50% on the Market Value of Assets), it is expected that:

1. The employer normal cost is sufficient to cover the cost of benefits accruing each year;
2. The Unfunded Actuarial Accrued Liabilities (UAAL) will continue to be amortized according to the schedule on page A-13, but may not be completely paid off in the definite future; and
3. The funded status of the Retirement System will continue to increase gradually towards a 100% funded ratio.

The computed contribution shown on page A-2 may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

Limitations of Funded Status Measurements

Unless otherwise indicated, a funded status measurement presented in this report is based upon the Actuarial Accrued Liability (AAL) and the Funding Value of Assets (FVA). Unless otherwise indicated, with regard to any funded status measurements presented in this report:

1. The measurement is inappropriate for assessing the sufficiency of Retirement System assets to cover the estimated cost of settling the Retirement System's benefit obligations; for example, transferring the liability to an unrelated third party in a market value type transaction.
2. The measurement is dependent upon the Actuarial Cost Method which, in combination with the Retirement System's amortization policy, affects the timing and amounts of future contributions. The amounts of future contributions will most certainly differ from those assumed in this report due to future actual experience differing from assumed experience based upon the actuarial assumptions. A funded status measurement in this report of 100% is not synonymous with no required future contributions. Even though the funded status is over 100%, the Retirement System would still require future normal cost contributions (i.e., contributions to cover the cost of active membership accruing an additional year of service credit).
3. The measurement would produce a different result if the Market Value of Assets (MVA) were used instead of the FVA, unless the MVA is used in the measurement.

Limitations of Project Scope

Actuarial standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entities to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.



Risk Measures - Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

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

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

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

1. **Investment Risk** – actual investment returns may differ from the expected returns;
2. **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
3. **Contribution Risk** – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base. The continuing ability of the plan sponsor to make the contributions necessary to fund the plan is outside our scope of expertise and was not performed by GRS;
4. **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
5. **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
6. **Other Demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

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

Risk Measures

(\$ Amounts in Thousands)

Actuarial Valuation Date (9/30)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Payroll	(5) Funded Ratio (1) / (2)	(6) Retiree Liabilities (RetLiab)	(7) RetLiab / AAL (6)/(2)	(8) AAL / Payroll (2) / (4)	(9) Assets / Payroll (1) / (4)	(10) UAAL / Payroll (3) / (4)	(11) Non- Invest. Cash Flow (NICF)	(12) NICF / Assets (11)/(1)	(13) Market Rate of Return	(14) 5-Year Trailing Average
2014 *	\$ 18,367	\$20,779	\$ 2,412	\$3,946	88.4%	\$ 11,633	56.0%	526.6%	465.5%	61.1%	\$ (713)	(3.9)%	10.2%	N/A
2015 *	19,489	22,018	2,529	4,006	88.5%	11,055	50.2%	549.6%	486.5%	63.1%	(506)	(2.6)%	(0.3)%	N/A
2016 *	20,651	23,397	2,746	4,254	88.3%	10,876	46.5%	550.0%	485.4%	64.6%	(278)	(1.3)%	8.1%	N/A
2017 *	21,889	24,750	2,861	4,431	88.4%	12,486	50.4%	558.6%	494.0%	64.6%	(292)	(1.3)%	11.9%	N/A
2018 *	23,213	26,047	2,834	4,451	89.1%	10,876	41.8%	585.1%	521.5%	63.7%	(261)	(1.1)%	9.1%	7.7%
2019 *	24,523	27,732	3,209	4,756	88.4%	12,486	45.0%	583.1%	515.6%	67.5%	(594)	(2.4)%	5.6%	6.8%
2020 *	26,598	28,245	1,647	5,093	94.2%	11,508	40.7%	554.6%	522.2%	32.3%	(64)	(0.2)%	9.9%	8.9%
2021	29,586	29,968	382	5,178	98.7%	12,768	42.6%	578.8%	571.4%	07.4%	151	0.5%	18.5%	18.5%

* Revised actuarial assumptions.

(5). The funded ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.

(6) and (7). The ratio of retiree liabilities to total accrued liabilities gives an indication of the maturity of the system. As the ratio increases, cash flow needs increase, and the liquidity needs of the portfolio change. A ratio on the order of 50% indicates a maturing system.

(8) and (9). The ratio of liabilities and assets to payroll gives an indication of both maturity and volatility. Many systems have ratios between 500% and 700%. Ratios significantly above that range may indicate difficulty in supporting the benefit level as a level % of payroll.

(10). The ratio of unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. A ratio above approximately 300% or 400% may indicate difficulty in discharging the unfunded liability within a reasonable time frame.

(11) and (12). A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means benefits and expenses exceed contributions, and existing funds may be used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

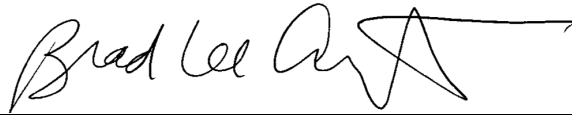
(13) and (14). Investment return is probably the largest single risk that most systems face. The year-by-year return and the five-year geometric average both give an indication of the reasonableness of the system's assumed return. Of course, past performance is not a guarantee of future results. Market rate shown is based on an actuarial estimation method and will differ modestly from figures reported by the investment consultant.

Statement by Enrolled Actuary

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."

03/31/2022

Date



Brad Lee Armstrong, ASA, EA, FCA, MAAA [20-5614]

Experience Gain (Loss) Year Ended October 1, 2021

DERIVATION

(1) UAAL at start of year	\$ 1,647,286
(2) Normal cost for year (ER normal cost & expenses from the prior corresponding valuation x current valuation pay)	426,663
(3) Actual City/Chapter contribution made toward ER normal cost, expenses and UAAL	917,957
(4) Interest accrual .075 x [(1) + 1/2 [(2)-(3)]]	<u>105,123</u>
(5) Expected UAAL before changes	1,261,115
(6) Effect of timing/accounting	0
(7) Effect of assumption/cost method changes	0
(8) Effect of benefit changes	0
(9) Expected UAAL after changes	1,261,115
(10) Actual UAAL at end of year	<u>382,649</u>
(11) Gain (loss) (9) - (10)	<u>\$ 878,466</u>
(12) % of AAL at start of year	3.1%

UAAL represents Unfunded Actuarial Accrued Liability.

Valuation Date September 30	Actuarial Gain (Loss) as a % of Beginning Accrued Liabilities
2012	2.4 %
2013	2.7
2014	3.6
2015	2.7
2016	1.6
2017	(0.9)
2018	1.4
2019	0.0
2020	3.1
2021	3.1

Sources and Financing of Unfunded Actuarial Accrued Liability

Unfunded Act. Accrued Liability			Remaining Financing					Contribution		FS112.64(5) Compliance
Source of Unfunded	Initial		Current Amount	Period 9/30/2021	Amort. Factor	Dollar	% of Payroll			
Act. Accrued Liab.	Amount	Fin. Per.								
Initial Unf'd. actuarial accrued liability										
			\$ (123,701)	3 yrs.	2.795529	\$ (44,249)	(0.85)%	0.00%		
Changes from experience deviations										
9/30/2002	\$ 1,136,957	25 yrs.	\$ 878,117	6 Yrs.	5.218850	\$ 168,259	3.25 %	0.00%		
9/30/2003	586,136	25	496,177	7	5.952674	83,354	1.61 %	0.00%		
9/30/2004	492,455	25	447,694	8	6.652368	67,298	1.30 %	0.00%		
9/30/2005	964,532	25	927,291	9	7.319519	126,687	2.45 %	0.00%		
9/30/2006	(306,132)	25	(303,214)	10	7.955639	(38,113)	(0.74) %	0.00%		
9/30/2007	(220,348)	25	(225,713)	11	8.562173	(26,362)	(0.51) %	0.00%		
9/30/2008	997,763	25	1,063,592	12	9.140496	116,360	2.25%	0.00%		
9/30/2009	219,770	25	238,800	13	9.691920	24,639	0.48%	0.00%		
9/30/2010	102,832	25	110,744	14	10.217697	10,838	0.21%	0.00%		
9/30/2011	1,043,104	25	1,131,744	15	10.719020	105,583	2.04%	0.00%		
9/30/2012	(516,717)	25	(547,681)	16	11.197025	(48,913)	(0.94) %	0.00%		
9/30/2013	(597,024)	25	(635,620)	17	11.652798	(54,547)	(1.05) %	0.00%		
9/30/2014	816,103	25	(831,804)	18	12.087373	(68,816)	(1.33) %	0.00%		
9/30/2015	(556,507)	25	(552,787)	19	12.501734	(44,217)	(0.85) %	0.00%		
9/30/2016	(360,779)	25	(353,225)	20	12.896824	(27,389)	(0.53) %	0.00%		
9/30/2017	211,107	25	207,673	21	13.273537	15,646	0.30%	0.00%		
9/30/2018	(338,603)	25	(321,267)	22	13.632729	(23,566)	(0.46) %	0.00%		
9/30/2019	92,093	25	88,246	23	13.975214	6,314	0.12%	0.00%		
9/30/2020	827,506	25	(813,548)	24	14.301770	(56,884)	(1.10) %	0.00%		
9/30/2021	(878,466)	25	(878,466)	25	14.613138	(60,115)	(1.16) %	0.00%		
Changes from actuarial assumption and actuarial cost method revisions.										
9/30/1995	\$ 291,716	25 yrs.	\$ 51,950	2 yrs.	1.907699	\$ 27,232	0.53 %	0.00%		
9/30/2002	(143,237)	25	(109,094)	6	5.218850	(20,904)	(0.40) %	0.00%		
9/30/2015	714,017	25	719,227	19	12.501734	57,530	1.11%	0.00%		
9/30/2016	667,012	25	662,241	20	12.896824	51,349	0.99%	0.00%		
9/30/2017	31,486	25	30,973	21	13.273537	2,333	0.05%	0.00%		
9/30/2018	429,749	25	423,139	22	13.632729	31,038	0.60%	0.00%		
9/30/2019	455,586	25	438,031	23	13.975214	31,343	0.61%	0.00%		
9/30/2020	(505,243)	25	(481,540)	24	14.301770	(33,670)	(0.65) %	0.00%		
Changes from amendments to benefit provisions.										
9/30/1997	\$ 197,204	25 yrs.	\$ 53,152	2 yrs.	1.907699	\$ 27,862	0.54 %	0.00%		
9/30/2000	285,181	25	167,574	4	3.642066	46,011	0.89 %	0.00%		
9/30/2004	116,892	25	106,268	8	6.652368	15,974	0.31 %	0.00%		
9/30/2008	499,931	25	532,914	12	9.140496	58,303	1.13 %	0.00%		
9/30/2014	(2,173,428)	25	(2,215,238)	18	12.087373	(183,269)	(3.54)%	0.00%		
Totals			\$382,649			\$342,939	6.66 %	0.00%		



Unfunded Actuarial Accrued Liability

	<u>October 1, 2021</u>	<u>October 1, 2020</u>
A. Actuarial present value of future benefits	\$35,133,218	\$33,357,436
B. Actuarial present value of future normal costs	<u>5,164,976</u>	<u>5,112,315</u>
C. Actuarial accrued liability	29,968,242	28,245,121
D. Funding value of assets	<u>29,585,593</u>	<u>26,597,835</u>
E. Unfunded actuarial accrued liability	<u>\$ 382,649</u>	<u>\$ 1,647,286</u>

Unfunded actuarial accrued liability is not a good measure of the System's funded status because the amount is dependent upon the actuarial cost method (please refer to page C-1). The funding progress indicators (2) and (3) on pages A-4 and A-5 are less dependent of the actuarial cost method and are a better guide to funded status and funding progress. The funded status and the funding progress indicators would be different if based on the market value of assets instead of the funding value of assets.

Recommended and Actual Contributions Comparative Statement

Fiscal Year	Valuation Date	City/Chapter Dollar Contributions#		Recommended City/Chapter % of Payroll Contributions
		Recommended	Actual	
96/97	10/1/1995 (a)	\$ 612,267	\$ 618,521	7.58 %
97/98	10/1/1996	563,577	563,577	7.48
98/99	10/1/1996 (a)	242,436	250,954	10.08
99/00	10/1/1998	190,095	228,463	8.12
00/01	10/1/1999	133,981	193,862	5.49
01/02	10/1/2000 (aa)	186,100	186,100	7.15
02/03	10/1/2001	158,486	184,912	6.46
03/04	10/1/2002 (a)	223,716	273,477	8.26
04/05	10/1/2003	335,787	403,589	10.38
05/06	10/1/2004 (a)	376,586	425,205	12.50
06/07	10/1/2005	443,557	532,674	12.85
07/08	10/1/2006	470,310	528,361	13.84
08/09	10/1/2007	503,281	550,995	13.19
09/10	10/1/2008 (a)	713,865	690,515	17.00
10/11	10/1/2009	777,408	777,408	18.79
11/12	10/1/2010	818,251	818,251	19.66
12/13	10/1/2011	930,958	930,958	23.02
13/14	10/1/2012 (a)	490,666	530,453	12.27
14/15	10/1/2013 (a)	511,049	542,504	13.44
15/16	10/1/2014 (a)	630,183	630,194	14.95
16/17	10/1/2015 (a)	678,304	678,304 *	16.08
17/18	10/1/2016 (a)	691,323	691,323 **	15.66
18/19	10/1/2017 (a)	770,582	770,841	16.76
19/20	10/1/2018 (a)	844,401	855,851	18.28
20/21	10/1/2019 (a)	917,954	917,957	18.60
21/22	10/1/2020 (a)	854,650		16.17
22/23	10/1/2021	794,716		14.79

(a) After changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

(aa) After minimum benefit changes.

Prior to the fiscal year ending 9/30/99, results include General, Police and Fire.

* Includes City Contribution of \$460,548, State Contribution of \$197,425 pursuant to Chapter 185 F.S., and \$20,331 from the prepaid employer reserve.

** Includes City Contribution of \$479,669, State Contribution of \$197,425 pursuant to Chapter 185 F.S., and \$14,229 from the prepaid employer reserve.



Actuarial Balance Sheet - October 1, 2021

Present Resources and Expected Future Resources

A. Funding value of System assets:	
1. Net assets from System financial statements (market value)	\$31,982,965
2. Funding value adjustment	<u>(2,397,372)</u>
3. Funding value of assets	29,585,593
B. Actuarial present value of expected future employer contributions:	
1. For normal costs	2,248,449
2. For unfunded actuarial accrued liability	<u>382,649</u>
3. Totals	2,631,098
C. Actuarial present value of expected future member contributions	<u>2,916,527</u>
D. Total present and expected future resources	<u><u>\$35,133,218</u></u>

Actuarial Present Value of Expected Future Benefit Payments and Reserves

A. To retired members and beneficiaries	\$12,767,880
B. To vested terminated members	900,349
C. To present active members:	
1. Allocated to service rendered prior to valuation date	16,247,467
2. Allocated to service likely to be rendered after valuation date	<u>5,164,976</u>
3. Totals	21,412,443
D. Total actuarial present value of expected future benefit payments	35,080,672
E. Prepaid Employer Reserve	52,546
F. Total actuarial present value of expected future benefit payments and reserves	<u><u>\$35,133,218</u></u>

5-Year Projections of Future Funded Ratios and Future Employer Contributions

Valuation Date 10/1	Active Count	Payroll	Benefit Payments	Actuarial Accrued Liability	Actuarial Value of Assets	Funded Ratio	Total Employer Contribution				
							Fiscal Year	% of Payroll	Dollar Amount	Less Estimated Chapter 185	Estimated City's Contributions
2021	66	\$ 5,177,955	\$ 1,359,930	\$ 29,968,242	\$ 29,585,593	98.7%	2023	14.79%	\$ 794,717	\$ 303,569	\$ 491,148
2022	66	5,232,755	1,527,774	31,326,270	32,249,339	102.9%	2024	13.64%	740,610	303,569	437,041
2023	66	5,297,324	1,743,460	32,571,259	34,921,242	107.2%	2025	12.36%	679,421	303,569	375,852
2024	66	5,396,654	1,921,361	33,748,580	37,433,296	110.9%	2026	11.27%	631,295	303,569	327,726
2025	66	5,536,953	2,042,079	34,920,100	39,227,018	112.3%	2027	11.24%	646,003	303,569	342,434
2026	66	5,647,144	2,177,733	36,052,759	40,993,495	113.7%	2028	11.22%	657,445	303,569	353,876

Chapter 185 monies are assumed to stay level in future years.

Uses 2.5% wage growth assumption.

We have reflected compliance with F.S. 112.64(5) to remain constant with year ended 9/30/2021.

We have not determined any additional possible impact due to F.S. 112.64(5).

Future experience was assumed to be consistent with the actuarial assumptions. If experience differs from the actuarial assumptions, future results could be significantly different from the projected results above.

Existing schedule of unrecognized investment gains and losses are reflected in this projection.

SECTION B

SUMMARY OF BENEFIT PROVISIONS AND VALUATION DATA SUBMITTED BY THE RETIREMENT SYSTEM

Summary of Benefit Provisions (as of October 1, 2021)

Normal Retirement (no reduction factor for age):

Eligibility

Members Eligible for Normal Retirement or 10 years of service at June 23, 2014: 30 years of service regardless of age, or age 52 with 25 or more years of service, or age 55 with 5 or more years of service.

Members with less than 10 years of service at June 23, 2014: 30 years of service regardless of age, or age 52 with 25 or more years of service, or age 55 with 10 or more years of service.

Mandatory Retirement Age - None.

Pension Amount

Members Eligible for Normal Retirement at June 23, 2014: Final average compensation times the sum of a) 3.0% for each of the first 30 years of service, plus, b) 2.0% for each year of service in excess of 30 years. Maximum pension is 100% of final average compensation (FS 112.65).

Members Not Eligible for Normal Retirement at June 23, 2014: Total credited service times 3.0% of final average compensation. Maximum pension is 90% of final average compensation or \$90,000, whichever is less. Accrued benefits at June 23, 2014 in excess of the maximum amount are retained.

The normal form of benefit is a benefit payable for the life of the retired member with the first 10 years guaranteed. Optional benefit forms are available on an actuarial equivalent basis. Assumptions used to calculate optional forms of payment are those in effect at the member's commencement date.

Final Average Compensation - Highest 5 years out of last 10. Compensation includes base pay plus longevity, incentive pay, and overtime. Overtime is limited to 300 hours per calendar year after June 23, 2014. Excludes all other compensation.

Early Retirement:

Eligibility - 20 years of service or age 50 with 10 years of service at June 23, 2014. Members that do not meet these conditions are not eligible for Early Retirement.

Pension Amount - Computed as regular retirement, but reduced to take into account earlier commencement of retirement income payments, as follows:

3.0% per year reduction for all years prior to Normal Retirement.



Summary of Benefit Provisions (as of October 1, 2021) (Continued)

Deferred Retirement (vested benefit):

Eligibility - 10 or more years of service for members with less than 5 years of service and new hires as of June 23, 2014. Benefit begins at the earlier of: age 55 with 10 years of service, age 52 with 25 years of service, and age 65 with 5 years of service. The commencement date also applies to members with less than 10 years of service at June 23, 2014.

Members with 10 or more years of service on June 23, 2014: 5 or more years of service. Benefit begins at regular retirement age of 55.

Pension Amount - Computed as a normal retirement but based upon service and final average compensation at time of termination.

Duty Disability Retirement:

Eligibility - No age or service requirements.

Pension Amount - Computed as a normal retirement to regular retirement age. Minimum benefit is not less than 50% of final average compensation. At regular retirement age, the participant has the option to have the benefit re-computed as a normal retirement with additional service credit granted from date of retirement to the later of normal retirement age or five years after date of disability. Minimum benefit is not less than 42% of final average compensation.

Non-Duty Disability Retirement:

Eligibility - 10 or more years of service.

Pension Amount - Computed as a normal retirement. Minimum benefit is not less than 25% of final average compensation.

Duty Death Before Retirement:

Eligibility - No age or service requirements.

Pension Amount - To spouse: 100% of the normal retirement benefit. Minimum benefit is not less than 35% of final average compensation.

Non-Duty Death Before Retirement:

Eligibility - 5 or more years of service for members with more than 5 years of service as of July 21, 2014. 10 or more years of service for members with less than 5 years of service and new hires as of July 21, 2014.

Pension Amount - To spouse: 100% of the normal retirement benefit.



Summary of Benefit Provisions (as of October 1, 2021) (Concluded)

Member Contributions: 7.95% of pay.

Premium Tax Monies: A distribution of casualty insurance premium tax monies collected by the State pursuant to Chapter 185, Florida Statutes.

City Contributions: Actuarially determined amounts which together with member contributions and premium tax monies are sufficient to at least cover the requirements of the funding objective.

Forfeiture of Retirement Benefits: Retirement benefits granted by the Retirement System are subject to forfeiture if an employee is convicted of an offense specified in Sections 112.3173 and 185.185, Florida Statutes, pursuant to the procedures set forth in the cited statute.

Prior Service Purchases: A former member with credited service who wishes to return to City employment may restore the forfeited credited service to receive credit for prior service within ninety (90) days after return to City employment.

Backwards Deferred Retirement Option Program (BackDROP):

Eligibility – Same as normal retirement. Member must not be participating in the DROP on June 23, 2014 and must continue employment beyond the normal retirement date. The member may elect a BackDROP period for the number of months worked beyond their normal retirement date, up to a maximum of 36 months.

Amount of Pension – Computed as if the member had chosen to terminate on a day chosen by the member but not before the member's normal retirement date, using credited service and final average salary at the BackDROP date. In addition to the pension, there will be a lump sum payment, equal to the pension benefits the member would have received had he/she retired on the BackDROP date with interest at the rate of 3.0% per year.

Claims Procedure: Claims for benefits should be filed with the Human Resources Department. If a claim is denied, you will be notified and informed of the procedure to request a hearing before the Board of Trustees. An applicant for benefits must appeal said denial within 20 days of being informed of the denial by filing an appeal with the Board Secretary. If no appeal is filed within the time period then the denial shall be final.



Accounting Information Submitted for Valuation

Revenues and Expenditures

	Year Ended September 30, 2021	Year Ended September 30, 2020
Revenues:		
a. Member contributions	\$ 493,053	\$ 399,342
b. City contributions	720,532	658,426
c. Premium taxes from State	303,569	251,023
d. Total contributions to System	\$1,517,154	\$1,308,791
e. Investment income:		
1. Interest and dividends	653,513	621,270
2. Realized gain on investments	1,531,204	551,482
3. Unrealized gain on investments	2,852,408	1,283,191
4. Investment expense	(53,459)	(44,704)
f. Total investment income	\$4,983,666	\$2,411,239
g. Total revenues	\$6,500,820	\$3,720,030
Expenditures:		
a. Refunds of member contributions	0	15,301
b. Benefits paid	1,282,380	1,276,474
c. Administrative expenses	83,994	80,908
d. Total expenditures	\$1,366,374	\$1,372,683
Reserve Increase:		
Total revenues minus total expenditures	\$5,134,446	\$2,347,347

Summary of Assets (Market Value)

	Year Ended September 30, 2021	Year Ended September 30, 2020
Cash and Short-term Investments	\$ 2,531,331	\$ 354,084
Due from Other Government Units	0	251,023
Receivables less payables	17,828	27,297
Real Estate	1,511,558	1,313,665
U.S. Government Securities	5,181,186	4,439,156
Bonds - government	none	none
- corporate	1,747,530	2,652,090
Stocks - common	none	none
- preferred	none	none
Other (equity mutual funds)	20,993,532	17,811,204
Total assets	\$31,982,965	\$26,848,519



Derivation of Funding Value of Retirement System Assets

	Values as of September 30					
	2019	2020	2021	2022	2023	2024
Beginning of Year Values						
(1) Market Value	\$23,778,932	\$24,501,172	\$26,848,519			
(2) Funding Value	23,212,653	24,522,722	26,597,835			
End of Year						
(3) Market Value	24,501,172	26,848,519	31,982,965			
(4) Net Addition to Assets Excluding Investment Income#	(593,812)	(63,892)	\$150,780			
(5) Total Net Investment Income# =(3)-(1)-(4)	1,316,052	2,411,239	4,983,666			
(6) Projected Net Rate of Return#	7.75%	7.60%	7.50%			
(7) Projected Investment Income =(6) x [(2)+0.5 x (4)]	\$ 1,775,970	\$ 1,861,299	\$ 2,000,492			
(8) Investment Income in Excess of Projected	(459,918)	549,940	2,983,174			
Excess Investment Income Recognized						
(9a) From Current Year = .25 x (8)	(114,980)	137,485	745,794			
(9b) From One Year Prior	68,187	(114,980)	137,485	\$ 745,794		
(9c) From Two Years Prior	187,015	68,187	(114,980)	137,485	\$ 745,794	
(9d) From Three Years Prior	(12,311)	187,014	68,187	(114,978)	137,485	\$ 745,792
(9e) Total Cap. Val. Change Recogn. = (9a)+(9b)+(9c)+(9d)	127,911	277,706	836,486	768,301	883,279	745,792
(10) Increase(Decr.) in Funding Value = (4) + (7) + (9e)	1,310,069	2,075,113	2,987,758			
End of Year						
(11) Market Value	24,501,172	26,848,519	31,982,965			
(12) Funding Value = (2)+(10)	24,522,722	26,597,835	29,585,593			
(13) Market Value Rate of Return	5.6%	9.9%	18.5%			
(14) Funding Value Rate of Return	8.3%	8.7%	10.6%			
(15) Ratio of Market Value to Funding Value	99.9%	100.9%	108.1%			

Net of expenses paid from investment income.



Retired Member and Beneficiary Data Historical Schedule

Year Ended	Added		Removed		Net Increase		End of Year		Expected Removals	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Pensions
9/30/1975			3	\$ 5,238	(3)	\$ (5,238)	38	\$ 96,998		
9/30/1980	4	\$ 12,535	2	6,322	2	6,213	43	126,043		
9/30/1985	6	38,897	3	9,338	3	29,559	54	206,265	1.7	\$ 4,085
9/30/1990	6	63,868	5	14,043	1	49,825	63	346,855	1.9	6,447
9/30/1995	8	184,693	6	24,617	2	160,076	85	1,015,250	2.3	14,657
9/30/1997	5	65,068	4	22,208	1	42,860	93	1,272,018	2.0	16,685
9/30/1998 #							18	468,055	2.0	16,685
9/30/1999	3	63,905	1	25,870	2	38,035	20	506,090	0.2	4,687
9/30/2000	2	100,698		3,890	2	96,808	22	602,898	0.3	5,328
9/30/2001	2	83,928			2	83,928	24	686,826	0.3	6,281
9/30/2002	3	75,810 *			3	75,810	27	761,435	0.3	7,492
9/30/2003	2	22,825	1	12,935	1	9,890	28	771,325	0.4	8,401
9/30/2004	2	45,760			2	45,760	30	817,085	0.5	9,148
9/30/2005	2	78,914	1	3,600	1	75,314	31	892,399	0.5	10,221
9/30/2006	2	54,624			2	54,624	33	947,023	0.5	11,512
9/30/2007	0	0	1	3,600	(1)	(3,600)	32	943,423	0.6	13,132
9/30/2008	2	69,969	1	34,909	1	35,060	33	978,483	0.6	14,333
9/30/2009	2	63,898		2,303 @	2	61,595	35	1,040,078	0.7	16,425
9/30/2010	1	3,895			1	3,895	36	1,043,973	0.7	18,502
9/30/2011	6	171,322	2	32,490	4	138,832	40	1,182,805	0.7	19,567
9/30/2012	2	69,773	2	72,887	0	(3,114)	40	1,179,691	0.9	22,884
9/30/2013	2	97,458			2	97,458	42	1,277,149	0.9	24,431
9/30/2014	0	0	1	13,274	(1)	(13,274)	41	1,263,875	1.0	27,155
9/30/2015	3	50,301	2	57,882	1	(7,581)	42	1,256,294	1.1	29,416
9/30/2016	0	0	3	74,648	(3)	(74,648)	39	1,181,646	1.2	31,283
9/30/2017	0	0	1	5,315	(1)	(5,315)	38	1,176,331	1.0	27,536
9/30/2018	0	42	1	36,872	(1)	(36,830)	37	1,139,501	0.9	29,091
9/30/2019	5	238,436	2	75,371	3	163,065	40	1,302,566	0.8	25,115
9/30/2020	1	24,786	2	84,621	(1)	(59,835)	39	1,242,731	0.9	28,109
9/30/2021	4	134,609	1	17,410	3	117,200	42	1,359,931	1.1	31,771
Expected for 9/30/2022									1.2	35,188

Prior to the 1998 valuation, results include General, Police and Fire.

* Includes changes in benefits due to the minimum benefit requirement.

@ This amount is being paid from the General Employees' Retirement System.



Normal (Age and Service) Retirements

Valuation Year	No.	Average Attained Age	Retirement Age	Annual Pensions	Newly Retired During Year			
					Averages			
					No.	Ret. Age	Service	Annual Pensions
2012	29	65.4 yrs.	54.6 yrs.	\$ 30,068	1	55.4 yrs.	10.2 yrs.	\$ 19,368
2013	31	65.3	54.3	31,272	1	49.4	20.3	47,578
2014	30	65.9	54.4	31,872	0	0.0	0.0	0
2015	29	66.0	54.2	31,698	1	50.8	19.9	20,971
2016	28	66.7	54.2	31,466	0	0.0	0.0	0
2017	28	66.7	54.2	31,466	0	0.0	0.0	0
2018	27	67.9	53.8	31,267	0	-	-	-
2019	28	67.9	54.1	33,188	2	55.0	27.1	73,878
2020	29	68.4	54.1	32,898	1	56.0	12.3	24,786
2021	30	68.7	54.5	28,144	2	54.8	16.0	35,908

Retired Members and Beneficiaries

Historical Comparison				
Valuation Date	% Incr. in	No. of Active Per Retired	Pension	Average Pension#
	Annual Pensions#		Payroll as % of Active Payroll	
10/1/1990	16.8 %			\$ 5,506
10/1/1995	18.7	4.0	13.2 %	11,944
10/1/2000	19.1	2.5	24.9	27,404
10/1/2005	9.2	1.8	27.6	28,787
10/1/2006	6.1	1.7	29.8	28,698
10/1/2007	(0.4)	1.9	26.4	29,482
10/1/2008	3.7	1.8	24.9	29,651
10/1/2009	6.3	1.7	26.9	29,717
10/1/2010	0.4	1.6	26.8	28,999
10/1/2011	13.3	1.4	31.2	29,570
10/1/2012	(0.3)	1.4	31.5	29,492
10/1/2013	8.3	1.3	35.9	30,408
10/1/2014	(1.0)	1.5	32.0	30,826
10/1/2015	(0.6)	1.5	31.4	29,912
10/1/2016	(5.9)	1.6	27.8	30,299
10/1/2017	(0.4)	1.7	26.6	30,956
10/1/2018	(3.1)	1.6	25.6	30,797
10/1/2019	14.3	1.7	27.4	32,564
10/1/2020	(4.6)	1.7	24.4	31,865
10/1/2021	9.4	1.6	26.3	32,379

Prior to the 1999 valuation, results include General, Police and Fire.



Retired Members and Beneficiaries as of October 1, 2021 by Type of Pension Being Paid*

New Plan Pensions

Type of Pension Being Paid	No.	Annual Pension	Average Pension	Actuarial Liability
<i>Age and Service Pensions</i>				
Regular	3	\$ 125,484	\$ 41,828	\$ 965,155
Option I	7	237,213	33,888	2,041,689
Option II	9	207,877	23,097	2,481,807
Option III	10	432,462	43,246	3,991,923
Total Age and Service Pensions	29	1,003,036	34,587	9,480,574
<i>Survivor Pensions</i>				
Surviving Beneficiaries	6	164,137	27,356	1,350,378
Death-in-Service	1	45,384	45,384	611,303
Total Survivor Pensions	7	209,521	29,932	1,961,681
<i>Disability Pensions</i>				
Regular	1	29,466	29,466	264,609
Option I	2	40,673	20,337	298,206
Option II	1	35,060	35,060	394,971
Option III	1	36,760	36,760	314,011
Total Disability Pensions	5	141,959	28,392	1,271,797
Total New Plan Pensions	41	\$1,354,516	\$33,037	\$12,714,052

* Regular - benefit terminating upon death of retired member.
Option I - 10-year certain.
Option II - 100% joint and survivor benefit.
Option III - 50%/66.7%/75% joint and survivor benefit.
Surviving Beneficiaries - benefit terminating upon death of beneficiary.

Retired Members and Beneficiaries as of October 1, 2021 by Type of Pension Being Paid*

Old Plan Pensions

Type of Pension Being Paid	No.	Annual Pension	Average Pension	Actuarial Liability
<i>Age and Service Pensions</i>				
Option II	1	\$ 5,415	\$ 5,415	\$ 53,828
Total Age and Service Pensions	1	5,415	5,415	53,828
<i>Disability Pensions</i>				
Surviving Beneficiaries	0	0	0	0
Total Disability Pensions	0	0	0	0
Total Old Plan Pensions	1	\$ 5,415	\$ 5,415	\$ 53,828
 <i>Total New and Old Plan Pensions Being Paid</i>				
	42	\$1,359,931	\$32,379	\$12,767,880

* Regular - benefit terminating upon death of retired member.

Option I - 10 year certain.

Option II - 100% joint and survivor benefit.

Option III - 50%/66.7%/75% joint and survivor benefit.

Surviving Beneficiaries - benefit terminating upon death of beneficiary.

Retired Member and Beneficiary Data as of October 1, 2021 by Attained Ages

Attained Ages	New Plan		Old Plan		Totals	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 20	1	\$ 47,387			1	\$ 47,387
20 - 24	1	45,384			1	45,384
51	1	51,293			1	51,293
53	1	36,247			1	36,247
56	2	51,300			2	51,300
57	4	130,422			4	130,422
59	2	49,989			2	49,989
61	1	75,666			1	75,666
62	2	44,342			2	44,342
63	1	34,909			1	34,909
65	1	19,368			1	19,368
66	2	60,879			2	60,879
67	2	65,693			2	65,693
69	1	28,534			1	28,534
70	1	23,168			1	23,168
72	4	110,555			4	110,555
73			1	\$5,415	1	5,415
74	3	105,643			3	105,643
75	3	152,361			3	152,361
78	1	38,728			1	38,728
79	3	99,889			3	99,889
81	2	31,311			2	31,311
82	1	27,638			1	27,638
84	1	23,810			1	23,810
Totals	41	\$1,354,516	1	\$5,415	42	\$1,359,931

Vested Terminated Members as of October 1, 2021 by Attained Ages

Attained Ages	No.	Annual Benefits
44	1	\$ 24,002
49	2	74,764
51	1	25,339
Totals	4	\$124,105

Active and Vested Terminated Members

Valuation Date	Active Members	Vested Terminated Members	Valuation Payroll	Average		
				Age	Service	Pay
10/1/2012	57	2	\$ 3,743,405	39.4 yrs.	9.1 yrs.	\$ 65,674
10/1/2013	56	3	3,559,498	39.8	8.8	63,562
10/1/2014	62	2	3,945,943	38.8	8.7	63,644
10/1/2015	63	3	4,006,158	39.1	8.9	63,590
10/1/2016	62	4	4,254,054	40.9	9.8	68,614
10/1/2017	64	3	4,430,567	41.1	10.3	69,228
10/1/2018	61	4	4,451,301	42.1	11.4	72,972
10/1/2019	66	4	4,755,784	41.2	10.0	72,057
10/1/2020	67	4	5,093,224	41.9	10.6	76,018
10/1/2021	66	4	5,177,955	42.0	11.0	78,454

Number Added to and Removed from Active Membership

Year Ended September 30	Number Added		Terminations During Year										Active Members End of Year
	During Year		Normal		Disability		Died-in-		Withdrawal				
			Retirement		Retirement		Service		Vested	Other	Total		
	A	E	A	E	A	E	A	E	A	A	A	E	
2012	5	5	1	0.5	0	0.1	0	0.0	1	3	4	3.0	57
2013	6	7	2	0.2	0	0.1	0	0.0	1	4	5	2.9	56
2014	10	4	0	0.2	0	0.1	0	0.0	0	4	4	2.9	62
2015	9	8	1	0.5	0	0.1	0	0.0	1	6	7	3.4	63
2016	5	6	0	0.9	0	0.1	0	0.0	1	5	6	3.4	62
2017	8	6	0	0.6	0	0.2	0	0.1	0	6	6	4.3	64
2018	4	7	0	0.6	0	0.2	0	0.1	1	6	7	4.3	61
2019	9	4	2	1.8	0	0.2	1	0.1	1	0	1	3.7	66
2020	6	5	1	1.9	0	0.2	0	0.1	0	4	4	4.5	67
2021	3	4	2	2.1	0	0.2	1	0.1	0	1	1	4.5	66
5-yr. Totals													
2017 - 2021	30	26	5	6.9	0	0.9	2	0.4	2	17	19	21.2	
Expected for 2022				3.4		0.2		0.1				4.2	

A: Represents actual number.

E: Represents expected number.



Active Members as of October 1, 2021 by Near Age and Years of Service

Near Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24	1							1	\$ 52,427
25-29	2							2	101,797
30-34	7	4	1					12	739,804
35-39	8	5	5					18	1,292,522
40-44	2	2	2					6	501,089
45-49		1	2	3	2			8	683,986
50-54	1			3	7	1	1	13	1,249,569
55-59	2				1	2		5	482,360
62		1						1	74,401
Totals	23	13	10	6	10	3	1	66	\$5,177,955

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 42.0 years

Service: 11.0 years

Annual Pay: \$78,454

SECTION C

ACTUARIAL COST METHOD, ACTUARIAL ASSUMPTIONS, AND DEFINITIONS OF TECHNICAL TERMS

Actuarial Cost Method

The actuarial cost method is a procedure for allocating the actuarial present value of benefits and expenses to time periods. The method used for your valuation is known as the individual entry-age actuarial cost method, and has the following characteristics:

- (i) The annual normal cost for each individual active member is sufficient to accumulate the value of the member's pension at time of retirement or BackDROP.
- (ii) Each annual normal cost is a constant percentage of the member's year by year projected pensionable compensation.

The entry-age actuarial cost method allocates the actuarial present value of each member's projected benefits on a level basis over the member's pensionable compensation between the entry age of the member and the estimated active status exit ages. This is based on our understanding of the approach preferred by the Florida Division of Retirement.

The portion of the actuarial present value allocated to the valuation year is called the normal cost. The portion of the actuarial present value not provided for by the actuarial present value of future normal costs is called the actuarial accrued liability. Deducting accrued assets from the actuarial accrued liability determines the unfunded actuarial accrued liability. The unfunded actuarial accrued liability was financed as a level percent of member payroll. Please refer to page A-13 for a schedule of financing periods.

The characteristics of this method of financing the unfunded actuarial accrued liability are shown on page C-2.

Active member payroll was assumed to increase 2.5% a year for the purpose of determining the level percent contributions, except to the extent needed for FS 112.64(5) compliance. This assumption is consistent with the base rate of increase in salaries used to calculate actuarial present values.

Level Percent of Active Member Payroll Amortization of Unfunded Actuarial Accrued Liability* (Amortization Schedule \$ Amounts in Thousands)

Year Ended September 30	Payroll		Unfunded		Contribution	
	Inflated Dollars	Constant Value	Inflated Dollars	Constant Value	Inflated Dollars	Constant Value
2021	\$5,178	\$5,178	\$383	\$383	\$ 343	\$ 343
2022	5,307	5,178	51	50	352	343
2023	5,440	5,178	(314)	(299)	302	288
2024	5,576	5,178	(655)	(608)	358	332
2025	5,715	5,178	(1,079)	(978)	316	286
2030	6,467	5,178	(2,648)	(2,121)	(193)	(155)
2035	7,316	5,178	(2,373)	(1,679)	(424)	(300)
2040	8,278	5,178	(801)	(501)	(102)	(64)
2044	9,137	5,178	(358)	(203)	(266)	(151)
2045	9,366	5,178	(106)	(59)	(109)	(60)
2046	9,600	5,178	0	0	0	0

*	\$ (878,466) over 25 years	\$ 238,800 over 13 years
	(1,295,088) over 24 years	1,596,506 over 12 years
	526,277 over 23 years	(225,713) over 11 years
	101,872 over 22 years	(303,214) over 10 years
	238,646 over 21 years	927,291 over 9 years
	309,016 over 20 years	553,962 over 8 years
	166,440 over 19 years	496,177 over 7 years
	(3,047,042) over 18 years	769,023 over 6 years
	(635,620) over 17 years	0 over 5 years
	(547,681) over 16 years	167,574 over 4 years
	1,131,744 over 15 years	(123,701) over 3 years
	110,744 over 14 years	105,102 over 2 years

\$ 382,649 TOTAL

Level percent-of-payroll financing of unfunded actuarial accrued liability treats each generation of taxpayers equally during the financing period. The alternative, level dollar financing, produces declining percent-of-payroll contributions and places a greater relative burden on current taxpayers.

The annual rate of increase in participant payroll used to compute the level percent-of-payroll contribution is the same rate of payroll growth used to compute actuarial liability and costs. It reflects across-the-board salary increases, not group size increases.

If future payroll growth is less than the assumed rate due to smaller than projected salary increases, the percent-of-payroll contribution rate for unfunded actuarial accrued liability will tend to decline.

If future payroll growth is less than the assumed rate due to decreases in the number of participants, the percent-of-payroll contribution rate for unfunded actuarial accrued liability will tend to increase but dollar contributions will be less than indicated in the preceding schedule.



Actuarial Assumptions Used for the Valuation

Funding objective contribution requirements and actuarial present values are calculated by applying estimates of future plan activities (actuarial assumptions) to the benefit provisions and people information of the System, using the actuarial cost method described on page C-1. All actuarial assumptions used in this report are estimates of future experience.

The principal areas of risk which require estimates of future plan activities are:

- (i) Long-term rates of investment return to be generated by the assets of the System
- (ii) Patterns of pay increases to active members
- (iii) Rates of mortality among active members, retired members and beneficiaries
- (iv) Rates of withdrawal of active members
- (v) Rates of disability among active members
- (vi) The age patterns of actual retirements

In making a valuation, the monetary effect of each activity is calculated for as long as a present covered person survives - - a period of time which can be as long as a century.

Actual activities of the system will not coincide exactly with estimated activities, due to their nature. Each valuation provides a complete recalculation of estimated future activities and takes into account the effect of differences between estimated and actual activity to date. The result is a continual series of adjustments (usually small) to the computed contribution rate. From time-to-time one or more of the assumptions are modified to reflect experience trends (but not random or temporary year-to-year fluctuations).

In accordance with Chapter 112, Florida Statutes, 112.661(9), the Board of Trustees adopts the assumed rate of return assumption used for actuarial valuation purposes. The actuarial assumptions are set by the Board. The rationale for certain actuarial assumptions is described in the October 1, 1995 through September 30, 2000 experience study report. The reasonableness of economic assumptions was based upon capital market expectations provided by various investment consultants (including the System's) and other sources such as the Social Security Trustees report. All actuarial assumptions are estimates of future experience.

The actuarial assumptions regarding the INVESTMENT RETURN, the INFLATION rate, the SALARY INCREASE rates, and REAL INVESTMENT RETURN were effective October 1, 2020. These actuarial assumptions are used, in combination with the other actuarial assumptions, to: (i) determine the present value of amounts expected to be paid in the future; and (ii) establish rates of contribution which are expected to remain relatively level as a percent of covered payroll.

The annual interest rate used in making this valuation was 7.50%. It is composed of inflation and real investment return.

PRICE INFLATION. 2.5% per annum, compounded annually. This is the rate at which growth in the supply of money and credit is estimated to exceed growth in the supply of goods and services. It may be thought of as the rate of depreciation of the purchasing power of the dollar. There are a number of indices for measuring the inflation rate. The recent inflation rate, as measured by the Consumer Price Index, has been:

	Year Ended September 30					Average	
	2021	2020	2019	2018	2017	3-Year	5-Year
Actual	5.4%	1.4%	1.7%	2.3%	2.2%	2.8%	2.6%
Assumed	2.5%	2.5%	2.5%	2.5%	2.5 %	2.5%	2.5%

REAL INVESTMENT RETURN. 5.0% per annum, compounded annually. This is the rate of return estimated to be produced by investing a pool of assets in an inflation-free environment. Recent real investment return for the Retirement System has been:

	Year Ended September 30					Average	
	2021	2020	2019	2018	2017	3-Year	5-Year
Net Rate	10.6%	8.7%	8.3%	7.3%	7.5%	9.2%	8.5%
Less Inflation Rate	<u>5.4%</u>	<u>1.4%</u>	<u>1.7%</u>	<u>2.3%</u>	<u>2.2%</u>	<u>2.8%</u>	<u>2.6%</u>
Net Real Rate	5.2%	7.4%	6.6%	5.0%	5.2%	6.4%	5.9%
Target Real Rate	5.0%	5.1%	5.25%	5.4%	5.4%	5.1%	5.2%

The total investment return rate was computed using the approximate formula $i = I \text{ divided by } 1/2 (A + B - I)$, where I is actual realized investment income plus market value adjustments, A is the beginning of year funding asset value and B is the end of year funding value of assets.

The preceding investment return rates reflect the particular characteristics of this Retirement System and should not be used to measure an investment advisor's performance or for comparison with other retirement systems. Such use will usually mislead.

SALARY INCREASES. Employee salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority; (ii) inflation-related depreciation of the purchasing power of salaries; and (iii) competition from other employers for personnel.

A schedule of estimated rates of increases in individual salaries for sample ages follows:

Attributable to:	Annual Rates for Salary Increase for Sample Ages				
	20	30	40	50	60
Merit & Seniority	3.8 %	2.7 %	2.1 %	1.1 %	0.2 %
General Increase in Wage Level Due to:					
Price Inflation	2.5	2.5	2.5	2.5	2.5
Other Factors	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	6.3 %	5.2 %	4.6 %	3.6 %	2.7 %

The valuation is based on a constant group size and total payroll increasing at the rate of the general increase in wage levels due to inflation and other causes, which in this case is 2.5% a year.

A schedule of recent salary change experience, as measured by average reported pay, follows:

	Year Ended September 30					Average		
	2021	2020	2019	2018	2017	3-Year	5-Year	10-Year
% Change:								
Actual ⁽¹⁾	13.5%	7.0%	8.1%	4.5%	3.6%	9.5%	7.3%	5.5%
Assumed	4.2%	4.2%	4.3%	4.2%	4.3%	4.2%	4.2%	5.1%
% Change in Total Payroll	8.9%	7.1%	6.8%	0.5%	4.1%	7.6%	5.4%	3.9%

⁽¹⁾ Excluding terminations and new members.

In order to achieve the funding objective of a contribution rate which remains level as a percent-of-payroll, the total rate of investment return must exceed the rate of average increase in salaries by an amount equal to the estimated real investment return rate. The schedule on the following page illustrates the recent history of the relationship between total investment return and average pay changes.

	Year Ended September 30					Average	
	2021	2020	2019	2018	2017	3-Year	5-Year
Net Investment Return Rate	10.6%	8.7%	8.3%	7.3%	7.5%	9.2%	8.5%
Rate of Change in Average Pay	13.5%	7.0%	8.1%	4.5%	3.6%	9.5%	7.3%
Difference: Actual	(2.9)%	1.8%	0.2%	2.8%	3.8%	(0.3)%	1.2%
Target	5.0%	5.1%	5.3%	5.4%	5.4%	5.1%	5.2%

MORTALITY TABLE. The mortality tables used to measure retired life mortality were the Florida Retirement System (FRS) Mortality Tables, as described below:

- **Male Non-Disabled Retiree Mortality:** fully generational mortality. PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Mortality Table, set-forward 1 year, projected with scale MP-2018.
- **Female Non-Disabled Retiree Mortality:** fully generational mortality. PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table, set-forward 1 year, projected with scale MP-2018.
- **Male Employee Mortality:** fully generational mortality. PUB-2010 Headcount Weighted Safety Below Median Employee Male Mortality Table, set forward 1 year, projected with scale MP-2018.
- **Female Employee Mortality:** fully generational mortality. PUB-2010 Headcount Weighted Safety Employee Female Mortality Table, set forward 1 year, projected with scale MP-2018.
- **Male Disabled Mortality:** 80% PUB-2010 Headcount Weighted General Disabled Retiree Male Mortality Table and 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Male Mortality Table.
- **Female Disabled Mortality:** 80% PUB-2010 Headcount Weighted General Disabled Retiree Female Mortality Table and 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Female Mortality Table.

PUB-2010 Fully Generational Mortality Tables				
Sample Ages in 2021	Value of		Future Life	
	\$1 Monthly for Life		Expectancy (Years)	
	Men	Women	Men	Women
50	\$142.07	\$147.49	32.46	36.29
55	134.61	140.87	27.68	31.26
60	125.10	132.68	23.10	26.47
65	113.79	122.71	18.83	21.96
70	99.89	110.43	14.82	17.70
75	84.04	95.82	11.22	13.78
80	67.19	79.63	8.14	10.31

Applicable to calendar year 2021. Values for future years are determined using the MP-2018 projection scale. The above values are for healthy participants.

The margin for future mortality improvements is included in projection scales. 75% of pre-retirement deaths were assumed to be duty related.

RATES OF WITHDRAWAL FROM ACTIVE MEMBERSHIP. The rates do not apply to members eligible to retire and do not include separation on account of death or disability. This assumption measures the probabilities of members remaining in employment.

Sample Ages	Years of Service	% of Active Members Separating During Next Year
	0	20.00%
	1	15.00%
	2	12.00%
	3	10.00%
	4	7.00%
25	5 & Over	9.90%
30		9.68%
35		7.81%
40		4.84%
45		2.53%
50		2.09%
55		2.09%
60		2.09%

These rates were first used for the October 1, 2016 valuation.

RATES OF DISABILITY. These estimates represent the probabilities of active members becoming disabled.

Sample Ages	% of Active Members Becoming Disabled During Next Year
20	0.07%
25	0.09%
30	0.10%
35	0.14%
40	0.21%
45	0.32%
50	0.52%
55	0.92%
60	1.53%
65	1.65%

The rates assume 75% of disabilities will be duty related.

These rates were first used for the October 1, 1995 valuation.



RATES OF RETIREMENT. These rates are used to measure the probabilities of an eligible member retiring during the next year.

Retirement		Yrs. of Service	Service Based	Early Retirement	Early Retirement
Ages	Age Based			Ages	Rates
52	50%	30	100%	45	5%
53	30%			46	5%
54	30%			47	5%
55	30%			48	5%
56	30%			49	5%
57	20%			50	5%
58	20%			51	5%
59	20%			52	5%
60	20%			53	5%
61	20%			54	5%
62	100%				

A Police member is eligible for normal retirement after 30 years of service, or after attaining age 52 with 25 years of service, or after attaining age 55 with 5 or more years of service (10 years if less than 10 years of service as of June 23, 2014).

A Police member is eligible for early retirement after 20 years of service or after attaining age 50 with 10 years of service, if eligible for early retirement by June 23, 2014.

These rates were first used for the October 1, 2002 valuation.

ADMINISTRATIVE EXPENSES. Administrative expenses are projected to continue at the same percent-of-payroll as experienced during the preceding fiscal year.

INVESTMENT EXPENSES. Investment expenses are offset against gross investment income.

ACTIVE MEMBER GROUP SIZE. The valuation was based on a constant active member group size. This is unchanged from previous valuations.

VESTED MEMBERS who terminate with a benefit worth less than 100% of their own accumulated contributions were assumed to forfeit their vested benefit.

COMPENSATION reported for the actuarial valuation includes all amounts included in final average compensation for benefit purposes with the exception of lump sums for accumulated sick and vacation time.

Summary of Assumptions Used September 30, 2021

Pensions in an Inflationary Environment

Value of \$1,000/Month Retirement Benefit to an Individual Who Retires at Age 52 in an Environment of 2.5% Inflation

Age	Value
52	\$1,000
53	976
54	952
55	929
60	820
65	724
70	640
75	566
80	500
85	442

The life expectancy of a 55-year-old male retiree is age 83. The life expectancy for a 55-year-old female retiree is age 86. Half of the people will outlive their life expectancy. The effects of even moderate amounts of inflation can be significant for those who live to an advanced age.

Summary of Assumptions Used

Miscellaneous and Technical Assumptions

Marriage Assumption. 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits.

Pay Increase Timing. Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

Decrement Timing. Decrements of all types are assumed to occur mid-year.

Eligibility Testing. Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

Benefit Service. Exact fractional service is used to determine the amount of benefit payable.

Decrement Relativity. Decrement rates are used without adjustment for multiple decrement table effects.

Decrement Operation. Disability and mortality decrements do not operate during the first five years of service. Disability and withdrawal do not operate during retirement eligibility.

Normal Form of Benefit. The normal form of benefit is a benefit payable for the life of the retired member with the first 10 years guaranteed. Optional benefit forms are available on an actuarial equivalent basis.

Loads. None.

Incidence of Contributions. Contributions are assumed to be received continuously throughout the year based upon the computed percent-of-payroll shown in this report, and the actual payroll payable at the time contributions are made. New entrant normal cost contributions are applied to the funding of new entrant benefits.

Definitions of Technical Terms

Accrued Service. Service credited under the system which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability. The difference between the actuarial present value of future benefit payments and the actuarial present value of future normal costs. Also referred to as "accrued liability" or "past service liability."

Actuarial Assumptions. Estimates of expected future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement estimates (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic estimates (salary increases and investment income) consist of the underlying rates in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future benefit payments" between future normal costs and actuarial accrued liabilities. Sometimes referred to as the "actuarial valuation cost method."

Actuarial Equivalent. A single amount or series of amounts of equal actuarial present value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

Actuarial Present Value. The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment. Also referred to as "present value."

Amortization. Paying off an interest-discounted amount with periodic payments of interest and principal - as opposed to paying off with a lump sum payment.

Experience Gain (Loss). The difference between actual actuarial costs and assumed actuarial costs - during the period between two valuation dates.

Funding Value of Assets. Also referred to as actuarial value of assets, smoothed market value of assets, or valuation assets.

Valuation assets recognize assumed investment return fully each year. Differences between actual and assumed investment return are phased-in over a closed four-year period. During periods when investment performance exceeds the assumed rate, valuation assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, valuation assets will tend to be greater than market value. If assumed rates are exactly realized for three consecutive years, valuation assets will become equal to market value.

Definitions of Technical Terms (Concluded)

Normal Cost. The actuarial cost allocated to the current year by the actuarial cost method. Sometimes referred to as "current service cost."

Pension Benefit Obligation. A standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The PBO is independent of the actuarial funding method used to determine contributions.

Unfunded Actuarial Accrued Liability. The difference between actuarial accrued liability and the funding value of system assets. Sometimes referred to as "unfunded past service liability," "unfunded accrued liability" or "unfunded supplemental present value."

Most retirement systems have unfunded actuarial accrued liability. An amount arises each time new benefits are added and each time an experience loss occurs.

The existence of unfunded actuarial accrued liability is not in itself bad, any more than a mortgage on a house is bad. Unfunded actuarial accrued liability does not represent a debt that is payable today. What is important is the ability to control the amount of unfunded actuarial accrued liability and the trend in the amount (after due allowance for devaluation of the dollar).

SECTION D

ADDITIONAL DISCLOSURE INFORMATION

GASB Statements No. 67 and No. 68 are the accounting standards which replaced GASB Statements No. 25 and No. 27. GASB Statement No. 67 was first effective for fiscal year 2014 and GASB Statement No. 68 was first effective for fiscal year 2015. A separate GASB Statements No. 67 and No. 68 report has been issued outside of this report. This section contains historical GASB Statements No. 25 and No. 27 reporting information for prior fiscal years and illustrative information for fiscal year 2015 and after.

Contributions Required and Contributions Made

The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an entry-age actuarial funding method. Unfunded actuarial accrued liability is being amortized as a level percent-of-payroll over periods of 2 to 25 years.

During the year ended September 30, 2021, contributions totaling \$1,517,154 - \$1,024,101 employer and \$493,053 employee - were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of October 1, 2019. The employer contributions consisted of \$431,841 for normal cost and administrative expenses and \$486,116 for amortization of the unfunded actuarial accrued liability and \$106,144 for additional premium tax revenue. Employer contributions represented 19.8% of covered payroll.

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the actuarial accrued liability.

Computed Employer Contribution Comparative Schedule

Fiscal Year Beginning October 1	Valuation Date	Contribution Rates		Dollar Contribution	
		As Percents of Valuation Payroll	Valuation Payroll	For Fiscal Year	
				Computed	Actual
2010	10/01/2009	18.8 %	\$3,873,001	\$ 777,408	\$777,408
2011	10/01/2010	19.7	3,896,087	818,251	818,251
2012	10/01/2011	23.0	3,785,736	930,958	930,958
2013	10/01/2012 *	12.3	3,743,405	490,666	530,453
2014	10/01/2013 *	13.4	3,559,498	511,049	562,835
2015	10/01/2014 *	15.0	3,945,943	630,183	662,694
2016	10/01/2015 *	16.1	4,006,158	678,304	726,314 **
2017	10/01/2016 *	15.7	4,254,054	691,323	705,552 **
2018	10/01/2017 *	16.8	4,430,567	770,582	802,241 **
2019	10/01/2018 *	18.3	4,451,301	844,401	909,449 **
2020	10/01/2019 *	18.6	4,755,784	917,954	1,024,101 **
2021	10/01/2020 *	16.2	5,093,224	653,851	
2022	10/01/2021	14.8	5,177,955	742,170	

* After changes in benefit provisions and/or actuarial assumptions.

** Includes amount released from prepaid employer reserve and/or additional premium tax revenue.



Actuarial Accrued Liability

The actuarial accrued liability is a measure intended to help users assess (i) a pension fund's funded status on a going-concern basis, and (ii) progress being made toward accumulating the assets needed to pay benefits as due. Allocation of the actuarial present value of projected benefits between past and future service was based on service using the individual entry-age actuarial cost method. Assumptions, including projected pay increases, were the same as used to determine the Fund's level percent-of-payroll annual required contribution between entry-age and assumed exit age. Entry-age was established by subtracting credited service from current age on the valuation date.

The preceding methods comply with the financial reporting standards established by the Governmental Accounting Standards Board.

The entry age actuarial accrued liability was determined as part of an actuarial valuation of the plan as of October 1, 2021. Significant actuarial assumptions used in determining the entry age actuarial accrued liability include (a) a rate of return on the investment of present and future assets of 7.50% per year compounded annually, (b) projected salary increases of 2.5% per year compounded annually, 2.5% attributable to inflation and 0.0% attributable to other causes, (c) additional projected salary increases of 3.8% to 0.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement.

As of October 1, 2021, the unfunded actuarial accrued liability was \$382,649, determined as follows:

Actuarial Accrued Liability:	
Active participants (30 vested and 36 non-vested)	\$ 16,247,467
Retired participants and beneficiaries currently receiving benefits (42 vested)	12,767,880
Vested terminated participants not yet receiving benefits (4 vested)	900,349
Prepaid Employer Reserve	52,546
Total Actuarial Accrued Liability	\$ 29,968,242
Actuarial Value of Assets (market value was \$31,982,965)	29,585,593
Unfunded Actuarial Accrued Liability	<u>\$ 382,649</u>

During the year ended September 30, 2021 the plan experienced a net change of \$1,723,121 in the Actuarial Accrued Liability. There were no changes in actuarial assumptions, benefit provisions or methods.



Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date October 1	Actuarial Value of Assets# (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b)-(a)	Funded Ratio (a)/(b)	Active Participant Covered Payroll (c)	Unfunded AAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
1998	\$43,678	\$39,897	\$ (3,781)	109.5 %	\$ 10,536	(35.9) %
1999 @	12,142	11,171	(971)	108.7	2,268	(42.8)
2000 *	13,280	12,005	(1,275)	110.6	2,419	(52.7)
2001	13,634	12,607	(1,026)	108.1	2,280	(45.0)
2002	13,350	13,415	64	99.5	2,535	2.5
2003	13,162	14,023	861	93.9	3,028	28.4
2004 *	12,833	14,497	1,664	88.5	2,820	59.0
2005	13,021	15,867	2,846	82.1	3,231	88.1
2006	13,707	16,513	2,806	83.0	3,181	88.2
2007	14,694	17,434	2,740	84.3	3,572	76.7
2008 *	15,104	19,480	4,376	77.5	3,931	111.3
2009	15,342	20,083	4,741	76.4	3,873	122.4
2010	15,646	20,688	5,042	75.6	3,896	129.4
2011	15,458	21,630	6,172	71.5	3,786	163.0
2012	16,365	22,171	5,806	73.8	3,743	155.1
2013	17,469	22,653	5,184	77.1	3,559	145.6
2014 *	18,367	20,779	2,412	88.4	3,946	61.1
2015 *	19,489	22,018	2,529	88.5	4,006	63.1
2016 *	20,651	23,397	2,746	88.3	4,254	64.6
2017 *	21,889	24,750	2,861	88.4	4,431	64.6
2018 *	23,213	26,047	2,834	89.1	4,451	63.7
2019 *	24,523	27,732	3,210	88.4	4,756	67.5
2020 *	26,598	28,245	1,647	94.2	5,093	32.3
2021	29,586	29,968	383	98.7	5,178	7.4

Dollar amounts are in thousands.

* After changes in benefits and/or actuarial assumptions and/or actuarial cost methods.

The Actuarial Value of Assets is four-year smoothed market value.

@ Prior to the 1999 valuation, results include General, Police and Fire.

Analysis of the dollar amounts of the actuarial value of assets, actuarial accrued liability, or unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the System's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.



SECTION E

SUMMARY OF VALUATION RESULTS IN STATE FORMAT

Summary of Valuation Results in State Format (\$ Amounts in Thousands)

	October 1, 2021	October 1, 2020
(a) Participant Data		
(i) Active members - number	66	67
- annual payroll	\$ 5,178	\$ 5,093
(ii) Retired members & beneficiaries (excl. disability)		
- number	37	34
- annualized benefit payroll	\$ 1,218	\$ 1,101
(iii) Disabled members & beneficiaries		
- number	5	5
- annualized benefit payroll	\$ 142	\$ 142
(iv) Terminated vested members		
- number	4	4
- annualized deferred benefit payroll	\$ 124	\$ 124
(b) Assets		
(i) Actuarial value for funding	29,586	26,598
(ii) Market value	31,983	26,849
(c) Actuarial Liability		
(i) Actuarial present value of active member benefits:		
service retirement	\$18,248	\$17,608
termination benefits - pension	1,802	1,836
disability retirement	778	787
survivor benefits (pre-retirement)	348	351
termination benefits - refunds	236	233
extra benefit reserve	0	0
prepaid employer reserve	53	201
Total	\$21,465	\$21,015
(ii) Actuarial present value of terminated vested member benefits	900	834
(iii) Actuarial present value of retired member benefits:		
service retirement & survivors	\$11,496	\$10,212
Additional reserve	0	0
disability retirement & survivors	1,272	1,296
Total	\$12,768	\$11,508
(iv) Total actuarial present value of future benefit payments	35,133	33,357
(v) Payables	0	0
(vi) Actuarial accrued liability	29,968	28,245
(vii) Unfunded actuarial accrued liability ⁽¹⁾	383	1,647

⁽¹⁾ Please refer to page A-13 for requested detail.

Summary of Valuation Results in State Format (\$ Amounts in Thousands)

	October 1, 2021	October 1, 2020
(d) Actuarial Present Value of Accrued Benefits (calculated in accordance with FASB Statement No. 35)		
(i) Vested accrued benefits		
Retired members and beneficiaries	\$ 12,820	\$ 11,709
Terminated members	900	834
Active members (includes non-forfeitable accum. member contributions of \$4,753 for 2021 and \$4,521 for 2020)	12,763	12,014
Total	\$ 26,484	\$ 24,557
(ii) Non-vested accrued benefits	1,166	1,327
(iii) Total actuarial p.v. of accrued benefits	27,650	25,883
(iv) Actuarial p.v. of accrued benefits at begin. of year	25,883	25,302
(v) Changes attributable to:		
Amendments	0	0
Assumption change	0	(439)
Operation of decrements	3,049	2,312
Benefit payments and refunds	(1,282)	(1,292)
Other	none	none
(vi) Net change	1,767	581
(vii) Actuarial p.v. of accr. benefits at end of year	\$ 27,650	\$ 25,883
(e) Plan costs for fiscal year beginning October 1, 2022 and October 1, 2021 (EANC)		
(i) Normal costs		
Service pensions	9.24%	9.41%
Disability pensions	1.07%	1.07%
Survivor pensions (pre-retirement)	0.37%	0.37%
Deferred service pensions	2.54%	2.55%
Refunds of member contributions	1.24%	1.20%
Total normal cost	14.46%	14.60%
(ii) Payment to amortize unf'd. act. accr. liab.	6.66%	7.93%
(iii) FS112.64(5) Compliance	0.00%	0.00%
(iv) Administrative expenses	1.62%	1.59%
(v) Amount to be paid by members	7.95%	7.95%
(vi) Expected plan sponsor/Chapter 185 contribution	14.79%	16.17%
- dollars	795	855

Summary of Valuation Results in State Format (\$ Amounts in Thousands)

		<u>October 1, 2021</u>	<u>October 1, 2020</u>
(f)	Past Contributions (fiscal year ending 9/30/2021 & 2020)		
	(i) Required minimum:		
	Plan sponsor/Chapter 185 monies	\$ 918	\$ 844
	Members	392	367
	Total	<u>\$ 1,310</u>	<u>\$ 1,212</u>
	(ii) Actual:		
	Plan sponsor/Chapter 185 monies	\$ 918	\$ 856
	Prepaid contribution reserve	0	0
	Members	493	399
	Total	<u>\$ 1,411</u>	<u>\$ 1,255</u>
(g)	Net Experience Gain (Loss)	878	854
(h)	Other Disclosures		
	(i) Present value of active member future salaries		
	from attained age	\$36,686	\$36,183
	from entry age	not applicable to individual EANC method	
	(ii) Present value of active member future contribs.		
	from attained age	\$ 2,917	\$ 2,877

Reconciliation of Membership for the Plan Year Ended September 30, 2021

	Active Members	Vested Terminated Members	Pension Recipients		
			Service Retired	Disability Retired	All Beneficiaries
No. at Start of Year	67	4	29	5	5
Increase (Decrease) from					
Service Retirement	(2)		2		
Disability Retirement					
Deaths	(1)		(1)		2
Other Pension Terminations					
Vested Terminations					
Non-Vested Terminations	(1)				
Refund					
New Entrants/Rehires	3				
No. at End of Year	66	4	30	5	7



March 31, 2022

Mr. Duston Scott
Pension Administrator
City of Jacksonville Beach
11 North Third Street
Jacksonville Beach, Florida 32250

Dear Duston:

Enclosed are 15 copies of the report of the Seventy-first Annual Valuation of the City of Jacksonville Beach Police Officers' Retirement System. As directed, copies have been sent directly to:

Attention: Mr. Ryan Tucker
Purvis, Gray and Company
P.O. Box 23999
222 N.E. 1st Street
Gainesville, Florida 32602

Attention: Ms. Steven Bardin, Benefits Administrator
Division of Retirement
Municipal Police Officers' & Firefighters'
Retirement Trust Funds Office
P.O. Box 3010
Tallahassee, Florida 32315-3010

Attention: Mr. Douglas E. Beckendorf, Actuary
Local Retirement Section
Division of Retirement
P.O. Box 9000
Tallahassee, Florida 32315-9000

Sincerely,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink, appearing to read "Brad Lee Armstrong". The signature is fluid and includes a large, stylized flourish at the end.

Brad Lee Armstrong, ASA, EA, FCA, MAAA

BLA:ah
Enclosures

City of Jacksonville Beach
Firefighters' Retirement System
Seventy-First Annual Actuarial Valuation
October 1, 2021



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Report of October 1, 2021 Actuarial Valuation

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--	<i>Cover letter</i>
	<i>Valuation Results, Comments, Conclusion, Recommendations (if any) and Statement by Enrolled Actuary</i>
A-1	Funding objective
A-2/3	Contribution requirement
A-4/5	Funding progress indicators
A-6/8	Comments, recommendations (if any), conclusion, other observations, and statement by enrolled actuary
A-9/10	Risk Measures
A-11	Experience gain (loss)
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A-14	Contribution history
A-15	Actuarial balance sheet
A-16	5-Year projections of future funded ratios and employer contributions
	<i>Summary of Benefit Provisions and Valuation Data Submitted by the Retirement System</i>
B-1/3	Benefit provisions
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	<i>Actuarial Cost Method, Actuarial Assumptions and Definitions of Technical Terms</i>
C-1	Actuarial cost method
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	<i>Additional Disclosure Information</i>
D-1	Schedule of employer contributions
D-2	Actuarial accrued liability
D-3	Schedule of funding progress
	<i>Summary of Valuation Results in State Format</i>
E-1/4	State data



April 19, 2022

Board of Trustees
City of Jacksonville Beach
Firefighters' Retirement System
Jacksonville Beach, Florida

The results of the October 1, 2021 Annual Actuarial Valuation of the City of Jacksonville Beach Firefighters' Retirement System are presented in this report. The purpose of the annual valuation is to measure the System's funding progress and to determine the Local Employers' contribution rate for the fiscal year ending September 30, 2023 in accordance with established funding policies. The results of the valuation may not be applicable for other purposes. Disclosures under the Governmental Accounting Board (GASB) Statements No. 67 and No. 68 were issued in a separate report.

This report should not be relied on for any purpose other than those described above. It was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report. The signing actuaries are independent of the plan sponsor.

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

Valuation results, comments, recommendations (if any) and our certification are contained in Section A.

The valuation was based upon information compiled during the fiscal year ending September 30, 2021, furnished by the City of Jacksonville Beach, concerning pension fund benefits, financial transactions, and individual members, terminated members, retired members and beneficiaries. Data was checked for reasonableness and missing information, but was not audited. GRS is not responsible for the accuracy or completeness of the data provided to us. This information is summarized in Section B.

This report does not fully reflect the recent and still developing impact of COVID-19, which is likely to influence demographic and investment experience, at least in the short term. We will continue to monitor these developments and their impact on the plan.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

A description of the actuarial valuation process, actuarial assumptions and definitions of technical terms are contained in Section C. Additional Disclosure information is contained in Section D and a summary of valuation results in the State format is contained in Section E.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. We certify that the information contained in this report is accurate and fairly presents the actuarial position of the City of Jacksonville Beach Firefighters' Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. It is our opinion that the actuarial assumptions used for the valuation produce results which are reasonable.

Brad Lee Armstrong and Jeffrey T. Tebeau are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Brad Lee Armstrong, ASA, EA, FCA, MAAA



Jeffrey T. Tebeau, FSA, EA, MAAA

BLA/JTT:sc

C2222



SECTION A

**VALUATION RESULTS, COMMENTS, CONCLUSION,
RECOMMENDATIONS (IF ANY) AND STATEMENT BY
ENROLLED ACTUARY**

Funding Objective

The funding objective of the Retirement System is to establish and receive contributions, expressed as dollars, which will achieve progress towards 100% funded status and will remain approximately level from year-to-year and will not have to be increased for future generations of citizens in the absence of benefit improvements. This objective is stated in the Ordinance and meets the requirements of Part VII, Chapter 112, Florida Statutes.

Contribution Rates

The Retirement System is supported by member contributions, property insurance premium tax monies received from the State pursuant to Chapter 175 Florida Statutes (through the fiscal year ending September 20, 2020), Local Employers' contributions (from the cities of Jacksonville and Jacksonville Beach), and investment income from Retirement System assets.

Contributions which satisfy the funding objective are determined by the actuarial valuation and are sufficient to:

- (1) Cover the actuarial costs allocated to the current year (the normal cost) by the actuarial cost methods described in Section C; and
- (2) Finance over a period of future years the actuarial costs not covered by present assets and anticipated future normal costs (Unfunded Actuarial Accrued Liability).

Contribution requirements for the Plan and fiscal year ending September 30, 2023 are shown on pages A-2 and A-3.

Contributions to Finance Benefits of the Retirement System for the Plan Year Ending September 30, 2023 to be Contributed During the Fiscal Year Ending September 30, 2023

Contributions for	Dollars	As a Percent of Active Member Payroll
<i>Normal Cost</i>		
Service pensions	\$ 209,234	11.18 %
Disability pensions	45,418	2.43
Survivor pensions		
Pre-retirement	8,447	0.45
Termination benefits		
Deferred service pensions	73,426	3.92
Refunds of member contributions	15,563	0.83
Total Normal Cost	\$ 352,088	18.82
<i>Unfunded Actuarial Accrued Liability</i>		
Retired members and beneficiaries	0	0.00
Active and vested terminated members	707,653	37.82
Total unfunded actuarial accrued liability	\$ 707,653	37.82
<i>Administrative Expenses</i>	75,574	4.04
<i>Total Calculated Contribution Requirement</i>	\$ 1,135,315	60.68
<i>Adjustments to Calculated Contribution Requirement</i>		
Temporary full funding credit	0	0.00
FS 112.64(5) compliance	0	0.00
Total adjustments	0	0.00
<i>Total Adjusted Contribution Requirement</i>	\$ 1,135,315	60.68 %
Member portion	138,197	7.39 %
Estimated Chapter 175 and Additional Premium	0	0.00 %
Tax Revenue monies		
Estimated Local Employers' portion#	\$ 997,118	53.29 %

#Estimated Local Employers' portion is prior to use of accumulated excess of Chapter money and employee contribution "True Up".

FS 112.64 requires that Local Employers' contributions be deposited not less frequently than quarterly. FS 175.131 requires that Chapter 175 monies be deposited within five days of receipt from the State. Member contributions, which are in addition to the Local Employers'/Chapter contributions, must be deposited immediately after each pay period.

Procedures for determining dollar contributions are shown on page A-3.

Comparative contribution amounts for prior fiscal years are shown on page A-14.



Determining Dollar Contributions

The Local Employers/Chapter should contribute \$997,118 during the fiscal year ending September 30, 2022. The member contribution amounts may be used as projected dollar contributions for purposes of the Comprehensive Annual Financial Report, but should not be used to reconcile actual member contributions.

Fiscal Year Ending September 30,	2023	2022
Preliminary Contribution Requirement	\$ 1,135,315	\$ 1,113,389
Plus Employee Contribution "True Up"	0 [^]	18,067 [@]
Total Contribution Requirement	\$ 1,135,315	\$ 1,131,456
Less Member Contributions	138,197	135,185
Less Accumulated Prepaid Contributions ^{&}	0	27,608
Total Employer Contribution Requirement	997,118	968,663
Less Estimated Chapter 175 and Additional Premium		
Tax Revenue Monies	0	167,320
Estimated Base Local Employers' Contribution	\$ 997,118	\$ 801,343

[&] To be used by the City of Jacksonville Beach against their contribution requirement.

[^] The "True Up" amount applied to FY 2023 would have been the difference between the expected employee contributions of \$150,803 and the actual employee contributions of \$158,581 in 2021. Instead the City of Jacksonville took this as a credit against their 2021 contribution.

[@] The "True Up" amount applied to FY 2022 is the difference between the expected employee contributions of \$163,712 and the actual employee contributions of \$145,645 in 2020.

The fiscal year ending September 30, 2022 and 2023 Local Employers'/Chapter contribution amounts are estimated to be contributed at the beginning of the fiscal year. If contributions are made on a later schedule, interest should be added at the rate of .57% (.0057) for each month of delay.

Since the UAAL on a market value basis became the financial responsibility of the City of Jacksonville Beach as of November 22, 2019, we have split the Local Employers' contribution below into the portion that the City of Jacksonville will pay and the portion that the City of Jacksonville Beach will pay during the fiscal year ending September 30, 2022 and 2023:

Fire Contribution Requirement

Fiscal Year Ending September 30,	2023	2022
City of Jacksonville Beach [#]	\$ 707,653	\$ 680,045
City of Jacksonville	289,465	121,298

[#] The required contribution by the City of Jacksonville Beach is fixed to be the amount of the amortization of the unfunded liability as of the date of the interlocal agreement less any credits due to the City of Jacksonville Beach.



Funding Progress Achievement Indicators

There is no single all-encompassing measure of a retirement system's funding progress and current funded status.

A traditional measure has been the relationship of valuation assets to Unfunded Actuarial Accrued Liability - a measure that is influenced by the choice of actuarial cost method. This relationship is shown on page A-12.

We believe a better understanding of funding progress and status can be achieved using the following indicators.

Indicator (1) *The actuarial present value of gains or losses realized in the operation of the retirement system.* Gains and losses are expected to cancel each other over an economic cycle but sizable year-to-year fluctuations are common. An experience gain can result from assets increasing in value by more than anticipated, or by the system's obligation increasing by less than anticipated, or by other favorable combinations or deviation from expected asset and liability changes. Further details on the derivation of the gain (loss) are shown on page A-11.

Indicator (2) *The ratio of valuation assets to the actuarial present value of credited projected benefits* allocated in the proportion credited service is to projected total service. The ratio is expected to increase over time, but the basic trend may be interrupted by benefit improvements. This ratio is the most appropriate of the three described here for assessing the need for future contributions above the amounts needed to fund the normal cost.

Indicator (3) *The ratio of the unfunded actuarial present value of credited projected benefits to member payroll.* The unfunded actuarial present value of credited projected benefits is controlled by the funding program. The ratio to payroll is a relative index of condition where inflation is present in both components. The ratio is expected to decrease over time, but the basic trend may be interrupted by benefit improvements.

Funding Progress Indicators* - Historical Development (\$ Amounts in Thousands)

Valuation Date	<i>Indicator (1)</i>		<i>Indicator (2)</i>			<i>Indicator (3)</i>		
	Gain/(Loss)		Funding Value of Assets	APVCPB^	Funded Ratio	Unfunded APVCPB^	Member Payroll	Ratio to Payroll
	Amount	% of AAL						
10/1/1995 (a)	\$ 1,315	4.5 %	\$ 30,791	\$ 28,889	106.6 %	\$ (1,902)	\$ 10,601	(17.90) %
10/1/2000 (aa)	321	4.4	8,055	7,792	103.4	(263)	1,408	(18.69)
10/1/2005	(592)	(6.5)	7,483	8,998	83.2	1,515	1,651	91.74
10/1/2007 (a)	289	3.0	8,044	9,356	86.0	1,312	1,726	76.00
10/1/2008	(248)	(2.5)	8,366	9,711	86.2	1,345	1,928	69.76
10/1/2009 (a)	(229)	(2.1)	8,468	10,588	80.0	2,120	1,985	106.80
10/1/2010	(457)	(4.0)	8,434	10,960	77.0	2,526	2,079	121.50
10/1/2011	(507)	(4.2)	8,363	11,421	73.2	3,058	2,120	144.26
10/1/2012	303	2.4	8,888	11,679	76.1	2,791	2,066	135.11
10/1/2013	242	1.9	9,701	12,119	80.1	2,418	1,836	131.67
10/1/2014 (a)	99	0.7	10,438	12,223	85.4	1,785	1,868	95.58
10/1/2015 (a)	35	0.3	11,135	13,520	82.4	2,386	1,848	129.07
10/1/2016 (a)	(267)	(1.8)	11,526	14,796	77.9	3,270	2,052	159.35
10/1/2017 (a)	(233)	(1.5)	12,223	15,748	77.6	3,524	2,162	163.04
10/1/2018 (a)	(151)	(0.9)	13,028	16,888	77.1	3,860	2,153	179.27
10/1/2019 (a)	128	0.7	13,901	19,204	72.4	5,303	2,089	253.80
10/1/2020 (a)	851	4.6	15,069	18,602	81.0	3,533	1,797	196.58
10/1/2021 (a)	522	2.6	16,717	20,081	83.2	3,364	1,871	179.80

(a) After changes in benefit provisions and/or actuarial assumptions and actuarial cost methods.

(aa) After Minimum Benefit changes.

^ AAL starting with 2014.

* None of these funding progress indicators are appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.

Comments and Conclusion

Comment A: For the fiscal year ended September 30, 2021, the Firefighters' System had a \$521,715 experience gain. The gain was primarily attributed to higher-than-expected recognized investment return on the funding value of assets (10.3% recognized vs. 6.9% assumed) due to favorable returns in three out of the last four years. Additional experience information is reported on pages B-7, B-13, C-4, C-5, and C-6. Before assumption changes, the funded ratio improved from 81.0% to 86.1% from 2020 to 2021 on a Funding Value of Assets basis and increased from 82.1% to 93.8% on a market value of assets basis.

Comment B: The assumed interest rate was lowered from 6.90% to 6.625%. This change increased the City of Jacksonville's contribution by \$23,395 (due to the increase in normal cost; an increase of \$88,083 due to the increase in actuarial accrued liabilities was offset by experience gains since consolidation) and decreased the funded ratio from 86.1% to 83.2%. The funded ratio on a market value basis is 90.6%.

Looking Forward: Due to the Board's use of a four-year smoothed market asset valuation method, greater-than-expected market returns during 2018, 2020, and 2021, and lower-than-expected market returns during 2019 have only been partially recognized in developing the Funding Value of Assets as of September 30, 2021, the Market Value of Assets currently exceeds the Funding Value of Assets by \$1,479,069. If losses from investment returns below the 6.625% assumed or losses from other sources do not emerge, this will create downward pressure on contribution requirements and an acceleration of funding progress in subsequent valuation years.

Risks to Future Employer Contribution Requirements: There are ongoing risks to future employer contribution requirements to which the Retirement System is exposed, such as:

- Actual and Assumed Investment Rate of Return
- Actual and Assumed Mortality Rates
- Amortization Policy

Conclusion: It is the actuary's opinion that the required contribution rates determined by the most recent actuarial valuation are sufficient to meet the Retirement System's funding objective, presuming continued timely receipt of required contributions.

Other Observations

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Contributions and Funded Status

Given the System's contribution allocation procedure, if all actuarial assumptions are met and do not change (including the assumption of the Retirement System earning 6.625% on the Market Value of Assets), it is expected that:

1. The City of Jacksonville will contribute the employer normal cost to cover the cost of benefits accruing each year;
2. The City of Jacksonville Beach's portion of the Unfunded Actuarial Accrued Liability (UAAL) is scheduled to be paid off in the first week of October, 2028 (see complete schedule on page C-2); and
3. The City of Jacksonville's portion of the Unfunded Actuarial Accrued Liability (UAAL) is expected to remain negative.

Limitations of Funded Status Measurements

Unless otherwise indicated, a funded status measurement presented in this report is based upon the Actuarial Accrued Liability (AAL) and the Funding Value of Assets (FVA). Unless otherwise indicated, with regard to any funded status measurements presented in this report:

1. The measurement is inappropriate for assessing the sufficiency of Retirement System assets to cover the estimated cost of settling the Retirement System's benefit obligations, for example: transferring the liability to an unrelated third party in a market value type transaction.
2. The measurement is dependent upon the Actuarial Cost Method which, in combination with the Retirement System's amortization policy, affects the timing and amounts of future contributions. The amounts of future contributions will most certainly differ from those assumed in this report due to future actual experience differing from assumed experience based upon the actuarial assumptions. A funded status measurement in this report of 100% is not synonymous with no required future contributions. Even though the funded status is over 100%, the Retirement System would still require future normal cost contributions (i.e., contributions to cover the cost of active membership accruing an additional year of service credit).
3. The measurement would produce a different result if the Market Value of Assets (MVA) were used instead of the FVA, unless the MVA is used in the measurement.

Limitations of Project Scope

Actuarial standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entities to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.

Statement by Enrolled Actuary

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."

3/25/2022

Date



Brad Lee Armstrong, ASA, EA, FCA, MAAA [20-5614]

Risk Measures - Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

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

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

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

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

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

The computed contribution shown on page A-2 may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.



Risk Measures

(\$ in Thousands)

Actuarial Valuation Date (10/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Payroll	(5) Funded Ratio (1) / (2)	(6) Retiree Liabilities (Ret Liab)	(7) Ret Liab / AAL (6)/(2)	(8) AAL / Payroll (2) / (4)	(9) Assets / Payroll (1) / (4)	(10) UAAL / Payroll (3) / (4)	(11) Non- Invest. Cash Flow (NICF)	(12) NICF / Assets (11)/(1)	(13) Market Rate of Return	(14) 5-year Trailing Average
2017 *	\$ 12,223	\$ 15,748	\$ 3,525	\$ 2,162	77.6%	\$ 7,145	45.4%	728.5%	565.4%	163.1%	\$ (151)	(1.2)%	11.9%	N/A
2018 *	13,028	16,888	3,860	2,153	77.1%	7,630	45.2%	784.3%	605.0%	179.3%	(80)	(0.6)%	9.1%	N/A
2019 *	13,901	19,204	5,303	2,089	72.4%	8,721	45.4%	919.1%	665.3%	253.8%	(202)	(1.4)%	5.6%	6.8%
2020 *	15,069	18,602	3,533	1,797	81.0%	9,173	49.3%	1,035.1%	838.5%	196.6%	18	0.1%	9.9%	8.9%
2021 *	16,717	20,081	3,364	1,871	83.2%	9,185	45.7%	1,073.3%	893.5%	179.8%	85	0.5%	18.5%	10.9%

* Revised actuarial assumptions.

(5). The funded ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.

(6) and (7). The ratio of retiree liabilities to total accrued liabilities gives an indication of the maturity of the system. As the ratio increases, cash flow needs increase, and the liquidity needs of the portfolio change. A ratio on the order of 50% indicates a maturing system.

(8) and (9). The ratio of liabilities and assets to payroll gives an indication of both maturity and volatility. Many systems have ratios between 500% and 700%. Ratios significantly above that range may indicate difficulty in supporting the benefit level as a level % of payroll.

(10). The ratio of unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. A ratio above approximately 300% or 400% may indicate difficulty in discharging the unfunded liability within a reasonable time frame.

(11) and (12). The ratio of Non-Investment Cash Flow to assets is an important measure of sustainability. Negative ratios are common and expected for a maturing system. In the longer term, this ratio should be on the order of approximately (4)%. A ratio that is significantly more negative than that for an extended period could be a leading indicator of potential exhaustion of assets.

(13) and (14). Investment return is probably the largest single risk that most systems face. The year-by-year return and the five-year geometric average both give an indication of the reasonableness of the system's assumed return. Of course, past performance is not a guarantee of future results. Market rate shown is based on an actuarial estimation method and will differ modestly from figures reported by the investment consultant.



Experience Gain (Loss) Year Ended October 1, 2021

DERIVATION

(1) UAAL* at start of year	\$3,532,678
(2) Normal cost for year (ER normal cost & expenses from the prior corresponding valuation x current valuation pay)	296,176
(3) Actual City of Jacksonville, City of Jacksonville Beach, and Chapter contribution^	841,792
(4) Interest accrual .0690 x [(1) + 1/2 [(2)-(3)]]	<u>224,931</u>
(5) Expected UAAL before changes	3,211,993
(6) Effect of timing/accounting	0
(7) Effect of assumption/cost method changes	673,678
(8) Effect of benefit changes	<u>0</u>
(9) Expected UAAL after changes	3,885,671
(10) Actual UAAL at end of year	<u>3,363,956</u>
(11) Gain (loss): (9) - (10)	<u>\$ 521,715</u>
(12) % of AAL at start of year	2.8%

*UAAL represents Unfunded Actuarial Accrued Liability.

Valuation Date <u>September 30</u>	Actuarial Gain (Loss) <u>As % of Beginning Accrued Liabilities</u>
2012	2.4
2013	1.9
2014	0.7
2015	0.3
2016	(2.0)
2017	(1.6)
2018	(1.0)
2019	0.8
2020	4.4
2021	2.8

Sources and Financing of Unfunded Actuarial Accrued Liability

Unfunded Actuarial Accrued Liability				Remaining Financing Period	Amort. Factor	Contribution ⁽¹⁾	
Source of Unfunded Act. Accrued Liab.	Initial Amount	Fin. Per.	Current Amount	9/30/2021		Dollar	% of Payroll
Initial unfunded actuarial accrued liability City of Jacksonville							
			\$ (185,615)	8 yrs.	6.460469	\$ (28,731)	(1.54)%
Initial unfunded actuarial accrued liability City of Jacksonville Beach ⁽²⁾							
		10	4,571,770	8	6.460469	707,653	37.82%
Changes from experience deviations.							
9/30/2020	\$ (850,683)	10	(788,838)	9	7.059057	(111,748)	(5.97)%
9/30/2021	(521,715)	10	(521,715)	10	7.620452	(68,462)	(3.66)%
Changes from actuarial assumption and actuarial cost method revisions.							
9/30/2020	(415,533)	10	(385,324)	9	7.059057	(54,586)	(2.92)%
9/30/2021	673,678	10	673,678	10	7.620452	88,404	4.73%
Totals			<u>\$3,363,956</u>			<u>\$532,530</u>	<u>28.46%</u>

Weighted average remaining financing period: 8.5 yrs.

⁽¹⁾ The minimum UAAL contribution for the City of Jacksonville is \$0.

⁽²⁾ The current amount represents the Present Value of the City of Jacksonville Beach's contributions according to their fixed contribution schedule. The City of Jacksonville Beach is actually only responsible for \$4,521,397 of UAAL, which is calculated using the initial interest rate of 7.00%.

Unfunded Actuarial Accrued Liability

	<u>October 1, 2021</u>	<u>October 1, 2020</u>
A. Actuarial present value of future benefits	\$22,599,715	\$21,001,022
B. Actuarial present value of future normal costs	<u>2,518,610</u>	<u>2,399,365</u>
C. Actuarial accrued liability	20,081,105	18,601,657
D. Funding value of assets	<u>16,717,149</u>	<u>15,068,979</u>
E. Unfunded actuarial accrued liability	<u>\$ 3,363,956</u>	<u>\$ 3,532,678</u>

The Unfunded Actuarial Accrued Liability (UAAL) is not a good measure of the System's funded status because the amount is dependent upon the actuarial cost method (please refer to page C-1). The funding progress indicators (2) and (3) on pages A-4 and A-5 are less dependent of the actuarial cost method and are a better guide to funded status and funding progress. The funded status and the funding progress indicators would be different if based on the market value of assets instead of the funding value of assets.

Recommended and Actual Contributions Comparative Statement

Fiscal Year	Valuation Date	Local Employers/Chapter Dollar Contributions [#]		Recommended Local Employers/Chapter % of Payroll Contributions
		Recommended	Actual	
98/99	10/1/1997 (a)	\$ 161,897	\$ 170,318	13.09 %
99/00	10/1/1998	157,388	200,849	12.17
00/01	10/1/1999	140,765	154,219	9.93
01/02	10/1/2000 (aa)	188,644	188,644	12.45
02/03	10/1/2001	181,171	210,934	14.34
03/04	10/1/2002 (a)	187,031	200,796	14.64
04/05	10/1/2003 (a)	201,242	195,785	14.01
05/06	10/1/2004	289,937	313,076	18.49
06/07	10/1/2005	345,883	518,567	19.61
07/08	10/1/2006	347,184	584,172	18.38
08/09	10/1/2007 (a)	329,117	425,843	17.85
09/10	10/1/2008	373,810	423,928	18.15
10/11	10/1/2009 (a)	501,859	533,544	23.67
11/12	10/1/2010	573,563	573,563	25.83
12/13	10/1/2011	639,810	639,810	28.25
13/14	10/1/2012 (a)	408,279	457,932	18.50
14/15	10/1/2013 (a)	368,361	389,997	18.78
15/16	10/1/2014 (a)	422,041	422,041	21.15
16/17	10/1/2015 (a)	501,375	501,375	25.76
17/18	10/1/2016 (a)	608,384	608,384	28.57
18/19	10/1/2017	657,730	657,730	29.32
19/20	10/1/2019 &	1,067,242	1,101,580	51.08
20/21	10/1/2019	982,885	841,792	47.04
21/22	10/1/2020 (a)	978,204		54.43
22/23	10/1/2021 (b)	973,723		52.04
22/23	10/1/2021 (a)	997,118		53.29

(a) After changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

(aa) After Minimum Benefit changes.

& Recalculated recommended contribution per adopted interlocal agreement.

(b) Before changes in actuarial assumptions.

Prior to the fiscal year ending 9/30/99, results include General, Police and Fire.

Actuarial Balance Sheet - October 1, 2021

Present Resources and Expected Future Resources

A. Funding value of system assets:	
1. Net assets from system financial statements (market value)	\$ 18,196,218
2. Funding value adjustment	<u>(1,479,069)</u>
3. Funding value of assets	16,717,149
B. Actuarial present value of expected future employer contributions:	
1. For normal costs	1,500,208
2. For unfunded actuarial accrued liability	<u>3,363,956</u>
3. Totals	4,864,164
C. Actuarial present value of expected future member contributions	<u>1,018,402</u>
D. Total Present and Expected Future Resources	<u><u>\$22,599,715</u></u>

Actuarial Present Value of Expected Future Benefit Payments and Reserves

A. To retired members and beneficiaries	\$ 9,184,640
B. To vested terminated members	310,789
C. To present active members:	
1. Allocated to service rendered prior to valuation date	10,541,797
2. Allocated to service likely to be rendered after valuation date	<u>2,518,610</u>
3. Totals	13,060,407
D. City of Jacksonville Beach Prepaid Contribution Reserve*	27,608
E. City of Jacksonville Prepaid Contribution Reserve#	16,271
F. Total Actuarial Present Value of Expected Future Benefit Payments	<u><u>\$22,599,715</u></u>

* The entire amount is scheduled to offset the fiscal year 2022 contribution for the City of Jacksonville Beach.

Composed of \$7,861 from excess chapter contributions and \$8,410 due to excess employer contributions.

A portion of the contribution requirement for City of Jacksonville can be paid from this reserve.



5-Year Projections of Future Funded Ratios and Future Employer Contributions

Valuation							Total Employer Contribution				Estimated Local Employers' Contributions		
							Less			City of			
Date	Active		Benefit	Actuarial	Actuarial	Funded	Fiscal	% of	Dollar	Estimated	Jacksonville	City of	
10/1	Count	Payroll	Payments	Liability	Value of	Ratio	Year	Payroll	Amount	Chapter 175	Beach	Jacksonville	Total
2021	25	\$ 1,870,976	\$ 822,078	\$ 20,081,104	\$ 16,717,149	83.2%	2023	53.29%	\$ 997,118	\$ -	\$ 707,653	\$ 289,465	\$ 997,118
2022	23	1,763,499	858,915	20,913,122	18,552,141	88.7%	2024	56.49%	996,163	-	707,653	288,510	996,163
2023	22	1,752,608	887,776	21,753,957	20,585,394	94.6%	2025	56.03%	982,048	-	707,653	274,395	982,048
2024	21	1,742,458	890,849	22,645,375	22,643,651	100.0%	2026	55.02%	958,707	-	707,653	251,054	958,707
2025	18	1,520,078	977,327	23,482,025	24,267,936	103.3%	2027	62.04%	943,012	-	707,653	235,359	943,012
2026	16	1,385,315	1,110,995	24,196,083	25,806,066	106.7%	2028	67.29%	932,119	-	707,653	224,466	932,119

Chapter 175 monies are assumed to stay level in future years.

Actuarial assumptions were those used for the 10/1/2021 valuation.

Future experience was assumed to be consistent with the actuarial assumptions. If experience differs from the actuarial assumptions, future results could be significantly different from the projected results above.

Existing schedule of unrecognized investment gains and losses are reflected in this projection.



SECTION B

SUMMARY OF BENEFIT PROVISIONS AND VALUATION DATA SUBMITTED BY THE RETIREMENT SYSTEM

Summary of Benefit Provisions (as of October 1, 2021)

Normal Retirement (no reduction factor for age):

Eligibility

Members with 10 or more years of service as of July 21, 2014: 30 years of service regardless of age, or age 52 with 25 or more years of service, or age 55 with 5 or more years of service.

Members with less than 10 years of service as of July 21, 2014: 30 years of service regardless of age, or age 52 with 25 or more years of service, or age 55 with 10 or more years of service.

Mandatory Retirement Age - None.

Pension Amount

Members Not Eligible for Normal Retirement as of July 21, 2014: Total credited service times 3.0% of final average compensation. Maximum pension is 90% of final average compensation or \$90,000, whichever is less. Accrued benefits as of July 21, 2014 in excess of the maximum amount are retained.

The normal form of benefit is a benefit payable for the life of the retired member with the first 10 years guaranteed. Optional benefit forms are available on an actuarial equivalent basis. Assumptions used to calculate optional forms of payment are those in effect at the member's commencement date.

Final Average Compensation - Highest 5 years out of last 10. Compensation includes base pay plus longevity and incentive pay. Excludes overtime and all other forms of compensation.

Early Retirement:

Eligibility - 20 years of service or age 50 with 10 years of service as of July 21, 2014. Members that do not meet these conditions are not eligible for Early Retirement.

Pension Amount - Computed as regular retirement, but reduced to take into account earlier commencement of retirement income payments, as follows:

3.0% per year reduction prior to Normal Retirement

Deferred Retirement (vested benefit):

Eligibility - 10 or more years of service for members with less than 5 years of service and new hires as of July 21, 2014. Benefit begins at the earlier of: age 55 with 10 years of service, age 52 with 25 years of service, and age 65 with 5 years of service.

Members with 5 or more years of service as of July 21, 2014: 5 or more years of service. Benefit begins at regular retirement age of 55.

Pension Amount - Computed as a normal retirement but based upon service and final average compensation at time of termination.



Summary of Benefit Provisions (Continued)

Duty Disability Retirement:

Eligibility - No age or service requirements.

Pension Amount - Computed as a normal retirement to regular retirement age. Minimum benefit is not less than 50% of final average compensation. At regular retirement age, the participant has the option to have the benefit re-computed as a normal retirement with additional service credit granted from date of retirement to the later of normal retirement age or five years after date of disability. Minimum benefit is not less than 42% of final average compensation.

Non-Duty Disability Retirement:

Eligibility - 10 or more years of service.

Pension Amount - Computed as a normal retirement. Minimum benefit is not less than 25% of final average compensation.

Duty Death Before Retirement:

Eligibility - No age or service requirements.

Pension Amount - To spouse: 100% of the normal retirement benefit. Minimum benefit is not less than 35% of final average compensation.

Non-Duty Death Before Retirement:

Eligibility - 5 or more years of service for members with more than 5 years of service as of July 21, 2014. 10 or more years of service for members with less than 5 years of service and new hires as of July 21, 2014.

Pension Amount - To spouse: 100% of the normal retirement benefit.

Member Contributions: 7.95% of pay.

Cost-of-Living Adjustments: A one-time, permanent benefit increase of 2% was granted to retirees who retired before January 1, 2009. Retirees who retire after January 1, 2009 and before July 21, 2014 will receive on the 2nd anniversary of retirement, a 2% benefit increase and an additional 2% compounded annually, inclusive of certain periods and/or survivor benefits. Members who were employed on and retire after July 21, 2014 receive a 2% benefit increase for service earned before July 21, 2014 and a 1% increase for service earned after July 21, 2014, compounded annually beginning two years after retirement. Members hired after July 21, 2014 are not eligible for a COLA.

Premium Tax Monies: A distribution of property insurance premium tax monies collected by the State pursuant to Chapter 175, Florida Statutes.



Summary of Benefit Provisions (Concluded)

City Contributions: Actuarially determined amounts which together with member contributions and premium tax monies are sufficient to at least cover the requirements of the funding objective.

Forfeiture of Retirement Benefits: Retirement benefits granted by the Retirement System are subject to forfeiture if an employee is convicted of an offense specified in Sections 112.3173 and 175.195, Florida Statutes, pursuant to the procedures set forth in the cited statute.

Prior Service Purchases: A former member with credited service who wishes to return to city employment may restore the forfeited credited service to receive credit for prior service within ninety (90) days after return to city employment.

Backwards Deferred Retirement Option Program (BackDROP):

Eligibility – Same as normal retirement. Member must not be participating in the DROP on July 21, 2014 and must continue employment beyond the normal retirement date. The member may elect a BackDROP period for the number of months worked beyond their normal retirement date, up to a maximum of 36 months.

Amount of Pension – Computed as if the member had chosen to terminate on a day chosen by the member but not before the member's normal retirement date, using credited service and final average salary at the BackDROP date. In addition to the pension, there will be a lump sum payment equal to the pension benefits the member would have received had he/she retired on the BackDROP date with interest at the rate of 3.0% per year.

Claims Procedure: Claims for benefits should be filed with the Human Resources Department. If a claim is denied, you will be notified and informed of the procedure to request a hearing before the Board of Trustees. An applicant for benefits must appeal said denial within 20 days of being informed of the denial by filing an appeal with the Board Secretary. If no appeal is filed within the time period then the denial shall be final.

Disclaimer: The preceding summary briefly describes the principle benefits of the Retirement System. Detailed benefit conditions and limitations are contained in the City of Jacksonville Beach Firefighters' Retirement System Ordinance as amended, which establishes the System. The Internal Revenue Code, Florida Statutes, and the Ordinance all govern the operation of the System, and should be consulted before you take any action concerning your membership or benefits. In case of any conflict between this Summary and the Ordinance or other applicable law, the Ordinance or other applicable law will prevail. Copies of the Ordinance are available at the office of the City Clerk.



Accounting Information Submitted for Valuation

Revenues and Expenditures

	Year Ended September 30, 2021	Year Ended September 30, 2020
Revenues:		
a. Member contributions	\$ 158,581	\$ 145,645
b. City of Jacksonville Beach and City of Jacksonville contributions	841,792	934,260
c. Premium taxes from State	0	167,320
d. Total contributions to System	\$ 1,000,373	\$ 1,247,225
e. Investment income:		
1. Interest and dividends	373,079	357,919
2. Realized gain on investments	871,219	312,554
3. Unrealized gain on investments	1,622,953	727,252
4. Investment expense	(32,053)	(25,494)
f. Total investment income	\$ 2,835,198	\$ 1,372,231
g. Total revenues	\$ 3,835,571	\$ 2,619,456
Expenditures:		
a. Refunds of member contributions	0	32,981
b. Benefits paid	839,948	1,116,417
c. Administrative expenses	75,574	80,003
d. Total expenditures	\$ 915,522	\$ 1,229,401
Adjustments to MVA:	\$ 0	0
Reserve Increase:		
Total revenues minus total expenditures	\$ 2,920,049	\$ 1,390,055

Summary of Assets (Market Value)

	Year Ended September 30, 2021	Year Ended September 30, 2020
Cash and Short-term Investments	\$ 1,348,969	\$ 540,740
Due from Other Government Units	90,000	0
Receivables less payables	10,112	14,015
Real Estate	860,041	744,524
U.S. Government Securities	2,947,972	2,515,905
Bonds - government	none	none
- corporate	994,303	1,503,080
Stocks - common	none	none
- preferred	none	none
Other (equity mutual funds)	11,944,821	9,957,905
Total assets	\$18,196,218	\$15,276,169



Derivation of Funding Value of Retirement System Assets

	2020	2021	2022	2023	2024
<u>Beginning of Year Values</u>					
(1) Market Value	\$13,886,114	\$15,276,169			
(2) Funding Value	13,900,598	15,068,979			
<u>End of Year</u>					
(3) Market Value	15,276,169	18,196,218			
(4) Net Addition to Assets Excluding Investment Income#	17,824	84,851			
(5) Total Net Investment Income# = (3)-(1)-(4)	1,372,231	2,835,198			
(6) Projected Net Rate of Return#	7.000%	6.900%	6.625%		
(7) Projected Investment Income = (6) x [(2)+0.5 x (4)]	973,666	1,042,687			
(8) Investment Income in Excess of Projected	398,565	1,792,511			
Excess Investment Income Recognized					
(9a) From Current Year = .25 x (8)	99,641	448,128			
(9b) From One Year Prior	(64,599)	99,641	\$ 448,128		
(9c) From Two Years Prior	37,462	(64,599)	99,641	\$ 448,128	
(9d) From Three Years Prior	104,387	37,462	(64,597)	99,642	\$ 448,127
(9e) Total Cap. Val. Change Recogn. = (9a)+(9b)+(9c)+(9d)	176,891	520,632	483,172	547,770	448,127
(10) Increase(Decr.) in Funding Value = (4) + (7) + (9e)	1,168,381	1,648,170			
<u>End of Year</u>					
(11) Market Value	\$15,276,169	\$18,196,218			
(12) Funding Value = (2)+(10)	15,068,979	16,717,149			
(13) Market Value Rate of Return	9.9%	18.5%			
(14) Funding Value Rate of Return	8.3%	10.3%			
(15) Ratio of Market to Funding Value	101.4%	108.8%			

Net of expenses paid from investment income.

Retired Member and Beneficiary Data Historical Schedule

Year Ended	Added		Removed		Net Increase		End of Year		Expected Removals	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Pensions
9/30/1975			3	\$ 5,238	(3)	\$ (5,238)	38	\$ 96,998		
9/30/1980	4	\$ 12,535	2	6,322	2	6,213	43	126,043		
9/30/1985	6	38,897	3	9,338	3	29,559	54	206,265	1.7	\$ 4,085
9/30/1990	6	63,868	5	14,043	1	49,825	63	346,855	1.9	6,447
9/30/1995	8	184,693	6	24,617	2	160,076	85	1,015,250	2.3	14,657
9/30/1996	14	247,257	7	33,348	7	213,909	92	1,229,159	1.9	14,218
9/30/1997	5	65,068	4	22,208	1	42,860	93	1,272,018	2	16,685
9/30/1998 #							14	289,524	2	16,685
9/30/1999							14	289,524	0.2	3,497
9/30/2000	1	32,824			1	32,824	15	322,348	0.2	3,883
9/30/2001	3	136,130			3	136,130	18	458,478	0.2	4,487
9/30/2002	3	147,176 *			3	147,176	21	605,654	0.3	5,710
9/30/2003	1	54,211	2	55,764	(1)	(1,553)	20	604,101	0.3	7,094
9/30/2004	1	60,277			1	60,277	21	664,378	0.3	7,970
9/30/2005	4	70,107	1	15,608	3	54,499	24	718,877	0.4	8,984
9/30/2006					0	0	24	718,877	0.4	9,685
9/30/2007					0	0	24	718,877	0.4	10,710
9/30/2008					0	0	24	718,877	0.5	11,858
9/30/2009	1	42,517	1	28,994	0	13,523	24	732,400	0.5	13,143
9/30/2010			1	24,355	(1)	(24,355)	23	708,045	0.6	14,312
9/30/2011			2	48,190	(2)	(48,190)	21	659,855	0.6	14,354
9/30/2012					0	0	21	659,855	0.6	15,813
9/30/2013	3	82,016	1	14,397	2	67,619	23	727,474	0.7	17,445
9/30/2014	1	25,134	0	0	1	25,134	24	752,608	0.7	18,427
9/30/2015	0	1,386	0	0	0	1,386	24	753,994	0.8	20,452
9/30/2016	1	17,077	1	17,077	0	1,413	24	755,407	0.9	22,569
9/30/2017	0	1,442	1	8,585	(1)	(7,143)	23	748,264	0.8	20,245
9/30/2018	3	73,674	2	49,453	1	24,221	24	772,485	0.7	21,083
9/30/2019	1	66,133	1	44,416	0	21,717	24	794,202	0.7	19,912
9/30/2020	2	108,566	2	64,185	0	44,381	24	838,583	0.8	20,813
9/30/2021	0	5,212	1	16,506	(1)	(11,293)	23	827,290	0.8	20,902
Expected for 9/30/2022									0.8	22,262

Prior to 1998 valuation, results include General, Police and Fire.

* Includes changes in benefits due to minimum benefit requirement.



Normal (Age and Service) Retirements

Valuation Year	Average				Newly Retired During Year			
	No.	Attained Age	Retirement Age	Annual Pensions	Averages			Annual Pensions
					No.	Age	Service	
2006	16	64.1	55.0	\$30,772				
2007	16	65.1	55.0	30,772				
2008	16	66.1	55.0	30,772				
2009	16	67.1	55.3	31,340				
2010	16	68.1	55.3	31,299				
2011	14	69.1	55.3	34,180				
2012	14	70.1	55.3	34,180				
2013	16	67.7	55.5	34,134	3	56.6	22.2	\$27,338
2014	17	68.7	54.2	33,604	1	55.0	21.7	25,134
2015	17	69.7	54.2	33,686				
2016	16	68.9	55.2	34,812				
2017	16	69.9	55.2	34,902				
2018	14	69.2	54.9	36,461				
2019	14	69.1	54.7	38,012	1	57.0	25.3	64,633
2020	14	67.8	54.6	42,669	1	60.3	30.7	83,761
2021	14	68.8	54.6	42,991				

Retired Members and Beneficiaries Historical Comparison

Valuation Date	% Incr. in Annual Pensions#	No. of Active Per Retired	Pension Payroll as % of Active Payroll	Average Pension#
10/1/1990 *	16.8 %			\$ 5,506
10/1/1995	18.7	2.7 %	16.7 %	11,944
10/1/2000	11.3	2.2	22.9	21,490
10/1/2005	8.2	1.2	43.5	29,953
10/1/2007	0.0	1.3	41.7	29,953
10/1/2008	0.0	1.3	37.3	29,953
10/1/2009	1.9	1.3	36.9	30,517
10/1/2010	(3.3)	1.3	34.1	30,785
10/1/2011	(6.8)	1.4	31.1	31,422
10/1/2012	0.0	1.4	31.9	31,422
10/1/2013	10.2	1.2	39.6	31,629
10/1/2014	3.5	1.2	40.3	31,359
10/1/2015	0.2	1.2	40.8	31,416
10/1/2016	0.2	1.3	36.8	31,475
10/1/2017	(0.9)	1.3	34.6	32,533
10/1/2018	2.7	1.3	35.9	32,187
10/1/2019	2.8	1.1	38.0	33,092
10/1/2020	5.6	1.0	46.7	34,941
10/1/2021	(1.3)	1.1	44.2	35,969

Prior to 1999 valuation, results include General, Police and Fire.

* For the 5 years ending with the valuation date.



Retired Members and Beneficiaries as of October 1, 2021 by Type of Pension Being Paid*

New Plan Pensions

Type of Pension Being Paid	No.	Annual Pension	Average Pension	Actuarial Liability
<i>Age and Service Pensions</i>				
Regular	3	\$ 42,651	\$14,217	\$ 425,997
Option I	2	124,067	62,033	1,102,479
Option II	5	215,673	43,135	2,676,732
Option III	4	219,478	54,870	3,007,597
Survivor Beneficiaries	6	132,201	22,033	1,262,235
Total Age and Service Pensions	20	734,070	36,703	8,475,040
<i>Disability Pensions</i>				
Regular	1	25,414	25,414	170,238
Option I	1	34,326	34,326	265,799
Option III	1	33,480	33,480	273,563
Total Disability Pensions	3	93,220	31,073	709,600
Total New Plan Pensions	23	\$827,290	\$35,969	\$9,184,640

* Regular - benefit terminating upon death of retired member
Option I - 10-year certain
Option II - 100% joint and survivor benefit
Option III - 50%, 66⅔% and 75% joint and survivor benefit
Surviving Beneficiaries - benefit terminating upon death of beneficiary

Retired Members and Beneficiaries as of October 1, 2021 by Type of Pension Being Paid*

Old Plan Pensions

Type of Pension Being Paid	No.	Annual Pension	Average Pension	Actuarial Liability
<i>Age and Service Pensions</i>				
Survivor Beneficiaries	0	\$ -	N/A	\$ -
Total Age and Service Pensions	0	\$ -	N/A	\$ -
 Total Old Plan Pensions	 0	 \$ -	 N/A	 \$ -
 <i>Total New & Old Plan</i>				
Pensions Being Paid	23	\$ 827,290	\$35,969	\$ 9,184,640

* Regular - benefit terminating upon death of retired member
Automatic Spouse Benefit - 75% joint and survivor benefit
Surviving Beneficiaries - benefit terminating upon death of beneficiary

Retired Member and Beneficiary Data as of October 1, 2021 by Attained Ages

Attained Ages	New Plan		Old Plan		Totals	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
43	1	\$ 40,636			1	\$ 40,636
58	1	67,135			1	67,135
62	2	110,570			2	110,570
63	2	59,374			2	59,374
68	2	94,430			2	94,430
69	1	34,326			1	34,326
71	4	174,897			4	174,897
73	1	45,013			1	45,013
74	3	104,545			3	104,545
79	1	28,719			1	28,719
80	1	7,960			1	7,960
82	1	4,800			1	4,800
85	1	17,077			1	17,077
86	1	21,334			1	21,334
87	1	16,474			1	16,474
Totals	23	\$827,290	0	\$ -	23	\$827,290

Vested Terminated Members as of October 1, 2021 by Attained Ages

Attained Ages	No.	Annual Benefits
46	1	\$39,307
Totals	1	\$39,307

Active and Vested Terminated Members Included in Valuation

Valuation Date	Active Members	Vested Terminated Members	Valuation Payroll	Average		
				Age	Service	Pay
10/1/2011	30	2	\$ 2,120,109	38.1 yrs.	8.8 yrs.	\$ 70,670
10/1/2012	30	2	2,065,908	38.5	9.5	68,864
10/1/2013	28	1	1,836,131	38.2	10.2	65,576
10/1/2014	28	0	1,867,968	39.2	11.3	66,713
10/1/2015	28	0	1,848,443	40.2	12.3	66,016
10/1/2016	30	0	2,052,021	40.3	12.4	68,401
10/1/2017	30	0	2,161,712	41.3	13.4	72,057
10/1/2018	30	0	2,153,226	41.6	13.8	71,774
10/1/2019	27	1	2,089,398	42.4	14.4	77,385
10/1/2020	25	1	1,797,055	43.1	14.9	71,882
10/1/2021	25	1	1,870,976	44.1	15.9	74,839

Number Added to and Removed from Active Membership

Year Ended September 30	Number Added During Year		Terminations During Year										Active Members
	A	E	Normal		Disability		Died-in-		Withdrawal				End of Year
			Retirement	Retirement	Service	Vested	Other	Total					
2011	1	1	0	0.8	0	0.1	0	0.0	0	1	1	2.2	30
2012	1	1	0	0.8	0	0.1	0	0.0	0	1	1	2.2	30
2013	0	2	2	1.7	0	0.1	0	0.0	0	0	0	2.1	28
2014	0	0	0	0.4	0	0.1	0	0.0	0	0	0	1.9	28
2015	0	0	0	0.3	0	0.1	0	0.0	0	0	0	1.9	28
2016	2	0	0	0.7	0	0.1	0	0.0	0	0	0	1.8	30
2017	0	0	0	0.8	0	0.1	0	0.0	0	0	0	1.5	30
2018	2	2	0	0.7	0	0.2	1	0.0	0	1	1	1.4	30
2019	0	3	1	1.4	0	0.1	0	0.0	1	1	2	1.5	27
2020	1	0	1	1.2	0	0.1	0	0.0	0	2	2	1.2	25
2021	0	0	0	0.2	0	0.1	0	0.0	0	0	0	1.1	25
5-yr. Totals													
2017 - 2021	3	5	2	4.3	0	0.6	1	0.0	1	4	5	6.7	
Expected for 2022				1.0		0.2		0.0				0.9	

A Represents actual number.

E Represents expected number.



Active Members as of October 1, 2021 By Near Age and Years of Service

Near Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
25-29	1							1	\$ 52,746
30-34	1		2					3	210,386
35-39				1				1	71,370
40-44			2	4				6	444,530
45-49				3	4	1		8	646,672
50-54			3	2				5	351,296
55-59					1			1	93,976
Totals	2		7	10	5	1		25	\$1,870,976

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 44.1 years

Service: 15.9 years

Annual Pay: \$74,839

SECTION C

ACTUARIAL COST METHOD, ACTUARIAL ASSUMPTIONS AND DEFINITIONS OF TECHNICAL TERMS

Actuarial Cost Method

The actuarial cost method is a procedure for allocating the actuarial present value of benefits and expenses to time periods. The method used for your valuation is known as the individual entry-age actuarial cost method, and has the following characteristics:

- (i) The annual normal costs for each individual active member is sufficient to accumulate the value of the member's pension at time of retirement or BackDROP.
- (ii) Each annual normal cost is a constant percentage of the member's year-by-year projected pensionable compensation.

The entry-age actuarial cost method allocates the actuarial present value of each member's projected benefits on a level basis over the member's pensionable compensation between the entry age of the member and the estimated exit ages. This is based on our understanding of the approach preferred by the Florida Division of Retirement.

The portion of the actuarial present value allocated to the valuation year is called the normal cost. The portion of the actuarial present value not provided for by the actuarial present value of future normal costs is called the Actuarial Accrued Liability (AAL). Deducting accrued assets from the AAL determines the Unfunded Actuarial Accrued Liability (UAAL). The UAAL was financed as a level dollar amount.

The characteristics of this method of financing the UAAL are shown on page C-2.

Level Dollar Amortization of Unfunded Actuarial Accrued Liability

Fiscal Year Ended	UAAL	
	Beginning of Year&	Contribution*
2022	\$4,521,397	\$707,653
2023	4,080,706	707,653
2024	3,609,167	707,653
2025	3,104,620	707,653
2026	2,564,755	707,653
2027	1,987,099	707,653
2028	1,369,007	707,653
2029	707,653	707,653
2030	0	0

&Unfunded represents the remaining UAAL that the City of Jacksonville Beach is responsible for when valued at a 7% interest rate. As of the valuation date, the City of Jacksonville is not responsible for any payments to unfunded liability.

**Contribution is expected to be paid within 1 week of the beginning of the fiscal year.*

Actuarial Assumptions Used for the Valuation

Funding objective contribution requirements and actuarial present values are calculated by applying estimates of future plan activities (actuarial assumptions) to the benefit provisions and people information of the system, using the actuarial cost method described on page C-1. All actuarial assumptions used in this report are estimates of future experience.

The principal areas of risk which require estimates of future plan activities are:

- (i) Long-term rates of investment return to be generated by the assets of the system
- (ii) Patterns of pay increases to active members
- (iii) Rates of mortality among active members, retired members and beneficiaries
- (iv) Rates of withdrawal of active members
- (v) Rates of disability among active members
- (vi) The age patterns of actual retirements

In making a valuation, the monetary effect of each activity is calculated for as long as a present covered person survives - - a period of time which can be as long as a century.

Actual activities of the system will not coincide exactly with estimated activities, due to their nature. Each valuation provides a complete recalculation of estimated future activities and takes into account the effect of differences between estimated and actual activity to date. The result is a continual series of adjustments (usually small) to the computed contribution rate. From time-to-time one or more of the assumptions are modified to reflect experience trends (but not random or temporary year-to-year fluctuations).

The actuarial assumptions are adopted by the Board of Trustees after consultation with the actuary. In general, the actuarial assumptions were based on the System's experience, as well as experience of plans similar in nature where the System's experience was insufficient. The reasonableness of the economic assumptions was based upon capital market expectations provided by various investment consultants (including the System's) and other sources such as the Social Security Trustees report. All actuarial assumptions are based on future expectations, not market measures.

Actuarial Assumptions Used for the Valuation

The actuarial assumptions regarding the INFLATION rate, the SALARY INCREASE rates, were effective October 1, 2020. The REAL INVESTMENT RETURN was effective October 1, 2021. These actuarial assumptions are used, in combination with the other actuarial assumptions, to determine the present value of amounts expected to be paid in the future.

The annual interest rate used in making this valuation was 6.625%. It is composed of inflation and real investment return.

Price Inflation. 2.50% per annum, compounded annually. This is the rate at which growth in the supply of money and credit is estimated to exceed growth in the supply of goods and services. It may be thought of as the rate of depreciation of the purchasing power of the dollar. There are a number of indices for measuring the inflation rate. The recent inflation rate, as measured by the Consumer Price Index, has been:

	Year Ended September 30					Average	
	2021	2020	2019	2018	2017	3-Year	5-Year
Actual	5.4%	1.4%	1.7%	2.3%	2.2%	2.8%	2.6%
Assumed	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Real Investment Return. 4.125% per annum, compounded annually. This is the rate of return estimated to be produced by investing a pool of assets in an inflation-free environment. Recent real investment return for the Retirement System has been:

	Year Ended September 30					Average	
	2021	2020	2019	2018	2017	3-Year	5-Year
Net Rate	10.3%	8.3%	8.3%	7.3%	7.4%	9.0%	8.3%
Less Inflation Rate	5.4%	1.4%	1.7%	2.3%	2.2%	2.8%	2.6%
Net Real Rate	4.9%	6.9%	6.6%	5.0%	5.2%	6.2%	5.7%
Target Real Rate	4.40%	4.50%	5.25%	5.40%	5.40%	4.7%	5.0%

The total investment return rate was computed using the approximate formula $i = I$ divided by $1/2 (A + B - I)$, where I is actual realized investment income plus market value adjustments, A is the beginning of year funding asset value and B is the end of year funding value of assets.

The preceding investment return rates reflect the particular characteristics of this Retirement System and should not be used to measure an investment advisor's performance or for comparison with other retirement systems. Such use will usually mislead.

Actuarial Assumptions Used for the Valuation

Salary Increases. Employee salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation-related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel.

A schedule of estimated rates of increases in individual salaries for sample ages follows:

Attributable to:	Annual Rates of Salary Increase for Sample				
	20	30	40	50	60
Merit & Seniority	3.8%	2.7%	2.1%	1.1%	0.2%
General Increase in Wage Level Due to:					
Price Inflation	2.5%	2.5%	2.5%	2.5%	2.5%
Other Factors	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Total	6.3%	5.2%	4.6%	3.6%	2.7%

The valuation is based on a constant group size and total payroll increasing at the rate of the general increase in wage levels due to inflation and other causes, which in this case is 2.50% a year.

A schedule of recent salary change experience, as measured by average reported pay, follows:

	Year Ended September 30					Average		
	2021	2020	2019	2018	2017	3-Year	5-Year	10-Year
% Change:								
Actual ⁽¹⁾	4.1%	(7.1)%	8.9%	(0.4)%	5.3%	1.7%	2.0%	1.5%
Assumed	4.2%	4.3%	4.3%	4.3%	4.4%	4.3%	4.3%	5.2%
% Change in Total Payroll ⁽²⁾	4.1%	(14.0)%	(3.0)%	(0.4)%	5.3%	(4.6)%	(1.9)%	(1.2)%

⁽¹⁾ Excluding terminations and new members.

⁽²⁾ Including pays of members electing DROP participation but still working at the time of the respective valuation.

Actuarial Assumptions Used for the Valuation

	Year Ended September 30					Average	
	2021	2020	2019	2018	2017	3-Year	5-Year
Net Investment Return Rate	10.3%	8.3%	8.3%	7.3%	7.4%	9.0%	8.3%
Rate of Change in Average Pay	4.1%	(7.1)%	8.9%	(0.4)%	5.3%	1.7%	2.0%
Difference: Actual	6.2%	15.4%	(0.6)%	7.7%	2.1%	7.2%	6.3%
Target	4.40%	4.50%	5.25%	5.40%	5.40%	4.7%	5.0%

Mortality Table. The mortality tables used to measure retired life mortality were the Florida Retirement System (FRS) Mortality Tables, as described below:

- Male non-disabled retiree mortality: fully generational mortality. PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Mortality Table, set-forward 1 year, projected with scale MP-2018.
- Female non-disabled retiree mortality: fully generational mortality. PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table, set-forward 1 year, projected with scale MP-2018.
- Male employee mortality: fully generational mortality. PUB-2010 Headcount Weighted Safety Below Median Employee Male Mortality Table, set forward 1 year, projected with scale MP-2018.
- Female employee mortality: fully generational mortality. PUB-2010 Headcount Weighted Safety Employee Female Mortality Table, set forward 1 year, projected with scale MP-2018.
- Male disabled mortality: 80% PUB-2010 Headcount Weighted General Disabled Retiree Male Mortality Table and 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Male Mortality Table.
- Female disabled mortality: 80% PUB-2010 Headcount Weighted General Disabled Retiree Female Mortality Table and 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Female Mortality Table.

PUB-2010 Fully Generational Mortality Tables				
Sample Ages in 2021	Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Men	Women	Men	Women
50	\$154.98	\$161.63	32.46	36.29
55	145.87	153.42	27.68	31.26
60	134.55	143.51	23.10	26.47
65	121.38	131.69	18.83	21.96
70	105.61	117.51	14.82	17.70
75	88.05	101.05	11.22	13.78
80	69.77	83.21	8.14	10.31

The margin for future mortality improvements is included in projection scales. 75% of pre-retirement deaths were assumed to be duty related.



Actuarial Assumptions Used for the Valuation

Rates of withdrawal from active membership. The rates do not apply to members eligible to retire and do not include separation on account of death or disability. This assumption measures the probabilities of members remaining in employment.

Sample Ages	Years of Service	% of Active Members Separating During Next Year
	0	20.00%
	1	15.00%
	2	12.00%
	3	10.00%
	4	7.00%
25	5 & Over	9.90%
30		9.68%
35		7.81%
40		4.84%
45		2.53%
50		2.09%
55		2.09%
60		2.09%

These rates were first used for the October 1, 2016 valuation.

Rates of Disability. These estimates represent the probabilities of active members becoming disabled.

Sample Ages	% of Active Members Becoming Disabled During Next Year
20	0.14%
25	0.18%
30	0.20%
35	0.28%
40	0.42%
45	0.64%
50	1.04%
55	1.84%
60	3.06%

The mortality table was set-forward 10 years from the age at disability for projecting disability costs. The rates assume 75% of disabilities will be duty related. These rates were first used for the October 1, 1995 valuation.

Actuarial Assumptions Used for the Valuation

Rates of Retirement. These rates are used to measure the probabilities of an eligible member retiring during the next year.

Retirement Ages	Age Based	Yrs. of Service	Service Based	Early Retirement Ages	Early Retirement Rates
52	50%	30	100%	40	5%
53	40%			41	5%
54	30%			42	5%
55	30%			43	5%
56	20%			44	5%
57	20%			45	5%
58	20%			46	5%
59	20%			47	5%
60	100%			48	5%
				49	5%
				50-54	5%

A Fire member is eligible for normal retirement after 30 years of service, or after attaining age 52 with 25 years of service, or after attaining age 55 with 5 (10 years if less than 10 years of service as of July 21, 2014) or more years of service.

A Fire member is eligible for early retirement after 20 years of service or after attaining age 50 with 10 years of service if eligible for early retirement by July 21, 2014.

These rates were first used for the October 1, 2002 valuation.

Administrative Expenses. Administrative expenses are projected to continue at the same percent-of-payroll as experienced during the preceding fiscal year.

Investment Expenses. Investment expenses are offset against gross investment income.

Active Member Group Size. The valuation was based on a closed active member group size. This is different from previous valuations.

Vested members who terminate with a benefit worth less than 100% of their own accumulated contributions were assumed to forfeit their vested benefit.

Compensation reported for the actuarial valuation includes all amounts included in the final average compensation for benefit purposes.



Summary of Assumptions Used September 30, 2021

Pensions in an Inflationary Environment

Value of \$1,000/month Retirement Benefit to an Individual Who Retires at Age 52 in an Environment of 2.50% Inflation

Age	Value
52	\$1,000
53	976
54	952
55	929
60	820
65	724
70	640
75	566
80	500
85	442

The life expectancy of a 55-year-old male retiree is age 83. The life expectancy for a 55-year-old female retiree is age 86. Half of the people will outlive their life expectancy. The effects of even moderate amounts of inflation can be significant for those who live to an advanced age.

Summary of Assumptions Used

Miscellaneous and Technical Assumptions

Marriage Assumption. 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits.

Pay Increase Timing. Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

Decrement Timing. Decrements of all types are assumed to occur mid-year.

Eligibility Testing. Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

Benefit Service. Exact fractional service is used to determine the amount of benefit payable.

Decrement Relativity. Decrement rates are used without adjustment for multiple decrement table effects.

Decrement Operation. Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during retirement eligibility.

Normal Form of Benefit. The normal form of benefit is a benefit payable for the life of the retired member with the first 10 years guaranteed. Optional benefit forms are available on an actuarial equivalent basis.

Loads. None.

Incidence of Contributions. Contributions are assumed to be received continuously throughout the year based upon the computed percent-of-payroll shown in this report, and the actual payroll payable at the time contributions are made. New entrant normal cost contributions are applied to the funding of new entrant benefits.

Definitions of Technical Terms

Accrued Service. Service credited under the system which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability. The difference between the actuarial present value of future benefit payments and the actuarial present value of future normal costs. Also referred to as "accrued liability" or "past service liability."

Actuarial Assumptions. Estimates of expected future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement estimates (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic estimates (salary increases and investment income) consist of the underlying rates in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future benefit payments" between future normal costs and actuarial accrued liabilities. Sometimes referred to as the "actuarial valuation cost method."

Actuarial Equivalent. A single amount or series of amounts of equal actuarial present value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

Actuarial Present Value. The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment. Also referred to as "present value."

Amortization. Paying off an interest-discounted amount with periodic payments of interest and principal -- as opposed to paying off with a lump sum payment.

Experience Gain (Loss). The difference between actual actuarial costs and assumed actuarial costs -- during the period between two valuation dates.

Funding Value of Assets. Also referred to as actuarial value of assets, smoothed market value of assets, or valuation assets.

Valuation assets recognize assumed investment return fully each year. Differences between actual and assumed investment return are phased-in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, valuation assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, valuation assets will tend to be greater than market value. If assumed rates are exactly realized for 3 consecutive years, valuation assets will become equal to market value.

Normal Cost. The actuarial cost allocated to the current year by the actuarial cost method. Sometimes referred to as "current service cost."



Definitions of Technical Terms

Pension Benefit Obligation. A standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The PBO is independent of the actuarial funding method used to determine contributions.

Unfunded Actuarial Accrued Liability. The difference between Actuarial Accrued Liability and the funding value of system assets. Sometimes referred to as "unfunded past service liability," "unfunded accrued liability" or "unfunded supplemental present value."

Most retirement systems have Unfunded Actuarial Accrued Liability. An amount arises each time new benefits are added and each time an experience loss occurs.

The existence of Unfunded Actuarial Accrued Liability is not in itself bad, any more than a mortgage on a house is bad. Unfunded Actuarial Accrued Liability does not represent a debt that is payable today. What is important is the ability to control the amount of Unfunded Actuarial Accrued Liability and the trend in the amount (after due allowance for devaluation of the dollar).

SECTION D

ADDITIONAL DISCLOSURE INFORMATION

GASB Statements No. 67 and No. 68 are the accounting standards which replaced GASB Statements No. 25 and No. 27. GASB Statement No. 67 was first effective for fiscal year 2014 and GASB Statement No. 68 was first effective for fiscal year 2015. A separate GASB Statements No. 67 and No. 68 report has been issued outside of this report. This section contains historical GASB Statements No. 25 and No. 27 reporting information for prior fiscal years and illustrative information for fiscal year 2015 and after.

Contributions Required and Contributions Made

The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and Actuarial Accrued Liability (AAL) are determined using an entry-age actuarial funding method. Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar over a period of 10 years starting with the October 1, 2019 valuation (8 years remaining).

During the year ended September 30, 2021 contributions totaling \$1,000,373 -- \$841,792 employer and \$158,581 employee -- were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of October 1, 2019. The total employer contributions consisted of \$296,176 for normal cost and administrative expenses and \$545,616 for amortization of the UAAL and \$0 for additional premium tax revenue. Employer contributions represented 44.99% of covered payroll.

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the AAL.

Computed Employer Contribution Comparative Schedule

Fiscal Year Ending September 30	Valuation Date	Contribution Rates As Percents of Valuation Payroll	Valuation Payroll	Dollar Contribution For Fiscal Year	
				Computed	Actual
2013	10/01/2011	28.25	\$ 2,120,109	\$ 639,810	639,810
2014	10/01/2012 *	18.50	2,065,908	408,279	457,932
2015	10/01/2013 *	18.78	1,836,131	368,361	389,997
2016	10/01/2014 *	21.15	1,867,968	422,041	422,041
2017	10/01/2015 *	25.76	1,848,443	501,375	501,375
2018	10/01/2016 *	28.57	2,052,021	608,384	608,384
2019	10/01/2017 *	29.32	2,161,712	657,730	657,730
2020	10/01/2019 *	51.08	2,089,398	1,108,435	1,101,580
2021	10/01/2019 *	47.04	2,089,398	982,885	841,792
2022	10/01/2020 *	54.43	1,797,055	968,663	
2023	10/01/2021 *	53.29	1,870,976	997,118	

* After changes in benefit provisions and/or actuarial assumptions.



Actuarial Accrued Liability

The Actuarial Accrued Liability (AAL) is a measure intended to help users assess (i) a pension fund's funded status on a going-concern basis, and (ii) progress being made toward accumulating the assets needed to pay benefits as due. Allocation of the actuarial present value of projected benefits between past and future service was based on service using the individual entry-age actuarial cost method. Assumptions, including projected pay increases, were the same as used to determine the Fund's level dollar annual required contribution between entry-age and assumed exit age. Entry-age was established by subtracting credited service from current age on the valuation date.

The preceding methods comply with the financial reporting standards established by the Governmental Accounting Standards Board (GASB).

The entry age AAL was determined as part of an actuarial valuation of the plan as of October 1, 2021. Significant actuarial assumptions used in determining the entry age AAL include (a) a rate of return on the investment of present and future assets of 6.625% per year compounded annually, (b) projected salary increases of 2.50% per year compounded annually, 2.50% attributable to inflation and 0.00% attributable to other causes, (c) additional projected salary increases of 3.8% to 0.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement.

As of October 1, 2021, the Unfunded Actuarial Accrued Liability (UAAL) was \$3,363,956 determined as follows:

Actuarial Accrued Liability:	
Active participants (23 vested and 2 non-vested)	\$ 10,541,797
Retired participants and beneficiaries currently receiving benefits (23 vested)	9,184,640
Vested terminated participants not yet receiving benefits (1 vested)	310,789
Prepaid Contribution Reserve	43,879
Total Actuarial Accrued Liability	20,081,105
Actuarial Value of Assets (market value was \$18,196,218)	16,717,149
Unfunded Actuarial Accrued Liability	\$ 3,363,956

During the year ended September 30, 2021 the Plan experienced a net change of \$1,479,448 in the AAL, of which \$671,229 was due to changes in actuarial assumptions. There were no changes in benefit provisions or methods.



Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date October 1	Actuarial Value of Assets [#] (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b)-(a)	Funded Ratio (a)/(b)	Active Participant Covered Payroll (c)	Unfunded AAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
2002	\$ 8,242	\$ 9,001	\$759	91.6	\$1,196	63.5 %
2003	8,049	8,816	767	91.3	1,345	57.0
2004	7,549	9,058	1,509	83.3	1,468	102.8
2005	7,483	9,707	2,224	77.1	1,651	134.7
2006	7,502	9,662	2,160	77.6	1,768	122.2
2007 *	8,044	10,099	2,055	79.7	1,726	119.1
2008 *	8,366	10,726	2,360	78.0	1,928	122.4
2009 *	8,468	11,472	3,004	73.8	1,985	151.4
2010	8,434	11,987	3,553	70.4	2,079	170.9
2011	8,363	12,512	4,149	66.8	2,120	195.7
2012	8,888	12,779	3,891	69.6	2,066	188.3
2013	9,701	13,271	3,570	73.1	1,836	194.4
2014 *	10,438	12,223	1,785	85.4	1,868	95.6
2015 *	11,135	13,520	2,385	82.4	1,848	129.0
2016 *	11,526	14,796	3,270	77.9	2,052	159.4
2017 *	12,223	15,748	3,525	77.6	2,162	163.1
2018 *	13,028	16,888	3,860	77.1	2,153	179.3
2019 *	13,901	19,204	5,303	72.4	2,089	253.8
2020 *	15,069	18,602	3,533	81.0	1,797	196.6
2021 *	16,717	20,081	3,364	83.2	1,871	179.8

Dollar amounts are in thousands.

* After changes in benefits and/or actuarial assumptions and/or actuarial cost methods.

The Actuarial Value of Assets is a four-year smoothed market value.

Analysis of the dollar amounts of Actuarial Value of Assets (AVA), Actuarial Accrued Liability (AAL), or Unfunded Actuarial Accrued Liability (UAAL) in isolation can be misleading. Expressing the AVA as a percentage of the AAL provides one indication of the System's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage the stronger the plan. The UAAL and annual covered payroll are both affected by inflation. Expressing the UAAL as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage the stronger the plan.



SECTION E

SUMMARY OF VALUATION RESULTS IN STATE FORMAT

Summary of Valuation Results in State Format (\$ Amounts in Thousands)

	October 1, 2021		October 1, 2020
	After	Before	
(a) Participant Data			
(i) Active members - number	25	25	25
- annual payroll	\$ 1,871	\$ 1,871	\$ 1,797
(ii) Retired members & beneficiaries (excl. disability)			
- number	20	20	21
- annualized benefit payroll	734	734	745
(iii) Disabled members & beneficiaries			
- number	3	3	3
- annualized benefit payroll	93	93	93
(iv) Terminated vested members			
- number	1	1	1
- annualized deferred benefit payroll	39	39	39
(b) Assets			
(i) Actuarial value for funding	16,717	16,717	15,069
(ii) Market value	18,196	18,196	15,276
(c) Actuarial Liability			
(i) Actuarial present value of active member benefits:			
service retirement	10,703	10,186	9,207
termination benefits - pension	1,225	1,153	1,173
disability retirement	918	882	891
survivor benefits (pre-retirement)	195	186	185
termination benefits - refunds	19	19	16
City of Jacksonville Beach Prepaid Contribution Reserve	28	28	28
City of Jacksonville Prepaid Contribution Reserve	16	16	34
Total	13,104	12,470	11,534
(ii) Actuarial present value of terminated vested member benefits	311	295	294
(iii) Actuarial present value of retired member benefits:			
service retirement & survivors	8,475	8,267	8,455
disability retirement & survivors	710	699	718
Total	9,185	8,966	9,173
(iv) Total actuarial present value of future benefit payments	22,600	21,731	21,001
(v) Payables	0	0	0
(vi) Actuarial accrued liability	20,081	19,407	18,602
(vii) Unfunded actuarial accrued liability ⁽¹⁾	\$ 3,364	\$ 2,690	\$ 3,533

⁽¹⁾ Please refer to page A-13 for requested detail.



Summary of Valuation Results in State Format (\$ Amounts in Thousands)

		October 1, 2021		October 1, 2020
		After	Before	
(d)	Actuarial Present Value of Accrued Benefits (calculated in accordance with FASB Statement No. 35)			
	(i) Vested accrued benefits			
	Retired members and beneficiaries	\$ 9,185	\$ 8,966	\$ 9,173
	Terminated members	311	295	294
	Active members (includes non-forfeitable accum. member contributions of \$2,448 for 2021)			
		8,279	7,912	6,972
	Total	17,775	17,173	16,439
	(ii) Non-vested accrued benefits	60	56	75
	(iii) Total actuarial p.v. of accrued benefits	17,835	17,229	16,514
	(iv) Actuarial p.v. of accrued benefits at begin. of year	16,514	16,514	16,444
	(v) Changes attributable to:			
	Amendments	0	0	0
	Assumption change	606	0	(377)
	Operation of decrements	1,555	1,555	1,596
	Benefit payments	(840)	(840)	(1,149)
	Other	none	none	none
	(vi) Net change	1,321	715	70
	(vii) Actuarial p.v. of accr. benefits at end of year	17,835	17,229	16,514
(e)	Plan costs for fiscal year Ending September 30, 2023 (EANC)			
	(i) Normal costs			
	Service pensions	\$ 209	\$ 194	\$ 195
	Disability pensions	45	43	42
	Survivor pensions (pre-retirement)	8	8	8
	Deferred service pensions	73	68	66
	Refunds of member contributions	16	16	15
	Total normal cost	352	329	326
	(ii) Payment to amortize unf'd. act. accr. liab.	708	708	708
	(iii) FS112.64(5) Compliance	-	-	-
	(iv) Administrative expenses	76	76	80
	(v) Amount to be paid by members	138	138	135
	(vi) Expected plan sponsor/Chapter 175 contribution - dollars	\$ 997	\$ 974	\$ 978

Summary of Valuation Results in State Format (\$ Amounts in Thousands)

		October 1, 2021		October 1, 2020
		After	Before	
(f)	Past Contributions (fiscal year ending 9/30/2021)			
	(i) Required minimum:			
	Plan sponsor / Chapter 175 monies	\$ 983	\$ 983	\$ 1,067
	Members	151	151	164
	Total	1,134	1,134	1,231
	(ii) Actual:			
	Plan sponsor / Chapter 175 monies	842	842	1,102
	Members	159	159	146
	Total	1,001	1,001	1,248
(g)	Net Experience Gain (Loss)	522	522	851
(h)	Other Disclosures			
	(i) Present value of active member future salaries			
	from attained age	\$12,810	\$12,640	\$12,893
	from entry age		not applicable to individual EANC method	
	(ii) Present value of active member future contribs.			
	from attained age	\$ 1,018	\$ 1,005	\$ 1,025
	from entry age		not applicable to individual EANC method	

Reconciliation of Membership for the Plan Year Ended September 30, 2021

	Active Members	Vested Terminated Members	Service Retired	Disability Retired	All Beneficiaries
No. at Start of Year	25	1	14	3	7
Increase (Decrease) From					
Service Retirement					
Disability Retirement					
Deaths					(1)
Other Pension Terminations					
Vested Terminations					
Non-Vested Terminations					
New Entrants/Rehires					
No. at End of Year	25	1	14	3	6



April 19, 2022

Mr. Duston Scott
Payroll/Benefits Administrator
City of Jacksonville Beach
11 North Third Street
Jacksonville Beach, FL 32250

Dear Duston:

Enclosed are 15 copies of the report of the Seventy-First Annual Valuation of the City of Jacksonville Beach Firefighters' Retirement System. As directed, copies have been sent directly to:

Attention: Mr. Ryan Tucker
Purvis, Gray and Company
222 N.E. 1st Street
Gainesville, FL 32602

Attention: Mr. Steve Bardin, Benefits Administrator
Municipal Police Officers' & Firefighters'
Retirement Trust Funds Office
Division of Retirement
P.O. Box 3010
Tallahassee, FL 32315-3010

Attention: Mr. Douglas E. Beckendorf, Actuary
Local Retirement Section
Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

Sincerely,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink, reading "Brad Lee Armstrong". The signature is stylized, with the first letters of the first and last names being capitalized and prominent.

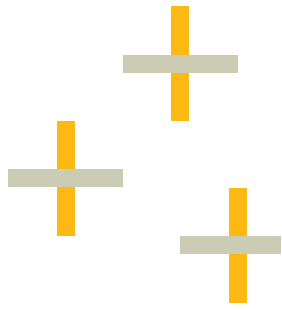
Brad Lee Armstrong, ASA, EA, FCA, MAAA

BLA:sc
Enclosures

**Purvis, Gray and Company
Attention: Mr. Ryan Tucker
P.O. Box 23999
222 N. E. 1st Street
Gainesville, FL 32602**

**Attention: Steve Bardin, Benefits Administrator
Municipal Police Officers' & Firefighters'
Retirement Trust Funds Office
Division of Retirement
P.O. Box 3010
Tallahassee, FL 32315-3010**

**Mr. Douglas E. Beckendorf, Actuary
Local Retirement Section
Division of Retirement
P.O. Box 9000
Tallahassee, Florida 32315-9000**



CITY OF JACKSONVILLE BEACH RETIREMENT SYSTEMS

**Required Auditor Communications
Fiscal Year Ended September 30, 2021**

Presented by:
Ryan Tucker, CPA
Partner

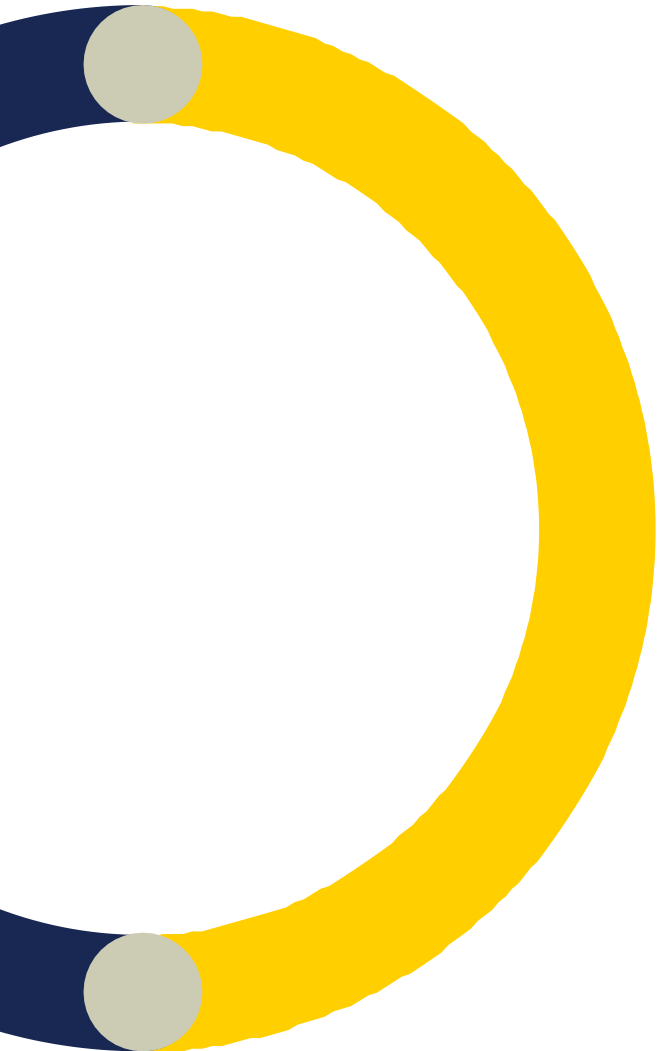


Required Communications

- Unmodified Opinion on the Financial Statements
- Other Required Communications:
 - Accounting Practices, Policies and Estimates
 - Significant accounting practices and policies: no changes from prior years
 - Sensitive Disclosures – Fire Plan State Contribution
 - Significant accounting estimates:
 - Fair Value of Investments
 - Actuarial assumptions used in estimating the Total Pension Liability
 - Difficulties Encountered During the audit – none noted
 - Corrected and Uncorrected Misstatements – none noted
 - Disagreements with Management – none noted

Financial Statements

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements and Notes
- Required Supplementary Information (RSI)



Statement of Fiduciary Net Position

- Reports on a pension plan's financial position as of the end of the fiscal year.

General Employees' Statement of Fiduciary Net Position

Fiduciary Net Position Restricted for Pension Benefits as of September 30

	2021	2020	2019	2018	2017
Cash and Short-term Investments	\$ 3,528,525	\$ 1,045,476	\$ 851,883	\$ 1,121,251	\$ 818,309
Interest Receivable	41,864	72,338	76,653	89,570	97,201
Investments	66,411,168	59,464,531	56,175,653	54,437,578	51,859,895
Total Assets	69,981,557	60,582,345	57,104,189	55,648,399	52,775,405
Accounts Payable		3,283	1,819	850	3,004
Other Accrued Liabilities	1,030	1,048	742	633	546
Due to Firefighters' Retirement System	90,000	-	-	-	-
Total Liabilities	91,030	4,331	2,561	1,483	3,550
Net Position Restricted	69,890,527	60,578,014	57,101,628	55,646,916	52,771,855
Percentage Change	15.4%	6.1%	2.6%	5.4%	

Police Officers' Statement of Fiduciary Net Position

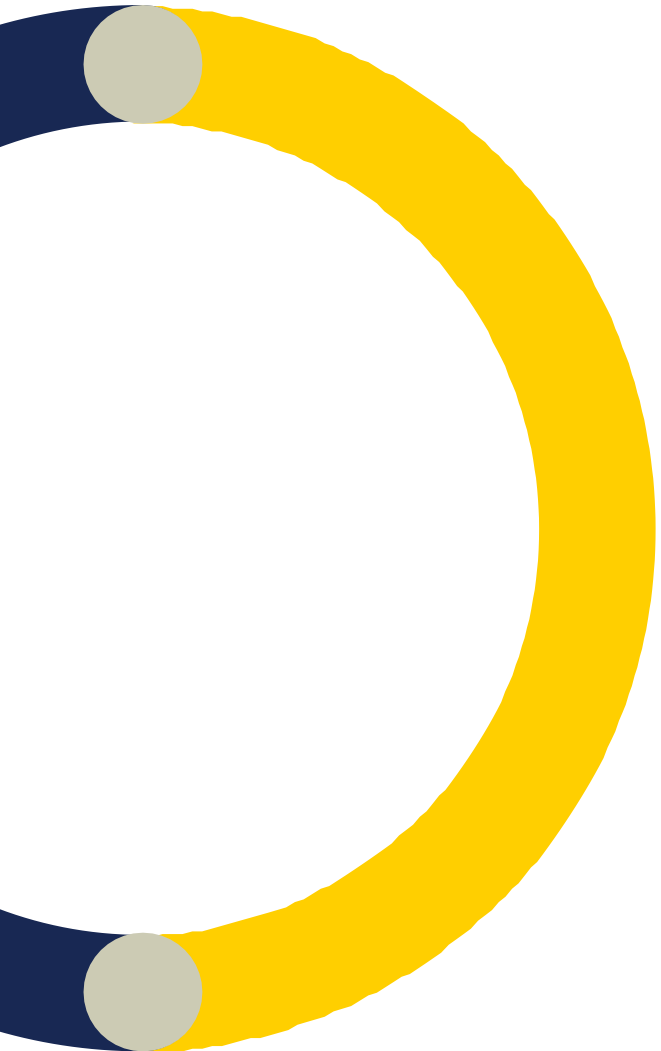
Fiduciary Net Position Restricted for Pension Benefits as of September 30

	2021	2020	2019	2018	2017
Cash and Short-term Investments	\$ 2,531,331	\$ 354,084	\$ 181,289	\$ 770,906	\$ 438,238
Due From Other Governments		251,023	\$ 228,825		
Interest Receivable	18,194	30,952	32,755	37,423	39,508
Investments	29,433,806	26,216,115	24,060,385	22,971,678	21,573,793
Total Assets	<u>31,983,331</u>	<u>26,852,174</u>	<u>24,503,254</u>	<u>23,780,007</u>	<u>22,051,539</u>
Accounts Payable		3,283	1,819	850	3,004
Other Accrued Liabilities	366	372	263	225	194
Total Liabilities	<u>366</u>	<u>3,655</u>	<u>2,082</u>	<u>1,075</u>	<u>3,198</u>
Net Position Restricted for Pension Benefits	<u>\$ 31,982,965</u>	<u>\$ 26,848,519</u>	<u>\$ 24,501,172</u>	<u>\$ 23,778,932</u>	<u>\$ 22,048,341</u>
Percentage Change	19.1%	9.6%	3.0%	7.8%	

Fire Fighters' Statement of Fiduciary Net Position

Fiduciary Net Position Restricted for Pension Benefits as of September 30

	2021	2020	2019	2018	2017
Cash and Short-term Investments	\$ 1,348,969	\$ 540,740	\$ 95,751	\$ 479,335	\$ 323,816
Due From Other Governments			141,392	4,136	8,432
Due From General Employee Retirement System	90,000				
Interest Receivable	10,352	17,542	18,382	20,898	22,040
Investments	16,747,137	14,721,414	13,632,581	12,840,682	11,960,951
Total Assets	18,196,458	15,279,696	13,888,106	13,345,051	12,315,239
Accounts Payable		3,283	1,819	850	3,004
Other Accrued Liabilities	240	244	173	148	127
Total Liabilities	240	3,527	1,992	998	3,131
Net Position Restricted	18,196,218	15,276,169	13,886,114	13,344,053	12,312,108
Percentage Change	19.1%	10.0%	4.1%	8.4%	



Statement of Changes in Fiduciary Net Position as of September 30

- Provides a view of current year inflows and outflows of resources that increased and decreased plan net position.

General Employees' Statement of Changes in Fiduciary Net Position

Changes in Fiduciary Net Position for the Year Ended September 30

	2021	2020	2019	2018	2017
Additions:					
Contributions:					
Employee	\$ 1,147,477	\$ 1,110,267	\$ 1,036,998	\$ 1,029,762	\$ 1,018,627
Employer	2,443,559	2,324,624	2,100,105	1,898,689	1,591,545
Net Investment Income (Loss)	11,245,803	5,610,039	3,062,326	4,761,584	5,827,579
Transfers					729,535
Total Additions, Net	<u>14,836,839</u>	<u>9,044,930</u>	<u>6,199,429</u>	<u>7,690,035</u>	<u>9,167,286</u>
Deductions:					
Benefits and Refunds	5,422,910	5,465,840	4,648,241	4,714,545	4,697,563
Administrative Expenses	101,416	102,704	96,476	100,429	105,804
Transfers					729,535
Total Deductions	<u>5,524,326</u>	<u>5,568,544</u>	<u>4,744,717</u>	<u>4,814,974</u>	<u>5,532,902</u>
Change in Net Position	9,312,513	3,476,386	1,454,712	2,875,061	3,634,384
Beginning of Year Net Position	60,578,014	57,101,628	55,646,916	52,771,855	49,137,471
End of Year Net Position	<u>\$ 69,890,527</u>	<u>\$ 60,578,014</u>	<u>\$ 57,101,628</u>	<u>\$ 55,646,916</u>	<u>\$ 52,771,855</u>

Police Officers' Statement of Changes in Fiduciary Net Position

Changes in Fiduciary Net Position for the Year Ended September 30

	2021	2020	2019	2018	2017
Additions:					
Contributions:					
Employee	\$ 493,053	\$ 399,342	\$ 383,822	\$ 362,140	\$ 353,277
Employer	720,532	658,426	573,416	479,669	460,548
State of Florida	303,569	251,023	228,825	211,654	245,435
Net Investment Income (Loss)	4,983,666	2,411,239	1,316,052	1,991,673	2,367,943
Transfers					8,470
Total Additions, Net	<u>6,500,820</u>	<u>3,720,030</u>	<u>2,502,115</u>	<u>3,045,136</u>	<u>3,435,673</u>
Deductions:					
Benefits and Refunds	1,282,380	1,291,775	1,702,415	1,226,041	1,270,805
Administrative Expenses	83,994	80,908	77,460	88,504	80,293
Transfers			-		8,470
Total Deductions	<u>1,366,374</u>	<u>1,372,683</u>	<u>1,779,875</u>	<u>1,314,545</u>	<u>1,359,568</u>
Change in Net Position	5,134,446	2,347,347	722,240	1,730,591	2,076,105
Beginning of Year Net Position	26,848,519	24,501,172	23,778,932	22,048,341	19,972,236
End of Year Net Position	<u>\$ 31,982,965</u>	<u>\$ 26,848,519</u>	<u>\$ 24,501,172</u>	<u>\$ 23,778,932</u>	<u>\$ 22,048,341</u>

Fire Fighters'

Statement of Changes in Fiduciary Net Position

Changes in Fiduciary Net Position for the Year Ended September 30

	2021	2020	2019	2018	2017
Additions:					
Contributions:					
Employee	\$ 158,581	\$ 145,645	\$ 178,437	\$ 161,383	\$ 168,792
Employer:					
City of Jacksonville Beach	707,653	773,195	516,338	465,628	337,958
City of Jacksonville	134,139	161,065			
State of Florida		167,320	141,392	142,756	163,417
Net Investment Income (Loss)	2,835,198	1,372,231	743,303	1,112,333	1,322,095
Transfers					2,114
Total Additions, Net	<u>3,835,571</u>	<u>2,619,456</u>	<u>1,579,470</u>	<u>1,882,100</u>	<u>1,994,376</u>
Deductions:					
Benefits and Refunds	839,948	1,149,398	967,917	774,227	750,335
Administrative Expenses	75,574	80,003	69,492	75,928	71,311
Transfers					2,114
Total Deductions	<u>915,522</u>	<u>1,229,401</u>	<u>1,037,409</u>	<u>850,155</u>	<u>823,760</u>
Change in Net Position	2,920,049	1,390,055	542,061	1,031,945	1,170,616
Beginning of Year Net Position	15,276,169	13,886,114	13,344,053	12,312,108	11,141,492
End of Year Net Position	<u>\$ 18,196,218</u>	<u>\$ 15,276,169</u>	<u>\$ 13,886,114</u>	<u>\$ 13,344,053</u>	<u>\$ 12,312,108</u>

Required Supplementary Information (RSI)

- Schedule of Changes in Net Pension Liability and Related Ratios Multi-year
- Schedule of Net Pension Liability Multi-year
- Schedule of Contributions
- Schedule of Investment Returns

General Employees' Schedule of Changes in Net Position Liability and Related Ratios Multi-Year

Fiscal year ended September 30,

	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ 1,669,578	\$ 1,598,849	\$ 1,503,973	\$ 1,376,902	\$ 1,391,483
Interest on the Total Pension Liability	5,420,774	5,349,162	5,292,226	5,106,511	4,852,273
Difference Between Expected and Actual Experience	218,907	(533,465)	(1,027,446)	1,126,397	325,573
Assumption Changes	(1,459,419)			2,931,687	2,129,976
Benefit Payments	(5,422,910)	(4,908,805)	(4,346,876)	(4,555,656)	(4,599,574)
Refunds	(101,416)	(557,035)	(301,365)	(158,889)	(97,989)
Net Change in Total Pension Liability	325,514	948,706	1,120,512	5,826,952	4,001,742
Total Pension Liability-Beginning	74,204,367	73,255,661	72,135,149	66,308,197	62,306,455
Total Pension Liability-Ending (a)	<u>\$ 74,529,881</u>	<u>\$ 74,204,367</u>	<u>\$ 73,255,661</u>	<u>\$ 72,135,149</u>	<u>\$ 66,308,197</u>
Plan Fiduciary Net Position					
Employer and State Contributions	\$ 2,443,559	\$ 2,324,624	\$ 2,100,105	\$ 1,898,689	\$ 1,591,545
Employee Contributions	1,147,477	1,110,267	1,036,998	1,029,762	1,018,627
Pension Plan Net Investment Income	11,245,803	5,610,039	3,062,326	4,761,584	5,827,579
Benefit Payments	(5,422,910)	(4,908,805)	(4,346,876)	(4,555,656)	(4,599,574)
Refunds	(101,416)	(557,035)	(301,365)	(158,889)	(97,989)
Pension Plan Administrative Expenses		(102,704)	(96,476)	(100,429)	(105,804)
Net Change in Plan Fiduciary Net Position	9,312,513	3,476,386	1,454,712	2,875,061	3,634,384
Plan Fiduciary Net Position-Beginning	60,578,014	57,101,628	55,646,916	52,771,855	49,137,471
Plan Fiduciary Net Position-Ending (b)	<u>\$ 69,890,527</u>	<u>\$ 60,578,014</u>	<u>\$ 57,101,628</u>	<u>\$ 55,646,916</u>	<u>\$ 52,771,855</u>
Net Pension Liability-Ending (a) – (b)	<u>\$ 4,639,354</u>	<u>\$ 13,626,353</u>	<u>\$ 16,154,033</u>	<u>\$ 16,488,233</u>	<u>\$ 13,536,342</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.78%	81.64%	77.95%	77.14%	79.59%
Covered Employee Payroll	<u>\$ 14,294,336</u>	<u>\$ 13,915,132</u>	<u>\$ 13,044,000</u>	<u>\$ 12,952,981</u>	<u>\$ 12,812,918</u>
Net Pension Liability as a Percentage of Covered Employee Payroll	32.46%	97.92%	123.84%	127.29%	105.65%

Police Officers' Schedule of Changes in Net Position Liability and Related Ratios Multi-Year

Fiscal year ended September 30,

	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ 787,675	\$ 750,964	\$ 724,675	\$ 625,887	\$ 633,232
Interest on the Total Pension Liability	2,200,335	2,063,471	2,008,899	1,916,453	1,826,742
Benefit Changes					
Difference Between Expected and Actual Experience	(533,542)	279,135	(521,988)	177,596	(458,370)
Assumption Changes	(906,992)			1,221,310	675,123
Benefit Payments	(1,282,380)	(1,276,474)	(1,670,519)	(1,161,010)	(1,176,786)
Refunds		(15,301)	(31,896)	(65,031)	(94,019)
Net Change in Total Pension Liability	265,096	1,801,795	509,171	2,715,205	1,405,922
Total Pension Liability-Beginning	29,585,153	27,783,358	27,274,187	24,558,982	23,153,060
Total Pension Liability-Ending (a)	<u>\$ 29,850,249</u>	<u>\$ 29,585,153</u>	<u>\$ 27,783,358</u>	<u>\$ 27,274,187</u>	<u>\$ 24,558,982</u>
Plan Fiduciary Net Position					
Employer and State Contributions	\$ 1,024,101	\$ 909,449	\$ 802,241	\$ 691,323	\$ 705,983
Employee Contributions	493,053	399,342	383,822	362,140	353,277
Pension Plan Net Investment Income	4,983,666	2,411,239	1,316,052	1,991,673	2,367,943
Benefit Payments	(1,282,380)	(1,276,474)	(1,670,519)	(1,161,010)	(1,176,786)
Refunds		(15,301)	(31,896)	(65,031)	(94,019)
Pension Plan Administrative Expenses	(83,994)	(80,908)	(77,460)	(88,504)	(80,293)
Net Change in Plan Fiduciary Net Position	5,134,446	2,347,347	722,240	1,730,591	2,076,105
Plan Fiduciary Net Position-Beginning	26,848,519	24,501,172	23,778,932	22,048,341	19,972,236
Plan Fiduciary Net Position-Ending (b)	<u>\$ 31,982,965</u>	<u>\$ 26,848,519</u>	<u>\$ 24,501,172</u>	<u>\$ 23,778,932</u>	<u>\$ 22,048,341</u>
Net Pension Liability-Ending (a) – (b)	<u>\$ (2,132,716)</u>	<u>\$ 2,736,634</u>	<u>\$ 3,282,186</u>	<u>\$ 3,495,255</u>	<u>\$ 2,510,641</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.14%	90.75%	88.19%	87.18%	89.78%
Covered Employee Payroll	<u>\$ 5,395,032</u>	<u>\$ 5,023,170</u>	<u>\$ 4,827,950</u>	<u>\$ 4,555,220</u>	<u>\$ 4,443,736</u>
Net Pension Liability as a Percentage of Covered Employee Payroll	-39.53%	54.48%	67.98%	76.73%	56.50%

Fire Fighters'

Schedule of Changes in Net Position Liability and Related Ratios Multi-Year

Fiscal year ended September 30,

	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ 360,724	\$ 345,520	\$ 377,972	\$ 306,120	\$ 302,339
Interest on the Total Pension Liability	1,363,333	1,320,214	1,277,049	1,207,186	1,096,691
Benefit Changes					
Difference Between Expected and Actual Experience	(747,511)	(62,673)	92,116	188,875	216,068
Assumption Changes	(462,014)		1,160,627	879,444	717,489
Benefit Payments	(839,948)	(1,116,417)	(967,917)	(774,227)	(750,335)
Refunds		(32,981)			
Net Change in Total Pension Liability	(325,416)	453,663	1,939,847	1,807,398	1,582,252
Total Pension Liability-Beginning	19,715,798	19,262,135	17,322,288	15,514,890	13,932,638
Total Pension Liability-Ending (a)	<u>\$ 19,390,382</u>	<u>\$ 19,715,798</u>	<u>\$ 19,262,135</u>	<u>\$ 17,322,288</u>	<u>\$ 15,514,890</u>
Plan Fiduciary Net Position					
Employer and State Contributions	\$ 841,792	\$ 1,101,580	\$ 657,730	\$ 608,384	\$ 501,375
Employee Contributions	158,581	145,645	178,437	161,383	168,792
Pension Plan Net Investment Income	2,835,198	1,372,231	743,303	1,112,333	1,322,095
Benefit Payments	(839,948)	(1,116,417)	(967,917)	(774,227)	(750,335)
Refunds		(32,981)			
Pension Plan Administrative Expenses	(75,574)	(80,003)	(69,492)	(75,928)	(71,311)
Net Change in Plan Fiduciary Net Position	2,920,049	1,390,055	542,061	1,031,945	1,170,616
Plan Fiduciary Net Position-Beginning	15,276,169	13,886,114	13,344,053	12,312,108	11,141,492
Plan Fiduciary Net Position-Ending (b)	<u>\$ 18,196,218</u>	<u>\$ 15,276,169</u>	<u>\$ 13,886,114</u>	<u>\$ 13,344,053</u>	<u>\$ 12,312,108</u>
Net Pension Liability-Ending (a) – (b)	<u>\$ 1,194,164</u>	<u>\$ 4,439,629</u>	<u>\$ 5,376,021</u>	<u>\$ 3,978,235</u>	<u>\$ 3,202,782</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.84%	77.48%	72.09%	77.03%	79.36%
Covered Employee Payroll	<u>\$ 1,870,977</u>	<u>\$ 1,832,026</u>	<u>\$ 2,244,491</u>	<u>\$ 2,029,975</u>	<u>\$ 2,123,170</u>
Net Pension Liability as a Percentage of Covered Employee Payroll	63.83%	242.33%	239.52%	195.97%	150.85%

General Employees' Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

1% Decrease	Current	1% Increase
6.50%	Discount Rate	8.50%
7.50%		
\$ 12,798,784	\$ 4,639,354	\$ (2,272,890)

Police Officers' Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

1% Decrease	Current	1% Increase
6.50%	Discount Rate	8.50%
7.50%		
\$ 1,372,788	\$ (2,132,716)	\$ (5,083,541)

Fire Fighters'

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

1% Decrease	Current	1% Increase
6.0%	Discount Rate	8.0%
7.0%	7.0%	8.0%
\$ 3,805,736	\$ 1,194,164	\$ (969,683)

Questions?

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2021

City of Jacksonville Beach, Florida
General Employees' Retirement System

Financial Statements, Required
Supplementary Information, and
Independent Auditor's Report

September 30, 2021

CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM
FINANCIAL STATEMENTS AND REQUIRED
SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021
AND INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of
The City of Jacksonville Beach, Florida
General Employees' Retirement System
Honorable Mayor and Members of the City Council
Jacksonville Beach, Florida

Report on the Financial Statements

We have audited the accompanying statement of fiduciary net position of the City of Jacksonville Beach, Florida, General Employees' Retirement System (the GERS) as of September 30, 2021, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the GERS's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the GERS's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the GERS's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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To the Trustees of
The City of Jacksonville Beach, Florida
General Employees' Retirement System
Honorable Mayor and Members of the City Council
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the GERS as of September 30, 2021, and the changes in its financial status for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to this information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



May 4, 2022
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the City of Jacksonville Beach, Florida (the City) General Employees' Retirement System (the Plan) provides an overview of the financial activities and funding conditions for the fiscal year ended September 30, 2021.

Financial Highlights

- The Plan's total net position held in trust for the payment of benefits and to meet the Plan's future obligations to its members and their beneficiaries was \$69,890,527. The Plan's net position increased by \$9,312,513, a 15.37% increase for the year.
- Employer contributions to the Plan increased \$118,935 over the previous year. The actual employer contributions were \$2,324,624 for 2020, and \$2,443,559 for 2021. The increase is attributable to an increase in the actuarially calculated contribution requirement.
- Employee contributions to the Plan increased by \$37,210 over the previous year. The actual employee contributions were \$1,110,267 for 2020, and \$1,147,477 for 2021. The increase in employee contributions is attributable to an increase in covered payroll dollars.
- The net investment income increased by \$5,635,764 compared to 2020. The actual results were \$5,610,039 for 2020, and \$11,245,803 for 2021. Investment income increase was due to an increase in performance compared to the previous year.
- Benefit payments and refund of contributions decreased by \$42,930 compared to 2020. The benefit payments and refund of contributions were \$5,465,840 for 2020, and \$5,422,910 for 2021. The decrease is attributable to fewer employees receiving refunds compared to the previous year.

Pension Plan provisions for the General Employees' Retirement System were modified significantly in fiscal year 2014 to improve the Plan's financial sustainability. The modifications included increasing the employee's contribution rate, changing the vesting periods, modifying pensionable pay exclusions, and modifying the Deferred Retirement Option Program (DROP). Details of the changes can be found in the Notes to the Financial Statements beginning on page 13. The funding objective of the General Employees' Retirement System is to meet its long-term pension benefit obligations through employer and employee contributions and investment returns. The Plan fiduciary net position as a percentage of total pension liability was 93.78% as of September 30, 2021.

Financial Analysis

The following discussion and analysis are intended to serve as an introduction to the City of Jacksonville Beach, Florida, General Employees' Retirement System financial statements, which are comprised of the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position, Notes to Financial Statements, and certain required supplementary information.

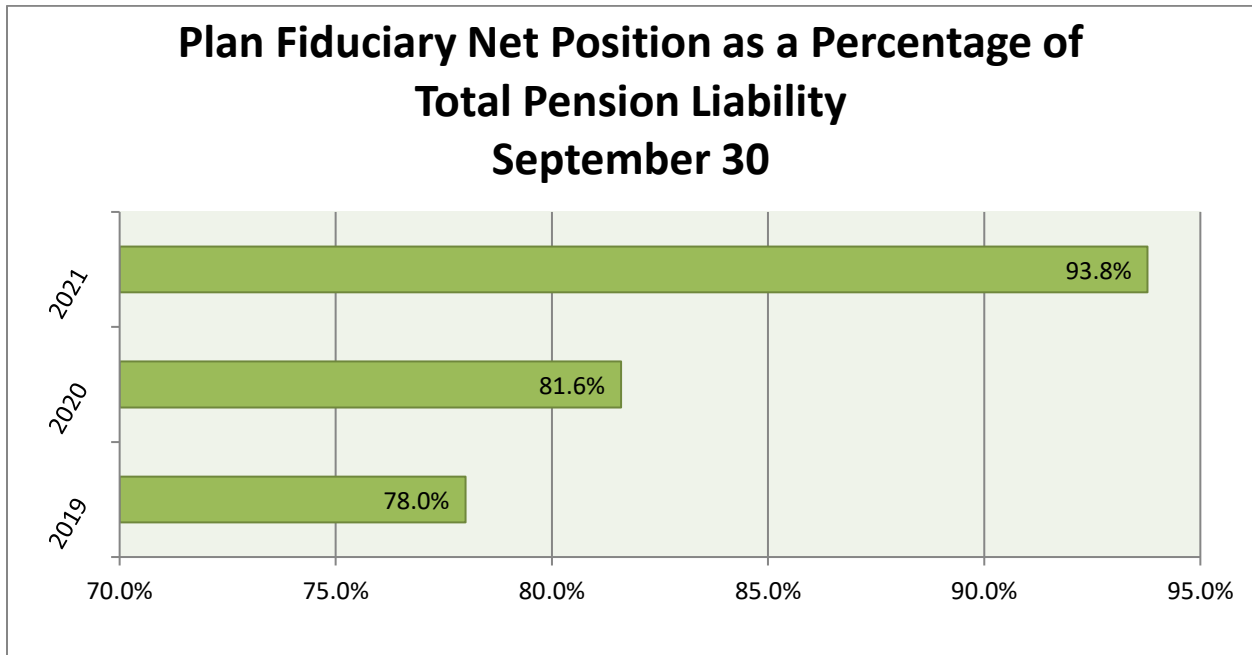
The financial statements reflect the activities of the General Employees' pension plan and are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These statements are presented on a full accrual basis and reflect all trust activities as incurred.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

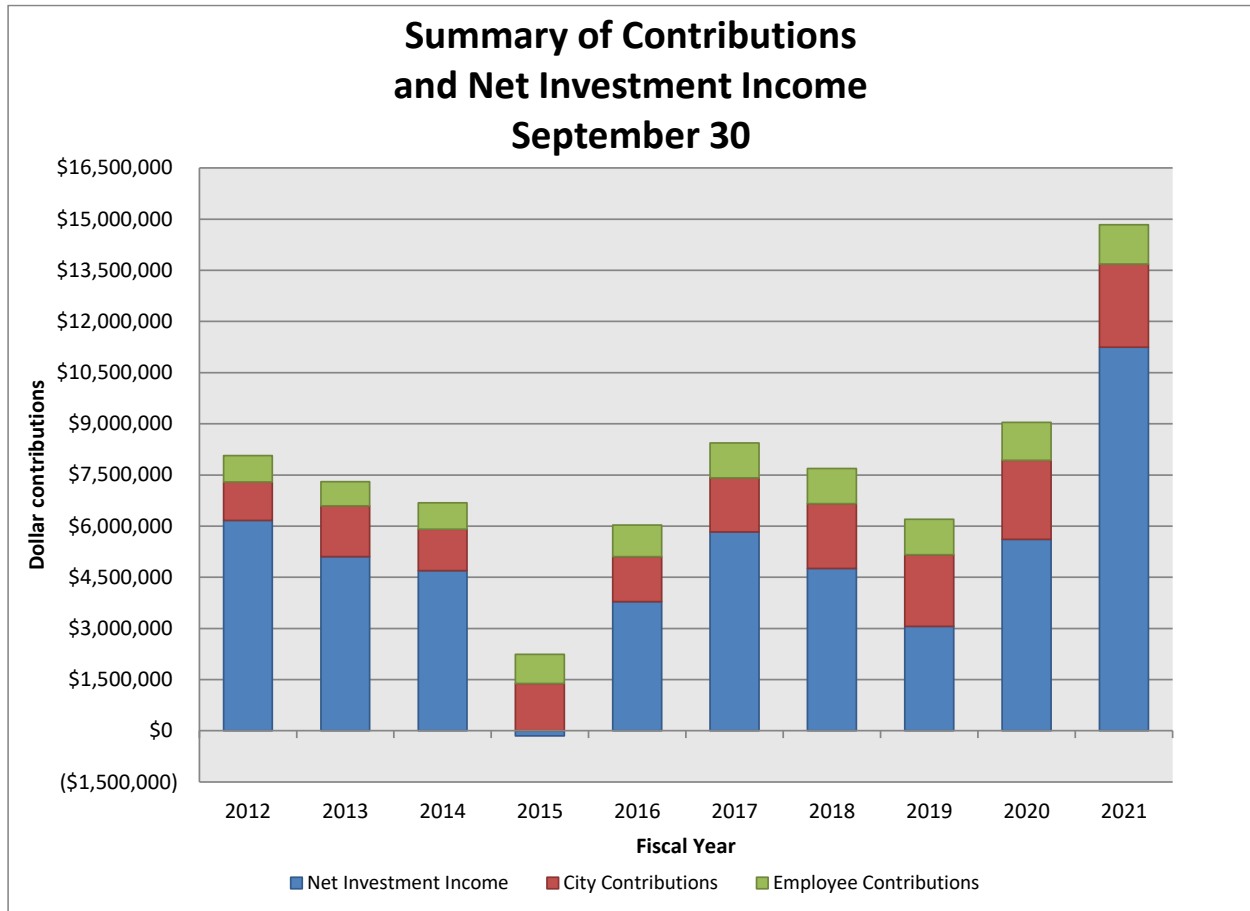
In 2014, the City implemented Governmental Accounting Standards Board Statement No. 67 (GASB 67) as required for the General Employees' Retirement System. This statement requires additional disclosures in the Plan's financial statements. The statement also requires the net pension liability to be measured as of the Plan's most recent fiscal year-end using methods prescribed by GASB that differ significantly from previous methods. The required disclosures for the General Employees' Retirement System can be found in the Notes to the financial statements beginning on page 12 and the Required Supplementary Information beginning on page 22.

There are several ways to measure the Plan's financial status. One means is to determine the Plan's net position available to pay benefits. This is the difference between total assets and total liabilities. Another way is to refer to the Plan's Net Pension Liability, which takes into account the total pension liability and the Plan fiduciary net position. The chart below displays the Plan fiduciary net position as a percentage of total pension liability for the past three years.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The funding objective of the Retirement System is to establish and receive contributions (expressed as a percent of active member payroll), which should remain level from year-to-year and not have to be increased for future generations of citizens in the absence of benefit improvements. The Retirement System is supported by member contributions, City contributions, and investment income from the Retirement System assets as displayed on the chart below.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Actuarial differences between actual and assumed investment return are phased-in over a closed four-year period. Therefore, during periods when investment performance exceeds the assumed rate, asset values will tend to be less than market value. Conversely, during periods when investment performance is less than the assumed rate, valuation assets will tend to be greater than market value. As of October 1, 2020, the date of the last actuarial valuation, the Plan had a market value of \$60,578,014 and a funding value of \$59,925,630 as shown in the chart below.

Market/Funding Value of Assets

Plan Year Ended 9-30	Market Value	Funding Value
2011	\$ 37,834,361	\$ 40,808,666
2012	42,759,671	42,287,997
2013	47,023,784	45,066,035
2014	49,635,814	47,137,601
2015	47,301,861	49,152,702
2016	49,137,471	50,816,076
2017	52,771,855	52,342,244
2018	55,646,916	54,189,183
2019	57,101,628	57,082,442
2020	60,578,014	59,925,630

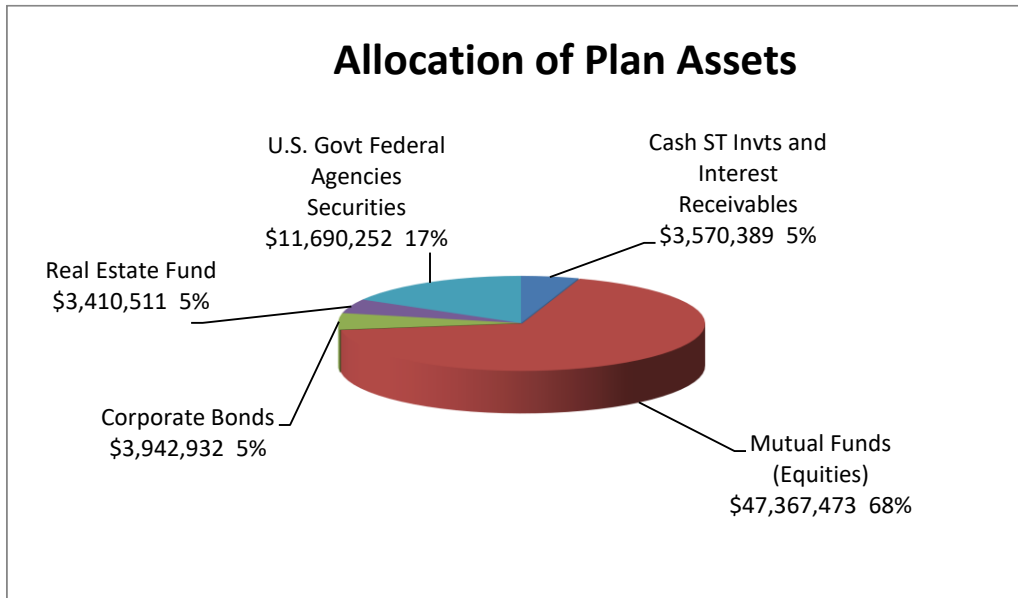
The Statement of Fiduciary Net Position is a snapshot of account balances at year-end. It indicates the assets available for future payments to retirees and any current liabilities that are owed at this time.

Fiduciary Net Position Restricted for Pension Benefits as of September 30

	2021	2020	Increase/ (Decrease)
Cash and Short-Term Investments	\$ 3,528,525	\$ 1,045,476	\$ 2,483,049
Interest Receivable	41,864	72,338	(30,474)
Investments	66,411,168	59,464,531	6,946,637
Total Assets	<u>69,981,557</u>	<u>60,582,345</u>	<u>9,399,212</u>
Accounts Payable		3,283	(3,283)
Other Accrued Liabilities	1,030	1,048	(18)
Due to Firefighters'	90,000		90,000
Total Liabilities	<u>91,030</u>	<u>4,331</u>	<u>86,699</u>
Net Position Restricted for Pension Benefits	<u>\$ 69,890,527</u>	<u>\$ 60,578,014</u>	<u>\$ 9,312,513</u>

The total net position of the General Employees' Retirement System as of September 30, 2021, was \$69,890,527. The allocation of the Plan's total assets as of September 30, 2021, is shown on the pie chart on the following page.

MANAGEMENT'S DISCUSSION AND ANALYSIS



Revenues essential to funding the Plan are obtained from member contributions, City contributions, and investment income from the retirement system assets. For the Plan year ended September 30, 2021, plan participants were required to pay 7.95% of their annual pensionable salary to the pension plan. The City makes periodic contributions totaling 100% of the annual actuarially determined amount to the Plan.

The Statement of Changes in Fiduciary Net Position provides a view of current year additions to and deductions from the Plan's net position. The sum of net investment earnings and contributions were higher than deductions resulting in an overall 15.37% increase in plan net position for the year. Earnings or losses on investments are reported net of investment expenses. The following table shows a comparative summary of the changes in net position and reflects the Plan's activities for the fiscal years ended September 30:

Changes in Fiduciary Net Position for the Year Ended September 30

	2021	2020	Increase/ (Decrease)	Percentage Change
Additions:				
Contributions	\$ 3,591,036	\$ 3,434,981	\$ 156,055	4.54%
Net Investment Income (Loss)	11,245,803	5,610,039	5,635,764	100.46%
Total Additions, Net	14,836,839	9,045,020	5,791,819	64.03%
Deductions:				
Benefits and Refunds	5,422,910	5,465,840	(42,930)	-0.79%
Administrative Expenses	101,416	102,704	(1,288)	-1.25%
Total Deductions	5,524,326	5,568,544	(44,218)	-0.79%
Change in Net Position	9,312,513	3,476,476	5,836,037	167.87%
Beginning of Year Net Position	60,578,014	57,101,628	3,476,386	6.09%
End of Year Net Position	\$ 69,890,527	\$ 60,578,104	\$ 9,312,423	15.37%

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Plan's investment earnings result from market gains and losses on investments during the year as well as dividend and interest earnings.

Additions to the Plan Net Position

The monies to pay benefits are accumulated from the contributions made from employers, employees, and income generated from the Plan's investments. Earnings or losses on investments are reported net of investment expenses.

	2021	2020	Increase/ (Decrease)
Additions:			
Employee Contributions	\$ 1,147,477	\$ 1,110,267	\$ 37,210
Employer Contributions	2,443,559	2,324,624	118,935
Net Investment Income (Loss)	11,245,803	5,610,039	5,635,764
Total Additions	<u>\$ 14,836,839</u>	<u>\$ 9,044,930</u>	<u>\$ 5,791,909</u>

Deductions from the Plan Net Position

The Plan provides a lifetime pension benefit to its retired members, as well as survivor, and disability benefits. Annual expenses to the Plan include retirement benefits, refunds of employee contributions, and administrative expenses.

	2021	2020	Increase/ (Decrease)
Deductions:			
Benefits	\$ 5,149,912	\$ 4,908,805	\$ 241,107
Refunds of Contributions	272,998	557,035	(284,037)
Administrative Expenses	101,416	102,704	(1,288)
Total Deductions	<u>\$ 5,524,326</u>	<u>\$ 5,568,544</u>	<u>\$ (44,218)</u>

The benefit payments are payments to retirees, or their beneficiaries (if the retiree is deceased). The refund of contribution amounts are refunds of employee contributions plus interest distributed to terminated employees who are not vested or who are vested but elect to not receive plan benefits. Administrative expenses include all expenses necessary to administer the retirement plan.

Notes to Financial Statements and Required Supplementary Information

Notes to financial statements provide additional information that is essential to a full understanding of the data provided. They begin on page 12 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GASB 67 requires several schedules of historical trend information to be presented as required supplementary information immediately after the notes to the financial statements. The required schedules are: (a) a schedule of changes in the net pension liability and related ratios multi-year that presents the beginning and ending balances of the total pension liability, the pension plan's fiduciary net position, the net pension liability and the effects on those items; (b) a schedule of net pension liability multi-year; (c) a schedule of the City's contributions; and (d) a schedule of investment returns that provides information about the annual money-weighted rate of return on pension plan investments.

These schedules contain information pertaining to the City of Jacksonville Beach, Florida, General Employees' Retirement System's actuarial methods and assumptions, including data on the investment returns of the Plan. They can be found on pages 22-25.

Plan Membership

The table below reflects the Plan membership as of September 30 for active participants, retirees, beneficiaries, disabled members, and terminated vested members:

	September 30, 2021	September 30, 2020	Change
Vested	83	85	(2)
Non-Vested	159	153	6
Total Active Participants	<u>242</u>	<u>238</u>	<u>4</u>
Retirees Receiving Benefits	162	158	4
Beneficiaries Receiving Benefits	29	28	1
Disability Benefits	7	7	-
Total Receiving Benefits	<u>198</u>	<u>193</u>	<u>5</u>
Terminated Vested Members	11	11	-
Total Members Currently Receiving Benefits and Terminated Employees Entitled to Benefits, But Not Yet Receiving Them	<u>209</u>	<u>204</u>	<u>5</u>

Funding Status

Of primary concern to most pension plan participants is the amount of money available to pay benefits. Historically, defined benefit pension plans have been under-funded when the employer failed to make annual actuarially required contributions to the Plan. The City's defined benefit pension plan has been subject to the minimum funding standards since the adoption of the *Florida Protection of Public Employee Retirement Benefits Act* (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the City has funded the actuarially determined contribution for each year as required.

Requests for Information

The financial report is designed to provide users with an overview of the Plan's finances and the prudent exercise of the Board of Trustees's oversight. Questions concerning this report should be addressed to the City's Finance Officer, 11 North Third Street, Jacksonville Beach, Florida 32250.

BASIC FINANCIAL STATEMENTS

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Assets

Cash and Short-Term Investments	\$ 3,528,525
Interest Receivable	41,864
Investments:	
Mutual Funds (Equities)	47,367,473
Corporate Bonds	3,942,932
U.S. Government Obligations/Agencies	11,690,252
Real Estate Fund	<u>3,410,511</u>
Total Investments	<u>66,411,168</u>
Total Assets	<u><u>69,981,557</u></u>

Liabilities

Other Accrued Liabilities	(1,030)
Due to Firefighters' Retirement System	<u>(90,000)</u>
Total Liabilities	<u><u>(91,030)</u></u>

Net Position Restricted for Pensions	<u><u>\$ 69,890,527</u></u>
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See accompanying notes.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

Additions

Contributions:	
Employee	\$ 1,147,477
Employer	2,443,559
Investment Income:	
Net Appreciation in Fair Value of Investments	6,435,857
Interest	1,474,070
Realized Gains	3,454,839
Gross Investment Income	<u>11,364,766</u>
(Investment Expense)	<u>(118,963)</u>
Net Investment Income	<u>11,245,803</u>
Total Additions	<u><u>14,836,839</u></u>

Deductions

Benefits	5,149,912
Refunds of Contributions	272,998
Administrative Expense	101,416
(Total Deductions)	<u><u>(5,524,326)</u></u>

Net Increase	9,312,513
Net Position, Beginning of Year	<u>60,578,014</u>
Net Position, End of Year	<u><u>\$ 69,890,527</u></u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Note 1 - Description of Plan

Reporting Entity

The City of Jacksonville Beach, Florida General Employees' Retirement System (the GERS) was formed on April 1, 2000, as a result of amendments to the Florida Statutes. Chapter 175.061 governing firefighters' pensions and Chapter 185.05 governing police officers' pensions were amended to require separate pension plans for each of these groups of employees. On March 31, 2000, the predecessor pension plan (the Public Employees' Retirement System) ceased operations and its assets, liabilities, and fund balance were divided among three distinct pension plans:

- General Employees' Retirement System
- Police Officers' Retirement System
- Firefighters' Retirement System

Plan Description

Substantially, all full-time employees of the City of Jacksonville Beach, Florida, (the City) not covered by the Police Officers' Retirement System or the Firefighters' Retirement System are covered by the City's GERS.

The GERS is a single-employer, defined benefit pension plan and, as it relates to general employees, is the successor entity for the Plan that was established by the City on November 1, 1951, in accordance with a State of Florida legislative act which amended Chapter 27-643, Laws of Florida, 1951. Although the GERS presents separate financial statements, it is included (reported as a pension trust fund) in the City's financial reporting entity. The GERS is administered by a Board of Trustees comprised of two members of City Council, two members of the GERS elected by the membership, and a fifth member elected by the other four Board Members.

Membership

As of October 1, 2020 (date of the latest annual actuarial valuation), employee membership data related to the Pension Plan were:

Inactive Plan Members or their Beneficiaries Currently Receiving Benefits	193
Inactive Plan Members Entitled to Benefits, But Not Yet Receiving Them	11
Active Plan Members	<u>238</u>
Total	<u><u>442</u></u>

Benefits

The Pension Plan provides retirement benefits, deferred vested benefits, and death and disability benefits. The Plan assets are available to pay the general employees. The Plan was amended by Ordinance 2005-7906 to exclude from membership in the GERS, those part-time employees receiving a normal retirement pension from the City of Jacksonville Beach General Employees' Retirement System, and to permit continued payment of said pension benefits while employed.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Pension plan provisions for the GERS were modified significantly in fiscal year 2014. The modifications included increasing the employee's contribution rate, changing the vesting periods, modifying pensionable pay exclusions, and modifying the Deferred Retirement Option Program (DROP). The chart below provides a comparison of the pension plan provisions that occurred in fiscal year 2014. In addition, the paragraphs following the chart provide a detailed description of the changes.

SUMMARY COMPARISON OF PENSION PROVISIONS

CITY OF JACKSONVILLE BEACH GENERAL EMPLOYEES' PENSION PLAN				
Provision	Employees with Less Than 5 Years of Service on November 25, 2013	Employees with at Least 5 Years of Service but Less Than 10 Years of Service on November 25, 2013	Employees with 10 or More Years of Service on November 25, 2013	Employees with 30 Years of Service or Age 60 with 5 Years of Service on November 25, 2013
Benefit Formula	2.5% for all years of service (\$90,000 or 75% maximum)			2.5% for all years of service (75% maximum)
Normal Retirement Date	Age 55 with 30 years of service; or Age 62 with 10 years of service	Age 55 with 30 years of service; or Age 62 with 10 years of service; or Age 65 with 5 years of service	Age 60 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + longevity pay; excluding overtime, shift differential, leave payouts, and all other compensation			Base pay, longevity, overtime, shift differential, and incentive pay

- **Normal Retirement**—Plan participants who retired prior to October 1, 1990, are entitled to pension payments for the remainder of their lives equal to 2% of their final average compensation times the number of years they were employed by the City and were a member of the Retirement System. The final average compensation is the highest five out of the last ten years of employment.

Compensation includes base pay, longevity pay, overtime, and cost-of-living allowances. The maximum annual pension payment to these participants is 60% of their final five-year average compensation.

Plan participants who retired after September 30, 1990 but before November 25, 2013, are entitled to pension payments for the remainder of their lives equal to 2.5% of their final average compensation times the number of years they were employed by the City and were a member of the Retirement System. The maximum annual pension benefit to these employees is 75% of their final average compensation.

Plan participants who retire on or after November 25, 2013, are entitled to payments for the remainder of their lives equal to 2.5% of their final average compensation times the number of years they were employed by the City and were a member of the Retirement System up to a maximum of \$90,000 or 75%, whichever is less. Accrued benefits in excess of the maximum amount are retained by the Plan. Compensation includes base pay and longevity pay. Compensation excludes overtime, shift differentials, incentive pay, leave payouts, and all other compensation.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Eligibility requirements for normal retirement are as follows for participants with ten years of service on November 25, 2013: 30 years of service regardless of age, or age 60 with five or more years of service.

Eligibility requirements for normal retirement are as follows for participants with less than ten years of service on November 25, 2013: Age 55 with 30 or more years of service, or age 62 with ten or more years of service. There is no mandatory retirement age.

The normal form of benefit is a benefit payable for the life of the retired member. Optional benefit forms are available on an actuarial equivalent basis.

- **Early Retirement**—Early retirement is available to all plan participants after 20 years of service with a reduced benefit.
- **Non-Duty Disability Retirement**—Disability retirement is available to plan participants that have attained at least ten years of service. Until the Plan participant reaches normal retirement age, the minimum non-duty disability is 25% of the participant's final average compensation.
- **Duty Disability Retirement**—The ten-year service requirement is waived if the retirement is caused by a duty-related disability. The amount of a duty disability pension is the larger of the member's accrued pension and 50% of member's final average compensation. At regular retirement age, the participant may elect to continue to be covered by duty disability or have the benefit recomputed as a normal retirement with additional service credit granted from the date of retirement to the later of normal retirement age or five years after date of disability. The minimum benefit shall not be less than 42% of the participant's final average compensation.
- **Non-Duty Death Before Retirement**—Non-duty death benefits are available at 100% of the Plan participant's normal retirement benefit provided the Plan participant attained ten or more years of service.
- **Duty Death Before Retirement**—The ten-year service requirement is waived if the death is duty-related. The surviving spouse is entitled to receive 100% of the participant's normal retirement benefit. The minimum benefit to the spouse shall not be less than 35% of the participant's final average compensation.
- **Backwards Deferred Retirement Option Program (BackDROP)**—A participant of the retirement system who meets the normal retirement requirements on or after November 25, 2013, is eligible for BackDROP. The participant may elect a BackDROP period for the number of months employed beyond their normal retirement date, up to a maximum of thirty-six consecutive months. Benefits are computed as if the participant chose to terminate on any date within the thirty-six month period after the normal retirement date, using credited service and final average compensation at the normal retirement date. In addition to the monthly pension, there will be a lump-sum payment. The lump-sum payment will be computed as if the monthly benefits had started and were accumulated in an account and credited with 3% interest, compounded annually during the period between the date chosen for BackDROP retirement and the date of termination.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Contributions

For the year ended September 30, 2021, Plan participants were required to pay 7.95% of their annual compensation to the Pension Plan. The payments are deducted from the employees' wages or salary and remitted by the City to the GERS at the end of each pay period. If an employee leaves the employment of the City before he or she is vested (attaining five years of service prior to November 25, 2013 or attaining ten years of service on or after November 25, 2013), the accumulated contributions plus earned interest are refunded to the employee or the employee's designated beneficiary. If an employee leaves the employment of the City after becoming vested, but before attaining retirement age, the employee or the employee's designated beneficiary has the option of being refunded the accumulated contributions plus earned interest or keeping the funds in the Plan and receiving benefits under the Plan upon reaching normal retirement age.

The City makes periodic contributions totaling a minimum of 100% of the annual actuarially determined amount to the Pension Plan. For the year ended September 30, 2021, the actuarially determined contribution amount as determined by the October 1, 2020 actuarial valuation, was \$2,442,960 and the actual contribution was \$2,443,559.

For the year ended September 30, 2021, the total City's covered payroll (general employees only) amounted to \$14,294,336. Covered payroll refers to all compensation paid by the City to active employees covered by the GERS on which contributions to the Pension Plan are based. Total payroll for general employees (covered and uncovered) for the year ended September 30, 2021, was \$15,647,222.

Note 2 - Summary of Significant Accounting Policies and Plan Position Matters

Basis of Accounting

The GERS financial statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized as revenue in the period in which employees provide services to the City. Interest and dividend income is recognized when earned by the Pension Plan. Realized gains and losses on the sale of investments held by the Pension Plan are recognized when incurred. Net appreciation in the fair value of investments held by the Pension Plan is recorded as an increase to investment income based on the valuation of investments as of the date of the statement of plan net position available for benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments

Investments in securities are reported at fair value. Corporate bond securities are assigned a value based on yields currently available on securities of issuers with credit ratings similar to the securities held by the Pension Plan. Unrestricted capital stock securities are assigned a value based on quoted market prices. There are no investments in, loans to, or leases with parties related to the Pension Plan.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Note 3 - Cash and Investments

Florida Statutes and City ordinances authorize the GERS to invest in obligations of the United States, in obligations guaranteed as to principal and interest by the United States and in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States provided that the corporation is listed on one or more of the recognized national stock exchanges and holds a rating of the three highest classifications by a major rating service. Corporate fixed income securities must hold a rating of A or higher by a Nationally Recognized Statistical Rating Organization (Moody's, Standard & Poor's, Fitch).

Following is a summary of the investments and maturities held by the GERS at September 30, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Mutual Fund (Equities)	\$ 47,367,473	\$ 47,367,473			
U.S. Government Securities	8,557,618	1,277,631	\$ 471,553	\$ 5,693,371	\$ 1,115,063
Federal Agency Securities:					
Federal Home Loan Bank	372,375		372,375		
Federal Home Loan Mtg. Corp.	441,328		1,704		439,624
Federal National Mtg. Assoc.	2,318,931	1,494	49,023	283,803	1,984,611
Corporate Bonds	3,942,932		771,050	2,855,293	316,589
Real Estate Fund	3,410,511	3,410,511			
Total	\$ 66,411,168	\$ 52,057,109	\$ 1,665,705	\$ 8,832,467	\$ 3,855,887

Credit quality distribution for the GERS' investments with credit exposure as a percentage of the total pension investment is as follows:

Investment Type	Moody's Credit Rating	Percent of Total
U.S. Government Securities	Aaa	12.89%
Federal Agency Securities	Aaa	4.72%
Corporate Bonds	A1	1.56%
Corporate Bonds	A2	2.38%
Corporate Bonds	A3	0.89%
Corporate Bonds	Baa1	1.11%

Cash and money market funds totaling \$3,528,525 at September 30, 2021, are classified as cash and short-term investments on the accompanying statement of fiduciary net position because they are available for immediate withdrawal or transfer.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Risk Disclosure

The Plan's investment policies do not specifically address its exposure to interest rate changes, custodial credit risk, or quality credit risk. The following items discuss the pension funds' exposure to various risks of their investment portfolios:

- **Interest Rate Risk**—the City's pension funds limit their risk by averaging investment maturities at approximately three to five years.
- **Custodial Credit Risk**—for an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The fund generally utilizes third party custodians to help manage custodial credit risk.
- **Concentration of Credit Risk**—the pension funds' investment policies and practices require investments to be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold.

Identification of Investments

- **Equities**—Investments in equity securities must be traded on the national exchange or electronic network. No more than 5% of the Plan's assets, at the time of purchase, may be invested in the common stock, capital stock, or convertible stock of any one issuing company. In addition, the aggregate investment in any one company shall not exceed 5% of the outstanding capital stock of that company. No more than 10% of the Plan's assets, at the time of purchase, may be invested in the shares of companies that have been publicly traded for less than one year.
- **Fixed Income**—Investments in corporate fixed income securities shall be limited to those securities rated "A" (or its equivalent) or higher by a Nationally Recognized Statistical Rating Organization. In the event an investment security rating drops below a rating of A, the investment manager notifies the investment advisor. The investment advisor instructs the investment manager to monitor the investment closely or dispose of it when economically feasible. The maximum maturity of any single security in the Plan's fixed income portfolio shall not exceed 30 years, and the average effective duration of the portfolio shall not exceed that of the benchmark index by more than 20%. No more than 10% of the Plan's assets, at the time of purchase, shall be invested in securities of any single corporate issuer. Investments in Collateralized Mortgage Obligations (CMO) shall be limited to 10% of the market value of the Plan's fixed income portfolio and shall be restricted to those issues that are currently paying interest, receiving principal pay-downs and do not contain leverage.
- **Real Estate Fund**—All real estate investments shall be managed by experienced and qualified professional real property investment managers. The Board will seek to diversify its real estate investment by property type (residential, industrial, office, retail, timberland, etc.) and property location (geographic region).

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
International Equity	10%
Fixed Income	35%
Real Estate Fund	5%
Total	<u><u>100%</u></u>

Concentration

The Plan did not hold investments in any one organization that represents 5% or more of the Pension Plan's fiduciary net position.

Rate of Return

For the year ended September 30, 2021, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 18.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fair Value Measurements

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 Inputs**—are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2 Inputs**—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- **Level 3 Inputs**—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

The Plan's investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value in the hierarchy described above. The fair value measurements for the Plan's operating investments are as follows at September 30, 2021:

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Amount			
Equities	\$ 47,367,473	\$ 47,367,473		
U.S. Government Securities	8,557,618	1,595,586	\$ 6,962,032	
Federal Agency Securities:				
Federal Home Loan Bank	372,375	372,375		
Federal Home Loan Mortgage Corporation	441,328		441,328	
Federal National Mortgage Association	2,318,931		2,318,931	
Corporate Bonds	3,942,932		3,942,932	
Total Investments Measured at Fair Value	<u>\$ 63,000,657</u>	<u>\$ 49,335,434</u>	<u>\$ 13,665,223</u>	<u>\$ -</u>
Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund	\$ 3,410,511		Quarterly	45 days
Total Investments	<u>\$ 66,411,168</u>			

Equities and U.S. Government Securities are valued based on prices quoted in active markets and are categorized as Level 1 in the fair value hierarchy. Federal Agency Securities are valued using matrix pricing techniques that value securities based on their relationship to benchmark quoted prices. Corporate bonds are valued using quoted prices for similar securities in active markets and are categorized as Level 2 in the fair value hierarchy. The Real Estate Fund is valued at Net Asset Value (NAV), which is determined using certified annual appraisals of investment properties held by the fund.

Note 4 - Pension Cost

The pension cost for the year ended September 30, 2021, was \$2,443,559 (actual contribution-City share). The pension cost for the 2021 fiscal year was determined as part of an October 1, 2020, actuarial valuation using the entry age actuarial cost method.

Note 5 - Net Pension Liability

The Pension Plan's fiscal year-end net pension liability as of September 30, 2021, was as follows:

Total Pension Liability	\$ 74,529,881
Plan Fiduciary Net Position	<u>69,890,527</u>
Net Pension Liability	<u>\$ 4,639,354</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.78%

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2020, updated to September 30, 2021, using the following actuarial assumptions:

Inflation	2.5%
Salary Increases	2.7-6.3% (Including Inflation)
Investment Rate of Return	7.5%

Mortality rates were based on the House Bill 1309, which mandated the use of the Florida Retirement System (FRS) mortality tables. The RP-2000 table and projection scale BB produce life expectancies that are longer for male and females. This table was first used for the October 1, 2016 valuation.

The long-term expected rate of return on the Plan investments was determined using 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. 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 Plan's target asset allocation as of September 30, 2021, are summarized below:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return (Excluding Inflation)</u>
Domestic Equity	10.0%
International Equity	11.0%
Domestic Bonds	5.0%
International Bonds	6.0%
Real Estate Fund	7.0%
Cash	0.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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. The single discount rate reflects the long-term expected rate of return on Pension Plan investments including inflation.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

The table below provides the sensitivity of the net pension liability to changes in the discount rate. The table represents the Plan's net pension liability, if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher than the single discount rate.

**Sensitivity of Net Pension Liability to the
Single Discount Rate Assumption**

1% Decrease <u>6.50%</u>	Current Discount Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
\$ 12,798,784	\$ 4,639,354	\$ (2,272,890)

The total pension liability information is based on the actuarial valuation performed October 1, 2020. The total pension liability was rolled-forward from the valuation date to the Plan year ended September 30, 2021, using generally accepted actuarial principles.

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS MULTI-YEAR
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

(Ultimately 10 Years Will Be Displayed)

Fiscal Year Ended September 30,

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 1,669,578	\$ 1,598,849	\$ 1,503,973	\$ 1,376,902	\$ 1,391,483	\$ 1,207,176	\$ 1,111,657	\$ 1,129,366
Interest on the Total Pension Liability	5,420,774	5,349,162	5,292,226	5,106,511	4,852,273	4,606,558	4,557,077	4,443,924
Difference Between Expected and Actual Experience	218,907	(533,465)	(1,027,446)	1,126,397	325,573	(1,228,033)	(891,893)	
Assumption Changes (#)	(1,459,419)			2,931,687	2,129,976	2,784,150		
Benefit Payments	(5,422,910)	(4,908,805)	(4,346,876)	(4,555,656)	(4,599,574)	(3,929,634)	(4,052,263)	(3,669,967)
Refunds	(101,416)	(557,035)	(301,365)	(158,889)	(97,989)	(153,923)	(276,366)	(301,456)
Net Change in Total Pension Liability	325,514	948,706	1,120,512	5,826,952	4,001,742	3,286,294	448,212	1,601,867
Total Pension Liability-Beginning	74,204,367	73,255,661	72,135,149	66,308,197	62,306,455	59,020,161	58,571,949	56,970,082
Total Pension Liability-Ending (a)	<u>\$ 74,529,881</u>	<u>\$ 74,204,367</u>	<u>\$ 73,255,661</u>	<u>\$ 72,135,149</u>	<u>\$ 66,308,197</u>	<u>\$ 62,306,455</u>	<u>\$ 59,020,161</u>	<u>\$ 58,571,949</u>
Plan Fiduciary Net Position								
Employer and State Contributions	\$ 2,443,559	\$ 2,324,624	\$ 2,100,105	\$ 1,898,689	\$ 1,591,545	\$ 1,321,320	\$ 1,387,165	\$ 1,216,994
Employee Contributions	1,147,477	1,110,267	1,036,998	1,029,762	1,018,627	927,251	853,057	771,553
Pension Plan Net Investment Income	11,245,803	5,610,039	3,062,326	4,761,584	6,557,114	3,782,591	(153,496)	4,697,264
Benefit Payments	(5,422,910)	(4,908,805)	(4,346,876)	(4,555,656)	(4,599,574)	(3,929,634)	(4,052,263)	(3,669,967)
Refunds	(101,416)	(557,035)	(301,365)	(158,889)	(97,989)	(153,923)	(276,366)	(301,456)
Pension Plan Administrative Expenses		(102,704)	(96,476)	(100,429)	(105,804)	(111,995)	(92,050)	(102,359)
Other					(729,535)			
Net Change in Plan Fiduciary Net Position	9,312,513	3,476,386	1,454,712	2,875,061	3,634,384	1,835,610	(2,333,953)	2,612,029
Plan Fiduciary Net Position-Beginning	60,578,014	57,101,628	55,646,916	52,771,855	49,137,471	47,301,861	49,635,814	47,023,785
Plan Fiduciary Net Position-Ending (b)	<u>\$ 69,890,527</u>	<u>\$ 60,578,014</u>	<u>\$ 57,101,628</u>	<u>\$ 55,646,916</u>	<u>\$ 52,771,855</u>	<u>\$ 49,137,471</u>	<u>\$ 47,301,861</u>	<u>\$ 49,635,814</u>
Net Pension Liability-Ending (a) – (b)	<u>\$ 4,639,354</u>	<u>\$ 13,626,353</u>	<u>\$ 16,154,033</u>	<u>\$ 16,488,233</u>	<u>\$ 13,536,342</u>	<u>\$ 13,168,984</u>	<u>\$ 11,718,300</u>	<u>\$ 8,936,135</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.78%	81.64%	77.95%	77.14%	79.59%	78.86%	80.15%	84.74%
Covered Employee Payroll	<u>\$ 14,294,336</u>	<u>\$ 13,915,132</u>	<u>\$ 13,044,000</u>	<u>\$ 12,952,981</u>	<u>\$ 12,812,918</u>	<u>\$ 11,663,535</u>	<u>\$ 10,730,277</u>	<u>\$ 10,622,900</u>
Net Pension Liability as a Percentage of Covered Employee Payroll	32.46%	97.92%	123.84%	127.29%	105.65%	112.91%	109.21%	84.12%

Notes to Schedule

Assumption changes include the following:

- For 2016, adding a 2% load on the present value of future benefits as a margin for future mortality improvements and decreasing the long-term municipal bond rate from 3.71% to 3.06%.
- For 2017, decreasing the single discount rate and long-term expected rate of return from 8.00% to 7.90%, and increasing the long-term municipal bond rate from 3.06% to 3.50%.
- For 2018, decreasing the single discount rate and long-term expected rate of return from 7.90% to 7.50%, and increasing the long-term municipal bond rate from 3.50% to 3.83%.
- For 2021, adopted the new respective FRS mortality assumptions.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET PENSION LIABILITY MULTI-YEAR
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

(Ultimately 10 Years Will Be Displayed)

Fiscal Year Ended September 30,	Total Pension Liability (TPL)	Plan Net Position	Net Pension Liability	Plan Net Position as a % of TPL	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$ 58,571,949	\$ 49,635,813	\$ 8,936,136	84.74%	\$ 10,622,900	84.12%
2015	59,020,161	47,301,861	11,718,300	80.15%	10,730,277*	109.21%
2016	62,306,455	49,137,471	13,168,984	78.86%	11,663,535*	112.91%
2017	66,308,197	52,771,855	13,536,342	79.59%	12,812,918*	105.65%
2018	72,135,149	55,646,916	16,488,233	77.14%	12,952,981	127.29%
2019	73,255,661	57,101,628	16,154,033	77.95%	13,044,000	123.84%
2020	74,204,367	60,578,014	13,626,353	81.64%	13,915,132	97.92%
2021	74,529,881	69,890,527	4,639,354	93.78%	14,294,336	32.46%

*Source: Implicit payroll based on employee contributions during the fiscal year.

Note: The above calculations were performed under the requirements of GASB Statement No. 67.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

(Ultimately 10 Years Will Be Displayed)

Fiscal Year Ending October 1,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 1,205,756	\$ 1,216,994	\$ (11,238)	\$ 10,622,900	11.46%
2015	1,387,165	1,387,165		10,730,277*	12.93%
2016	1,321,320	1,321,320		11,663,535*	11.33%
2017	1,591,545	1,591,545		12,812,918*	12.42%
2018	1,892,707	1,898,689	(5,982)	12,952,981*	14.66%
2019	2,097,788	2,100,105	(2,317)	13,044,000*	16.10%
2020	2,322,790	2,324,624	(1,834)	13,915,132	16.71%
2021	2,442,960	2,443,559	(599)	14,294,336	17.09%

* Source: Implicit payroll based on employee contributions during the fiscal year.

Notes to Schedule of Contributions

Methods and Assumptions used to Actuarially Determine Contribution Rates for FY Ending September 30, 2021:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	3-25 Years
Asset Valuation Method:	4-Year Smoothed Market
Inflation:	2.50% Wage Inflation, 2.50% Price Inflation
Salary Increases:	2.50% to 6.3% Including Inflation
Investment Rate of Return:	7.60%
Retirement Age:	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.
Mortality:	The Florida Retirement System (FRS) mortality tables, which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
Other Information:	
Notes:	The Employer Contribution for fiscal year 2021 was determined in the Actuarial October 1, 2019 valuation report.

Additional years will be added to this schedule annually until 10 years of data are presented.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
CITY OF JACKSONVILLE BEACH, FLORIDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense
2021	18.94%
2020	10.02%
2019	5.61%
2018	9.22%
2017	12.11%
2016	8.15%
2015	-0.35%
2014	10.22%
2013	11.97%
2012	16.52%

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Directors of the
General Employees' Retirement System
City of Jacksonville Beach, Florida

We have audited the accompanying statement of fiduciary net position of the City of Jacksonville Beach, Florida, General Employees' Retirement System (the GERS) as of September 30, 2021, and the related statement of changes in fiduciary net position for the year then ended. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter dated June 4, 2021. Professional standards also require that we communicate the following information to you related to our audit:

Qualitative Aspects of Accounting Practices

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the GERS are described in Note 2 to the financial statements. No new accounting pronouncements were adopted during the year ended September 30, 2021.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most significant estimates affecting the financial statements were:

- Estimates of fair values of financial instruments held by the pension plan. These fair values are based upon quoted market prices or other observable inputs as described in Note 3 of the financial statements.

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To the Board of Directors of the
General Employees' Retirement System
City of Jacksonville Beach, Florida

- The annual pension cost and the total pension liability are estimates that are calculated based on an actuarial valuation performed by a qualified actuary. The assumptions used in the valuation were determined by management and, if changed, could significantly affect the recorded amounts.

We evaluated the key factors and assumptions used to develop the estimates described above in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We are pleased to report that we encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no audit adjustments identified during our audit. In addition, there were no uncorrected (passed) adjustments that came to our attention.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 4, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Directors of the
General Employees' Retirement System
City of Jacksonville Beach, Florida

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and the additional schedules as listed in the table of contents as Required Supplementary Information (RSI). These schedules are considered required supplementary information that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the GERS, and is not intended to be, and should not be, used by anyone other than these specified parties.



May 4, 2022
Tallahassee, Florida

2021

City of Jacksonville Beach, Florida
Police Officers' Retirement System

Financial Statements, Required
Supplementary Information, and
Independent Auditor's Report

September 30, 2021

CITY OF JACKSONVILLE BEACH, FLORIDA

POLICE OFFICERS’ RETIREMENT SYSTEM

**FINANCIAL STATEMENTS AND REQUIRED
SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2021

AND INDEPENDENT AUDITOR’S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of
The City of Jacksonville Beach, Florida
Police Officers' Retirement System
Honorable Mayor and Members of the City Council
Jacksonville Beach, Florida

Report on the Financial Statements

We have audited the accompanying statement of fiduciary net position of the City of Jacksonville Beach, Florida Police Officers' Retirement System (the PORS) as of September 30, 2021, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the PORS's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the PORS's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PORS's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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To the Trustees of
The City of Jacksonville Beach, Florida
Police Officers' Retirement System
Honorable Mayor and Members of the City Council
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the PORS as of September 30, 2021, and the changes in its financial status for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to this information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



May 4, 2022
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the City of Jacksonville Beach, Florida, Police Officers' Retirement System (the Plan) provides an overview of the financial activities and funding conditions for the fiscal year ended September 30, 2021.

Financial Highlights

- The Plan's total net position held in trust for the payment of benefits and to meet the Plan's future obligations to its members and their beneficiaries was \$31,982,965. The Plan's net position increased by \$5,134,446, a 19.12% increase for the year.
- Employer contributions to the Plan increased \$62,106 over the previous year. The actual employer contributions were \$658,426 for 2020, and \$720,532 for 2021. The increase is attributable to an increase in the actuarially calculated contribution requirement.
- Employee contributions to the Plan increased by \$93,711 from the previous year. The actual employee contributions were \$399,342 for 2020, and \$493,053 for 2021. The increase in employee contributions is attributable to an increase in covered payroll dollars.
- The net investment income increased by \$2,572,427 compared to 2020. The actual results were \$2,411,239 for 2020, and \$4,983,666 for 2021. Investment income increase due to an increase in performance compared to the previous year.
- Benefit payments and refund of contributions decreased by \$9,395 compared to 2020. The benefit payments and refund of contributions were \$1,291,775 for 2020, and \$1,282,380 for 2021. The decrease is attributable to fewer refunds and retirement benefits being paid compared to previous year.

Pension plan provisions for the Police Officers' Retirement System were modified significantly in fiscal year 2014 to improve the Plan's financial sustainability. The modifications included increasing the employee's contribution rate, changing the vesting periods, modifying pensionable pay exclusions, and modifying the Deferred Retirement Option Program (DROP). Details of the changes can be found in the Notes to the Financial Statements beginning on page 13. The funding objective of the Police Officers' Retirement System is to meet its long-term pension benefit obligations through employer and employee contributions and investment returns. The Plan fiduciary net position as a percentage of total pension liability was 107.14% as of September 30, 2021.

Financial Analysis

The following discussion and analysis are intended to serve as an introduction to the City of Jacksonville Beach, Florida, Police Officers' Retirement System financial statements, which are comprised of the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position, Notes to Financial Statements, and certain required supplementary information.

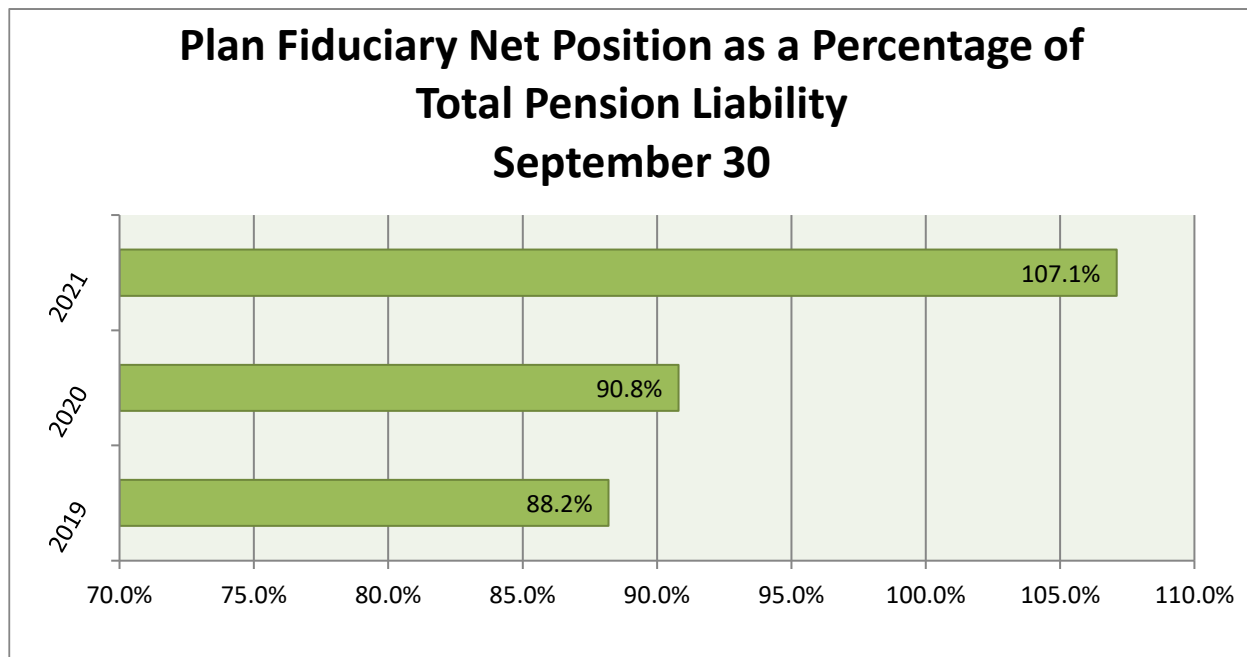
The financial statements reflect the activities of the Police Officers' pension plan and are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These statements are presented on a full accrual basis and reflect all trust activities as incurred.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Jacksonville Beach's progress in funding its obligation to provide pension benefits to its employees.

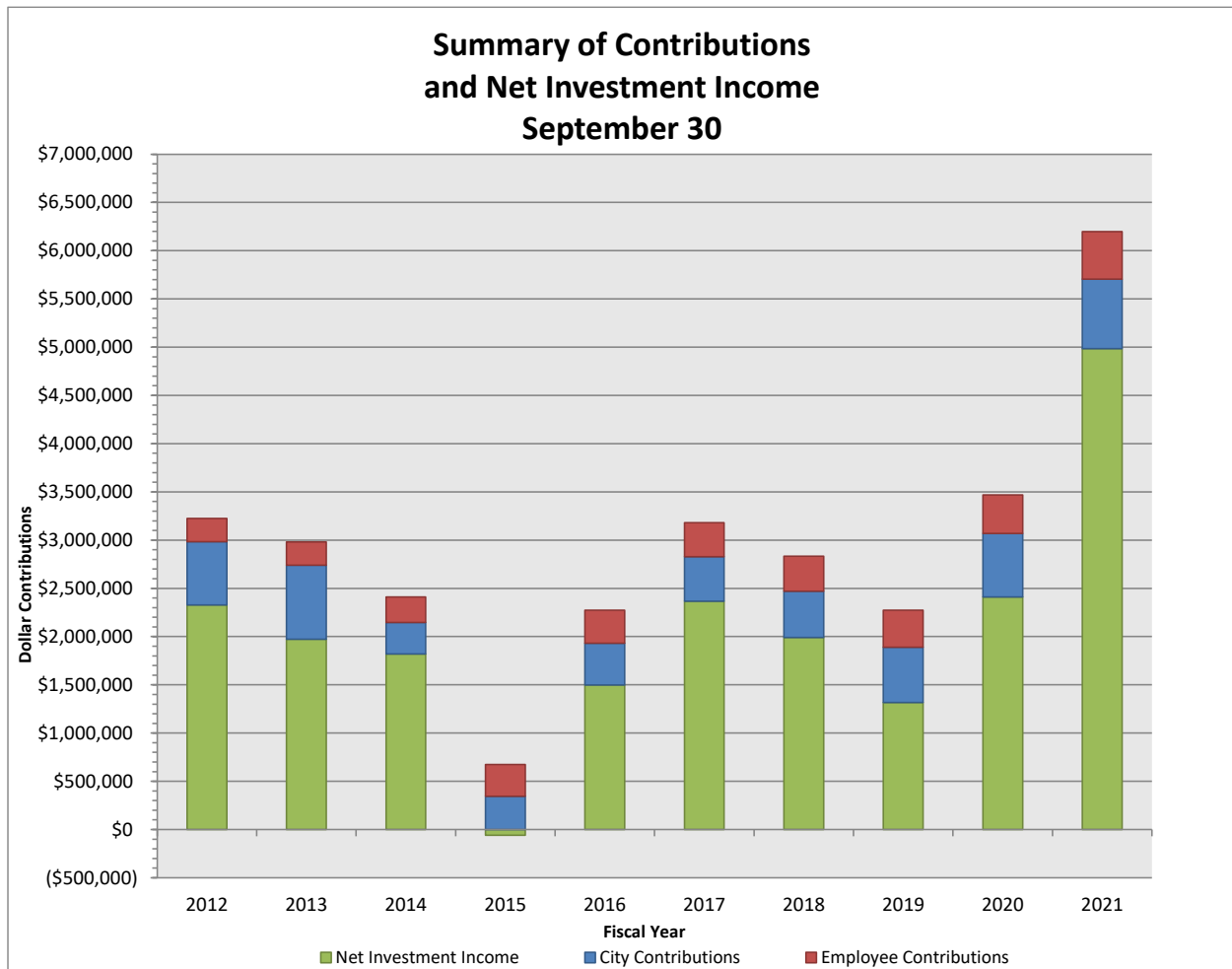
In 2014, the City implemented Governmental Accounting Standards Board Statement No. 67 (GASB 67) as required for the Police Officers' Retirement System. This statement requires additional disclosures in the Plan financial statements. The statement also requires the net pension liability to be measured as of the Plans' most recent fiscal year-end using methods prescribed by GASB that differ significantly from previous methods. The required disclosures for the Police Officers' Retirement System can be found in the Notes to the Financial Statements beginning on page 12 and the Required Supplementary Information beginning on page 22.

There are several ways to measure the Plan's financial status. One means is to determine the Plan's net position available to pay benefits. This is the difference between total assets and total liabilities. Another way is to refer to the Plan's Net Pension Liability, which takes into account the total pension liability and the Plan fiduciary net position. The chart below displays the Plan fiduciary net position as a percentage of total pension liability for the past three years.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The funding objective of the Retirement System is to establish and receive contributions (expressed as a percent of active member payroll), which should remain level from year-to-year and not have to be increased for future generations of citizens in the absence of benefit improvements. The Retirement System is supported by member contributions, City contributions, property insurance premium tax monies received from the state (pursuant to Chapter 185, Florida Statutes), and investment income from the Retirement System assets as displayed on the chart below:



MANAGEMENT'S DISCUSSION AND ANALYSIS

Actuarial differences between actual and assumed investment return are phased-in over a closed four-year period. Therefore, during periods when investment performance exceeds the assumed rate, asset values will tend to be less than market value. Conversely, during periods when investment performance is less than the assumed rate, valuation assets will tend to be greater than market value. As of October 1, 2020, the date of the last actuarial valuation, the Plan had a market value of \$26,848,519 and a funding value of \$26,597,835, as shown in the chart below:

Market/Funding Value of Assets

Plan Year Ended 9-30	Market Value	Funding Value
2011	\$ 14,335,554	\$ 15,547,681
2012	16,529,793	16,364,606
2013	18,210,225	17,469,215
2014	19,317,303	18,366,538
2015	18,751,766	19,488,736
2016	19,972,236	20,650,774
2017	22,048,341	21,889,082
2018	23,778,932	23,212,653
2019	24,501,172	24,522,722
2020	26,848,519	26,597,835

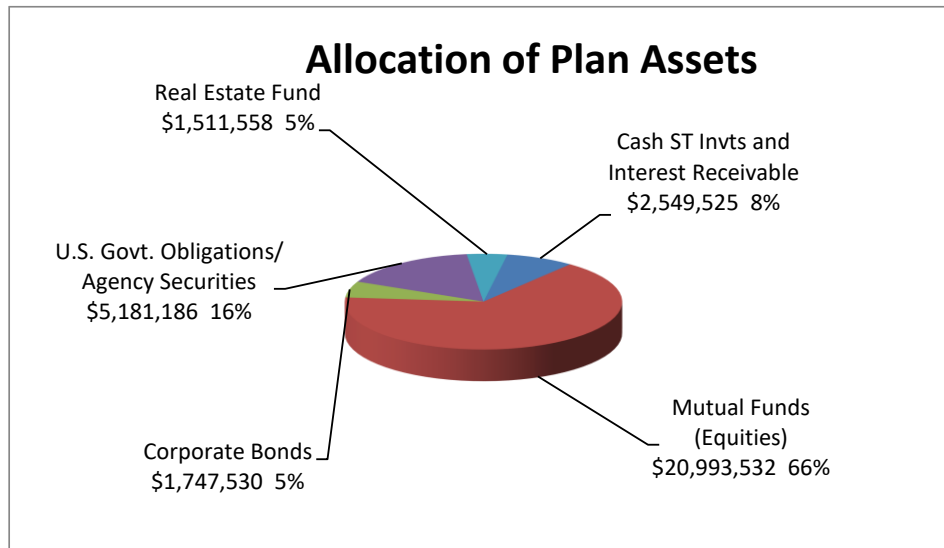
The Statement of Fiduciary Net Position is a snapshot of account balances at year-end. It indicates the assets available for future payments to retirees and any current liabilities that are owed at this time.

Fiduciary Net Position Restricted for Pension Benefits as of September 30

	2021	2020	Increase/ (Decrease)
Cash and Short-Term Investments	\$ 2,531,331	\$ 354,084	\$ 2,177,247
Due from Other Govt. Units		251,023	(251,023)
Interest Receivable	18,194	30,952	(12,758)
Investments	29,433,806	26,216,115	3,217,691
Total Assets	31,983,331	26,852,174	5,131,157
Accounts Payable		3,283	(3,283)
Other Accrued Liabilities	366	372	(6)
Total Liabilities	366	3,655	(3,289)
Net Position Restricted for Pension Benefits	\$ 31,982,965	\$ 26,848,519	\$ 5,134,446

The net position of the Police Officers' Retirement System, as of September 30, 2021, was \$31,982,965. The allocation of the Plan's total assets as of September 30, 2021, is shown on the pie chart on the following page:

MANAGEMENT'S DISCUSSION AND ANALYSIS



Revenues essential to funding the Plan are obtained from member contributions, City contributions, State premium tax distributions, and investment income from the retirement system assets. For the Plan year ended September 30, 2021, Plan participants were required to pay 7.95% of their annual pensionable salary to the Plan. The City makes periodic contributions totaling 100% of the annual actuarially determined amount to the Plan. The Plan receives an annual distribution of casualty insurance premium tax monies from the State of Florida pursuant to Chapter 185, Florida Statutes.

The Statement of Changes in Fiduciary Net Position provides a view of current year additions to and deductions from the Plan's net position. The sum of net investment earnings and contributions were higher than deductions, resulting in an overall 19.12% increase in Plan net position for the year. Earnings and losses on investments are reported net of investment expenses. The following table shows a comparative summary of the changes in net position and reflects the Plan's activities for the fiscal years ended September 30.

Changes in Fiduciary Net Position for the Year Ended September 30

	2021	2020	Increase/ (Decrease)	Percentage Change
Additions:				
Contributions	\$ 1,517,154	\$ 1,308,791	\$ 208,363	15.92%
Net Investment Income (Loss)	4,983,666	2,411,239	2,572,427	106.68%
Total Additions, Net	6,500,820	3,720,030	2,780,790	74.75%
Deductions:				
Benefits and Refunds	1,282,380	1,291,775	(9,395)	-0.73%
Administrative Expenses	83,994	80,908	3,086	3.81%
Total Deductions	1,366,374	1,372,683	(6,309)	-0.46%
Change in Net Position	5,134,446	2,347,347	2,787,099	118.73%
Beginning of Year Net Position	26,848,519	24,501,172	2,347,347	9.58%
End of Year Net Position	\$ 31,982,965	\$ 26,848,519	\$ 5,134,446	19.12%

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Plan's investment earnings result from market gains and losses on investments during the year as well as dividend and interest earnings.

Additions to the Fiduciary Net Position

The monies to pay benefits are accumulated from the contributions made from employers, employees, State distributions of Chapter 185 premium taxes, and income generated from the Plan's investments. Earnings and losses on investments are reported net of investment expenses.

	2021	2020	Increase/ (Decrease)
Additions:			
Employee Contributions	\$ 493,053	\$ 399,342	\$ 93,711
Employer Contributions	720,532	658,426	62,106
State of Florida Contributions	303,569	251,023	52,546
Net Investment Income	4,983,666	2,411,239	2,572,427
Total Additions	<u>\$ 6,500,820</u>	<u>\$ 3,720,030</u>	<u>\$ 2,780,790</u>

Deductions from the Fiduciary Net Position

The Plan provides a lifetime pension benefit to its retired members, as well as survivor, and disability benefits. Annual expenses to the Plan include retirement benefits, refunds of employee contributions, and administrative expenses.

	2021	2020	Increase/ (Decrease)
Deductions:			
Benefits	\$ 1,265,219	\$ 1,276,474	\$ (11,255)
Refunds of Contributions	17,161	15,301	1,860
Administrative Expenses	83,994	80,908	3,086
Total Deductions	<u>\$ 1,366,374</u>	<u>\$ 1,372,683</u>	<u>\$ (6,309)</u>

The benefit payments are payments to retirees, or their beneficiaries (if the retiree is deceased). The refund of contribution amounts are refunds of employee contributions plus interest distributed to terminated employees who are not vested or who are vested but elect to not receive plan benefits. Administrative expenses include all expenses necessary to administer the retirement plan.

Notes to Financial Statements and Required Supplementary Information

Notes to financial statements provide additional information that is essential to a full understanding of the data provided. They begin on page 12 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Governmental Accounting Standards Board (GASB) in Statement No. 67 requires several schedules of historical trend information to be presented as required supplementary information immediately after the notes to the financial statements. The required schedules are: (a) a schedule of changes in the net pension liability and related ratios multi-year that presents the beginning and ending balances of the total pension liability, the pension plan's fiduciary net position, the net pension liability and the effects on those items; (b) a schedule of net pension liability multi-year; (c) a schedule of the City's contributions that identifies whether the information relates to employers, non-employers, or both; and (d) a schedule of investment returns that provides information about the annual money-weighted rate of return on pension Plan investments.

These schedules contain information pertaining to the City of Jacksonville Beach, Florida Police Officers' Retirement System's actuarial methods and assumptions, including data on the investment returns of the Plan. They can be found on pages 22-25.

Plan Membership

The table below reflects the Plan membership as of September 30 for active participants, retirees, beneficiaries, disabled members, and terminated vested members.

	September 30, 2021	September 30, 2020	Change
Vested	31	27	4
Non-Vested	36	40	(4)
Total Active Participants	67	67	-
Retirees Receiving Benefits	30	29	1
Beneficiaries Receiving Benefits	6	5	1
Disability Benefits	5	5	-
Total Receiving Benefits	41	39	2
Terminated Vested Members	4	4	-
Total Members Currently Receiving Benefits and Terminated Employees Entitled to Benefits, But Not Yet Receiving Them	45	43	2

Funding Status

Of primary concern to most pension plan participants is the amount of money available to pay benefits. Historically, defined benefit pension plans have been under-funded when the employer failed to make annual actuarially required contributions to the Plan. The City's defined benefit plan has been subject to the minimum funding standards since the adoption of the *Florida Protection of Public Employee Retirement Benefits Act* (Part VII of Chapter 112, Florida Statutes) in 1980. In addition, the Police Officers' pension plan receives a distribution of premium tax monies for the State of Florida pursuant to Chapter 185, Florida Statutes. Accordingly, the City has funded the actuarially determined contribution for each year as required.

Requests for Information

The financial report is designed to provide users with an overview of the Plan's finances and the prudent exercise of the Board's oversight. Questions concerning this report should be addressed to the City's Finance Officer, 11 North Third Street, Jacksonville Beach, Florida 32250.

BASIC FINANCIAL STATEMENTS

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM

Assets

Cash and Short-Term Investments	\$ 2,531,331
Interest Receivable	18,194
Investments:	
Mutual Funds (Equities)	20,993,532
Corporate Bonds	1,747,530
U.S. Government Obligations/Agencies	5,181,186
Real Estate Fund	1,511,558
Total Investments	<u>29,433,806</u>
Total Assets	<u><u>31,983,331</u></u>

Liabilities

Other Accrued Liabilities	<u>(366)</u>
Total Liabilities	<u><u>(366)</u></u>

Net Position Restricted for Pensions	<u><u>\$ 31,982,965</u></u>
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See accompanying notes.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM**

Additions

Contributions:	
Employee	\$ 493,053
Employer	720,532
State of Florida	303,569
Total Contributions	<u>1,517,154</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	2,852,408
Interest	653,513
Realized Gains	1,531,204
Gross Investment Income	<u>5,037,125</u>
(Investment Expense)	<u>(53,459)</u>
Net Investment Income	<u>4,983,666</u>
Total Additions	<u><u>6,500,820</u></u>

Deductions

Benefits	1,265,219
Refunds of Contributions	17,161
Administrative Expense	83,994
(Total Deductions)	<u><u>(1,366,374)</u></u>

Net Increase	5,134,446
Net Position, Beginning of Year	<u>26,848,519</u>
Net Position, End of Year	<u><u>\$ 31,982,965</u></u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM

Note 1 - Description of Plan

Reporting Entity

The City of Jacksonville Beach, Florida Police Officers' Retirement System (the PORS) was formed on April 1, 2000, as a result of amendments to the Florida Statutes. Chapter 175.061 governing firefighters' pensions and Chapter 185.05 governing police officers' pensions were amended to require separate pension plans for each of these groups of employees. On March 31, 2000, the predecessor pension plan (the Public Employees' Retirement System) ceased operations and its assets, liabilities, and fund balance were divided among three distinct pension plans:

- General Employees' Retirement System
- Police Officers' Retirement System
- Firefighters' Retirement System

Plan Description

Covered individuals under the PORS include all employees hired by the City of Jacksonville Beach, Florida (the City) for the position of police officer budgeted for 1,000 or more hours work in a year, except as follows:

- Reserve Police Officers
- Police Chief, unless specifically elected to participate

The PORS is a single-employer, defined benefit pension plan and, as it relates to police officers is the successor entity for the plan that was established by the City on November 1, 1951, in accordance with a State of Florida legislative act which amended Chapter 27.643, Laws of Florida, 1951. Although the PORS presents separate financial statements, it is included (reported as a pension trust fund) in the City's financial reporting entity. The PORS is administered by a Board of Trustees (the Board) comprised of two residents of the City appointed by the City Council, two members of the PORS elected by the membership, and a fifth member elected by the other four Board Members.

Membership

As of October 1, 2020 (date of the latest annual actuarial valuation), employee membership data related to the Pension Plan were:

Inactive Plan Members or their Beneficiaries Currently	
Receiving Benefits	39
Inactive Plan Members Entitled to Benefits,	
But Not Yet Receiving Them	4
Active Plan Members	<u>67</u>
Total	<u><u>110</u></u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM

Benefits

The Pension Plan provides retirement benefits, deferred vested benefits, and death and disability benefits. The Plan assets are available to pay the police officers. Pension Plan provisions for the PORS were modified significantly in fiscal year 2014. The modifications included increasing the employees' contribution rate, changing the vesting periods, modifying pensionable pay exclusions, and modifying the Deferred Retirement Option Program (DROP). The chart below provides a comparison of the Pension Plan provisions that occurred in fiscal year 2014. In addition, the paragraphs following the chart provide a detailed description of the changes.

SUMMARY COMPARISON OF PENSION PROVISIONS

CITY OF JACKSONVILLE BEACH POLICE OFFICERS' PENSION PLAN				
Provision	Employees with Less Than 5 Years of Service on June 23, 2014	Employees with at Least 5 Years of Service but Less Than 10 Years of Service on June 23, 2014	Employees with 10 or More Years of Service on June 23, 2014	Employees with 30 Years of Service; Age 52 with 25 Years of Service; Age 55 with 5 Years of Service on June 23, 2014
Benefit Formula	3% for all years of service (\$90,000 or 90% maximum)			3% - first 30 years; 2% thereafter (100% maximum)
Normal Retirement Date	Age 52 with 25 years of service; or Age 55 with 10 years of service; or 30 years of service regardless of age		Age 52 with 25 years of service; or Age 55 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + 300 hours of overtime per year + longevity pay + incentive pay; excluding overtime >300 hours, leave payouts, and all other compensation			Base pay, longevity, overtime, shift differential, and incentive pay

- **Normal Retirement**—Plan participants who retired prior to October 1, 1990, are entitled to pension payments for the remainder of their lives equal to 2-1/2% of their final average compensation times the number of years they were employed by the City and were a member of the Retirement System. The final average compensation is the highest five out of the last ten years of employment. Compensation includes up to 300 hours overtime, longevity pay, shift differentials, and incentive pay. The maximum annual pension payment to these participants is 75% of their final five-year average compensation.

Plan participants who retired after September 30, 1990 but before June 23, 2014, are entitled to pension payments for the remainder of their lives equal to 3% of their final average compensation times the number of years they were employed by the City and were a member of the Retirement System up to a maximum of 30 years. After thirty years, the pension benefit is reduced to 2% of their final average compensation times the number of years of service over 30 years. A maximum annual pension benefit to these employees is 100% of their final average compensation.

Plan participants who retire on or after June 23, 2014, are entitled to payments for the remainder of their lives equal to 3% of their final average compensation times the number of years they were employed by the City and were a member of the Retirement System up to a maximum of \$90,000 or 90%, whichever is less. Accrued benefits in excess of the maximum amount are retained by the Plan. Compensation includes base pay, longevity pay, incentive pay, and up to 300 hours of overtime pay per calendar year. All other forms of compensation are excluded.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM

Eligibility requirements for normal retirement are as follows for participants with ten years of service on June 23, 2014: 30 years of service regardless of age, or age 52 with 25 or more years of service, or age 55 with five years of service.

Eligibility requirements for normal retirement are as follows for participants with less than ten years of service on June 23, 2014: 30 years of service regardless of age, or age 52 with 25 or more years of service, or age 55 with ten years of service. There is no mandatory retirement age.

The normal form of benefit is a benefit payable for the life of the retired member with the first ten years guaranteed. Optional benefit forms are available on an actuarial equivalent basis.

- **Early Retirement**—Early Retirement is available with a reduced benefit only to participants age 50 with ten or more years of service or 20 years of service as of June 23, 2014. Members that do not meet these conditions are not eligible for early retirement.
- **Non-Duty Disability Retirement**—Disability retirement is available to Plan participants that have attained at least ten years of service. Until the Plan participant reaches normal retirement age, the minimum non-duty disability is 25% of the participants' final average compensation.
- **Duty Disability Retirement**—The ten-year service requirement is waived if the retirement is caused by a duty-related disability. The amount of a duty disability pension is the larger of the member's accrued pension and 50% of the member's final average compensation. At regular retirement age, the participant may elect to continue to be covered by duty disability or have the benefit recomputed as a normal retirement with additional service credit granted from the date of retirement to the later of normal retirement age or five years after date of disability. The minimum benefit shall not be less than 42% of the participants' final average compensation.
- **Non-Duty Death Before Retirement**—Non-duty death benefits are available at 100% of the Plan participant's normal retirement benefit provided the Plan participant attained ten or more years of service.
- **Duty Death Before Retirement**—The ten-year service requirement is waived if the death is duty-related. The surviving spouse is entitled to receive 100% of the participants' normal retirement benefit. The minimum benefit to the spouse shall not be less than 35% of the participants' final average compensation.
- **Backwards Deferred Retirement Option Program (BackDROP)**—A participant of the retirement system who meets the normal retirement requirements on or after June 23, 2014, is eligible for BackDROP. The participant may elect a BackDROP period for the number of months employed beyond their normal retirement date, up to a maximum of thirty-six consecutive months. Benefits are computed as if the participant chose to terminate on any date within the thirty-six month period after the normal retirement date, using credited service and final average compensation at the normal retirement date. In addition to the monthly pension, there will be a lump-sum payment. The lump-sum payment will be computed as if the monthly benefits had started and were accumulated in an account and credited with 3% interest, compounded annually during the period between the date chosen for BackDROP retirement and the date of termination.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM

Contributions

For the year ended September 30, 2021, Plan participants were required to pay 7.95% of their annual compensation to the Pension Plan. The payments are deducted from the employees' wages or salary and remitted by the City to the PORS at the end of each pay period. If an employee leaves the employment of the City before he or she is vested (attaining five years of service prior to June 23, 2014 or attaining ten years of service on or after June 23, 2014), the accumulated contributions plus earned interest are refunded to the employee or the employee's designated beneficiary. If an employee leaves the employment of the City after becoming vested, but before attaining retirement age, the employee or the employee's designated beneficiary has the option of being refunded the accumulated contributions plus earned interest or keeping the funds in the Plan and receiving benefits under the Plan upon reaching normal retirement age.

The City makes periodic contributions totaling a minimum of 100% of the annual actuarially determined amount to the Pension Plan. In addition, the Plan receives an annual distribution of casualty insurance premium tax monies from the State of Florida pursuant to Chapter 185, Florida Statutes. For the year ended September 30, 2021, the actuarially determined contribution amount as determined by the October 1, 2020, actuarial valuation, was \$947,954 (\$750,529 City and \$197,425 State of Florida). The actual contribution was \$1,024,101 (\$720,532 City and \$303,569 State of Florida).

For the year ended September 30, 2021, the total covered payroll (police officers only) amounted to \$5,395,032. Covered payroll refers to all compensation paid by the City to active employees covered by the PORS on which contributions to the Pension Plan are based. Total payroll for the police officers (covered and uncovered) for the year ended September 30, 2021, was \$6,685,363.

Note 2 - Summary of Significant Accounting Policies and Plan Position Matters

Basis of Accounting

The PORS financial statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized as revenue in the period in which employees provide services to the City. Interest and dividend income is recognized when earned by the Pension Plan. Realized gains and losses on the sale of investments held by the Pension Plan are recognized when incurred. Net appreciation in the fair value of investments held by the Pension Plan is recorded as an increase to investment income based on the valuation of investments as of the date of the statement of plan net position available for benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments

Investments in securities are reported at fair value. Corporate bond securities are assigned a value based on yields currently available on securities of issuers with credit ratings similar to the securities held by the Pension Plan. Unrestricted capital stock securities are assigned a value based on quoted market prices. There are no investments in, loans to, or leases with parties related to the Pension Plan.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM

Note 3 - Cash and Investments

Chapter 185 of the Florida Statutes authorizes the PORS to invest in time and savings accounts of a bank or a savings and loan association insured by the Federal Deposit Insurance Corporation. In addition, other Florida Statutes and City ordinances authorize the PORS to invest in obligations of the United States; in obligations guaranteed as to principal and interest by the United States; and in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, provided that the corporation is listed on one or more of the recognized national stock exchanges and holds a rating of the three highest classifications by a major rating service. Corporate fixed income securities must hold a rating of A or higher by a Nationally Recognized Statistical Rating Organization (Moody's, Standard & Poor's, Fitch).

Following is a summary of the investments and maturities held by the PORS at September 30, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Mutual Fund (Equities)	\$ 20,993,532	\$ 20,993,532			
U.S. Government Securities	3,792,784	566,253	\$ 208,995	\$ 2,523,334	\$ 494,202
Federal Agency Securities:					
Federal Home Loan Bank	165,039		165,039		
Federal Home Loan Mtg. Corp.	195,599		755		194,844
Federal National Mtg. Assoc.	1,027,764	662	21,727	125,783	879,592
Corporate Bonds	1,747,530		341,730	1,265,482	140,318
Real Estate Fund	<u>1,511,558</u>	<u>1,511,558</u>			
Total	<u>\$ 29,433,806</u>	<u>\$ 23,072,005</u>	<u>\$ 738,246</u>	<u>\$ 3,914,599</u>	<u>\$ 1,708,956</u>

Credit quality distribution for the PORS investments with credit exposure as a percentage of the total pension investment is as follows:

Investment Type	Moody's Credit Rating	Percent of Total
U.S. Government Securities	Aaa	12.89%
Federal Agency Securities	Aaa	4.72%
Corporate Bonds	A1	1.56%
Corporate Bonds	A2	2.38%
Corporate Bonds	A3	0.89%
Corporate Bonds	Baa1	1.11%

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM

Cash and money market funds totaling \$2,531,331 at September 30, 2021, are classified as cash and short-term investments on the accompanying statement of fiduciary net position because they are available for immediate withdrawal or transfer.

Risk Disclosure

The Plan's investment policies do not specifically address its exposure to interest rate changes, custodial credit risk, or quality credit risk. The following items discuss the pension funds' exposure to various risks in the fixed rate portions of their investment portfolios:

- **Interest Rate Risk**—the City's pension funds limit their risk by averaging investment maturities at approximately three to five years.
- **Custodial Credit Risk**—for an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The fund generally utilizes third party custodians to help manage custodial credit risk.
- **Concentration of Credit Risk**—the pension funds' investment policies and practices require investments to be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold.

Identification of Investments

- **Equities**—Investments in equity securities must be traded on the national exchange or electronic network. No more than 5% of the Plan's assets, at the time of purchase, may be invested in the common stock, capital stock, or convertible stock of any one issuing company. In addition, the aggregate investment in any one company shall not exceed 5% of the outstanding capital stock of that company. No more than 10% of the Plan's assets, at the time of purchase, may be invested in the shares of companies that have been publicly traded for less than one year.
- **Fixed Income**—Investments in corporate fixed income securities shall be limited to those securities rated "A" (or its equivalent) or higher by a Nationally Recognized Statistical Rating Organization. In the event an investment security rating drops below a rating of A, the investment manager notifies the investment advisor. The investment advisor instructs the investment manager to monitor the investment closely or dispose of it when economically feasible. The maximum maturity of any single security in the Plan's fixed income portfolio shall not exceed 30 years, and the average effective duration of the portfolio shall not exceed that of the benchmark index by more than 20%. No more than 10% of the Plan's assets, at the time of purchase, shall be invested in securities of any single corporate issuer. Investments in Collateralized Mortgage Obligations (CMO) shall be limited to 10% of the market value of the Plan's fixed income portfolio and shall be restricted to those issues that are currently paying interest, receiving principal pay-downs and do not contain leverage.
- **Real Estate Fund**—All real estate investments shall be managed by experienced and qualified professional real property investment managers. The Board will seek to diversify its real estate investment by property type (residential, industrial, office, retail, timberland, etc.) and property location (geographic region).

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM

The Board has adopted the following asset allocation policy as of September 30, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
International Equity	10%
Fixed Income	35%
Real Estate Fund	5%
Total	100%

Concentration

The Plan did not hold investments in any one organization that represents 5% or more of the Pension Plan's fiduciary net position.

Rate of Return

For the year ended September 30, 2021, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 18.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fair Value Measurements

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 Inputs**—are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2 Inputs**—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- **Level 3 Inputs**—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

The Plan's investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value in the hierarchy described above. The fair value measurements for the Plan's operating investments are as follows at September 30, 2021:

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM

		Fair Value Measurements Using		
Investments by Fair Value Level	Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 20,993,532	\$ 20,993,532		
U.S. Government Securities	3,792,788	707,173	\$ 3,085,615	
Federal Agency Securities:				
Federal Home Loan Bank	165,039	165,039		
Federal Home Loan Mortgage Corporation	195,599		195,599	
Federal National Mortgage Association	1,027,760		1,027,760	
Corporate Bonds	1,747,530		1,747,530	
Total Investments Measured at Fair Value	\$ 27,922,248	\$ 21,865,744	\$ 6,056,504	\$ -

Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund	\$ 1,511,558	\$ -	Quarterly	45 days
Total Investments	\$ 29,433,806			

Equities and U.S. Government Securities are valued based on prices quoted in active markets and are categorized as Level 1 in the fair value hierarchy. Federal Agency Securities are valued using matrix pricing techniques that value securities based on their relationship to benchmark quoted prices. Corporate bonds are valued using quoted prices for similar securities in active markets and are categorized as Level 2 in the fair value hierarchy. The Real Estate Fund is valued at Net Asset Value (NAV), which is determined using certified annual appraisals of investment properties held by the fund.

Note 4 - Pension Cost

The pension cost for the year ended September 30, 2021, was \$720,532 (actual contribution - City share). The pension cost for the 2021 fiscal year was determined as part of an October 1, 2020, actuarial valuation using the entry age actuarial cost method.

Note 5 - Net Pension Liability

The Pension Plan's fiscal year-end net pension asset as of September 30, 2021, was as follows:

Total Pension Liability	\$ 29,850,249
Plan Fiduciary Net Position	<u>31,982,965</u>
Net Pension (Asset)	<u>\$ (2,132,716)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.14%

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2020, updated to September 30, 2021, using the following actuarial assumptions applied to all measurement periods.

Inflation	2.5%
Salary Increases	2.7-6.3% (Including Inflation)
Investment Rate of Return	7.5%

Mortality rates were based on House Bill 1309, which mandated the use of the Florida Retirement System (FRS) mortality tables. The RP-2000 table and projection scale BB produce life expectancies that are longer for male and females. This table was first used for the October 1, 2016, valuation.

The long-term expected rate of return on the Plan investments was determined using the 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. 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 Plan's target asset allocation as of September 30, 2021, are summarized below:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return (Excluding Inflation)</u>
Domestic Equity	10.0%
International Equity	11.0%
Domestic Bonds	5.0%
International Bonds	6.0%
Real Estate Fund	7.0%
Cash	0.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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. The single discount rate reflects the long-term expected rate of return on Pension Plan investments including inflation.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM

The table below provides the sensitivity of the net pension liability to changes in the discount rate. The table represents the Plan's net pension liability, if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher than the single discount rate.

**Sensitivity of Net Pension (Asset)/Liability to the
Single Discount Rate Assumption**

1% Decrease <u>6.50%</u>	Current Discount Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
\$ 1,372,788	\$ (2,132,716)	\$ (5,083,541)

The total pension liability information is based on the actuarial valuation performed October 1, 2020. The total pension liability was rolled-forward from the valuation date to the Plan year ended September 30, 2021, using generally accepted actuarial principles.

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS MULTI-YEAR
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM**

(Ultimately 10 Years Will Be Displayed)

Fiscal Year Ended September 30,

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 787,675	\$ 750,964	\$ 724,675	\$ 625,887	\$ 633,232	\$ 608,970	\$ 583,329	\$ 517,788
Interest on the Total Pension Liability	2,200,335	2,063,471	2,008,899	1,916,453	1,826,742	1,709,163	1,628,197	1,568,728
Benefit Changes (See Notes to Schedule)*								(2,590,277)
Difference Between Expected and Actual Experience	(533,542)	279,135	(521,988)	177,596	(458,370)	(393,421)	59,378	
Assumption Changes (#)	(906,992)			1,221,310	675,123	776,974		
Benefit Payments	(1,282,380)	(1,276,474)	(1,670,519)	(1,161,010)	(1,176,786)	(1,211,452)	(1,263,089)	(1,275,228)
Refunds		(15,301)	(31,896)	(65,031)	(94,019)	(5,905)	(62,865)	(150,660)
Net Change in Total Pension Liability	265,096	1,801,795	509,171	2,715,205	1,405,922	1,484,329	944,950	(1,929,649)
Total Pension Liability-Beginning	29,585,153	27,783,358	27,274,187	24,558,982	23,153,060	21,668,731	20,723,781	22,653,430
Total Pension Liability-Ending (a)	<u>\$ 29,850,249</u>	<u>\$ 29,585,153</u>	<u>\$ 27,783,358</u>	<u>\$ 27,274,187</u>	<u>\$ 24,558,982</u>	<u>\$ 23,153,060</u>	<u>\$ 21,668,731</u>	<u>\$ 20,723,781</u>
Plan Fiduciary Net Position								
Employer and State Contributions	\$ 1,024,101	\$ 909,449	\$ 802,241	\$ 691,323	\$ 705,983	\$ 662,694	\$ 562,835	\$ 530,453
Employee Contributions	493,053	399,342	383,822	362,140	353,277	343,112	328,665	263,978
Pension Plan Net Investment Income	4,983,666	2,411,239	1,316,052	1,991,673	2,367,943	1,498,725	(29,363)	1,840,038
Benefit Payments	(1,282,380)	(1,276,474)	(1,670,519)	(1,161,010)	(1,176,786)	(1,211,452)	(1,263,089)	(1,275,228)
Refunds		(15,301)	(31,896)	(65,031)	(94,019)	(5,905)	(62,865)	(150,660)
Pension Plan Administrative Expenses	(83,994)	(80,908)	(77,460)	(88,504)	(80,293)	(66,704)	(71,518)	(81,366)
Other							(30,202)	(20,137)
Net Change in Plan Fiduciary Net Position	5,134,446	2,347,347	722,240	1,730,591	2,076,105	1,220,470	(565,537)	1,107,078
Plan Fiduciary Net Position-Beginning	26,848,519	24,501,172	23,778,932	22,048,341	19,972,236	18,751,766	19,317,303	18,210,225
Plan Fiduciary Net Position-Ending (b)	<u>\$ 31,982,965</u>	<u>\$ 26,848,519</u>	<u>\$ 24,501,172</u>	<u>\$ 23,778,932</u>	<u>\$ 22,048,341</u>	<u>\$ 19,972,236</u>	<u>\$ 18,751,766</u>	<u>\$ 19,317,303</u>
Net Pension (Asset) Liability-Ending (a) – (b)	<u>\$ (2,132,716)</u>	<u>\$ 2,736,634</u>	<u>\$ 3,282,186</u>	<u>\$ 3,495,255</u>	<u>\$ 2,510,641</u>	<u>\$ 3,180,824</u>	<u>\$ 2,916,965</u>	<u>\$ 1,406,478</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.14%	90.75%	88.19%	87.18%	89.78%	86.26%	86.54%	93.21%
Covered Employee Payroll	<u>\$ 5,395,032</u>	<u>\$ 5,023,170</u>	<u>\$ 4,827,950</u>	<u>\$ 4,555,220</u>	<u>\$ 4,443,736</u>	<u>\$ 4,315,874</u>	<u>\$ 4,134,151</u>	<u>\$ 3,945,943</u>
Net Pension (Asset) Liability as a Percentage of Covered Employee Payroll	-39.53%	54.48%	67.98%	76.73%	56.50%	73.70%	70.56%	35.64%

Notes to Schedule:

* For the 2014 Fiscal Year, benefit changes were determined as of the beginning of the year. Benefit terms were modified during 2014 to include longer vesting periods, changes in the benefit formula, and changes in what is considered pensionable compensation.

Assumption changes include the following:

- For 2016, adding a 3% load on the present value of future benefits as a margin for future mortality improvements, and decreasing the long-term municipal bond rate from 3.71% to 3.06%.
- For 2017, decreasing the single discount rate and long-term expected rate of return from 8.00% to 7.90%, and increasing the long-term municipal bond rate from 3.06% to 3.50%.
- For 2018, decreasing the single discount rate and long-term expected rate of return from 7.90% to 7.50%, and increasing the long-term municipal bond rate from 3.50% to 3.83%.
- For 2021, adopted the new respective FRS mortality assumptions.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET PENSION LIABILITY MULTI-YEAR
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM**

(Ultimately 10 Years Will Be Displayed)

Fiscal Year Ended October 1,	Total Pension Liability (TPL)	Plan Net Position	Net Pension (Asset) Liability	Plan Net Position as a % of TPL	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$ 20,723,781	\$ 19,317,303	\$ 1,406,478	93.21%	\$ 3,945,943	35.64%
2015	21,668,731	18,751,766	2,916,965	86.54%	4,134,151*	70.56%
2016	23,153,060	19,972,236	3,180,824	86.26%	4,315,874*	73.70%
2017	24,558,982	22,048,341	2,510,641	89.78%	4,443,736*	56.50%
2018	27,274,187	23,778,932	3,495,255	87.18%	4,555,220	76.73%
2019	27,783,358	24,501,172	3,282,186	88.19%	4,827,950	67.98%
2020	29,585,153	26,848,519	2,736,634	90.75%	5,023,170	54.48%
2021	29,850,249	31,982,965	(2,132,716)	107.14%	5,395,032	(39.53)%

*Source: Implicit payroll based on employee contributions during fiscal year.

Note: The above calculations were performed in accordance with the requirements of GASB Statement No. 67.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM**

(Ultimately 10 Years Will Be Displayed)

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 490,666	\$ 530,453	\$ (39,787)	\$ 3,945,943	13.44%
2015	511,049	562,835	(51,786)	4,134,151*	13.61%
2016	633,555	662,694	(29,139)	4,315,874*	15.35%
2017	678,304	705,983	(27,679)	4,443,736*	15.89%
2018	691,323	691,323		4,555,220	15.18%
2019	770,582	802,241	(31,659)	4,827,950	16.62%
2020	844,401	909,449	65,048	5,023,170	18.11%
2021	917,954	1,024,101	(106,147)	5,395,032	18.98%

*Source: Implicit payroll based on employee contributions during the fiscal year.

Notes to Schedule of Contributions

Methods and Assumptions used to Actuarially Determine Contribution Rates for FY Ending September 30, 2021:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	3-25 Years
Asset Valuation Method:	4-Year Smoothed Market
Inflation:	2.50% Wage Inflation, 2.50% Price Inflation
Salary Increases:	2.50% to 6.30% Including Inflation
Investment Rate of Return:	7.60%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.
Mortality:	The Florida Retirement System (FRS) mortality tables, which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
Other Information:	

Notes: The Employer Contribution for fiscal year 2021 was determined in the Actuarial October 1, 2019, valuation report.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
CITY OF JACKSONVILLE BEACH, FLORIDA
POLICE OFFICERS' RETIREMENT SYSTEM

Fiscal Year Ended <u>September 30,</u>	<u>Annual Money-Weighted Rate of</u> <u>Return Net of Investment Expense</u>
2021	18.94%
2020	10.02%
2019	5.61%
2018	9.22%
2017	12.11%
2016	8.15%
2015	-0.35%
2014	10.22%
2013	11.97%
2012	16.52%

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Directors of the
Police Officers' Retirement System
City of Jacksonville Beach, Florida

We have audited the accompanying statement of fiduciary net position of the City of Jacksonville Beach, Florida, Police Officers' Retirement System (the PORS) as of September 30, 2021, and the related statement of changes in fiduciary net position for the year then ended. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter dated June 4, 2021. Professional standards also require that we communicate the following information to you related to our audit:

Qualitative Aspects of Accounting Practices

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the PORS are described in Note 2 to the financial statements. No new accounting pronouncements were adopted during the year ended September 30, 2021.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most significant estimates affecting the financial statements were:

- Estimates of fair values of financial instruments held by the pension plan. These fair values are based upon quoted market prices or other observable inputs as described in Note 3 of the financial statements.

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To the Board of Directors of the
Police Officers' Retirement System
City of Jacksonville Beach, Florida

- The annual pension cost and the total pension liability are estimates that are calculated based on an actuarial valuation performed by a qualified actuary. The assumptions used in the valuation were determined by management and, if changed, could significantly affect the recorded amounts.

We evaluated the key factors and assumptions used to develop the estimates described above in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We are pleased to report that we encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no audit adjustments identified during our audit. In addition, there were no uncorrected (passed) adjustments that came to our attention.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 4, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Directors of the
Police Officers' Retirement System
City of Jacksonville Beach, Florida

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and the additional schedules as listed in the table of contents as Required Supplementary Information (RSI). These schedules are considered required supplementary information that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the PORS, and is not intended to be, and should not be, used by anyone other than these specified parties.



May 4, 2022
Tallahassee, Florida

2021

City of Jacksonville Beach, Florida
Firefighters' Retirement System

Financial Statements, Required
Supplementary Information, and
Independent Auditor's Report

September 30, 2021

CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM
FINANCIAL STATEMENTS AND REQUIRED
SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021
AND INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of
The City of Jacksonville Beach, Florida
Firefighters' Retirement System
Honorable Mayor and Members of the City Council
Jacksonville Beach, Florida

Report on the Financial Statements

We have audited the accompanying statement of fiduciary net position of the City of Jacksonville Beach, Florida, Firefighters' Retirement System (the FFRS) as of September 30, 2021, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the FFRS's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to FFRS's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FFRS's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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To the Trustees of
The City of Jacksonville Beach, Florida
Firefighters' Retirement System
Honorable Mayor and Members of the City Council
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the FFRS as of September 30, 2021, and the changes in its financial status for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to this information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



May 4, 2022
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the City of Jacksonville Beach, Florida (the City) Firefighters' Retirement System (the Plan) provides an overview of the financial activities and funding conditions for the fiscal year ended September 30, 2021.

Financial Highlights

- The Plan's total net position held in trust for the payment of benefits and to meet the Plan's future obligations to its members and their beneficiaries was \$18,196,218. The Plan's net position increased by \$2,920,049, a 19.12% increase for the year.
- Employer contributions to the Plan decreased \$92,468 from the previous year. The actual employer contributions were \$934,260 for 2020, and \$841,792 for 2021. The decrease is attributable to a decrease in the actuarially calculated contribution requirement. In addition, the City of Jacksonville did not remit the contributions from the State of Florida for 2021. This decreased contributions by \$167,320 compared to the previous year.
- The net investment income increased by \$1,462,967 compared to 2020. The actual results were \$1,372,231 for 2020, and \$2,835,198 for 2021. Investment income increase due to an increase in performance compared to the previous year.
- Benefit payments and refund of contributions decreased by \$309,450 compared to 2020. The benefit payments and refund of contributions were \$1,149,398 for 2020, and \$839,948 for 2021. The decrease is primarily attributable to three backdrop payouts in the previous year.

On November 18, 2019, the City entered into an interlocal agreement with the City of Jacksonville to provide fire services to the residents and businesses of the City. Effective November 23, 2019, the City's firefighters became employees of the City of Jacksonville. At that time, the FFRS was closed to new members. Each firefighter in active service on the effective date was given the opportunity to individually elect to continue participating in the FFRS or join the City of Jacksonville's defined contribution retirement plan. Those who elected to continue participating in the FFRS or join the City of Jacksonville's defined contribution retirement plan. Those who elected to continue participating in the FFRS must continue to make legally required contributions and accrue service benefits under the Plan for as long as they are employed as certified firefighters by the City of Jacksonville.

Pension plan provisions for the FFRS were modified significantly in fiscal year 2014 to improve the Plan's financial sustainability. The modifications included increasing the employee's contribution rate, changing the vesting periods, modifying pensionable pay exclusions, and modifying the Deferred Retirement Option Program (DROP). Details of the changes can be found in the Notes to the Financial Statements beginning on page 13. The funding objective of the Firefighters' Retirement System is to meet its long-term pension benefit obligations through employer and employee contributions and investment returns. The Plan fiduciary net position as a percentage of total pension liability was 93.84% as of September 30, 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis

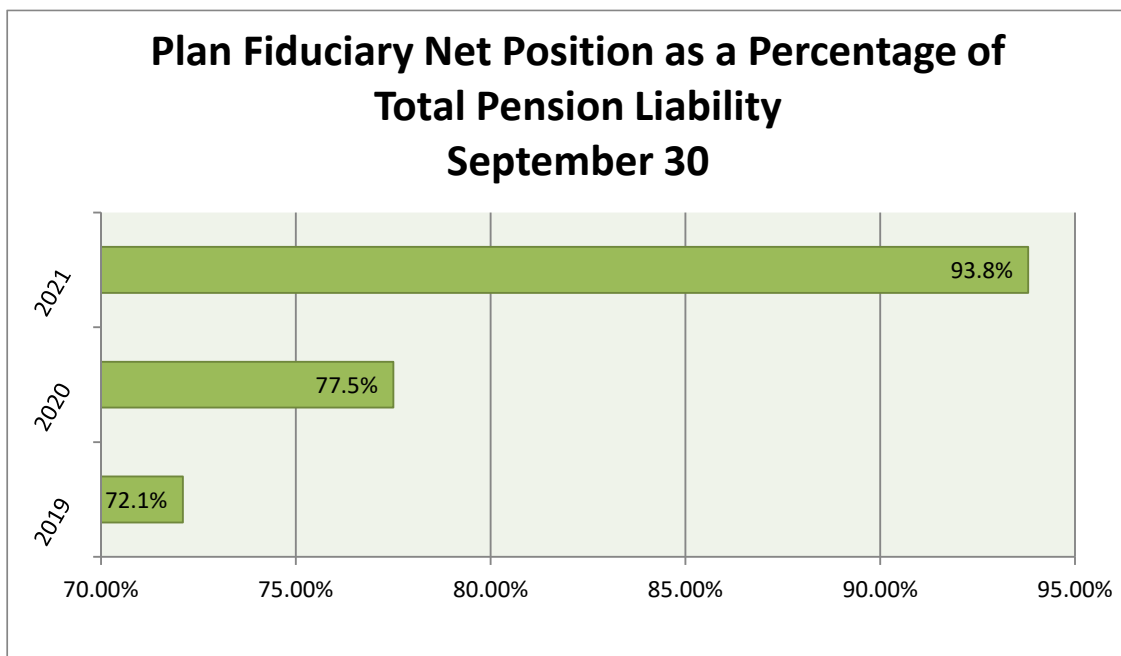
The following discussion and analysis are intended to serve as an introduction to the City of Jacksonville Beach, Florida, Firefighters' Retirement System financial statements, which are comprised of the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position, Notes to Financial Statements, and certain required supplementary information.

The financial statements reflect the activities of the Firefighters' pension plan and are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These statements are presented on a full accrual basis and reflect all trust activities as incurred.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

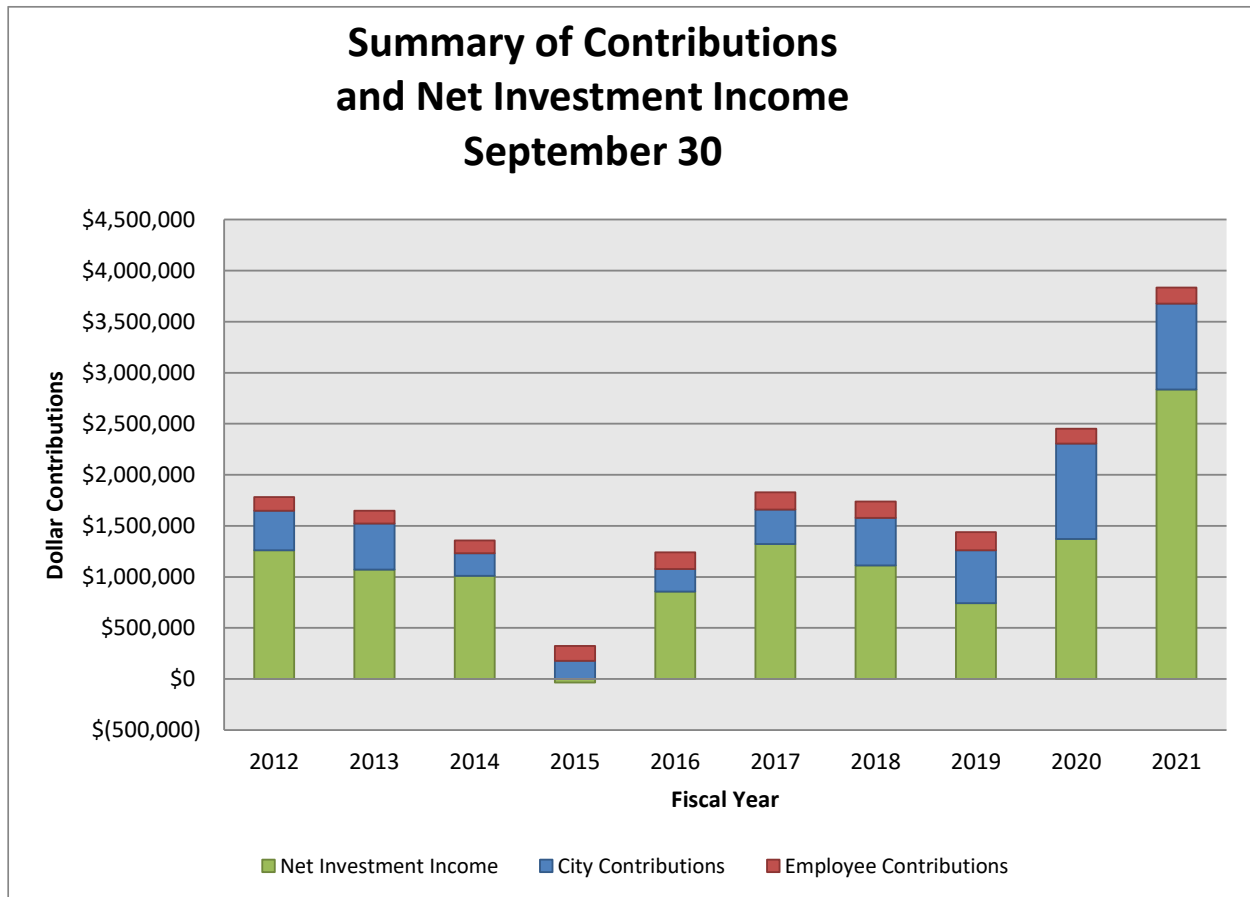
In 2014, the City implemented Governmental Accounting Standards Board Statement No. 67 (GASB 67) as required for the Firefighters' Retirement System. This statement requires additional disclosures in the Plan's financial statements. The statement also requires the net pension liability to be measured as of the Plan's most recent fiscal year-end using methods prescribed by GASB that differ significantly from previous methods. The required disclosures for the Firefighters' Retirement System can be found in the Notes to Financial Statements beginning on page 12 and the Required Supplementary Information beginning on page 22.

There are several ways to measure the Plan's financial status. One means is to determine the Plan's net position available to pay benefits. This is the difference between total assets and total liabilities. Another way is to refer to the Plan's Net Pension Liability, which takes into account the total pension liability and the Plan fiduciary net position. The chart below displays the Plan fiduciary net position as a percentage of total pension liability for the past three years.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The funding objective of the Retirement System is to establish and receive contributions (expressed as a percent of active member payroll), which should remain level from year-to-year and not have to be increased for future generations of citizens in the absence of benefit improvements. The Retirement System is supported by member contributions, City contributions, and investment income from the Retirement System assets as displayed on the chart below.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Actuarial valuation differences between actual and assumed investment return are phased-in over a closed four-year period. Therefore, during periods when investment performance exceeds the assumed rate, asset values will tend to be less than market value. Conversely, during periods when investment performance is less than the assumed rate, valuation assets will tend to be greater than market value. As of October 1, 2020, the date of the last actuarial valuation, the Plan had a market value of \$15,276,169 and a funding value of \$15,068,979 as shown in the chart below.

Market/Funding Value of Assets

<u>Plan Year Ended 9-30</u>	<u>Market Value</u>	<u>Funding Value</u>
2011	\$ 7,758,867	\$ 8,362,564
2012	8,979,198	8,887,626
2013	10,097,893	9,701,319
2014	10,946,306	10,437,534
2015	10,699,823	11,134,615
2016	11,141,492	11,525,665
2017	12,312,108	12,223,477
2018	13,344,201	13,027,802
2019	13,386,114	13,900,598
2020	15,276,169	15,068,979

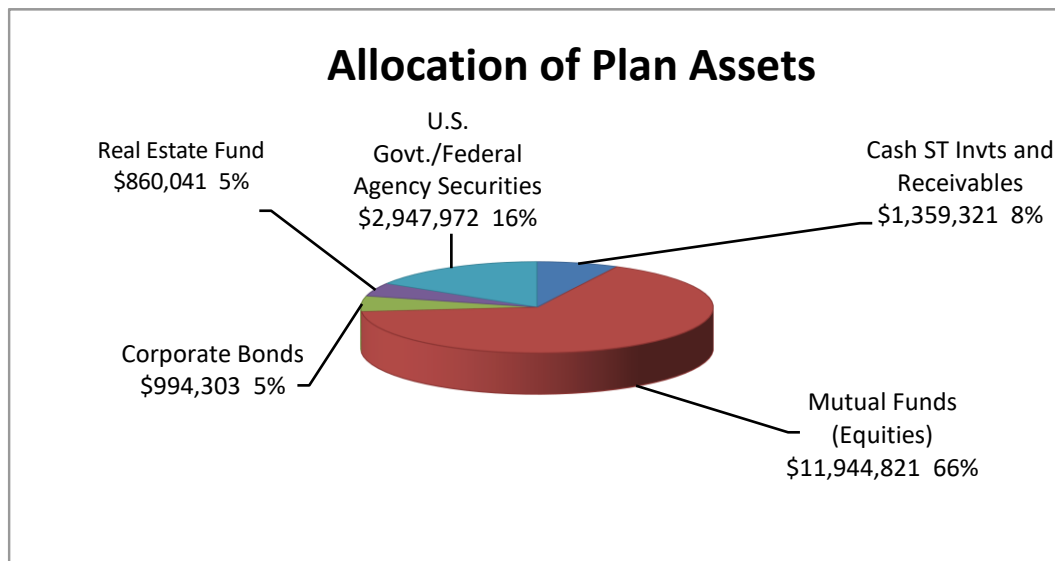
The Statement of Fiduciary Net Position is a snapshot of account balances at year-end. It indicates the assets available for future payments to retirees and any current liabilities that are owed at this time.

Fiduciary Net Position Restricted for Pension Benefits as of September 30

	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>
Cash and Short-Term Investments	\$ 1,348,969	\$ 540,740	\$ 808,229
Due from Other Government Units	90,000		90,000
Interest Receivable	10,352	17,542	(7,190)
Investments	16,747,137	14,721,414	2,025,723
Total Assets	<u>18,196,458</u>	<u>15,279,696</u>	<u>2,916,762</u>
Accounts Payable		3,283	(3,283)
Other Accrued Liabilities	240	244	(4)
Total Liabilities	<u>240</u>	<u>3,527</u>	<u>(3,287)</u>
Net Position Restricted for Pension Benefits	<u>\$ 18,196,218</u>	<u>\$ 15,276,169</u>	<u>\$ 2,920,049</u>

The net position of the Firefighters' Retirement System as of September 30, 2021, was \$18,196,218. The allocation of the Plan's total assets as of September 30, 2021, is shown on the pie chart on the following page.

MANAGEMENT'S DISCUSSION AND ANALYSIS



Revenues essential to funding the Plan are obtained from member contributions, City contributions, State premium tax distributions, and investment income from the retirement system assets. For the plan year ended September 30, 2021, Plan participants were required to pay 7.95% of their annual pensionable salary to the Plan. The City makes periodic contributions totaling 100% of the annual actuarially determined amount to the Plan.

The Statement of Changes in Fiduciary Net Position provides a view of current year additions to and deductions from the Plan's net position. Total plan deductions were less than the sum of net investment earnings and contributions, resulting in an overall 19.12% increase in Plan net position for the year. Earnings or losses on investments are reported net of investment expenses. The following table shows a comparative summary of the changes in net position and reflects the Plan's activities for the fiscal years ended September 30.

Changes in Fiduciary Net Position for the Year Ended September 30

	2021	2020	Increase/ (Decrease)	Percentage Change
Additions:				
Contributions	\$ 1,000,373	\$ 1,247,225	\$ (246,852)	-19.79%
Net Investment Earnings	2,835,198	1,372,231	1,462,967	106.61%
Total Additions, Net	3,835,571	2,619,456	1,216,115	46.43%
Deductions:				
Benefits and Refunds	839,948	1,149,398	(309,450)	-26.92%
Administrative Expenses	75,574	80,003	(4,429)	-5.54%
Total Deductions	915,522	1,229,401	(313,879)	-25.53%
Change in Net Position	2,920,049	1,390,055	1,529,994	110.07%
Beginning of Year Net Position	15,276,169	13,886,114	1,390,055	10.01%
End of Year Net Position	\$ 18,196,218	\$ 15,276,169	\$ 2,920,049	19.12%

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Plan's investment earnings result from market gains and losses on investments during the year as well as dividend and interest earnings.

Additions to the Fiduciary Net Position

The monies to pay benefits are accumulated from the contributions made from employers, employees, State distributions of Chapter 175 premium taxes (in prior fiscal years), and income generated from the Plan's investments. Earnings or losses on investments are reported net of investment expenses.

	2021	2020	Increase/ (Decrease)
Additions:			
Employee Contributions	\$ 158,581	\$ 145,645	\$ 12,936
Employer Contributions	841,792	934,260	(92,468)
State of Florida Contributions		167,320	(167,320)
Net Investment Income	2,835,198	1,372,231	1,462,967
Total Additions	<u>\$ 3,835,571</u>	<u>\$ 2,619,456</u>	<u>\$ 1,216,115</u>

Deductions from the Fiduciary Net Position

The Plan provides a lifetime pension benefit to its retired members, as well as survivor, and disability benefits. Annual expenses to the Plan include retirement benefits, DROP distributions, refunds of employee contributions, and administrative expenses.

	2021	2020	Increase/ (Decrease)
Deductions:			
Benefits	\$ 839,948	\$ 1,149,398	\$ (309,450)
Administrative Expenses	75,574	80,003	(4,429)
Total Deductions	<u>\$ 915,522</u>	<u>\$ 1,229,401</u>	<u>\$ (313,879)</u>

The benefit payments are payments to retirees, or their beneficiaries (if the retiree is deceased). Administrative expenses include all expenses necessary to administer the retirement plan.

Notes to Financial Statements and Required Supplementary Information

Notes to financial statements provide additional information that is essential to a full understanding of the data provided. They begin on page 12 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GASB 67 requires several schedules of historical trend information to be presented as required supplementary information immediately after the notes to the financial statements. The required schedules are: (a) a schedule of changes in the net pension liability and related ratios multi-year that presents the beginning and ending balances of the total pension liability, the pension plan's fiduciary net position, the net pension liability and the effects on those items; (b) a schedule of net pension liability multi-year; (c) a schedule of the City's contributions that identifies whether the information relates to employers, non-employers, or both; and (d) a schedule of investment returns that provides information about the annual money-weighted rate of return on pension plan investments.

These schedules contain information pertaining to the City of Jacksonville Beach, Florida, Firefighters' Retirement Systems' actuarial methods and assumptions, including data on the investment returns of the Plan. They can be found on pages 22-25.

Plan Membership

The table below reflects the Plan membership as of September 30 for active participants, retirees, beneficiaries, disabled members, DROP members, and terminated vested members.

	September 30, 2021	September 30, 2020	Change
Vested	23	23	
Non-Vested	2	2	
Total Active Participants	25	25	
Retirees Receiving Benefits	14	14	
Beneficiaries Receiving Benefits	6	7	(1)
Disability Benefits	3	3	
Total Receiving Benefits	23	24	(1)
Terminated Vested Members	1	1	
Total Members Currently Receiving Benefits and Terminated Employees Entitled to Benefits, But Not Yet Receiving Them	24	25	(1)

Funding Status

Of primary concern to most pension plan participants is the amount of money available to pay benefits. Historically, defined benefit pension plans have been under-funded when the employer failed to make annual actuarially required contributions to the plan. The City's defined benefit plan has been subject to the minimum funding standards since the adoption of the *Florida Protection of Public Employee Retirement Benefits Act* (Part VII of Chapter 112, Florida Statutes) in 1980. In addition, the Firefighters' Pension Plan receives a distribution of casualty premium tax monies from the State of Florida pursuant to Chapter 175, Florida Statutes. Accordingly, the City has funded the actuarially determined contribution for each year as required.

Request for Information

The financial report is designed to provide users with an overview of the Plan's finances and the prudent exercise of the Board's oversight. Questions concerning this report should be addressed to the City's Finance Officer, 11 North Third Street, Jacksonville Beach, Florida 32250.

BASIC FINANCIAL STATEMENTS

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM

Assets

Cash and Short-Term Investments	\$ 1,348,969
Due from General Employee Retirement System	90,000
Interest Receivable	10,352
Investments:	
Mutual Funds (Equities)	11,944,821
Corporate Bonds	994,303
U.S. Government Obligations/Agencies	2,947,972
Real Estate Fund	<u>860,041</u>
Total Investments	<u>16,747,137</u>
Total Assets	<u><u>18,196,458</u></u>

Liabilities

Other Accrued Liabilities	<u>(240)</u>
Total Liabilities	<u><u>(240)</u></u>
Net Position Restricted for Pension Benefits	<u><u>\$ 18,196,218</u></u>

See accompanying notes.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM**

Additions

Contributions:	
Employee	\$ 158,581
Employer:	
City of Jacksonville Beach	707,653
City of Jacksonville	134,139
Total Contributions	<u>1,000,373</u>
Investment Income:	
Net Appreciation in Fair	
Value of Investments	1,622,953
Interest	373,079
Realized Gains	871,219
Gross Investment Income	<u>2,867,251</u>
(Investment Expense)	<u>(32,053)</u>
Net Investment Income	<u>2,835,198</u>
Total Additions	<u><u>3,835,571</u></u>

Deductions

Benefits	839,948
Administrative Expense	75,574
(Total Deductions)	<u><u>(915,522)</u></u>

Net Increase	2,920,049
Net Position, Beginning of Year	<u>15,276,169</u>
Net Position, End of Year	<u><u>\$ 18,196,218</u></u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM

Note 1 - Description of Plan

Reporting Entity

The City of Jacksonville Beach, Florida Firefighters' Retirement System (the FFRS) was formed on April 1, 2000, as a result of amendments to the Florida Statutes. Chapter 175.061 governing Firefighters' pensions and Chapter 185.05 governing Police Officers' pensions were amended to require separate pension plans for each of these groups of employees. On March 31, 2000, the predecessor pension plan (the Public Employees' Retirement System) ceased operations and its assets, liabilities, and fund balance were divided among three distinct pension plans:

- General Employees' Retirement System
- Police Officers' Retirement System
- Firefighters' Retirement System

Plan Description

On November 18, 2019, the City of Jacksonville Beach (the City) entered into an interlocal agreement with the City of Jacksonville to provide fire services to residents and businesses of the City effective November 23, 2019. On the agreement's effective date, the City's firefighters became employees of the City of Jacksonville. At this time, the FFRS was closed to new members. Each firefighter in active service on the effective date was given the opportunity to individually elect to continue participating in the FFRS or join the City of Jacksonville's defined contribution retirement plan. Those who elected to continue participating in the FFRS must continue to make legally required contributions and accrue service benefits under the Plan for as long as they are employed as certified firefighters by the City of Jacksonville.

The City will continue to be the plan sponsor and is responsible for the unfunded actuarial accrued liability as determined by the plan actuary as of November 22, 2019. The City has agreed to pay the unfunded liability at that time, which totaled \$5,318,174, into the FFRS over a 10 year period. Annual contributions to the Plan total \$707,653. The City of Jacksonville is responsible for paying the total required contribution to the FFRS and estimated annual employee contributions. Although the FFRS presents separate financial statements, it is included (reported as a pension trust fund) in the City's financial reporting entity.

Prior to November 23, 2019, covered individuals under the FFRS included all employees hired by the City for the position of Firefighter budgeted for 1,000 or more hours work in a year, except as follows:

- Reserve Firefighters
- Fire Chief, Unless Specifically Elected to Participate

The FFRS is the administrator of a single-employer, defined benefit pension plan and, as it relates to Firefighters, is the successor entity for the plan that was established by the City on November 1, 1951, in accordance with a State of Florida legislative act which amended Chapter 27-643, Laws of Florida, 1951.

The FFRS is administered by a Board of Trustees (the Board) comprised of two residents of the City appointed by City Council, two members of the FFRS elected by the membership, and a fifth member elected by the other four Board Members.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM

Membership

As of October 1, 2020 (date of the latest annual actuarial valuation), employee membership data related to the Pension Plan were:

Inactive Plan Members or their Beneficiaries Currently	
Receiving Benefits	24
Inactive Plan Members Entitled to Benefits,	
But Not Yet Receiving Them	1
Active Plan Members	<u>25</u>
Total	<u><u>50</u></u>

Benefits

The Pension Plan provides retirement benefits, deferred vested benefits, and death and disability benefits. The Plan assets are available to pay firefighters. Pension Plan provisions for the FFRS were modified significantly in fiscal year 2014. The modifications included increasing the employees' contribution rate, changing the vesting periods, modifying pensionable pay exclusions, and modifying the Deferred Retirement Option Program (DROP). The chart below provides a comparison of the Pension Plan provisions that occurred in fiscal year 2014. In addition, the paragraphs following the chart provide a detailed description of the changes.

SUMMARY COMPARISON OF PENSION PROVISIONS

CITY OF JACKSONVILLE BEACH FIREFIGHTERS' PENSION PLAN					
Provision	Employees Hired After July 21, 2014	Employees with Less Than 5 Years of Service on July 21, 2014	Employees with at Least 5 Years of Service but Less Than 10 Years of Service on July 21, 2014	Employees with 10 or More Years of Service on July 21, 2014	Employees with 30 Years of Service; Age 52 with 25 Years of Service; Age 55 with 5 Years of Service on July 21, 2014
Benefit Formula	3% for all years of service (\$90,000 or 90% maximum)				3% - first 30 years; 2% thereafter (100% maximum)
Normal Retirement Date	Age 52 with 25 years of service; or Age 55 with 10 years of service; or 30 years of service regardless of age			Age 52 with 25 years of service; or Age 55 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + longevity pay + incentive pay; excluding overtime, leave payouts, and all other compensation				Base pay, longevity, overtime, shift differential, and incentive pay
COLA	No COLA	2% increase on benefits earned prior to the effective date; 1% annual increase on benefits earned after the effective date			2% increase on 2 nd anniversary and annually thereafter

- **Normal Retirement**—Plan participants who retired prior to October 1, 1990, are entitled to pension payments for the remainder of their lives equal to 2-1/2% of their final average compensation times the number of years they were employed by the City. The final average compensation is the highest five out of last ten years of employment. Compensation includes, longevity pay, shift differentials, and incentive pay. The maximum annual pension payment to these participants is 75% of their final five-year average compensation.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIIGHTERS' RETIREMENT SYSTEM

Plan participants who retired after September 30, 1990 but before July 21, 2014, are entitled to pension payments for the remainder of their lives equal to 3% of their final average compensation times the number of years they were employed by the City up to a maximum of 30 years. After 30 years, the pension benefit is reduced to 2% of their final average compensation times the number of years of service over 30 years. A maximum annual pension benefit to these employees is 100% of their final average compensation.

Plan participants who retire on or after July 21, 2014, are entitled to payments for the remainder of their lives equal to 3% of their final average compensation times the number of years they were employed by the City up to a maximum of \$90,000 or 90%, whichever is less. Accrued benefits in excess of the maximum amount are retained by the Plan. Compensation includes base pay, longevity pay, incentive pay, but excludes overtime and all other forms of compensation.

Eligibility requirements for normal retirement are as follows for participants with ten years of service on July 21, 2014: 30 years of service regardless of age, or age 52 with 25 or more years of service, or age 55 with five years of service.

Eligibility requirements for normal retirement are as follows for participants with less than ten years of service on July 21, 2014: 30 years of service regardless of age, or age 52 with 25 or more years of service, or age 55 with ten years of service. There is no mandatory retirement age.

The normal form of benefit is a benefit payable for the life of the retired member with the first ten years guaranteed. Optional benefit forms are available on an actuarial equivalent basis.

- **Early Retirement**—Early Retirement is available with a reduced benefit only to participants age 50 with 10 or more years of service or 20 years of service as of July 21, 2014. Members that do not meet these conditions are not eligible for early retirement.
- **Non-Duty Disability Retirement**—Disability retirement is available to Plan participants that have attained at least ten years of service. Until the Plan participant reaches normal retirement age, the minimum non-duty disability is 25% of the participants' final average compensation.
- **Duty Disability Retirement**—The ten-year service requirement is waived if the retirement is caused by a duty-related disability. The amount of a duty disability pension is the larger of the members accrued pension and 50% of the members final average compensation. At regular retirement age, the participant may elect to continue to be covered by duty disability or have the benefit recomputed as a normal retirement with additional service credit granted from the date of retirement to the later of normal retirement age or five years after date of disability. The minimum benefit shall not be less than 42% of the participants' final average compensation.
- **Non-Duty Death Before Retirement**—Non-duty death benefits are available at 100% of the Plan participant's normal retirement benefit provided the Plan participant attained ten or more years of service.
- **Duty Death Before Retirement**—The ten-year service requirement is waived if the death is duty-related. The surviving spouse is entitled to receive 100% of the participants' normal retirement benefit. The minimum benefit to the spouse shall not be less than 35% of the participants' final average compensation.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM

- **Backwards Deferred Retirement Option Program (BackDROP)**—A participant of the retirement system who meets the normal retirement requirements on or after July 21, 2014, is eligible for BackDROP. The participant may elect a BackDROP period for the number of months employed beyond their normal retirement date, up to a maximum of thirty-six consecutive months. Benefits are computed as if the participant chose to terminate on any date within the thirty-six month period after the normal retirement date, using credited service and final average compensation at the normal retirement date. In addition to the monthly pension, there will be a lump-sum payment. The lump-sum payment will be computed as if the monthly benefits had started and were accumulated in an account and credited with 3% interest, compounded annually during the period between the date chosen for BackDROP retirement and the date of termination.
- **Cost of Living Adjustments (COLA)**—A one-time, permanent benefit increase of 2% was granted to retirees who retired before January 1, 2009. Retirees who retired after January 1, 2009 but before July 21, 2014, will receive on the second anniversary of retirement, a 2% benefit increase and an additional 2% compounded annually, inclusive of certain periods and/or survivor benefits. Retirees who were employed on and retire after July 21, 2014, receive a 2% COLA increase for service earned before July 21, 2014, and 1% COLA increase for service earned after July 21, 2014, compounded annually beginning two years after retirement. Retirees hired after July 21, 2014, are not eligible for a COLA.

Contributions

For the year ended September 30, 2021, Plan participants were required to pay 7.95% of their annual compensation to the Pension Plan. The payments are deducted from the employees' wages or salary and remitted by the City of Jacksonville after November 23, 2019 to the FFRS at the end of each pay period. If an employee leaves the employment of the City of Jacksonville before he or she is vested (attaining five years of service prior to July 21, 2014 or attaining ten years of service on or after July 21, 2014), the accumulated contributions plus earned interest are refunded to the employee or the employee's designated beneficiary. If an employee leaves the employment of the City of Jacksonville after becoming vested, but before attaining retirement age, the employee or the employee's designated beneficiary has the option of being refunded the accumulated contributions plus earned interest or keeping the funds in the Plan and receiving benefits under the Plan upon reaching normal retirement age.

As per the Fire Services Agreement, the City and the City of Jacksonville make the total required contribution as determined by the Plan actuary on or before October 15 of each year. In addition, the Plan typically receives an annual distribution of property insurance premium tax monies from the State of Florida pursuant to Chapter 175, Florida Statutes. However, for the year ended September 30, 2021, the City of Jacksonville did not remit the funds received from the State of Florida to the Plan. For the year ended September 30, 2021, the actuarially determined contribution amount as determined by the October 1, 2020 actuarial valuation was \$982,885 (\$707,653 City, \$133,840 City of Jacksonville, and \$141,392 State of Florida). The actual contribution was \$841,792 (\$707,952 City, \$133,840 City of Jacksonville, and \$0 State of Florida). The resulting deficiency from the contributions from the State of Florida not being remitted to the Plan will need to be made up in a future year.

For the year ended September 30, 2021, the total covered payroll (Firefighters only) amounted to \$1,870,977. Covered payroll refers to all compensation paid by the City to active employees covered by the FFRS on which contributions to the Pension Plan are based.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM

Note 2 - Summary of Significant Accounting Policies and Plan Position Matters

Basis of Accounting

The FFRS financial statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized as revenue in the period in which employees provide services to the City. Interest and dividend income is recognized when earned by the Pension Plan. Realized gains and losses on the sale of investments held by the Pension Plan are recognized when incurred. Net appreciation in the fair value of investments held by the Pension Plan is recorded as an increase to investment income based on the valuation of investments as of the date of the statement of plan net position available for benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments

Investments in securities are reported at fair value. Corporate bond securities are assigned a value based on yields currently available on securities of issuers with credit ratings similar to the securities held by the Pension Plan. Unrestricted capital stock securities are assigned a value based on quoted market prices. There are no investments in, loans to, or leases with parties related to the Pension Plan.

Note 3 - Cash and Investments

Chapter 175 of the Florida Statutes authorizes the FFRS to invest in time and savings accounts of a bank or a savings and loan association insured by the Federal Deposit Insurance Corporation. In addition, other Florida statutes and City ordinances authorize the FFRS to invest in obligations of the United States; in obligations guaranteed as to principal and interest by the United States; and in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States provided that the corporation is listed on one or more of the recognized national stock exchanges and holds a rating of the three highest classifications by a major rating service. Corporate fixed income securities must hold a rating of A or higher by a Nationally Recognized Statistical Rating Organization (Moody's, Standard & Poor's, Fitch).

Following is a summary of the investments and maturities held by the FFRS at September 30, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Mutual Fund (Equities)	\$ 11,944,821	\$ 11,944,821			
U.S. Government Securities	2,158,008	322,183	\$ 118,912	\$ 1,435,710	\$ 281,203
Federal Agency Securities:					
Federal Home Loan Bank	93,903		93,903		
Federal Home Loan Mtg. Corp.	111,291		430		110,861
Federal National Mtg. Assoc.	584,770	377	12,362	71,567	500,464
Corporate Bonds	994,303		194,440	720,026	79,837
Real Estate Fund	860,041	860,041			
Total	\$ 16,747,137	\$ 13,127,422	\$ 420,047	\$ 2,227,303	\$ 972,365

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM

Credit quality distribution for the FFRS investments with credit exposure as a percentage of the total pension investment is as follows:

<u>Investment Type</u>	<u>Moody's Credit Rating</u>	<u>Percent of Total</u>
U.S. Government Securities	Aaa	12.89%
Federal Agency Securities	Aaa	4.72%
Corporate Bonds	A1	1.56%
Corporate Bonds	A2	2.38%
Corporate Bonds	A3	0.89%
Corporate Bonds	Baa1	1.11%

Cash and money market funds totaling \$1,348,969 at September 30, 2021, are classified as cash and short-term investments on the accompanying statement of fiduciary net position because they are available for immediate withdrawal or transfer.

Risk Disclosure

The Plan's investment policies do not specifically address its exposure to interest rate changes, custodial credit risk, or quality credit risk. The following items discuss the pension funds' exposure to various risks in primarily the fixed rate portions of their investment portfolios:

- **Interest Rate Risk**—the City's pension funds limit their risk by averaging investment maturities at approximately three to five years.
- **Custodial Credit Risk**—for an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The fund generally utilizes third party custodians to help manage custodial credit risk.
- **Concentration of Credit Risk**—the pension funds' investment policies and practices require investments to be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold.

Identification of Investments

- **Equities**—Investments in equity securities must be traded on the national exchange or electronic network. No more than 5% of the Plan's assets, at the time of purchase, may be invested in the common stock, capital stock, or convertible stock of any one issuing company. In addition, the aggregate investment in any one company shall not exceed 5% of the outstanding capital stock of that company. No more than 10% of the Plan's assets, at the time of purchase, may be invested in the shares of companies that have been publicly traded for less than one year.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM

- **Fixed Income**—Investments in corporate fixed income securities shall be limited to those securities rated “A” (or its equivalent) or higher by a Nationally Recognized Statistical Rating Organization. In the event an investment security rating drops below a rating of A, the investment manager notifies the investment advisor. The investment advisor instructs the investment manager to monitor the investment closely or dispose of it when economically feasible. The maximum maturity of any single security in the Plan’s fixed income portfolio shall not exceed 30 years, and the average effective duration of the portfolio shall not exceed that of the benchmark index by more than 20%. No more than 10% of the Plan’s assets, at the time of purchase, shall be invested in securities of any single corporate issuer. Investments in Collateralized Mortgage Obligations (CMO) shall be limited to 10% of the market value of the Plan’s fixed income portfolio and shall be restricted to those issues that are currently paying interest, receiving principal pay-downs and do not contain leverage.
- **Real Estate Fund**—All real estate investments shall be managed by experienced and qualified professional real property investment managers. The Board will seek to diversify its real estate investment by property type (residential, industrial, office, retail, timberland, etc.) and property location (geographic region).

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
International Equity	10%
Fixed Income	35%
Real Estate Fund	5%
Total	<u><u>100%</u></u>

Concentration

The Plan did not hold investments in any one organization that represents 5% or more of the Pension Plan’s fiduciary net position.

Rate of Return

For the year ended September 30, 2021, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 18.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fair Value Measurements

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 Inputs**—are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2 Inputs**—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM

- **Level 3 Inputs**—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

The Plan's investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value in the hierarchy described above. The fair value measurements for the Plan's operating investments are as follows at September 30, 2021:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Amount			
Equities	\$ 11,944,821	\$ 11,944,821		
U.S. Government Securities	2,157,996	402,363	\$ 1,755,633	
Federal Agency Securities:				
Federal Home Loan Bank	93,903	93,903		
Federal Home Loan Mortgage Corporation	111,291		111,291	
Federal National Mortgage Association	584,782		584,782	
Corporate Bonds	994,303		994,303	
Total Investments Measured at Fair Value	15,887,096	\$ 12,441,087	\$ 3,446,009	\$ -
Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund	\$ 860,041	\$ -	Quarterly	45 days
Total Investments	\$ 16,747,137			

Equities and U.S. Government Securities are valued based on prices quoted in active markets and are categorized as Level 1 in the fair value hierarchy. Federal Agency Securities are valued using matrix pricing techniques that value securities based on their relationship to benchmark quoted prices. Corporate bonds are valued using quoted prices for similar securities in active markets and are categorized as Level 2 in the fair value hierarchy. The Real Estate Fund is valued at Net Asset Value (NAV), which is determined using certified annual appraisals of investment properties held by the fund.

Note 4 - Pension Cost

The pension cost for the year ended September 30, 2021, was \$841,792 (actual contribution-City share). The pension cost for the 2021 fiscal year was determined as part of the October 1, 2020 roll-forward actuarial valuation using the entry age actuarial cost method.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM

Note 5 - Net Pension Liability

The Pension Plan's fiscal year-end net pension liability as of September 30, 2021, was as follows:

Total Pension Liability	\$ 19,390,382
Plan Fiduciary Net Position	<u>18,196,218</u>
Net Pension Liability	<u>\$ 1,194,164</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.84%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2019, updated to September 30, 2021, using the following actuarial assumptions applied to all measurement periods.

Inflation	2.5%
Salary Increases	2.7-6.3% (Including Inflation)
Investment Rate of Return	7.0%

Mortality rates were based on House Bill 1309, which mandated the use of the Florida Retirement System (FRS) mortality tables. The RP-2000 table and projection scale BB produce life expectancies that are longer for male and females. This table was first used for the October 1, 2016 valuation.

The long-term expected rate of return on the Plan investments was determined using 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. 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 Plan's target asset allocation as of September 30, 2021, are summarized below:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return (Excluding Inflation)</u>
Domestic Equity	10.0%
International Equity	11.0%
Domestic Bonds	5.0%
International Bonds	6.0%
Real Estate Fund	7.0%
Cash	0.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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. The single discount rate reflects the long-term expected rate of return on Pension Plan investments including inflation.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM

The table below provides the sensitivity of the net pension liability to changes in the discount rate. The table represents the Plan's net pension liability, if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher than the single discount rate.

**Sensitivity of Net Pension Liability to the
Single Discount Rate Assumption**

1% Decrease <u>6.0%</u>	Current Discount Rate <u>7.0%</u>	1% Increase <u>8.0%</u>
\$ 3,805,736	\$ 1,194,164	\$ (969,683)

The total pension liability information is based on the actuarial valuation performed October 1, 2020. The total pension liability was rolled-forward from the valuation date to the Plan year ended September 30, 2021, using generally accepted actuarial principles.

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS MULTI-YEAR
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM**

(Ultimately 10 Years Will Be Displayed)

Fiscal Year Ended September 30,

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 360,724	\$ 345,520	\$ 377,972	\$ 306,120	\$ 302,339	\$ 281,750	\$ 245,288	\$ 246,636
Interest on the Total Pension Liability	1,363,333	1,320,214	1,277,049	1,207,186	1,096,691	993,524	951,607	912,823
Benefit Changes (See Notes to Schedule)*								(1,652,165)
Difference Between Expected and Actual Experience	(747,511)	(62,673)	92,116	188,875	216,068	33,751	117,343	
Assumption Changes (#)	(462,014)		1,160,627	879,444	717,489	812,177		
Benefit Payments	(839,948)	(1,116,417)	(967,917)	(774,227)	(750,335)	(933,482)	(683,521)	(664,459)
Refunds		(32,981)						
Net Change in Total Pension Liability	(325,416)	453,663	1,939,847	1,807,398	1,582,252	1,187,720	630,717	(1,157,165)
Total Pension Liability-Beginning	19,715,798	19,262,135	17,322,288	15,514,890	13,932,638	12,744,918	12,114,201	13,271,366
Total Pension Liability-Ending (a)	\$ 19,390,382	\$ 19,715,798	\$ 19,262,135	\$ 17,322,288	\$ 15,514,890	\$ 13,932,638	\$ 12,744,918	\$ 12,114,201
Plan Fiduciary Net Position								
Employer and State Contributions	\$ 841,792	\$ 1,101,580	\$ 657,730	\$ 608,384	\$ 501,375	\$ 422,041	\$ 389,997	\$ 457,932
Employee Contributions	158,581	145,645	178,437	161,383	168,792	160,567	146,951	122,590
Pension Plan Net Investment Income	2,835,198	1,372,231	743,303	1,112,333	1,322,095	855,178	(33,549)	1,010,160
Benefit Payments	(839,948)	(1,116,417)	(967,917)	(774,227)	(750,335)	(933,482)	(683,521)	(664,459)
Refunds		(32,981)						
Pension Plan Administrative Expenses	(75,574)	(80,003)	(69,492)	(75,928)	(71,311)	(62,635)	(66,361)	(77,810)
Net Change in Plan Fiduciary Net Position	2,920,049	1,390,055	542,061	1,031,945	1,170,616	441,669	(246,483)	848,413
Plan Fiduciary Net Position-Beginning	15,276,169	13,886,114	13,344,053	12,312,108	11,141,492	10,699,823	10,946,306	10,097,893
Plan Fiduciary Net Position-Ending (b)	\$ 18,196,218	\$ 15,276,169	\$ 13,886,114	\$ 13,344,053	\$ 12,312,108	\$ 11,141,492	\$ 10,699,823	\$ 10,946,306
Net Pension Liability-Ending (a) – (b)	\$ 1,194,164	\$ 4,439,629	\$ 5,376,021	\$ 3,978,235	\$ 3,202,782	\$ 2,791,146	\$ 2,045,095	\$ 1,167,895
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.84%	77.48%	72.09%	77.03%	79.36%	79.97%	83.95%	90.36%
Covered Employee Payroll	\$ 1,870,977	\$ 1,832,026	\$ 2,244,491	\$ 2,029,975	\$ 2,123,170	\$ 2,019,711	\$ 1,848,440	\$ 1,867,968
Net Pension Liability as a Percentage of Covered Employee Payroll	63.83%	242.33%	239.52%	195.97%	150.85%	138.20%	110.64%	62.52%

Notes to Schedule

* For the 2014 fiscal year, benefit changes were determined as of the beginning of the year. Benefit terms were modified during 2014 to include longer vesting periods, changes in the benefit formula, changes in the COLA, and changes in what is considered pensionable compensation.

Assumption changes include the following:

- For 2016, adding a 3% load on the present value of future benefits as a margin for future mortality improvements, and decreasing the long-term municipal bond rate from 3.71% to 3.06%.
- For 2017, decreasing the single discount rate and long-term expected rate of return from 8.00% to 7.90%, and increasing the long-term municipal bond rate from 3.06% to 3.50%.
- For 2018, decreasing the single discount rate and long-term expected rate of return from 7.90% to 7.50%, and increasing the long-term municipal bond rate from 3.50% to 3.83%.
- For 2019, lowering the investment return from 7.5% to 7.0%.
- For 2021, adopted the new respective FRS mortality assumptions and lowering the investment return from 7% to 6.9%

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY MULTI-YEAR
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM**

(Ultimately 10 Years Will Be Displayed)

Fiscal Year Ending September 30,	Total Pension Liability (TPL)	Plan Net Position	Net Pension Liability	Plan Net Position as a % of TPL	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$ 12,114,201	\$ 10,946,306	\$ 1,167,895	90.36%	\$ 1,867,968	62.52%
2015	12,744,918	10,699,823	2,045,095	83.95%	1,848,440*	110.64%
2016	13,932,638	11,141,492	2,791,146	79.97%	2,019,711*	138.20%
2017	15,514,890	12,312,108	3,202,782	79.36%	2,123,170*	150.85%
2018	17,322,288	13,344,053	3,978,235	77.03%	2,029,975*	195.97%
2019	19,262,135	13,886,114	5,376,021	72.09%	2,244,491	239.52%
2020	19,715,798	15,276,169	4,439,629	77.48%	1,832,026	242.33%
2021	19,390,382	18,196,218	1,194,164	93.84%	1,870,977	63.83%

*Source: Implicit payroll based on employee contributions during fiscal year.

Note: The above calculations were performed in accordance with the requirements of GASB Statement No. 67.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM**

(Ultimately 10 Years Will Be Displayed)

City of Jacksonville Beach

Fiscal Year Ending October 1,	Actuarially Determined Contribution (1)	Actual Contribution(1)	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 408,279	\$ 457,932	\$ (49,653)	\$ 1,867,968	24.51%
2015	368,361	389,997	(21,636)	1,848,440*	21.10%
2016	422,041	422,041		2,019,711*	20.90%
2017	501,375	501,375		2,123,170*	23.61%
2018	608,384	608,384		2,029,975	29.97%
2019	657,730	657,730		2,444,491	26.91%
2020	773,195	773,195		1,832,026	42.20%
2021	707,952	707,952		1,870,977	37.84%

City of Jacksonville

Fiscal Year Ending October 1,	Actuarially Determined Contribution (1)	Actual Contribution (1)	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2020	\$ 294,047	\$ 328,385	\$ (34,338)	\$ 1,832,026	17.92%
2021	275,232	133,840	141,092	1,870,977	7.15%

Total

Fiscal Year Ending October 1,	Actuarially Determined Contribution (1)	Actual Contribution (1)	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 408,279	\$ 457,932	\$ (49,653)	\$ 1,867,968	24.51%
2015	368,361	389,997	(21,636)	1,848,440*	21.10%
2016	422,041	422,041		2,019,711*	20.90%
2017	501,375	501,375		2,123,170*	23.61%
2018	608,384	608,384		2,029,975	29.97%
2019	657,730	657,730		2,444,491	26.91%
2020	1,067,242	1,101,580	(34,338)	1,832,026	60.12%
2021	982,885	841,793 (2)	141,092	1,870,977	44.99%

*Source: Implicit payroll based on employee contributions during the fiscal year.

(1) – Contributions include amounts contributed by the State of Florida.

(2) – This contribution deficiency will need to be made up in future years by the City of Jacksonville.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM**

Methods and Assumptions Used to Actuarially Determine Contribution Rates

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	2-25 Years
Asset Valuation Method:	4-Year Smoothed Market
Inflation:	2.5% Wage Inflation, 2.5% Price Inflation
Salary Increases:	2.7% to 6.3% Including Inflation
Investment Rate of Return:	7.0%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.
Mortality:	The Florida Retirement System (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.

Other Information

Notes:	The Employer Contribution for fiscal year 2021 was determined in the October 1, 2020 Actuarial Valuation report.
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**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
CITY OF JACKSONVILLE BEACH, FLORIDA
FIREFIGHTERS' RETIREMENT SYSTEM**

Fiscal Year Ending September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense
2021	18.94%
2020	10.02%
2019	5.61%
2018	9.22%
2017	12.11%
2016	8.15%
2015	-0.35%
2014	10.22%
2013	11.97%
2012	16.52%

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Directors of the
Firefighters' Retirement System
City of Jacksonville Beach, Florida

We have audited the accompanying statement of fiduciary net position of the City of Jacksonville Beach, Florida, Firefighters' Retirement System (the FFRS) as of September 30, 2021, and the statement of changes in fiduciary net position for the year then ended. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter dated June 17, 2020. Professional standards also require that we communicate the following information to you related to our audit:

Qualitative Aspects of Accounting Practices

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the FFRS are described in Note 2 to the financial statements. No new accounting pronouncements were adopted during the year ended September 30, 2021.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most significant estimates affecting the financial statements were:

- Estimates of fair values of financial instruments held by the pension plan. These fair values are based upon quoted market prices or other observable inputs as described in Note 3 of the financial statements.

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To the Board of Directors of the
Firefighters' Retirement System
City of Jacksonville Beach, Florida

- The annual pension cost and the total pension liability are estimates that are calculated based on an actuarial valuation performed by a qualified actuary. The assumptions used in the valuation were determined by management and, if changed, could significantly affect the recorded amounts.

We evaluated the key factors and assumptions used to develop the estimates described above in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We are pleased to report we encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no audit adjustments identified during our audit. In addition, there were no uncorrected (passed) adjustments that came to our attention.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 4, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

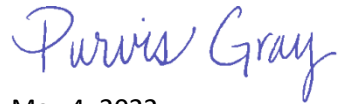
To the Board of Directors of the
Firefighters' Retirement System
City of Jacksonville Beach, Florida

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and the additional schedules as listed in the table of contents as Required Supplementary Information (RSI). These schedules are considered required supplementary information that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the FFRS, and is not intended to be, and should not be, used by anyone other than these specified parties.



May 4, 2022
Tallahassee, Florida

Investment Performance Review
Period Ending March 31, 2022

Jacksonville Beach Retirement Systems



1st Quarter 2022 Market Environment

The Economy

- The global economy faced headwinds as Russia invaded Ukraine in February. Despite their small percentage of the global GDP, both Russia and Ukraine play significant roles in the global economy. Russia provides most of Europe's energy supplies and combined, both countries account for a large percentage of food supplies.
- Prior to the crisis in Ukraine, the global and US economies were already expected to grow at a slower rate in the 1st quarter. For the 4th quarter 2021, the US GDP grew at an annual rate of 6.9%. Estimates for the 1st quarter 2022 vary significantly, ranging between 0.5% and 2.0%.
- The US labor market remained a source of strength during the 1st quarter with the unemployment rate falling to 3.6% in March. The pace of job growth accelerated during the quarter with a three-month average of roughly +562,000. Importantly, the number of workers re-entering the workforce increased during the quarter with strong wage growth as the likely catalyst.
- The US Federal Reserve Bank (the Fed) began the process of normalizing interest rates by raising the Fed Funds rate by 0.25%. Additionally, the Fed signaled it was ready to begin the process of shrinking its balance sheet by not reinvesting up to \$95 billion of maturing bonds into new securities each month. This process is referred to as "quantitative tightening" and is meant to drain liquidity from the economy with the goal of slowing inflation.

Equity (Domestic and International)

- US equities declined during the 1st quarter as concerns regarding the conflict in Ukraine and the potential for a slowing global economy acted as headwinds. Large cap value was the best performing domestic segment of the equity market relative to other US market capitalizations and styles during the period while small cap growth performed the worst.
- International stocks also struggled during the 1st quarter. The primary driver of performance was the conflict in Ukraine which significantly affected western Europe and emerging markets. Another contributor to poor performance was the continued strength of the US dollar, which rose against both the Euro and Yen developed market currencies and most emerging market currencies during the period. Finally, China was negatively impacted by a rise in Covid-19 infections which resulted in new restrictions in Shanghai.

Fixed Income

- Continued concerns about rising inflation, combined with the Fed beginning to raise interest rates acted as headwinds for fixed income performance during the quarter. US interest rates moved significantly higher during the quarter with the US 10-Year Treasury bond rising 83 basis points to close at 2.34%.
- Performance across most bond market sectors was negative during the quarter, with US high yield corporate bonds and US Treasury Inflation-Protected Securities (TIPS) down the least.
- The combination of higher coupons and a shorter maturity profile relative to high quality government bonds was the primary driver of the relative outperformance of high yield bonds during the period.
- TIPS continued their strong relative performance against all other bond market sectors during the quarter. Investors' expectations of higher future US inflation remained strong as inflation remained well above the Fed's stated 2% long-term target average.

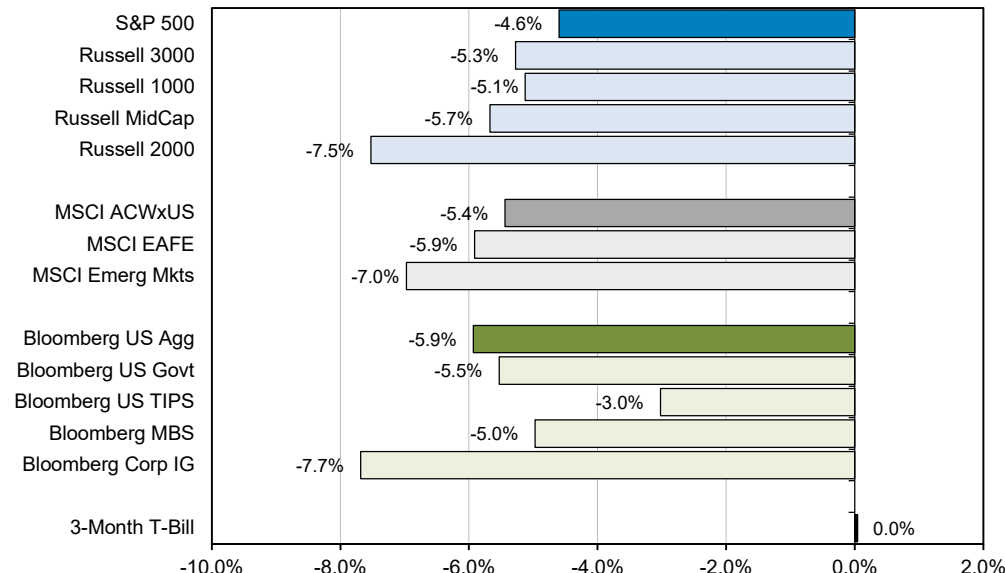
Market Themes

- The tone of global central bank monetary policy shifted during the quarter as the Fed and the Bank of England both raised interest rates during the period. Additionally, the European Central Bank announced it would begin tightening monetary policy by slowing its bond purchases.
- The crisis in Ukraine will likely be a drag on global economic growth for the foreseeable future. Restrictions on Russian energy exports, especially to western Europe, will likely result in a material slowdown of those economies as a result of higher prices.
- US equity markets experienced their first down quarter since the onset of the pandemic in the 1st quarter of 2020. Growth-oriented stocks underperformed value stocks as investors' concerns about future economic growth increased. Historically, value stocks have outperformed growth stocks during economic slowdowns marked by recession.
- Interest rates rose across the Treasury yield curve during the quarter in anticipation of the Fed raising interest rates. As a result of their maturity profile, longer-dated bonds significantly underperformed shorter-dated bonds despite yields rising only modestly in comparison. Lower quality corporate bonds outperformed given their higher coupons and shorter maturity profiles despite concerns about widening credit spreads as economic conditions deteriorate.



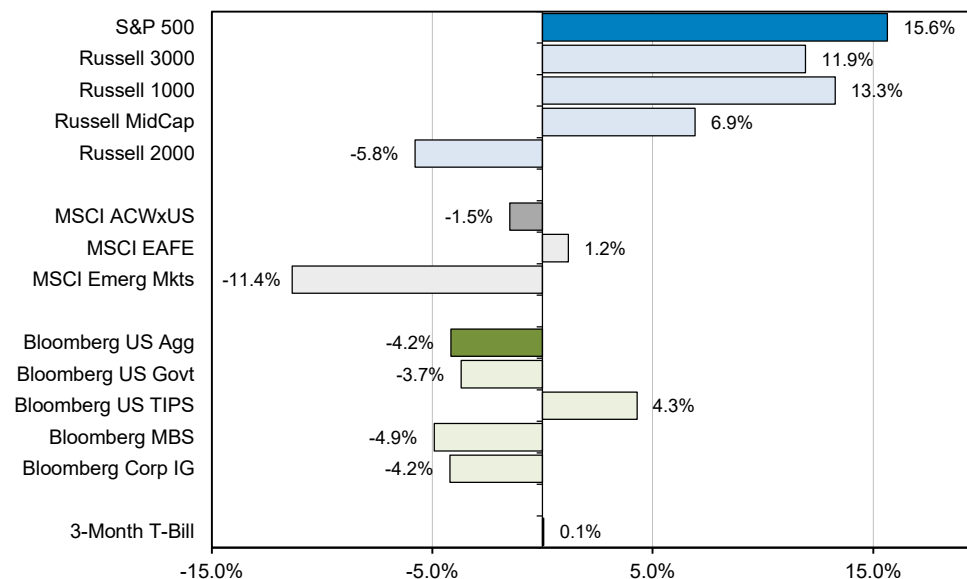
- Broad US equity markets experienced weak, negative returns during the 1st quarter of 2022. A variety of factors contributed to performance including elevated inflation, rising interest rate expectations, geopolitical events in Ukraine, and concerns related to slower economic growth. For the period, the S&P 500 large cap benchmark returned -4.6%, compared to -5.7% for mid-cap and -7.5% for small cap indices.
- Developed markets international equities also suffered negative results for the 1st quarter. Europe was negatively impacted by the crisis in Ukraine, rising energy costs, and continued rising inflation. Emerging markets were also negatively impacted by Russia's invasion of Ukraine. Emerging markets were also impacted by the rise of Covid-19 cases in China and resulting restrictions. During the period, the MSCI EAFE Index returned -5.9% while the MSCI Emerging Markets Index declined by -7.0%
- For the quarter, performance of the bond market was broadly negative due to increasing inflation and expectations that global central banks would begin the process of raising interest rates. The Bloomberg (BB) US Aggregate Index returned -5.9%, for the period while Investment Grade Corporate bonds posted a return of -7.7%. The best performing sector on a relative basis was US TIPS which declined by -3.0%.

Quarter Performance



- Despite the recent poor performance, developed equity markets posted strong returns over the trailing 1-year period. The primary drivers of return during the period were economic growth and an accommodative monetary policy support from global central banks. The S&P 500 large cap stock index led equity market performance for the year with a return of 15.6%. The outlier was the Russell 2000 small cap index which declined by -5.8% for the year.
- Over the trailing 1-year period performance across international markets diverged with the developed market MSCI EAFE Index returning 1.2% while the MSCI Emerging Markets Index fell by -11.4%. While economic growth improved throughout the year, emerging markets were negatively impacted by geopolitical events related to Russia, Ukraine, and China.
- Bond market returns disappointed over the trailing 1-year period due to rising inflation and the expectation of multiple interest rates increases. TIPS were the lone bright spot in the bond market with the TIPS Index returning 4.3% for the year.

1-Year Performance

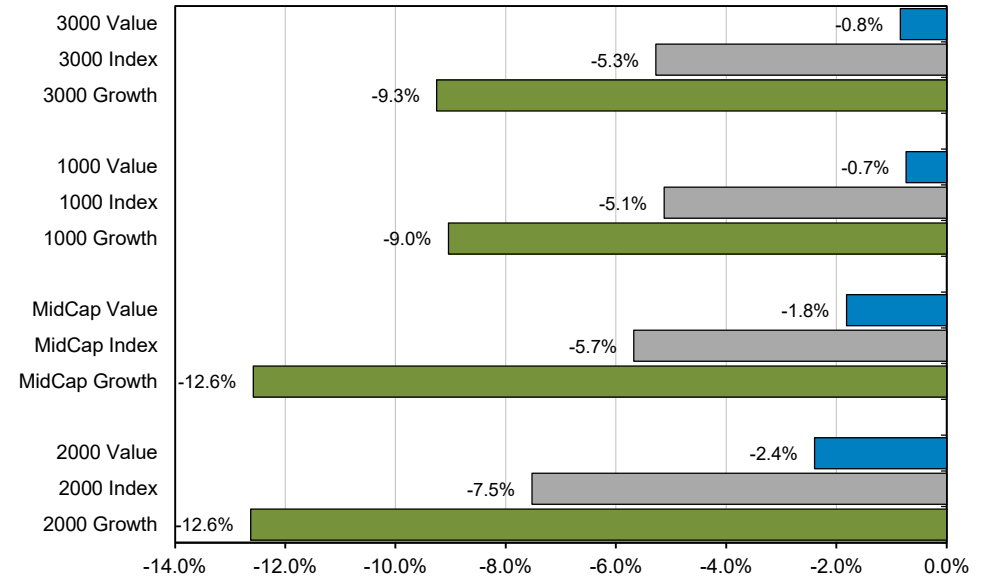


Source: Investment Metrics

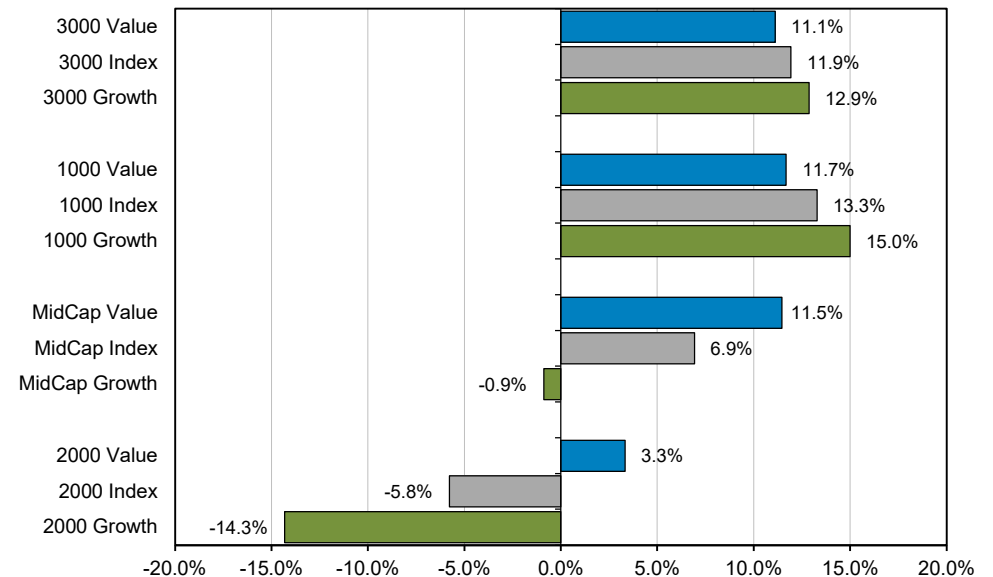


- Momentum shifted during the 1st quarter as each broad US equity benchmark posted negative results across both the style and market capitalization spectrums. Large cap stocks continued their leadership, followed by mid and small cap issues. The Russell 1000 Index declined by -5.1% for the quarter while the Russell Mid Cap Index and the Russell 2000 Index fell by -5.7% and -7.5%, respectively.
- Performance across styles and market capitalizations was disparate during the quarter. Large, Mid, Small cap value stocks all sizably outpaced their growth counterparts. For the period, the Russell 1000 Value Index was the best relative performing style index, posting a return of -0.7%. Mid cap and small cap growth stocks were the laggards during the period with both the Mid Cap Growth Index and Russell 2000 Growth Index returning a weak -12.6%.
- Performance across most market capitalizations and styles was positive over the trailing 1-year period. Much like the 1st quarter, large cap stocks outperformed mid and small cap stocks for the year. The Russell 1000 Index return of 13.3% for the year, significantly outperformed both its mid and small cap growth index counterparts. The outlier during the period was the Russell 2000 Index which returned -5.8%.
- While the dispersion across large cap styles was relatively narrow for the year, there was wide performance dispersion across mid and small style-based indexes. Within mid and small cap benchmark results, value dominated growth by double digits. The Russell Mid Cap Value Index returned 11.5% while the Russell 2000 Value Index returned 3.3% for the period. In comparison, the Russell Mid Cap Growth Index returned -0.9%, while the Russell 2000 Growth Index declined by -14.3%.

Quarter Performance - Russell Style Series



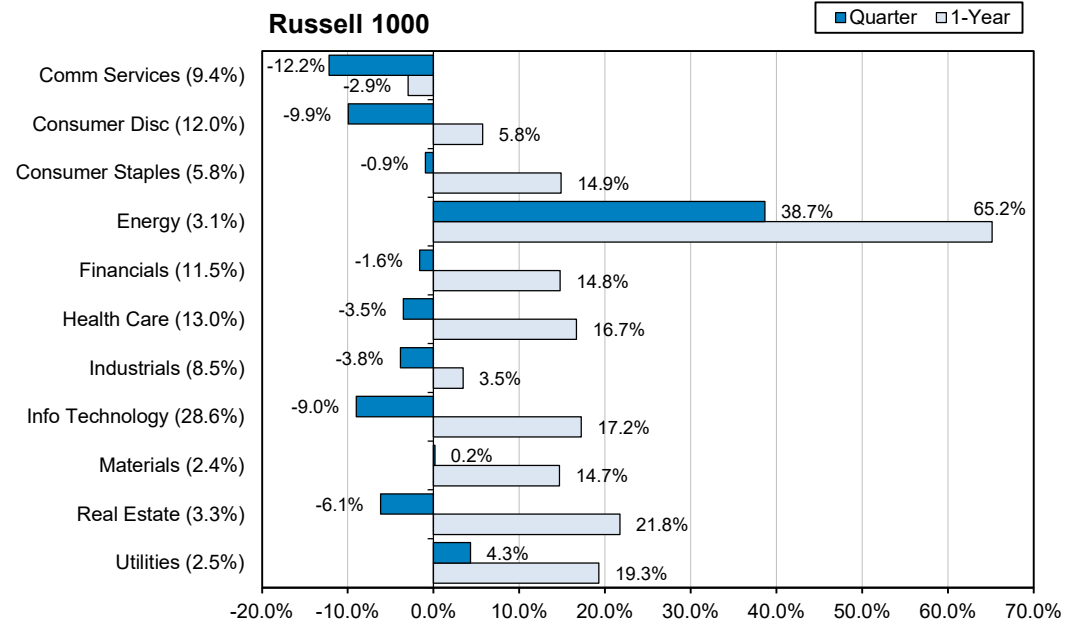
1-Year Performance - Russell Style Series



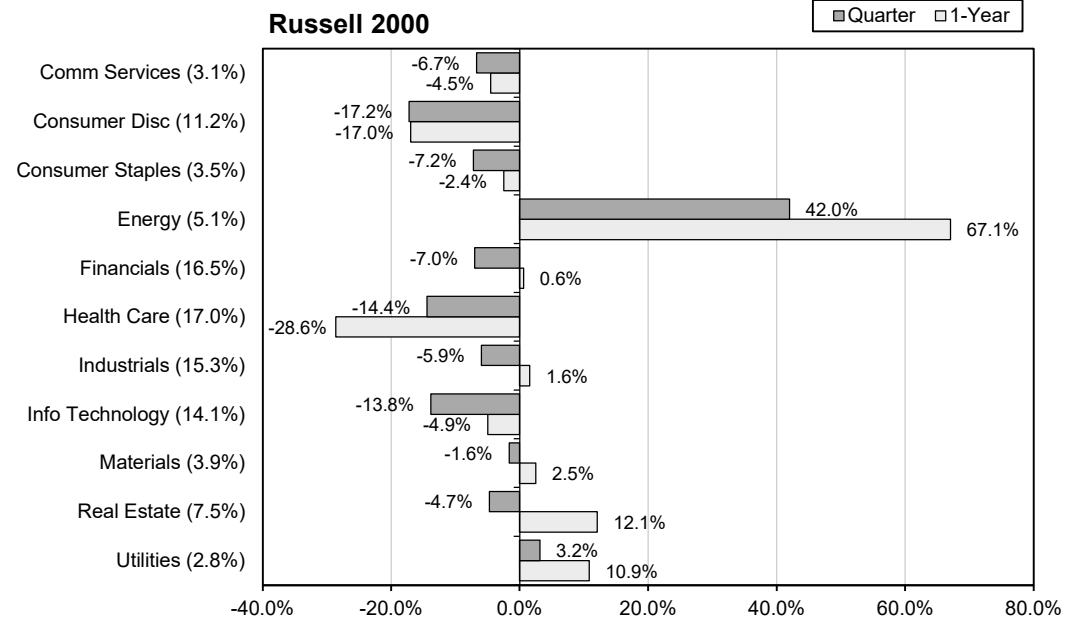
Source: Investment Metrics



- Economic sector performance was negative across eight of the eleven large cap economic sectors for the 1st quarter. However, the three positive sectors represent less than 10% of the index. Four additional sectors outpaced the return of the broad index on a relative basis during the period.
- Energy (38.7%), utilities (4.3%), and materials (0.2%) were the best performing sectors for the quarter. Energy continued its relative outperformance during the quarter as the price of oil remained elevated. Economically sensitive sectors such as communication services (-12.2%), consumer discretionary (-9.9%), and information technology (-9.0%) significantly underperformed the broader index for the quarter.
- For the full year, eight sectors exceeded the return of the broad large cap benchmark: energy (65.2%), real estate (21.8%), utilities (19.3%), information technology (17.2%), health care (16.7%), consumer staples (14.9%), financials (14.8%), and materials (14.7%). The weakest economic sector performance in the Russell 1000 for the year was communication services, which was the lone sector to deliver negative returns (-2.9%).



- Small cap sector performance was also mixed with two economic sectors posting positive performance and an additional five outpacing the return of the broader Russell 2000 Index (-7.5%) on a relative basis. Energy (42.0%) was the best performing sector for the period. Utilities (3.2%) was the only other sector posting a positive return for the quarter.
- For the trailing 1-year period, nine of the eleven sectors outpaced the broad benchmark's return. Not surprisingly, sector performance was led by energy (67.1%), real estate (12.1%), utilities (10.9%), materials (2.5%), industrials (1.6%), and financials (0.6%). Consumer staples (-2.4%), communication services (-4.5%), and information technology (-4.9%) outpaced the core benchmark on a relative basis but were negative in absolute terms. The weakest sector over the full year was health care which fell -28.6%.



Source: Morningstar Direct
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of March 31, 2022

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	6.38%	-1.5%	43.8%	Information Technology
Microsoft Corp	5.50%	-8.1%	31.8%	Information Technology
Amazon.com Inc	3.35%	-2.2%	5.4%	Consumer Discretionary
Tesla Inc	2.12%	2.0%	61.3%	Consumer Discretionary
Alphabet Inc Class A	1.98%	-4.0%	34.9%	Communication Services
Alphabet Inc Class C	1.83%	-3.5%	35.0%	Communication Services
NVIDIA Corp	1.54%	-7.2%	104.6%	Information Technology
Berkshire Hathaway Inc Class B	1.53%	18.0%	38.1%	Financials
Meta Platforms Inc Class A	1.21%	-33.9%	-24.5%	Communication Services
UnitedHealth Group Inc	1.13%	1.9%	38.9%	Health Care

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Occidental Petroleum Corp	0.11%	96.2%	113.9%	Energy
New Fortress Energy Inc Class A	0.00%	77.1%	-6.0%	Energy
The Mosaic Co	0.06%	69.6%	112.2%	Materials
Halliburton Co	0.08%	66.2%	78.2%	Energy
United States Steel Corp	0.02%	58.9%	44.9%	Materials
EQT Corp	0.02%	58.6%	86.2%	Energy
APA Corp	0.04%	54.3%	133.0%	Energy
Marathon Oil Corp	0.05%	53.4%	138.6%	Energy
Baker Hughes Co Class A	0.06%	52.4%	73.5%	Energy
Alcoa Corp	0.04%	51.3%	178.0%	Materials

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Vroom Inc Ordinary Shares	0.00%	-75.3%	-93.2%	Consumer Discretionary
GoHealth Inc Ordinary Shares - Class A	0.00%	-68.9%	-89.9%	Financials
TuSimple Hldgs Inc Ord Shrs - Class A	0.00%	-66.0%	N/A	Industrials
Fluence Energy Inc	0.00%	-63.1%	N/A	Industrials
Nektar Therapeutics	0.00%	-60.1%	-73.1%	Health Care
Skillz Inc Ordinary Shares - Class A	0.00%	-59.7%	-84.2%	Communication Services
Natera Inc	0.01%	-56.4%	-59.9%	Health Care
EPAM Systems Inc	0.04%	-55.6%	-25.2%	Information Technology
Trex Co Inc	0.02%	-51.6%	-28.6%	Industrials
Rivian Automotive Inc Class A	0.02%	-51.5%	N/A	Consumer Discretionary

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Ovintiv Inc	0.52%	61.4%	130.9%	Energy
AMC Entertainment Hldgs Inc Class A	0.47%	-9.4%	141.3%	Communication Services
Avis Budget Group Inc	0.40%	27.0%	263.0%	Industrials
BJ's Wholesale Club Holdings Inc	0.34%	1.0%	50.7%	Consumer Staples
Chesapeake Energy Corp Ord Shrs	0.33%	37.6%	108.8%	Energy
Tenet Healthcare Corp	0.33%	5.2%	65.3%	Health Care
Tetra Tech Inc	0.33%	-2.7%	22.2%	Industrials
Antero Resources Corp	0.32%	74.5%	199.3%	Energy
Lattice Semiconductor Corp	0.30%	-20.9%	35.4%	Information Technology
EastGroup Properties Inc	0.30%	-10.3%	44.8%	Real Estate

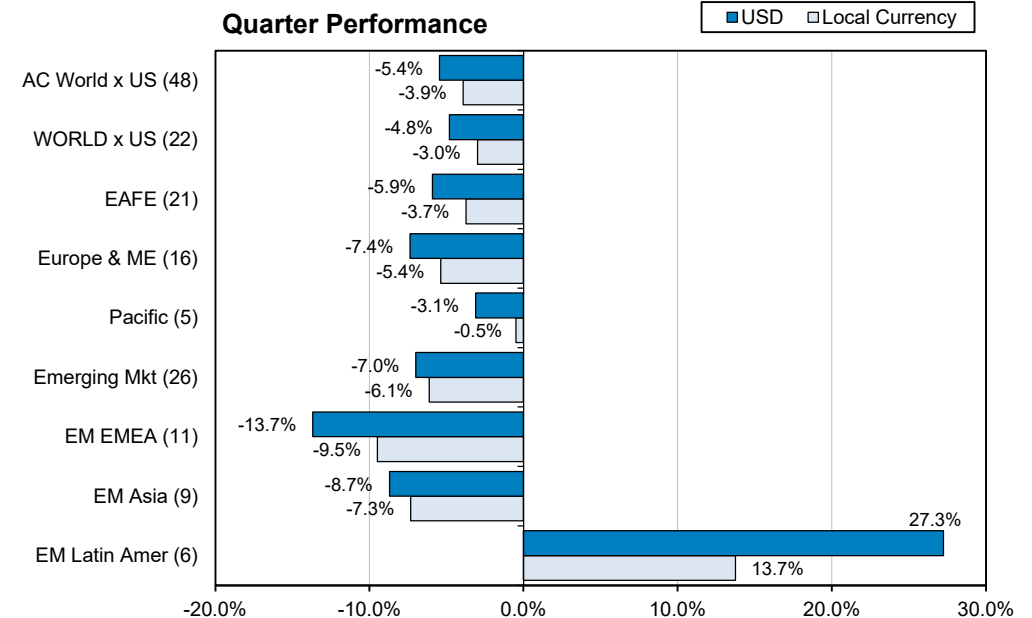
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
NexTier Oilfield Solutions Inc	0.06%	160.3%	148.4%	Energy
Peabody Energy Corp	0.08%	143.6%	701.6%	Energy
RPC Inc	0.03%	135.0%	97.6%	Energy
SOC Telemed Inc Ord Shrs - Class A	0.01%	133.6%	-52.5%	Health Care
Kosmos Energy Ltd	0.12%	107.8%	134.2%	Energy
Tidewater Inc	0.03%	103.0%	73.5%	Energy
Team Inc	0.00%	102.8%	-80.8%	Industrials
Golar LNG Ltd	0.09%	100.0%	142.2%	Energy
US Silica Holdings Inc	0.05%	98.5%	51.8%	Energy
Intrepid Potash Inc	0.03%	92.2%	152.3%	Materials

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Kodiak Sciences Inc	0.01%	-90.9%	-93.2%	Health Care
Aligos Therapeutics Inc Ord Shares	0.00%	-81.9%	-90.5%	Health Care
MEI Pharma Inc	0.00%	-77.4%	-82.4%	Health Care
Applied Therapeutics Inc	0.00%	-76.4%	-88.7%	Health Care
Annexon Inc Ordinary Shares	0.00%	-76.2%	-90.2%	Health Care
BioAtla Inc Ordinary Shares	0.00%	-74.5%	-90.2%	Health Care
Accelerate Diagnostics Inc	0.00%	-72.4%	-82.7%	Health Care
Laird Superfood Inc Ordinary Shares	0.00%	-72.3%	-90.4%	Consumer Staples
Society Pass Inc	0.00%	-71.5%	N/A	Communication Services
89bio Inc Ordinary Shares	0.00%	-71.2%	-84.1%	Health Care

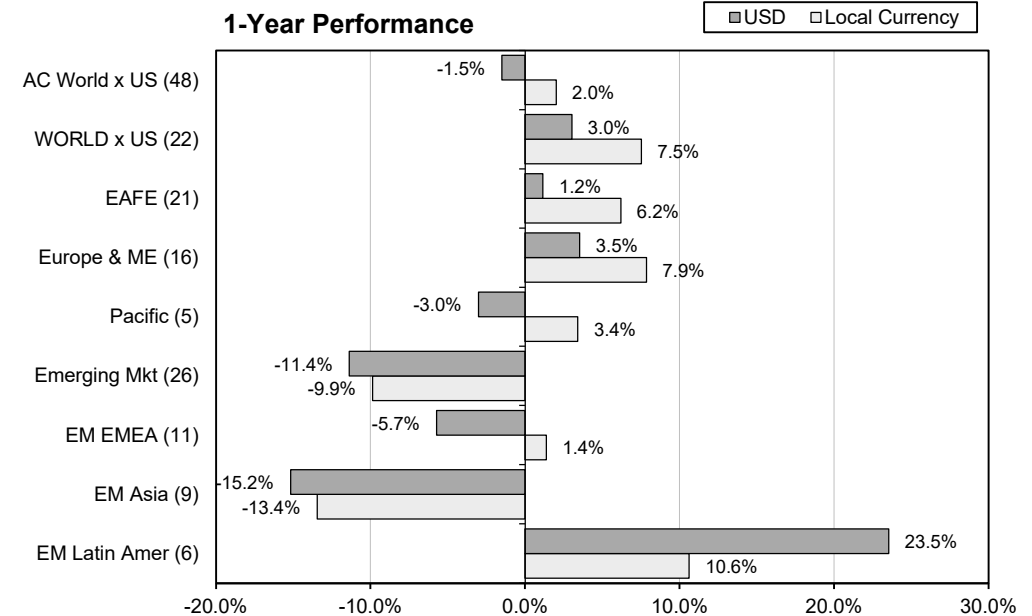
Source: Morningstar Direct



- Most developed market international equity indexes tracked in the chart posted negative returns in both US dollar (USD) and local currency (LC) terms for the 1st quarter. The outlier during the period was the Latin America region. This strong performance was led by Brazil which benefited from rising commodity prices. The developed market MSCI EAFE Index returned -5.9% in USD and -3.7% in LC terms for the period, while the MSCI Emerging Markets Index declined by -7.0% in USD and -6.1% in LC terms.



- The trailing 1-year results for international developed markets were broadly positive across most regions and currencies. The MSCI EAFE Index returned 1.2% in USD for the year and 6.2% in LC terms. In contrast, returns across emerging markets were broadly lower with the exception being Latin America. While the MSCI Emerging Markets Index declined by -11.4% in USD and -9.9% in LC terms, the Latin America regional index's return was a solid 23.5% in USD and 10.6% in LC term. In contrast, performance in the Asia regional benchmarks detracted from emerging market index performance with the EM Asia Index returning -15.2% in USD and -13.4% in LC term, largely due to concerns related to slowing growth in China and the recent rise in infections related to the pandemic.



Source: MSCI Global Index Monitor (Returns are Net)

The Market Environment
US Dollar International Index Attribution & Country Detail
As of March 31, 2022

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	4.9%	-1.7%	-10.8%
Consumer Discretionary	11.5%	-13.6%	-9.6%
Consumer Staples	10.2%	-7.7%	1.7%
Energy	4.1%	17.0%	30.0%
Financials	17.7%	-1.1%	5.1%
Health Care	13.1%	-3.7%	8.9%
Industrials	15.4%	-10.7%	-3.8%
Information Technology	8.6%	-16.1%	-1.0%
Materials	8.2%	3.3%	8.4%
Real Estate	2.9%	-2.7%	-1.2%
Utilities	3.4%	-4.1%	-1.7%
Total	100.0%	-5.9%	1.2%

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	6.2%	-6.1%	-16.6%
Consumer Discretionary	11.1%	-14.3%	-21.2%
Consumer Staples	8.4%	-7.2%	0.2%
Energy	5.4%	6.9%	22.9%
Financials	20.6%	1.6%	9.1%
Health Care	9.4%	-5.1%	2.3%
Industrials	12.2%	-8.6%	-1.9%
Information Technology	12.2%	-15.1%	-5.4%
Materials	8.9%	5.2%	9.5%
Real Estate	2.5%	-2.8%	-8.1%
Utilities	3.2%	-2.4%	2.0%
Total	100.0%	-5.4%	-1.5%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	10.1%	-11.3%	-23.6%
Consumer Discretionary	12.3%	-16.4%	-38.8%
Consumer Staples	5.8%	-7.9%	-9.9%
Energy	4.8%	-20.7%	-6.7%
Financials	22.1%	5.7%	10.7%
Health Care	3.9%	-14.0%	-27.8%
Industrials	5.4%	-2.7%	2.7%
Information Technology	21.6%	-11.2%	-6.8%
Materials	9.4%	3.2%	3.4%
Real Estate	2.1%	-1.8%	-27.6%
Utilities	2.6%	-0.2%	10.2%
Total	100.0%	-7.0%	-11.4%

Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1-Year Return
Japan	22.3%	14.1%	-6.6%	-6.5%
United Kingdom	15.3%	9.6%	1.8%	13.6%
France	11.4%	7.2%	-8.7%	4.5%
Switzerland	10.4%	6.6%	-6.4%	13.9%
Germany	8.2%	5.2%	-12.9%	-12.0%
Australia	8.2%	5.1%	7.3%	13.5%
Netherlands	4.4%	2.8%	-17.4%	-5.2%
Sweden	3.6%	2.2%	-15.5%	-7.4%
Hong Kong	2.9%	1.8%	-1.8%	-12.0%
Denmark	2.7%	1.7%	-6.4%	14.9%
Italy	2.4%	1.5%	-10.1%	-2.7%
Spain	2.3%	1.5%	-4.1%	-3.7%
Singapore	1.5%	0.9%	-1.7%	-4.6%
Finland	1.0%	0.6%	-11.9%	-2.6%
Belgium	0.9%	0.6%	-4.9%	-0.3%
Norway	0.8%	0.5%	10.2%	21.1%
Israel	0.7%	0.5%	-6.9%	7.6%
Ireland	0.6%	0.4%	-20.1%	-17.7%
Portugal	0.2%	0.1%	2.3%	7.1%
Austria	0.2%	0.1%	-20.0%	3.6%
New Zealand	0.2%	0.1%	-8.7%	-15.2%
Total EAFE Countries	100.0%	63.1%	-5.9%	1.2%
Canada		8.3%	4.6%	20.2%
Total Developed Countries		71.4%	-4.8%	3.0%
China		8.6%	-14.2%	-32.5%
Taiwan		4.6%	-6.6%	6.3%
India		3.7%	-1.9%	17.9%
Korea		3.6%	-9.6%	-18.5%
Brazil		1.7%	35.9%	24.7%
Saudi Arabia		1.2%	17.3%	38.7%
South Africa		1.2%	20.3%	11.1%
Mexico		0.7%	8.6%	27.7%
Thailand		0.5%	4.2%	-1.6%
Indonesia		0.5%	9.6%	21.0%
Malaysia		0.4%	2.0%	1.5%
United Arab Emirates		0.4%	21.2%	58.1%
Qatar		0.3%	19.5%	34.4%
Kuwait		0.2%	19.4%	45.7%
Philippines		0.2%	2.2%	9.9%
Poland		0.2%	-9.8%	5.8%
Chile		0.2%	29.5%	-8.3%
Peru		0.1%	34.9%	20.9%
Turkey		0.1%	12.9%	1.6%
Colombia		0.1%	33.8%	39.3%
Greece		0.1%	1.1%	7.6%
Hungary		0.1%	-19.4%	-10.0%
Czech Republic		0.0%	3.1%	51.5%
Egypt		0.0%	-23.4%	-14.3%
Total Emerging Countries		28.6%	-7.0%	-11.4%
Total ACWixUS Countries		100.0%	-5.4%	-1.5%

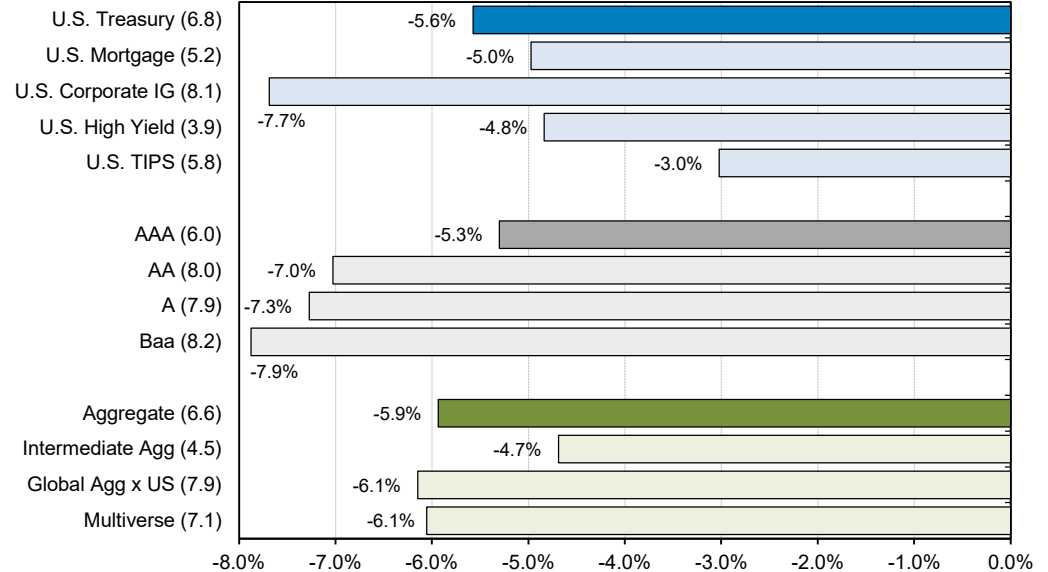
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)

As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

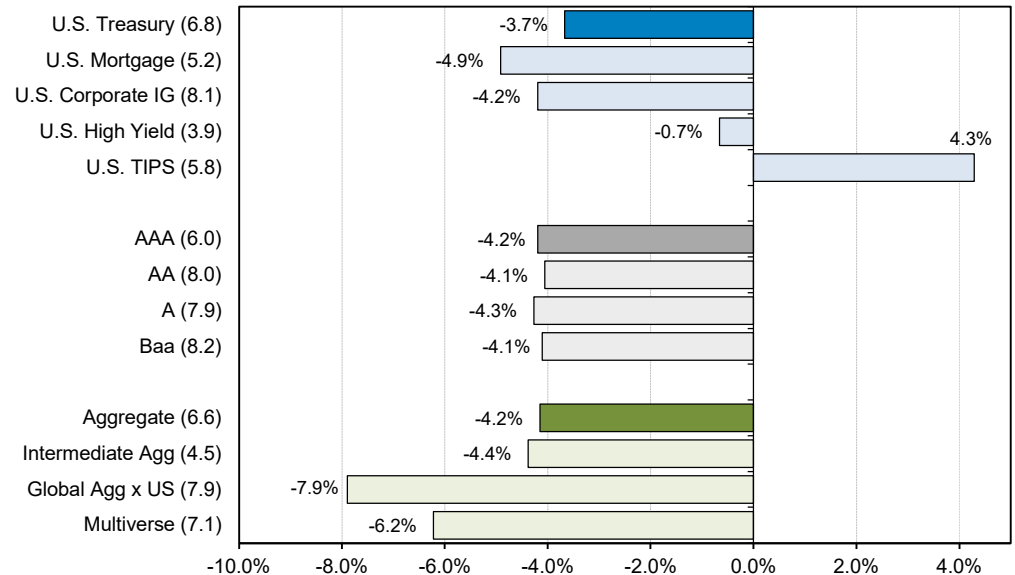


- Fixed income market results were broadly negative during the 1st quarter. Investors' concerns about rising inflation, combined with expectations of higher US interest rates, detracted from performance. US Treasury yields were higher across the maturity curve but remained below their long-term averages.
- The return for the BB US Aggregate Bond Index, the bellwether investment grade benchmark, was down -5.9% for the period.
- Performance across the investment grade index's segments was also negative during the period with the US Corporate Investment Grade bonds returning -7.7% and the US Mortgage index component posting a return of -5.0%.
- US TIPS posted the quarter's strongest relative bond performance with a return of -3.0%. High yield bonds outperformed their investment grade counterparts, but still declined by -4.8%.
- Outside of domestic markets, the BB Global Aggregate ex US Index posted a return of -6.1% for the quarter. Like international stocks, global bond index performance was negatively impacted by the strengthening USD, which acted as a drag on domestic index returns.

Quarter Performance



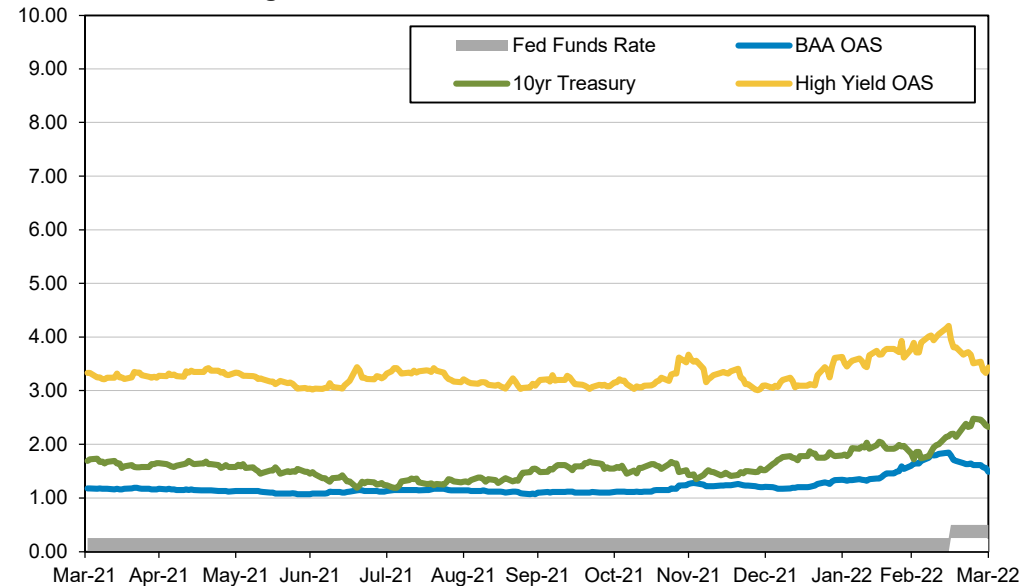
1-Year Performance



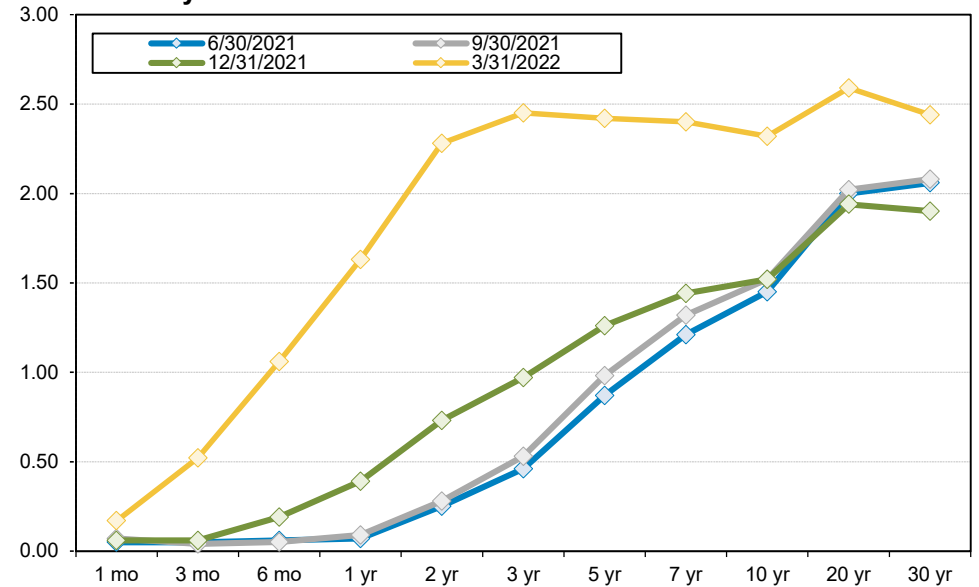
Source: Bloomberg

- The gray band across the graph illustrates the range of the current Fed Funds Rate. In the 1st quarter this year, the Fed raised its target rate range from 0.25% to 0.50%. During its recent March meeting, the Federal Open Market Committee (FOMC) stated it intends to begin removing liquidity from the market by also allowing bonds held on its balance sheet to mature without reinvesting those proceeds. Importantly, the FOMC also stated that it will react to data and could potentially raise rates at a faster pace if inflation does not subside.
- The yield on the US 10-year Treasury (green line) ended the period higher as concerns over the pace of inflation, combined with the Fed's announced rate increase, drove yields higher. After reaching a high of 2.47% during the latter part of March 2022, interest rates traded lower for the remainder of the quarter. The yield on the US 10-year Treasury was 2.34% on March 31st.
- The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-US Treasury investment grade issues. For the full year, the spread widened slightly from 1.18% to 1.49%. High Yield OAS was largely unchanged during the year as spreads rose from 3.33% to 3.43%. High Yield spreads briefly exceeded 4.00% following the onset of the crisis in Ukraine, but quickly retreated.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Short-term rates rose dramatically during the 1st quarter of 2022 in anticipation that the FOMC would begin raising rates to combat rising inflation. Longer-term rates were modestly higher, albeit less dramatically than either short- or intermediate-term interest rates. While not shown in the chart, 10-Year rates briefly traded below the 2-year rates. Historically, a persistent inversion of these two key rates has been an indication of a future recession within 6- to 24-months. As of the end of the quarter, the spread between 2-Year and 10-Year rates was positive. However, 10-Year rates were trading lower than the intermediate 3- and 5-year rates.

1-Year Trailing Market Rates



Treasury Yield Curve



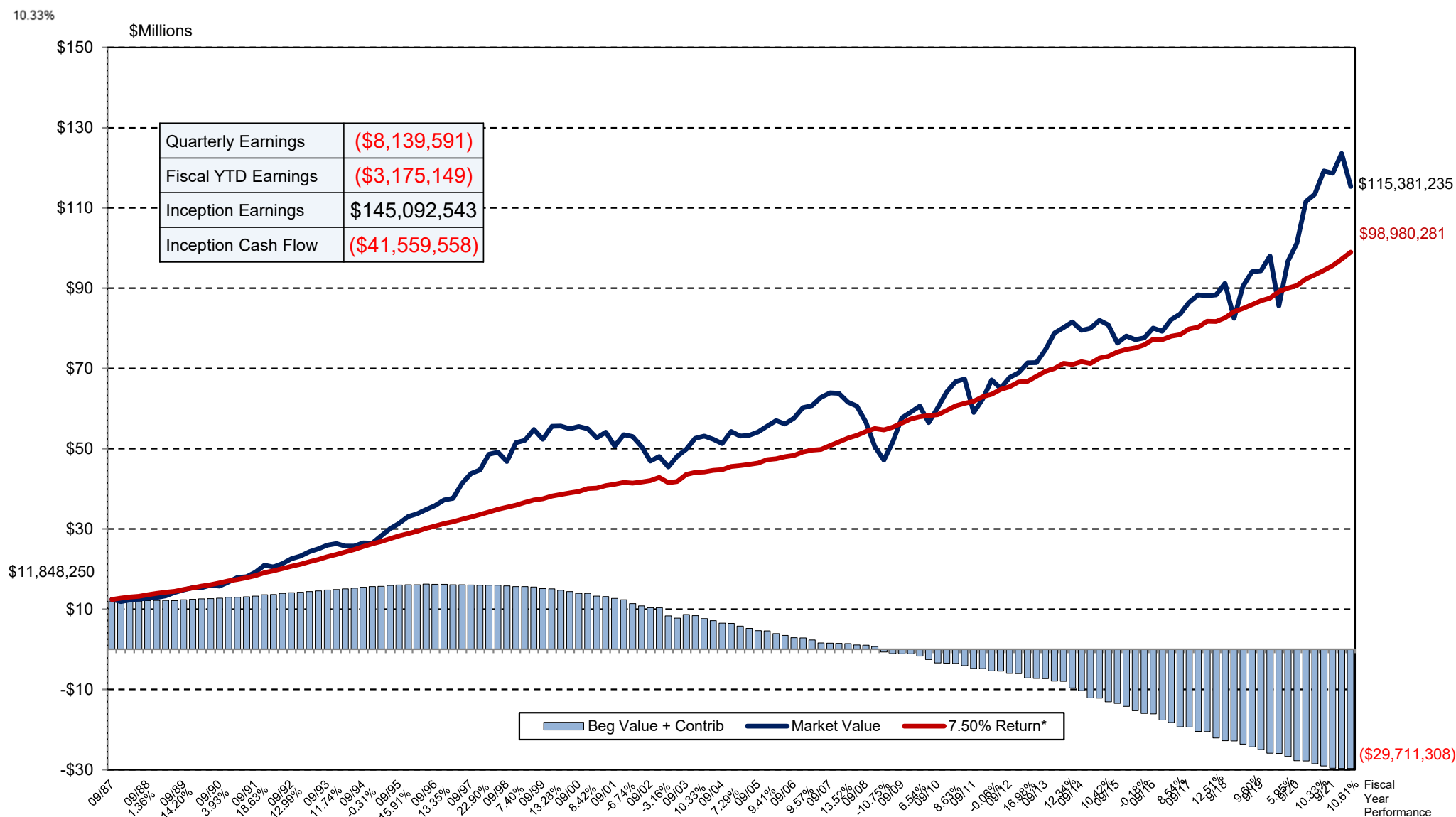
Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)

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Total Portfolio Growth & Cash Flow
Total Fund
As of March 31, 2022



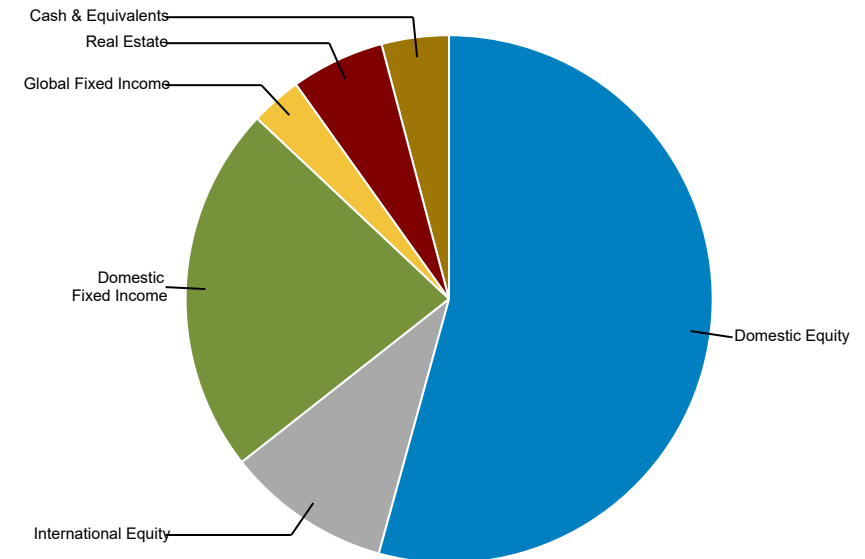
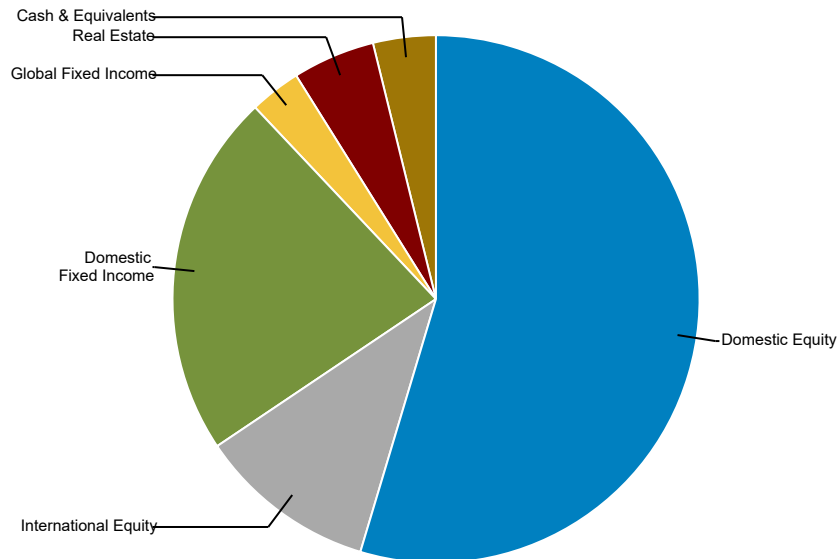
Fiscal 1988 to Present (34 yrs) Annualized Return = 10.61%

*The 7.50% hypothetical portfolio growth rate was calculated using a "beginning of period" cash flow assumption
The assumed rate of return was changed from 8% to 7.9% effective 10/01/2016, to 7.75% effective 10/01/2019, to 7.60% effective 10/01/2020, and to 7.50% effective 10/01/2021.



December 31, 2021 : \$123,568,402

March 31, 2022 : \$115,381,235

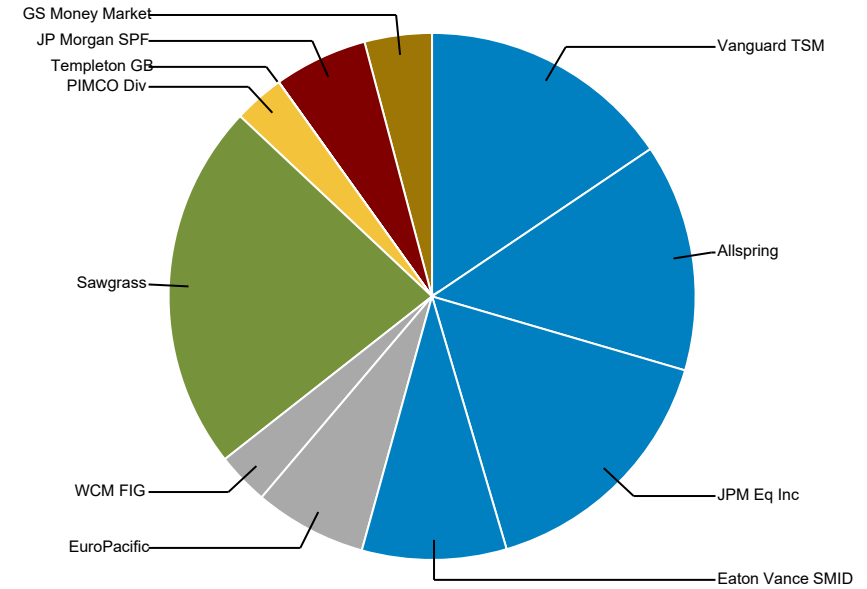
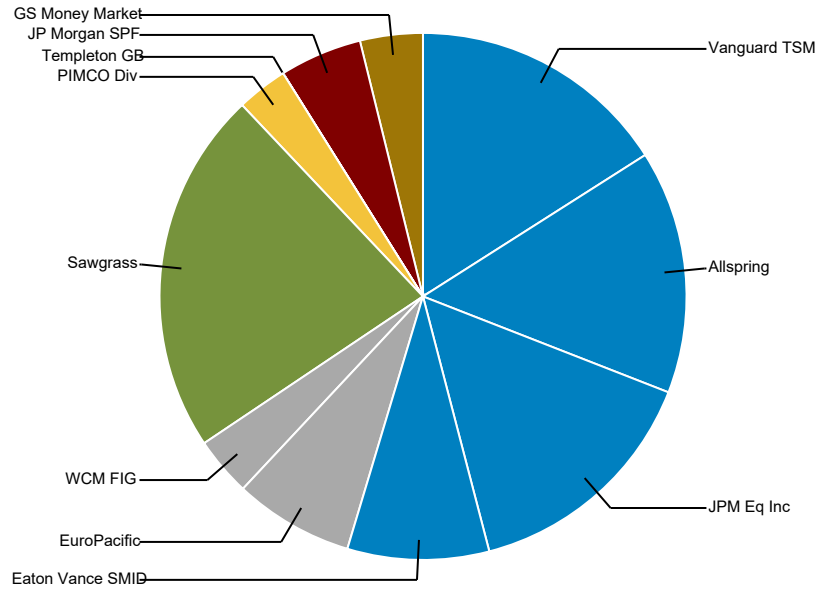


Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ Domestic Equity	67,515,047	54.6	■ Domestic Equity	62,652,514	54.3
■ International Equity	13,543,770	11.0	■ International Equity	11,657,989	10.1
■ Domestic Fixed Income	27,618,163	22.4	■ Domestic Fixed Income	26,066,302	22.6
■ Global Fixed Income	3,886,809	3.1	■ Global Fixed Income	3,609,183	3.1
■ Real Estate	6,237,529	5.0	■ Real Estate	6,628,114	5.7
■ Cash & Equivalents	4,767,083	3.9	■ Cash & Equivalents	4,767,133	4.1

Asset Allocation By Manager
Total Fund
As of March 31, 2022

December 31, 2021 : \$123,568,402

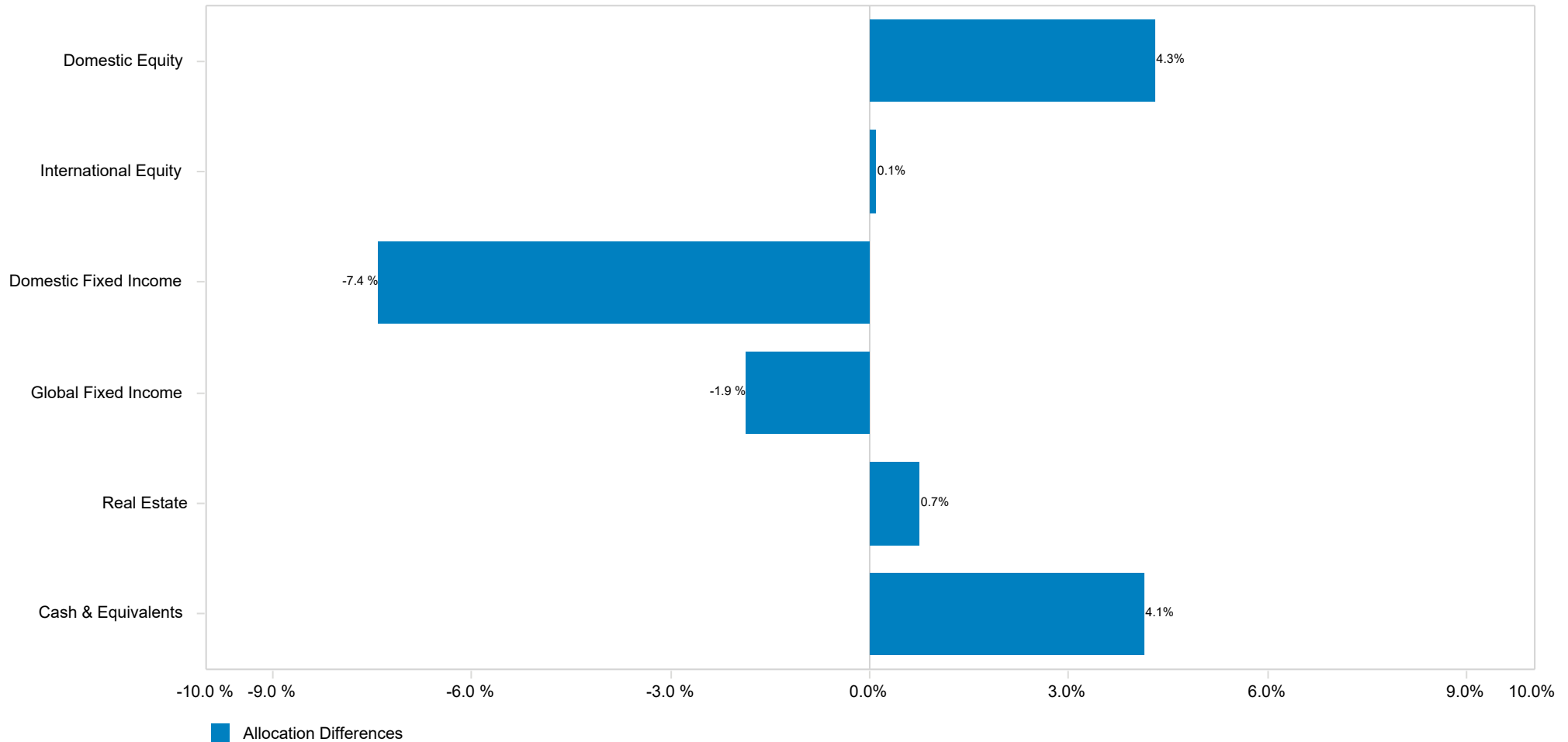
March 31, 2022 : \$115,381,235



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Vanguard TSM	19,745,447	16.0	Vanguard TSM	17,937,712	15.5
Allspring	18,475,499	15.0	Allspring	16,128,367	14.0
JPM Eq Inc	18,559,582	15.0	JPM Eq Inc	18,357,676	15.9
Eaton Vance SMID	10,734,519	8.7	Eaton Vance SMID	10,228,758	8.9
EuroPacific	9,065,523	7.3	EuroPacific	7,956,317	6.9
WCM FIG	4,478,247	3.6	WCM FIG	3,701,672	3.2
Sawgrass	27,618,163	22.4	Sawgrass	26,066,302	22.6
PIMCO Div	3,872,445	3.1	PIMCO Div	3,594,655	3.1
Templeton GB	14,364	0.0	Templeton GB	14,528	0.0
JP Morgan SPF	6,237,529	5.0	JP Morgan SPF	6,628,114	5.7
GS Money Market	4,767,083	3.9	GS Money Market	4,767,133	4.1



Asset Allocation vs. Target Allocation



	Market Value \$	Allocation (%)	Target (%)
Domestic Equity	62,652,514	54.3	50.0
International Equity	11,657,989	10.1	10.0
Domestic Fixed Income	26,066,302	22.6	30.0
Global Fixed Income	3,609,183	3.1	5.0
Real Estate	6,628,114	5.7	5.0
Cash & Equivalents	4,767,133	4.1	0.0
Total Fund	115,381,235	100.0	100.0

Asset Allocation Attributes

	Domestic Equity		International Equity		Domestic Fixed Income		Global Fixed Income		Real Estate		Cash Equivalent		Total Fund	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%
Total Equity	62,434,643	84.02	11,657,989	15.69	-	-	-	-	-	-	217,871	0.29	74,310,503	64.40
Total Domestic Equity	62,434,643	99.65	-	-	-	-	-	-	-	-	217,871	0.35	62,652,514	54.30
Vanguard Total Stk Mkt Index (VITSX)	17,937,712	100.00	-	-	-	-	-	-	-	-	-	-	17,937,712	15.55
Allspring	15,910,497	98.65	-	-	-	-	-	-	-	-	217,871	1.35	16,128,367	13.98
JP Morgan Equity Income R6 (OIEJX)	18,357,676	100.00	-	-	-	-	-	-	-	-	-	-	18,357,676	15.91
Eaton Vance Atlanta Cap SMID R6 (ERASX)	10,228,758	100.00	-	-	-	-	-	-	-	-	-	-	10,228,758	8.87
Total International Equity	-	-	11,657,989	100.00	-	-	-	-	-	-	-	-	11,657,989	10.10
EuroPacific Growth Fund (RERGX)	-	-	7,956,317	100.00	-	-	-	-	-	-	-	-	7,956,317	6.90
WCM Focused Int'l Growth (WCMIX)	-	-	3,701,672	100.00	-	-	-	-	-	-	-	-	3,701,672	3.21
Total Fixed Income	-	-	-	-	25,882,902	87.22	3,597,606	12.12	-	-	194,977	0.66	29,675,485	25.72
Total Domestic Fixed Income	-	-	-	-	25,882,902	99.30	-	-	-	-	183,400	0.70	26,066,302	22.59
Sawgrass	-	-	-	-	25,882,902	99.30	-	-	-	-	183,400	0.70	26,066,302	22.59
Total Global Fixed Income	-	-	-	-	-	-	3,597,606	99.68	-	-	11,578	0.32	3,609,183	3.13
PIMCO Diversified Income (PDIIX)	-	-	-	-	-	-	3,583,078	99.68	-	-	11,578	0.32	3,594,655	3.12
Templeton Global Bond (FBNRX)	-	-	-	-	-	-	14,528	100.00	-	-	-	-	14,528	0.01
Total Real Estate	-	-	-	-	-	-	-	-	6,628,114	100.00	1	0.00	6,628,114	5.74
JP Morgan Strategic Property Fund	-	-	-	-	-	-	-	-	6,628,114	100.00	1	0.00	6,628,114	5.74
Goldman Sachs Fin Sq Money Market	-	-	-	-	-	-	-	-	-	-	4,767,133	100.00	4,767,133	4.13
Total Fund	62,434,643	54.11	11,657,989	10.10	25,882,902	22.43	3,597,606	3.12	6,628,114	5.74	5,179,982	4.49	15,381,235	100.00

Financial Reconciliation
Total Fund
1 Quarter Ending March 31, 2022

Financial Reconciliation Quarter to Date									
	Market Value 01/01/2022	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 03/31/2022
Total Equity	81,058,818	-1,000,000	-	-	-24,942	-2,364	159,885	-5,880,894	74,310,503
Total Domestic Equity	67,515,047	-1,000,000	-	-	-24,942	-2,364	159,885	-3,995,113	62,652,514
Vanguard Total Stk Mkt Index (VITSX)	19,745,447	-750,000	-	-	-	-	55,706	-1,113,442	17,937,712
Allspring	18,475,499	-	-	-	-24,942	-2,364	14,763	-2,334,589	16,128,367
JP Morgan Equity Income R6 (OIEJX)	18,559,582	-250,000	-	-	-	-	89,415	-41,321	18,357,676
Eaton Vance Atlanta Capital SMID-Cap R6 (ERASX)	10,734,519	-	-	-	-	-	-	-505,761	10,228,758
Total International Equity	13,543,770	-	-	-	-	-	-	-1,885,781	11,657,989
EuroPacific Growth Fund (RERGX)	9,065,523	-	-	-	-	-	-	-1,109,207	7,956,317
WCM Focused Int'l Growth (WCMIX)	4,478,247	-	-	-	-	-	-	-776,575	3,701,672
Total Fixed Income	31,504,972	-	-	-	-34,536	-5,347	158,447	-1,948,051	29,675,485
Total Domestic Fixed Income	27,618,163	-	-	-	-34,536	-5,347	116,586	-1,628,564	26,066,302
Sawgrass	27,618,163	-	-	-	-34,536	-5,347	116,586	-1,628,564	26,066,302
Total Global Fixed Income	3,886,809	-	-	-	-	-	41,861	-319,487	3,609,183
PIMCO Diversified Income (PDIIX)	3,872,445	-	-	-	-	-	41,649	-319,438	3,594,655
Templeton Global Bond (FBNRX)	14,364	-	-	-	-	-	212	-49	14,528
Total Real Estate	6,237,529	-	-	-	-14,694	-	14,694	390,586	6,628,114
JP Morgan Strategic Property Fund	6,237,529	-	-	-	-14,694	-	14,694	390,586	6,628,114
Goldman Sachs Fin Sq Money Market	4,767,083	1,000,000	-	-1,000,000	-	-	49	-	4,767,133
Total Fund	123,568,402	-	-	-1,000,000	-74,172	-7,710	333,075	-7,438,360	115,381,235

Financial Reconciliation
Total Fund
October 1, 2021 To March 31, 2022

Financial Reconciliation Fiscal Year to Date									
	Market Value 10/01/2021	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 03/31/2022
Total Equity	76,576,975	-1,000,000	353	-	-50,004	-5,670	2,324,243	-3,535,394	74,310,503
Total Domestic Equity	63,168,508	-1,000,000	353	-	-50,004	-5,670	1,664,590	-1,125,263	62,652,514
Vanguard Total Stk Mkt Index (VITSX)	18,088,647	-750,000	-	-	-	-	125,685	473,380	17,937,712
Allspring	18,231,288	-	353	-	-50,004	-5,670	27,398	-2,074,997	16,128,367
JP Morgan Equity Income R6 (OIEJX)	17,067,472	-250,000	-	-	-	-	508,574	1,031,631	18,357,676
Eaton Vance Atlanta Capital SMID-Cap R6 (ERASX)	9,781,101	-	-	-	-	-	1,002,934	-555,276	10,228,758
Total International Equity	13,408,468	-	-	-	-	-	659,652	-2,410,131	11,657,989
EuroPacific Growth Fund (RERGX)	9,168,863	-	-	-	-	-	462,716	-1,675,262	7,956,317
WCM Focused Int'l Growth (WCMIX)	4,239,605	-	-	-	-	-	196,936	-734,869	3,701,672
Total Fixed Income	31,523,507	-	-	-	-34,536	-10,600	305,365	-2,108,251	29,675,485
Total Domestic Fixed Income	27,641,238	-	-	-	-34,536	-10,600	220,644	-1,750,444	26,066,302
Sawgrass	27,641,238	-	-	-	-34,536	-10,600	220,644	-1,750,444	26,066,302
Total Global Fixed Income	3,882,269	-	-	-	-	-	84,721	-357,807	3,609,183
PIMCO Diversified Income (PDIIX)	3,867,853	-	-	-	-	-	84,302	-357,500	3,594,655
Templeton Global Bond (FBNRX)	14,416	-	-	-	-	-	419	-307	14,528
Total Real Estate	5,782,110	-	-	-	-28,033	-	14,694	859,344	6,628,114
JP Morgan Strategic Property Fund	5,782,110	-	-	-	-28,033	-	14,694	859,344	6,628,114
Goldman Sachs Fin Sq Money Market	4,767,007	1,000,000	-	-1,000,000	-	-	126	-	4,767,133
Total Fund	118,649,600	-	353	-1,000,000	-112,574	-16,270	2,644,427	-4,784,301	115,381,235

Comparative Performance Trailing Returns

	QTR	FYTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
Total Fund (Gross)	-5.78 (76)	-1.84 (71)	3.63 (62)	10.92 (34)	9.83 (21)	8.15 (27)	8.73 (26)	6.46 (29)	07/01/1999
Total Fund Policy	-4.79 (43)	0.14 (30)	5.56 (27)	11.43 (19)	9.99 (17)	8.61 (14)	8.81 (23)	6.32 (34)	
All Public Plans-Total Fund Median	-4.99	-0.79	4.24	10.45	9.07	7.67	8.31	6.11	
Total Fund (Net)	-5.84	-1.93	3.44	10.69	9.56	7.88	8.44	6.15	07/01/1999
Total Fund Policy	-4.79	0.14	5.56	11.43	9.99	8.61	8.81	6.32	
Total Equity	-7.11	-1.64	4.97	15.36	13.64	11.09	12.23	6.97	07/01/1999
Total Equity Policy	-5.28	2.30	9.66	16.48	14.02	12.07	12.87	6.91	
Total Domestic Equity	-5.73 (70)	0.80 (93)	7.68 (96)	16.40 (70)	14.45 (64)	11.72 (78)	13.15 (78)	6.99 (96)	07/01/1999
Total Domestic Equity Policy	-5.28 (63)	3.51 (71)	11.92 (64)	18.24 (37)	15.40 (43)	13.38 (40)	14.28 (48)	7.29 (93)	
IM U.S. Large Cap Core Equity (SA+CF) Median	-4.57	5.04	13.83	17.50	15.02	13.03	14.24	8.44	
Vanguard Total Stk Mkt Index (VITSX)	-5.46 (47)	3.20 (46)	11.68 (37)	18.16 (22)	15.37 (14)	13.34 (8)	N/A	14.23 (9)	04/01/2013
Vanguard Total Stock Market Index	-5.44 (46)	3.22 (45)	11.71 (36)	18.17 (21)	15.38 (14)	13.35 (8)	14.25 (11)	14.23 (9)	
IM U.S. Multi-Cap Core Equity (MF) Median	-5.69	2.82	10.37	15.76	13.22	11.01	12.53	12.41	
Allspring	-12.56 (81)	-11.26 (92)	-2.14 (93)	16.52 (90)	18.43 (58)	14.03 (82)	N/A	14.28 (77)	06/01/2014
Russell 1000 Growth Index	-9.04 (41)	1.54 (32)	14.98 (17)	23.60 (12)	20.88 (20)	17.34 (14)	17.04 (16)	17.12 (18)	
IM U.S. Large Cap Growth Equity (SA+CF) Median	-9.88	-1.61	10.57	20.08	18.81	15.45	15.83	15.57	
JP Morgan Equity Income R6 (OIEJX)	0.24 (38)	9.00 (25)	14.76 (19)	N/A	N/A	N/A	N/A	15.90 (48)	06/01/2019
Russell 1000 Value Index	-0.74 (62)	6.98 (63)	11.67 (66)	13.02 (60)	10.29 (62)	9.73 (45)	11.70 (29)	15.12 (62)	
IM U.S. Large Cap Value Equity (MF) Median	-0.38	7.79	12.73	13.55	10.66	9.59	11.20	15.78	
Eaton Vance Atlanta Capital SMID-Cap R6 (ERASX)	-4.71 (53)	4.58 (37)	7.48 (49)	14.64 (33)	14.43 (4)	13.18 (3)	14.05 (1)	15.04 (1)	09/01/2011
Russell 2500 Index	-5.82 (71)	-2.22 (92)	0.34 (92)	13.79 (47)	11.57 (30)	9.99 (27)	12.09 (24)	12.90 (19)	
IM U.S. Mid Cap Core Equity (MF) Median	-4.48	2.77	7.31	13.60	10.45	8.90	11.17	11.91	

Returns for periods greater than one year are annualized. Returns are expressed as percentages.
Long-term results are a blend of A-share returns up to 3/1/2010 and then R6-share returns.



Comparative Performance

Total Fund

As of March 31, 2022

	QTR	FYTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
Total International Equity	-13.92 (100)	-13.06 (98)	-7.62 (96)	10.31 (5)	9.59 (3)	7.89 (1)	7.70 (6)	6.65 (12)	07/01/1999
Total International Equity Policy	-5.33 (27)	-3.55 (41)	-1.04 (57)	8.01 (25)	7.26 (13)	5.68 (20)	6.04 (42)	4.58 (41)	
IM International Multi-Cap Core Equity (MF) Median	-6.51	-3.95	-0.50	7.20	6.06	4.72	5.81	4.21	
EuroPacific Growth Fund (RERGX)	-12.24 (99)	-13.22 (99)	-9.35 (98)	8.36 (22)	8.01 (9)	6.22 (10)	7.32 (8)	4.56 (9)	06/01/2007
Total International Equity Policy	-5.33 (27)	-3.55 (41)	-1.04 (57)	8.01 (25)	7.26 (13)	5.68 (20)	6.04 (42)	2.63 (42)	
IM International Multi-Cap Core Equity (MF) Median	-6.51	-3.95	-0.50	7.20	6.06	4.72	5.81	2.34	
WCM Focused Int'l Growth (WCMIX)	-17.34 (98)	-12.69 (85)	-3.23 (49)	15.46 (1)	13.82 (2)	N/A	N/A	11.15 (1)	06/01/2015
MSCI AC World ex USA	-5.33 (9)	-3.55 (12)	-1.04 (20)	8.01 (68)	7.26 (64)	5.68 (57)	6.04 (61)	5.28 (47)	
IM International Large Cap Growth Equity (MF) Median	-10.79	-7.89	-3.40	9.11	7.74	5.84	6.27	5.12	
Total Fixed Income	-5.69	-5.73	-3.78	1.38	2.04	2.03	2.40	4.46	07/01/1999
Total Fixed Income Policy	-5.76	-5.84	-4.50	1.21	1.83	1.59	1.81	4.14	
Total Domestic Fixed Income	-5.48 (21)	-5.54 (22)	-3.70 (36)	2.04 (69)	2.58 (60)	2.33 (56)	2.57 (68)	4.54 (83)	07/01/1999
Total Domestic Fixed Income Policy	-5.65 (35)	-5.56 (23)	-3.95 (58)	1.42 (98)	1.92 (99)	1.65 (100)	2.02 (99)	4.25 (99)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-5.80	-5.85	-3.87	2.24	2.67	2.38	2.76	4.83	
Sawgrass	-5.48 (21)	-5.54 (22)	-3.70 (36)	2.04 (69)	2.58 (60)	2.33 (56)	2.57 (68)	4.09 (75)	07/01/2002
BofA Merrill Lynch Domestic Master A or Better	-5.65 (35)	-5.56 (23)	-3.95 (58)	1.42 (98)	1.92 (99)	1.65 (100)	2.02 (99)	3.68 (99)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-5.80	-5.85	-3.87	2.24	2.67	2.38	2.76	4.34	
Total Global Fixed Income	-7.14 (84)	-7.03 (65)	-4.36 (40)	-2.98 (100)	-1.46 (100)	-0.07 (100)	1.22 (68)	1.71 (60)	12/01/2010
Total Global Fixed Income Policy	-6.46 (70)	-7.49 (75)	-7.74 (81)	-0.09 (88)	1.27 (76)	1.20 (71)	0.34 (92)	0.95 (87)	
IM Global Fixed Income (MF) Median	-5.42	-5.87	-4.77	1.25	1.82	1.68	1.56	1.94	
PIMCO Diversified Income (PDIIX)	-7.17 (84)	-7.06 (66)	-4.37 (41)	N/A	N/A	N/A	N/A	-2.11 (30)	09/01/2020
Blmbg. Global Multiverse	-6.05 (60)	-6.71 (56)	-6.22 (65)	0.77 (63)	1.78 (54)	1.74 (48)	1.21 (69)	-4.82 (75)	
IM Global Fixed Income (MF) Median	-5.42	-5.87	-4.77	1.25	1.82	1.68	1.56	-3.20	
Total Real Estate	6.51 (67)	15.17 (34)	26.49 (78)	10.74 (75)	9.17 (91)	N/A	N/A	9.17 (N/A)	11/01/2015
NCREIF Fund Index-ODCE (EW)	7.97 (13)	16.28 (25)	29.84 (31)	12.05 (47)	10.39 (58)	10.66 (53)	11.18 (54)	10.40 (N/A)	
IM U.S. Open End Private Real Estate (SA+CF) Median	6.61	15.01	28.27	11.92	10.65	10.86	11.57	N/A	
JP Morgan Strategic Property Fund	6.51 (67)	15.17 (34)	26.49 (78)	10.74 (75)	9.17 (91)	N/A	N/A	9.17 (N/A)	11/01/2015
NCREIF Fund Index-ODCE (EW)	7.97 (13)	16.28 (25)	29.84 (31)	12.05 (47)	10.39 (58)	10.66 (53)	11.18 (54)	10.40 (N/A)	
IM U.S. Open End Private Real Estate (SA+CF) Median	6.61	15.01	28.27	11.92	10.65	10.86	11.57	N/A	

Returns for periods greater than one year are annualized. Returns are expressed as percentages.
Long-term results are a blend of A-share returns up to 3/1/2010 and then R6-share returns.



Comparative Performance Fiscal Year Returns

	FYTD	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011
Total Fund (Gross)	-1.84 (71)	19.15 (66)	10.33 (27)	5.95 (8)	9.60 (28)	12.51 (36)	8.54 (63)	-0.18 (41)	10.42 (43)	12.34 (46)	16.98 (60)	-0.06 (44)
Total Fund Policy	0.14 (30)	17.79 (81)	11.98 (9)	5.60 (12)	8.78 (44)	11.21 (64)	10.87 (12)	-0.27 (43)	10.02 (52)	10.00 (80)	16.81 (64)	1.82 (9)
All Public Plans-Total Fund Median	-0.79	20.14	8.47	3.98	8.36	11.91	9.12	-0.50	10.08	11.97	17.48	-0.32
Total Fund (Net)	-1.93	18.92	10.10	5.68	9.27	12.20	8.24	-0.46	10.14	11.99	16.57	-0.39
Total Fund Policy	0.14	17.79	11.98	5.60	8.78	11.21	10.87	-0.27	10.02	10.00	16.81	1.82
Total Equity	-1.64	29.44	13.12	4.31	15.27	18.98	10.31	-1.24	14.76	22.58	25.98	-3.38
Total Equity Policy	2.30	30.62	13.00	2.32	14.88	19.01	14.09	-2.46	15.49	20.82	27.42	-1.61
Total Domestic Equity	0.80 (93)	30.17 (54)	12.25 (52)	4.57 (37)	17.61 (46)	18.82 (48)	10.36 (79)	-0.43 (59)	17.20 (72)	23.21 (23)	27.83 (61)	-0.68 (72)
Total Domestic Equity Policy	3.51 (71)	31.88 (38)	15.00 (39)	2.92 (53)	17.58 (47)	18.71 (51)	14.96 (30)	-0.49 (61)	17.76 (67)	21.60 (36)	30.20 (44)	0.55 (58)
IM U.S. Large Cap Core Equity (SA+CF) Median	5.04	30.73	12.77	3.21	17.34	18.71	13.41	0.11	19.19	20.53	29.61	1.17
Vanguard Total Stk Mkt Index (VITXS)	3.20 (46)	32.10 (39)	15.01 (22)	2.89 (37)	17.62 (19)	18.64 (38)	15.00 (16)	-0.57 (35)	17.76 (32)	N/A	N/A	N/A
Vanguard Total Stock Market Index	3.22 (45)	32.11 (39)	14.99 (23)	2.92 (37)	17.62 (19)	18.64 (38)	14.99 (16)	-0.55 (34)	17.77 (32)	21.50 (61)	30.28 (16)	0.71 (26)
IM U.S. Multi-Cap Core Equity (MF) Median	2.82	30.89	10.21	1.47	14.73	17.63	11.78	-1.80	16.35	22.62	27.03	-1.53
Allspring	11.26 (92)	27.92 (43)	32.12 (56)	4.05 (47)	31.58 (12)	21.11 (49)	7.33 (91)	2.27 (65)	N/A	N/A	N/A	N/A
Russell 1000 Growth Index	1.54 (32)	27.32 (52)	37.53 (29)	3.71 (52)	26.30 (37)	21.94 (39)	13.76 (23)	3.17 (55)	19.15 (40)	19.27 (64)	29.19 (39)	3.78 (31)
IM U.S. Large Cap Growth Equity (SA+CF) Median	-1.61	27.47	33.32	3.80	24.48	20.87	11.81	3.61	18.18	20.29	27.82	1.49
JP Morgan Equity Income R6 (OIEJX)	9.00 (25)	30.30 (81)	-1.84 (26)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 1000 Value Index	6.98 (63)	35.01 (53)	-5.03 (54)	4.00 (30)	9.45 (61)	15.12 (72)	16.19 (18)	-4.42 (41)	18.89 (19)	22.30 (52)	30.92 (15)	-1.89 (30)
IM U.S. Large Cap Value Equity (MF) Median	7.79	35.63	-4.55	1.87	10.42	16.75	12.50	-4.90	17.21	22.35	28.44	-3.39
Eaton Vance Atlanta Capital SMID-Cap R6 (ERASX)	4.58 (37)	35.19 (72)	-4.86 (68)	8.64 (3)	23.40 (2)	17.45 (27)	16.60 (12)	10.23 (1)	6.42 (97)	28.93 (33)	29.44 (24)	N/A
Russell 2500 Index	-2.22 (92)	45.03 (13)	2.22 (32)	-4.04 (81)	16.19 (11)	17.79 (23)	14.44 (23)	0.38 (30)	8.97 (88)	29.79 (30)	30.93 (13)	-2.22 (37)
IM U.S. Mid Cap Core Equity (MF) Median	2.77	38.16	-1.30	1.06	10.87	15.26	11.87	-1.05	12.32	27.52	26.17	-3.68

Returns for periods greater than one year are annualized. Returns are expressed as percentages.
Long-term results are a blend of A-share returns up to 3/1/2010 and then R6-share returns.



Comparative Performance

Total Fund

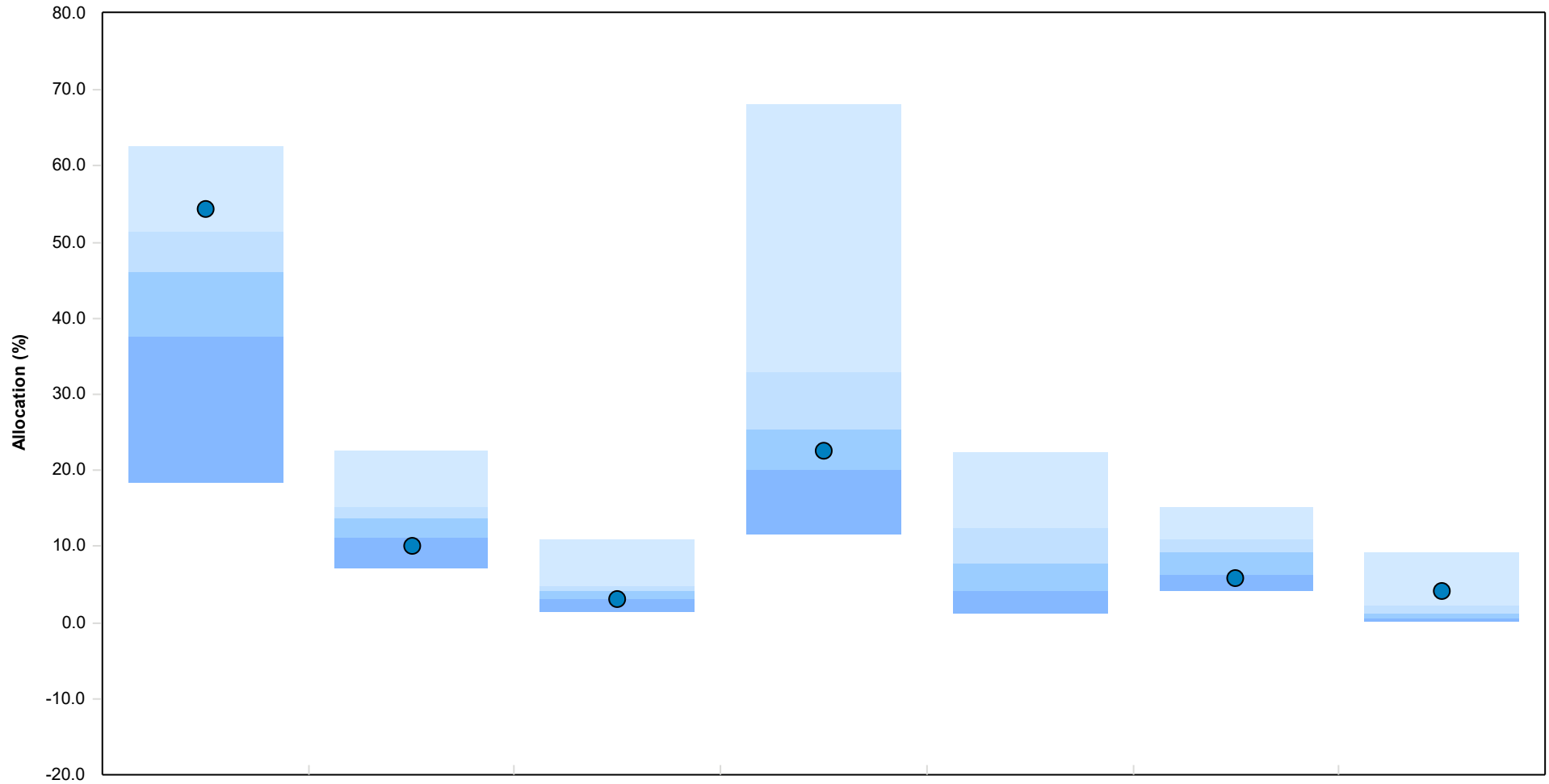
As of March 31, 2022

	FYTD	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011
Total International Equity	-13.06 (98)	26.08 (30)	17.64 (2)	2.98 (5)	3.92 (9)	19.54 (37)	10.02 (14)	-5.38 (24)	3.35 (72)	19.56 (59)	17.27 (25)	14.68 (90)
Total International Equity Policy	-3.55 (41)	24.45 (53)	3.45 (26)	-0.72 (19)	2.25 (31)	20.15 (26)	9.80 (15)	11.78 (88)	5.22 (32)	16.98 (78)	15.04 (49)	10.42 (34)
IM International Multi-Cap Core Equity (MF) Median	-3.95	24.65	0.69	-2.72	1.54	18.95	6.21	-8.02	4.35	21.03	14.99	11.11
EuroPacific Growth Fund (RERGX)	13.22 (99)	24.76 (48)	14.97 (2)	1.14 (11)	1.47 (52)	20.63 (20)	8.52 (32)	-4.93 (20)	6.98 (12)	18.28 (66)	18.44 (17)	12.34 (69)
Total International Equity Policy	-3.55 (41)	24.45 (53)	3.45 (26)	-0.72 (19)	2.25 (31)	20.15 (26)	9.80 (15)	11.78 (88)	5.22 (32)	16.98 (78)	15.04 (49)	10.42 (34)
IM International Multi-Cap Core Equity (MF) Median	-3.95	24.65	0.69	-2.72	1.54	18.95	6.21	-8.02	4.35	21.03	14.99	11.11
WCM Focused Int'l Growth (WCMIX)	12.69 (85)	29.48 (7)	24.57 (2)	8.07 (2)	11.23 (1)	16.14 (71)	14.84 (7)	N/A	N/A	N/A	N/A	N/A
MSCI AC World ex USA	-3.55 (12)	24.45 (22)	3.45 (88)	-0.72 (67)	2.25 (51)	20.15 (19)	9.80 (27)	11.78 (89)	5.22 (29)	16.98 (58)	15.04 (76)	10.42 (46)
IM International Large Cap Growth Equity (MF) Median	-7.89	20.58	13.00	0.81	2.28	17.85	7.77	-5.68	4.23	17.85	17.92	10.80
Total Fixed Income	-5.73	-0.66	6.37	9.60	-0.75	2.27	5.32	1.24	3.85	-0.61	6.94	3.72
Total Fixed Income Policy	-5.84	-2.15	7.04	9.87	-1.30	-0.85	5.35	2.64	3.08	-2.19	4.30	5.25
Total Domestic Fixed Income	-5.54 (22)	-1.34 (95)	7.81 (40)	10.94 (22)	-0.56 (31)	0.69 (45)	6.06 (31)	2.40 (84)	3.52 (95)	-1.13 (44)	6.20 (68)	4.44 (85)
Total Domestic Fixed Income Policy	-5.56 (23)	-1.95 (99)	7.08 (70)	10.16 (78)	-1.27 (95)	-0.55 (100)	4.63 (95)	3.58 (11)	3.53 (95)	-1.90 (90)	4.42 (98)	5.33 (44)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-5.85	-0.02	7.52	10.42	-0.75	0.63	5.66	3.02	4.47	-1.24	6.62	5.25
Sawgrass	-5.54 (22)	-1.34 (95)	7.81 (40)	10.94 (22)	-0.56 (31)	0.69 (45)	6.06 (31)	2.39 (85)	3.52 (95)	-1.13 (44)	6.20 (68)	4.44 (85)
BofA Merrill Lynch Domestic Master A or Better	-5.56 (23)	-1.95 (99)	7.08 (70)	10.16 (78)	-1.27 (95)	-0.55 (100)	4.63 (95)	3.58 (11)	3.53 (95)	-1.90 (90)	4.42 (98)	5.33 (44)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-5.85	-0.02	7.52	10.42	-0.75	0.63	5.66	3.02	4.47	-1.24	6.62	5.25
Total Global Fixed Income	-7.03 (65)	4.45 (8)	-3.51 (100)	1.16 (100)	-1.95 (67)	13.36 (1)	0.84 (100)	-7.57 (92)	6.46 (11)	3.52 (3)	13.25 (4)	N/A
Total Global Fixed Income Policy	-7.49 (75)	-3.33 (99)	6.77 (13)	8.13 (39)	-1.54 (55)	-2.69 (94)	9.71 (20)	-3.83 (51)	-0.07 (96)	-4.60 (82)	3.29 (96)	N/A
IM Global Fixed Income (MF) Median	-5.87	0.91	5.39	7.67	-1.29	1.05	7.42	-3.81	3.40	-1.81	7.18	1.74
PIMCO Diversified Income (PDIIIX)	-7.06 (66)	4.82 (6)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Blmbg. Global Multiverse	-6.71 (56)	-0.45 (80)	5.99 (33)	7.54 (52)	-1.32 (51)	-0.56 (77)	9.23 (26)	-3.56 (43)	1.40 (79)	-2.22 (57)	5.57 (82)	3.85 (11)
IM Global Fixed Income (MF) Median	-5.87	0.91	5.39	7.67	-1.29	1.05	7.42	-3.81	3.40	-1.81	7.18	1.74
Total Real Estate	15.17 (34)	14.05 (60)	1.77 (47)	3.92 (90)	8.01 (70)	7.58 (56)	N/A	N/A	N/A	N/A	N/A	N/A
NCREIF Fund Index-ODCE (EW)	16.28 (25)	15.75 (53)	1.74 (51)	6.17 (67)	8.82 (58)	7.81 (53)	10.62 (67)	14.71 (58)	12.39 (66)	12.47 (68)	11.77 (63)	18.03 (41)
IM U.S. Open End Private Real Estate (SA+CF) Median	15.01	16.11	1.74	6.80	8.98	7.88	11.26	15.32	12.68	13.28	12.64	16.62
JP Morgan Strategic Property Fund	15.17 (34)	14.05 (60)	1.77 (47)	3.92 (90)	8.01 (70)	7.58 (56)	N/A	N/A	N/A	N/A	N/A	N/A
NCREIF Fund Index-ODCE (EW)	16.28 (25)	15.75 (53)	1.74 (51)	6.17 (67)	8.82 (58)	7.81 (53)	10.62 (67)	14.71 (58)	12.39 (66)	12.47 (68)	11.77 (63)	18.03 (41)
IM U.S. Open End Private Real Estate (SA+CF) Median	15.01	16.11	1.74	6.80	8.98	7.88	11.26	15.32	12.68	13.28	12.64	16.62

Returns for periods greater than one year are annualized. Returns are expressed as percentages.
Long-term results are a blend of A-share returns up to 3/1/2010 and then R6-share returns.



Plan Sponsor TF Asset Allocation vs. All Public Plans-Total Fund



Parenttheses contain percentile rankings.
Calculation based on <Periodicity> periodicity.



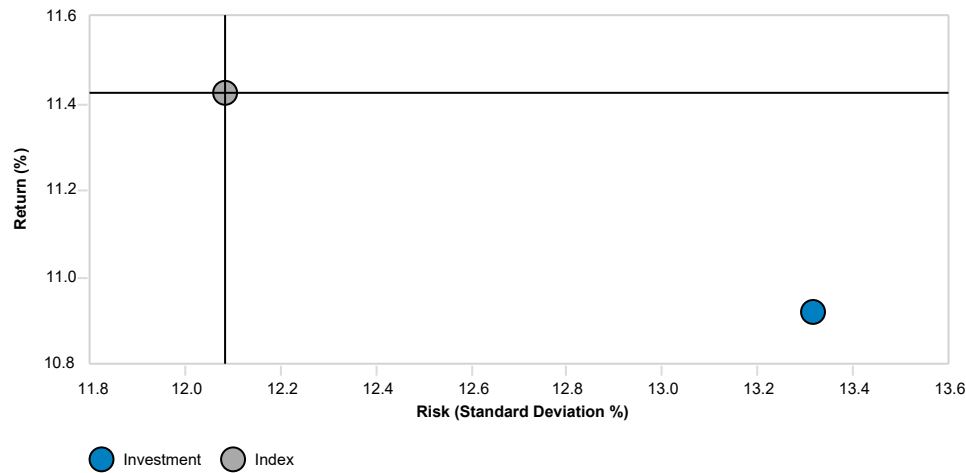
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	10.92	13.32	0.78	103.13	9	115.78	3
Index	11.43	12.08	0.89	100.00	9	100.00	3

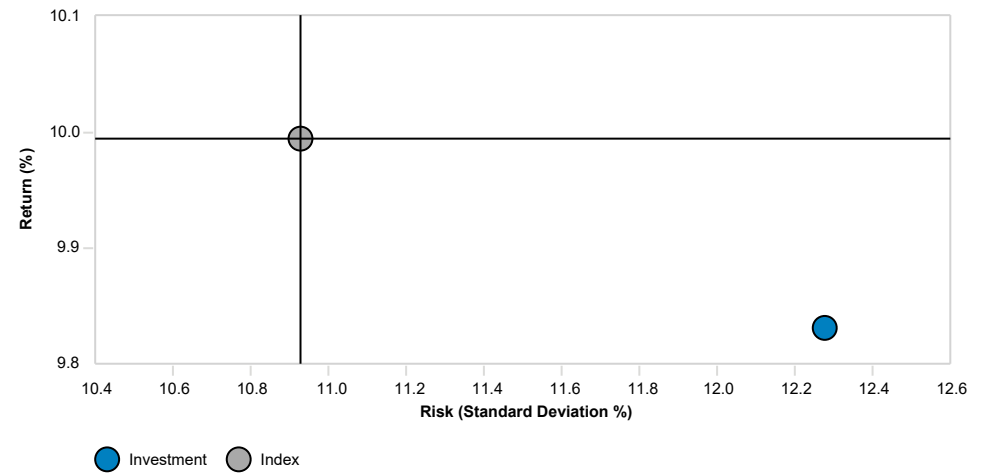
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	9.83	12.28	0.73	105.34	15	116.52	5
Index	9.99	10.93	0.82	100.00	15	100.00	5

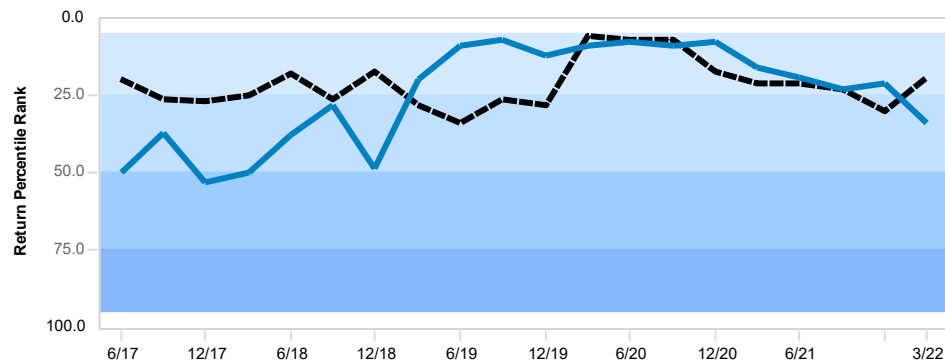
Risk and Return 3 Years



Risk and Return 5 Years

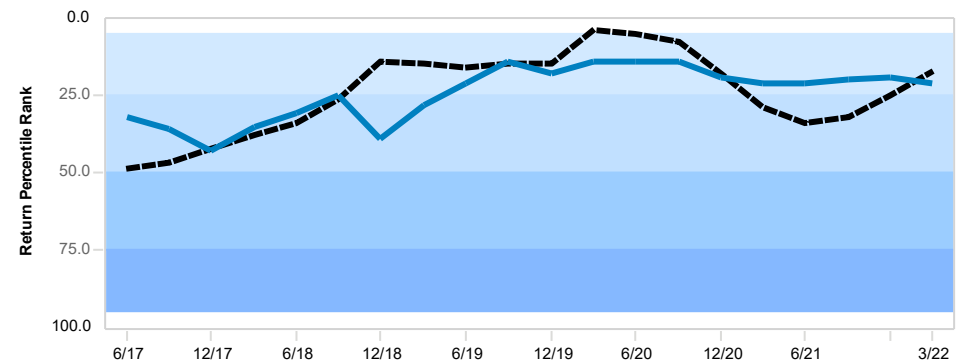


3 Year Rolling Percentile Rank All Public Plans-Total Fund



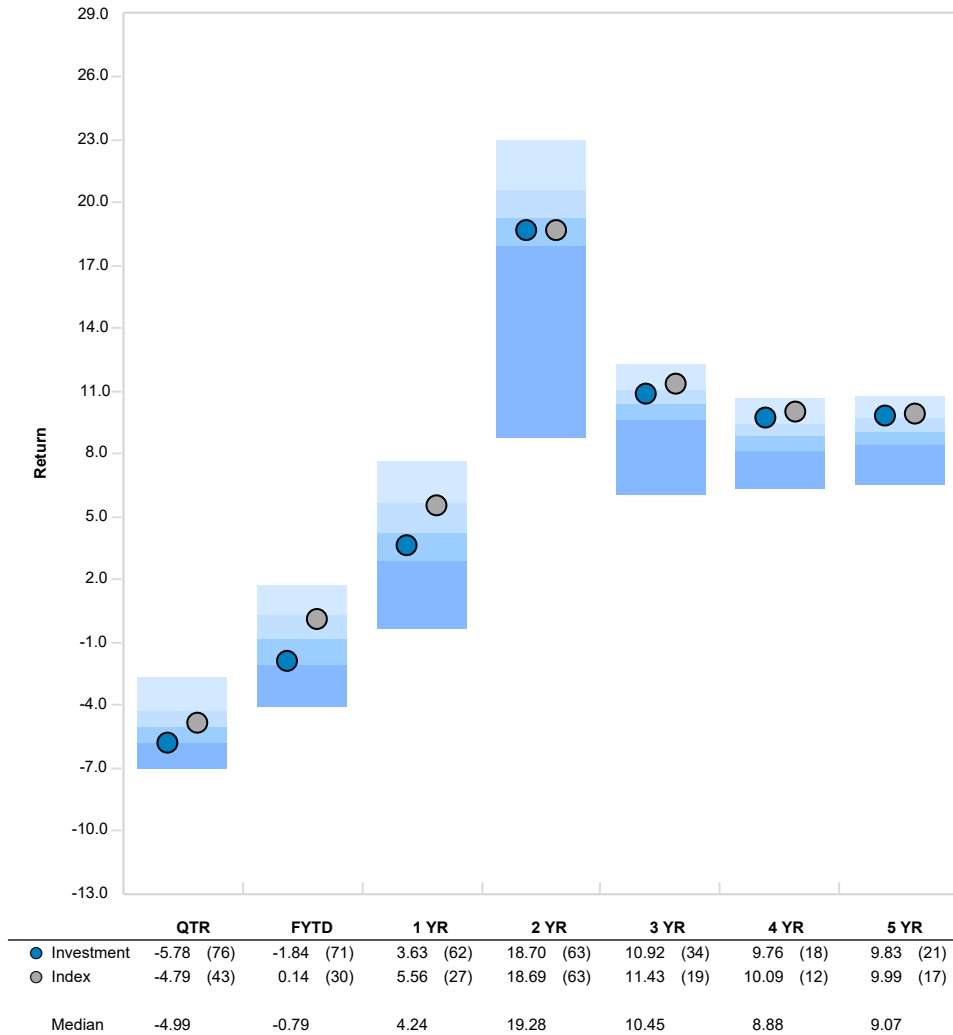
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	12 (60%)	7 (35%)	1 (5%)	0 (0%)
Index	20	12 (60%)	8 (40%)	0 (0%)	0 (0%)

5 Year Rolling Percentile Rank All Public Plans-Total Fund

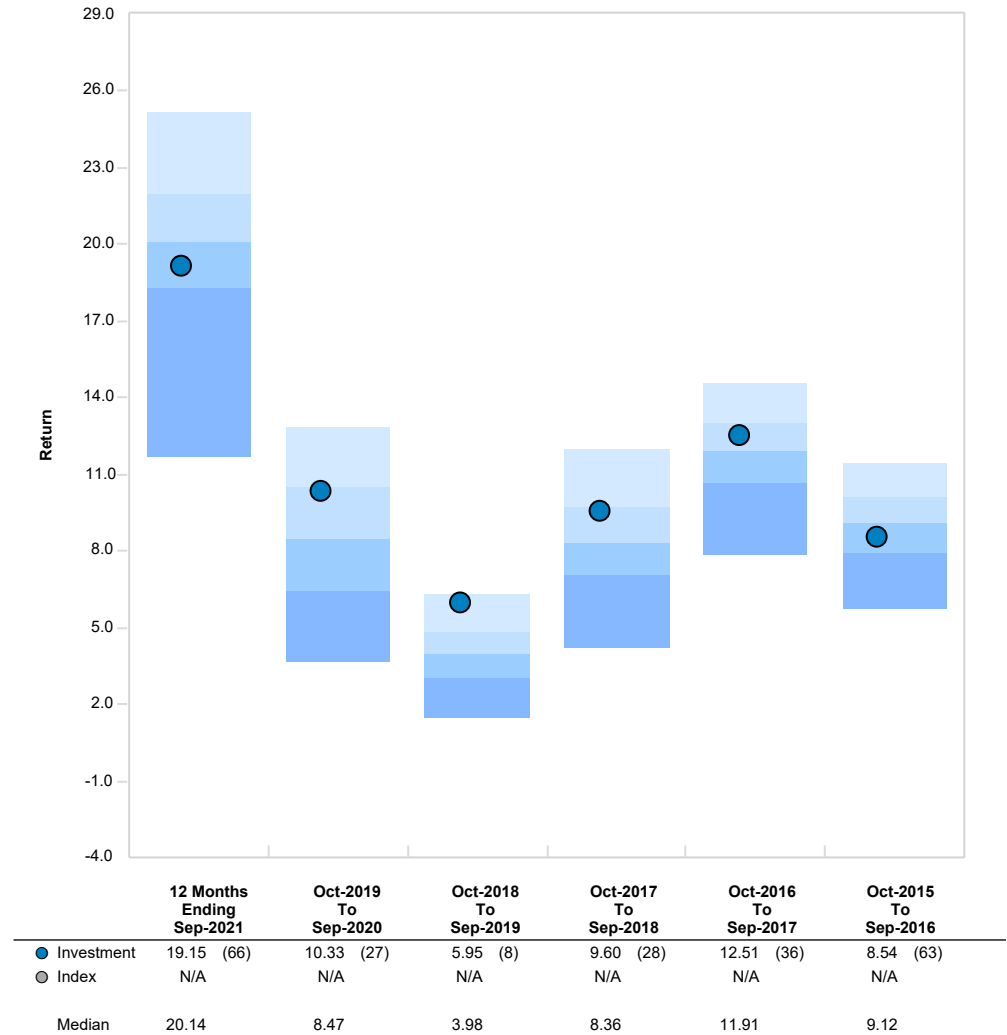


	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	13 (65%)	7 (35%)	0 (0%)	0 (0%)
Index	20	11 (55%)	9 (45%)	0 (0%)	0 (0%)

Plan Sponsor Peer Group Analysis vs. All Public Plans-Total Fund



Plan Sponsor Peer Group Analysis vs. All Public Plans-Total Fund



Comparative Performance

	1 Qtr Ending Dec-2021	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020
Investment	4.18 (61)	-0.02 (45)	5.59 (39)	2.27 (84)	10.36 (49)	5.71 (35)
Index	5.18 (22)	-0.06 (48)	5.48 (46)	2.29 (84)	9.25 (76)	5.53 (42)
Median	4.45	-0.09	5.38	3.25	10.33	5.41

Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	18.16	18.21	0.96	99.99	9	100.02	3
Index	18.17	18.22	0.96	100.00	9	100.00	3

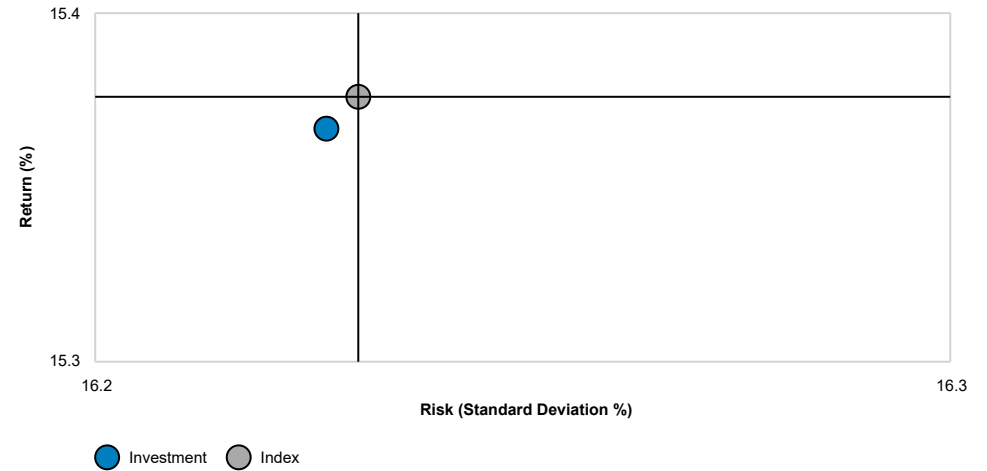
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	15.37	16.23	0.89	99.97	15	100.00	5
Index	15.38	16.23	0.89	100.00	15	100.00	5

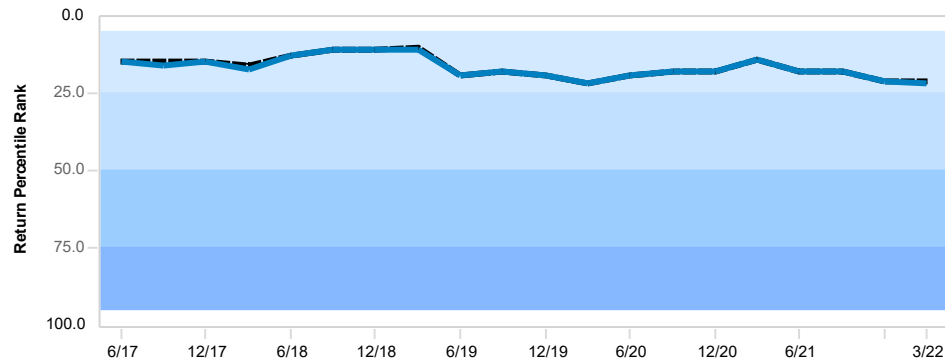
Risk and Return 3 Years



Risk and Return 5 Years

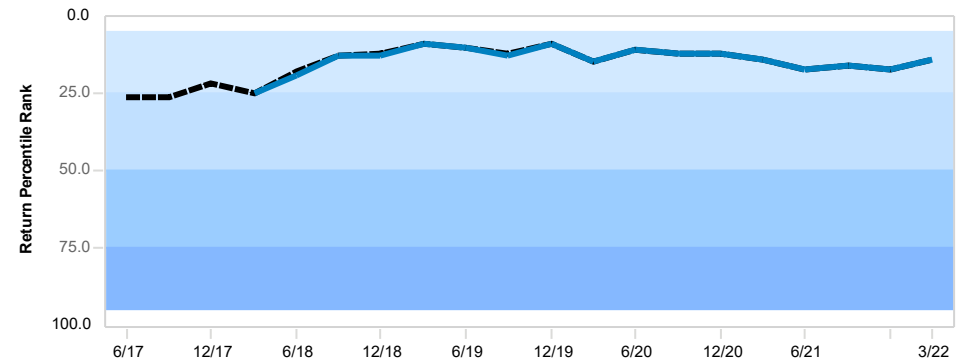


3 Year Rolling Percentile Rank IM U.S. Multi-Cap Core Equity (MF)



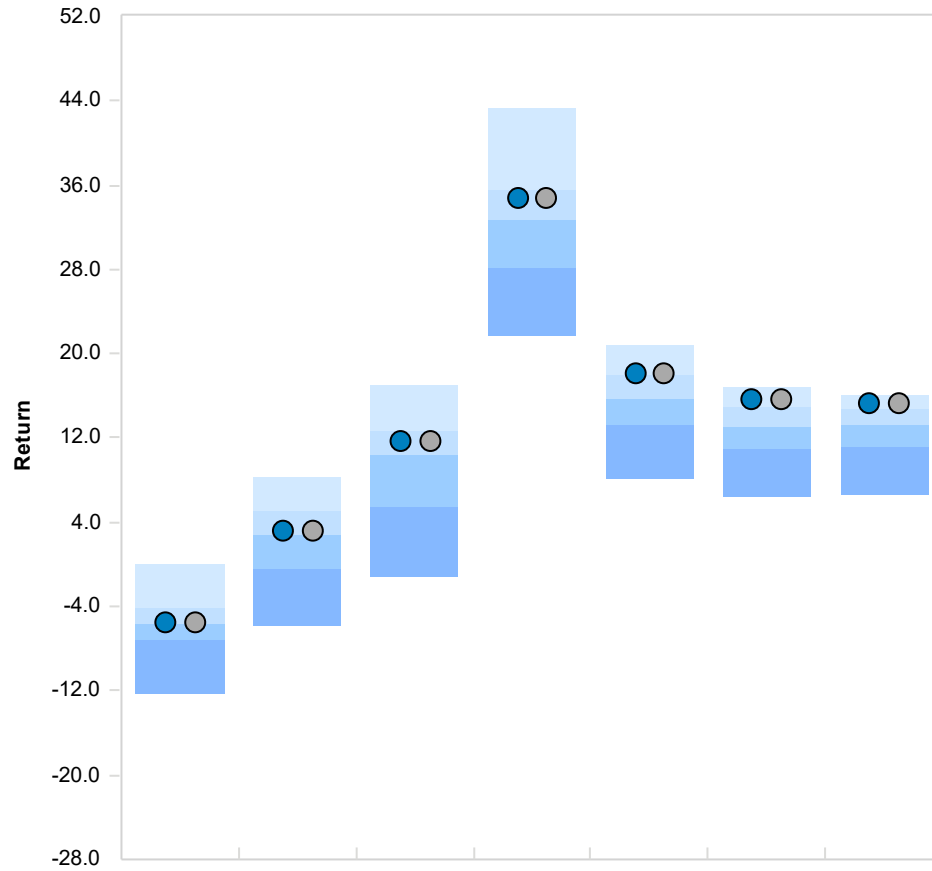
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	20 (100%)	0 (0%)	0 (0%)	0 (0%)
Index	20	20 (100%)	0 (0%)	0 (0%)	0 (0%)

5 Year Rolling Percentile Rank IM U.S. Multi-Cap Core Equity (MF)

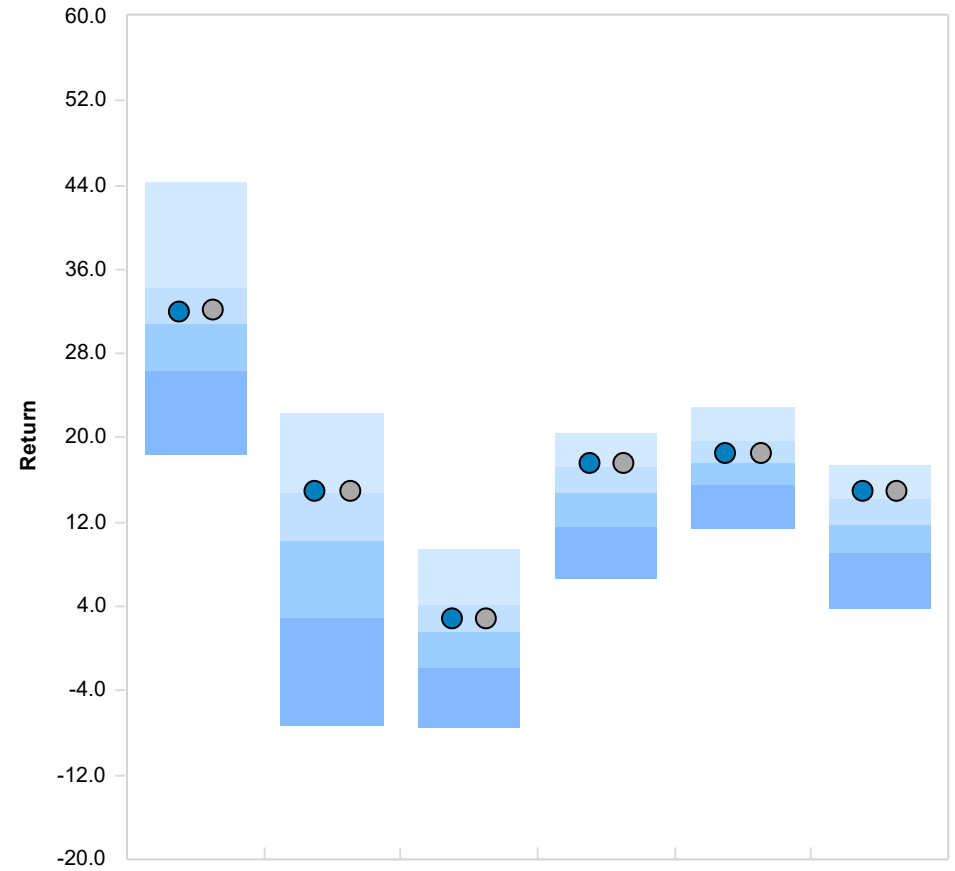


	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	17	17 (100%)	0 (0%)	0 (0%)	0 (0%)
Index	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)

Peer Group Analysis - IM U.S. Multi-Cap Core Equity (MF)



Peer Group Analysis - IM U.S. Multi-Cap Core Equity (MF)



Comparative Performance

	1 Qtr Ending Dec-2021	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020
Investment	9.16 (41)	-0.06 (43)	8.29 (28)	6.43 (54)	14.69 (39)	9.19 (30)
Index	9.16 (41)	-0.06 (42)	8.29 (28)	6.43 (54)	14.70 (38)	9.20 (29)
Median	8.66	-0.22	7.52	6.63	13.82	7.96

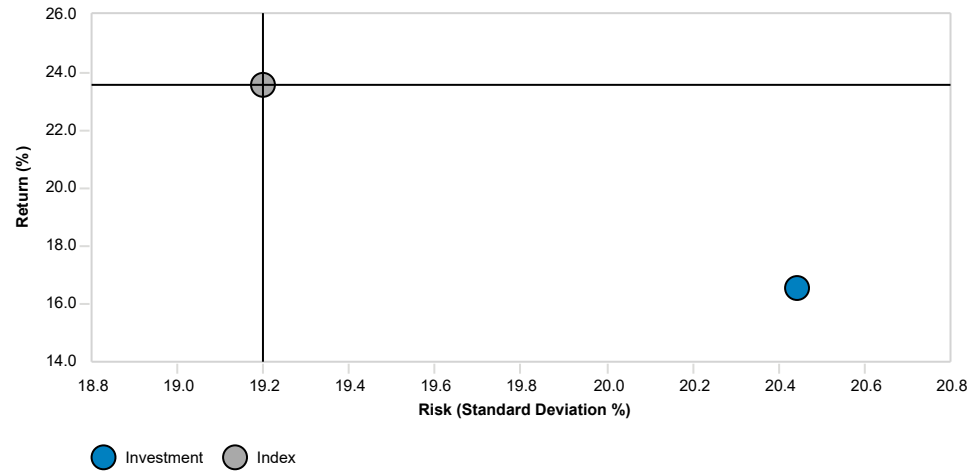
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	16.52	20.44	0.81	82.88	9	92.89	3
Index	23.60	19.20	1.16	100.00	10	100.00	2

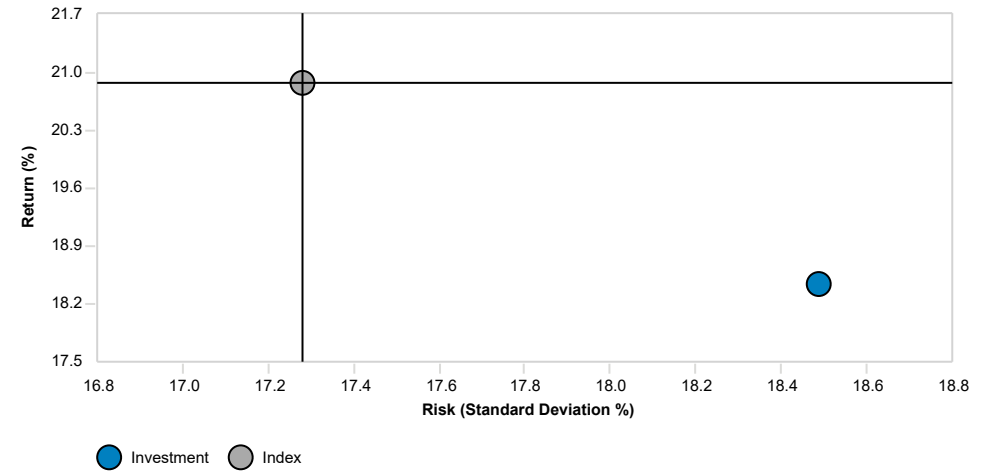
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	18.43	18.49	0.95	92.47	16	94.46	4
Index	20.88	17.28	1.12	100.00	17	100.00	3

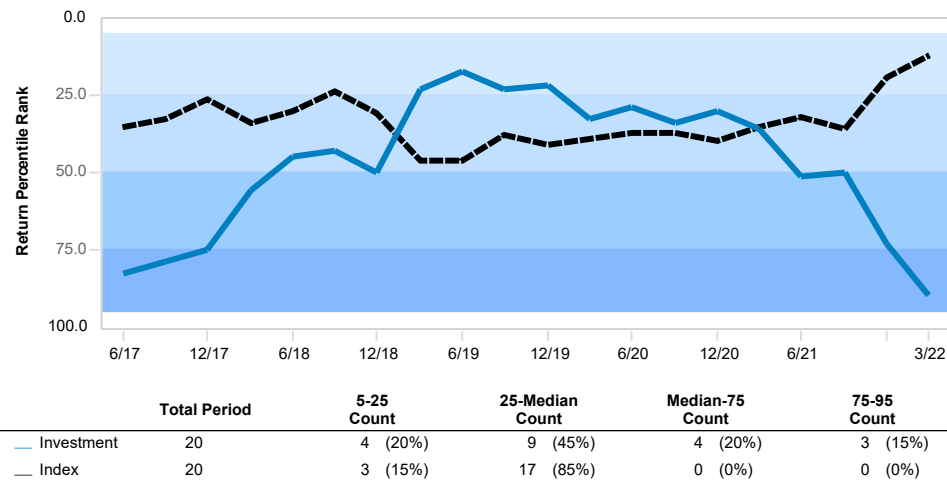
Risk and Return 3 Years



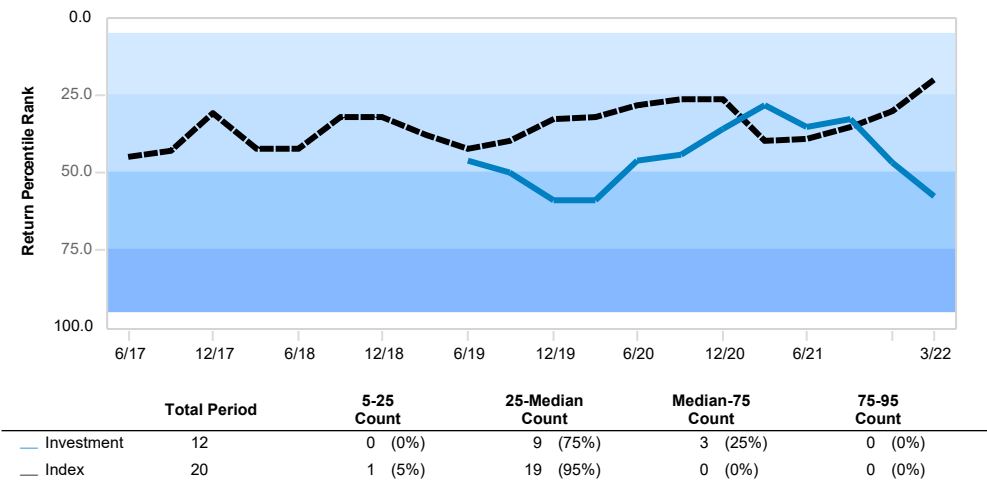
Risk and Return 5 Years



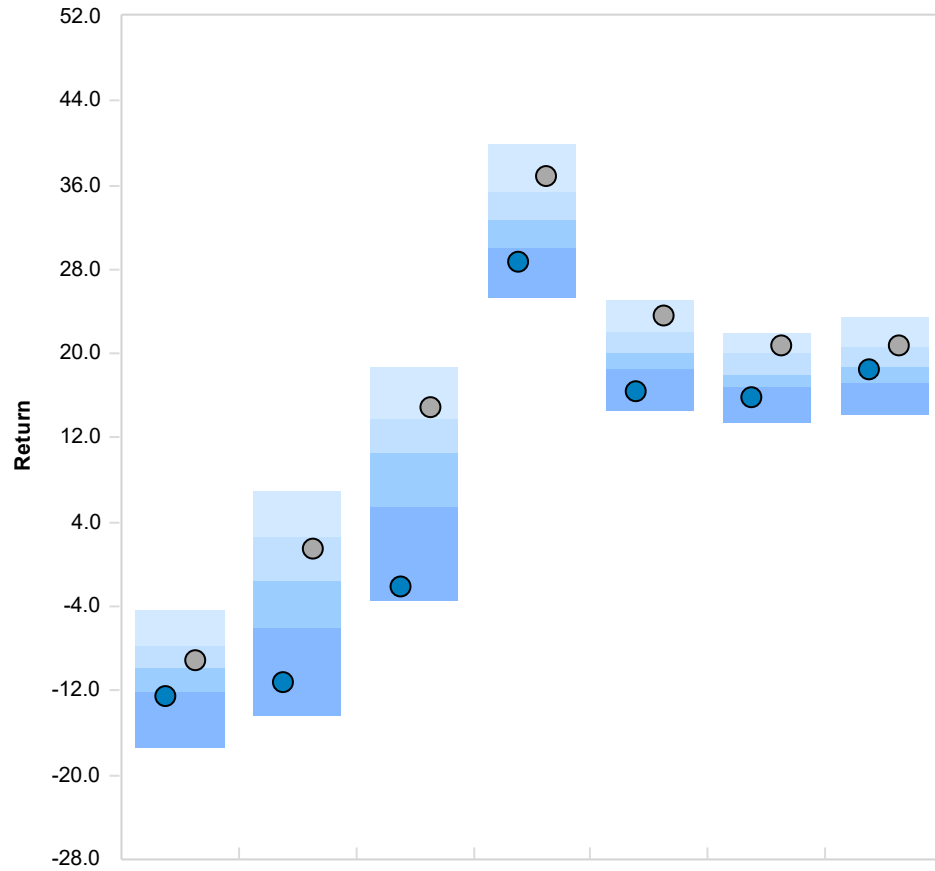
3 Year Rolling Percentile Rank IM U.S. Large Cap Growth Equity (SA+CF)



5 Year Rolling Percentile Rank IM U.S. Large Cap Growth Equity (SA+CF)



Peer Group Analysis - IM U.S. Large Cap Growth Equity (SA+CF)

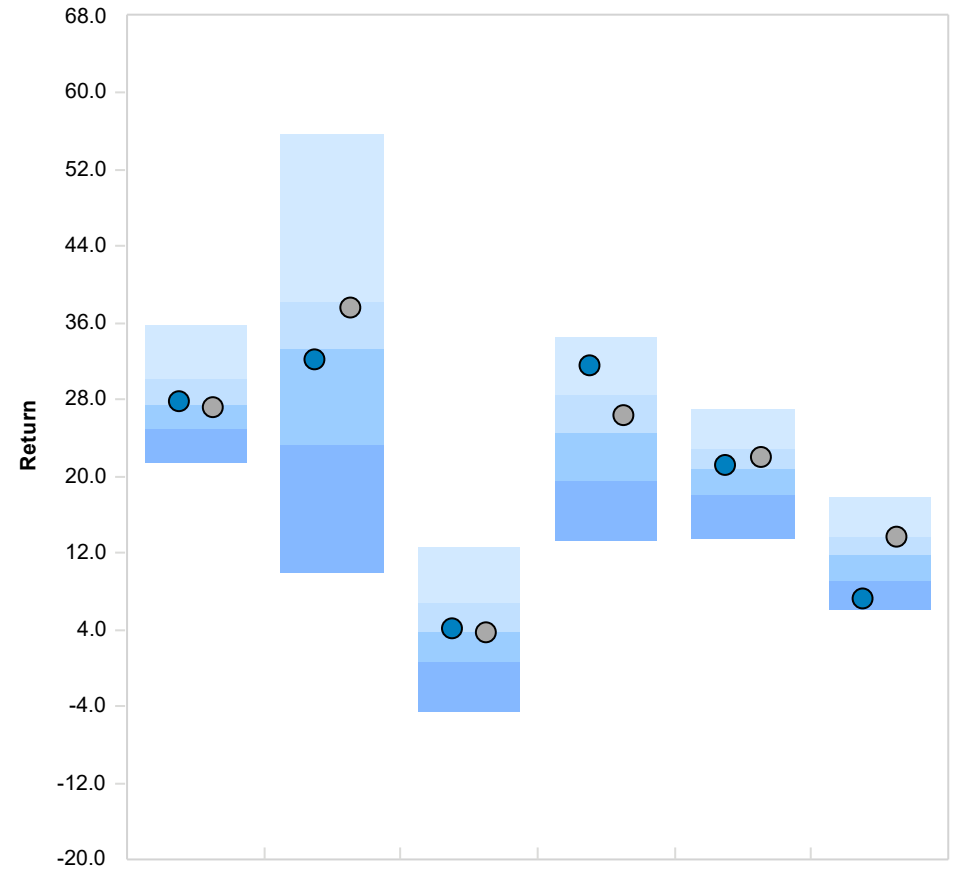


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
Investment	-12.56 (81)	-11.26 (92)	-2.14 (93)	28.79 (86)	16.52 (90)	15.97 (82)	18.43 (58)
Index	-9.04 (41)	1.54 (32)	14.98 (17)	36.79 (16)	23.60 (12)	20.79 (13)	20.88 (20)
Median	-9.88	-1.61	10.57	32.67	20.08	18.04	18.81

Comparative Performance

	1 Qtr Ending Dec-2021	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020
Investment	1.49 (94)	1.03 (41)	9.14 (76)	1.46 (62)	14.33 (18)	11.83 (40)
Index	11.64 (24)	1.16 (36)	11.93 (31)	0.94 (72)	11.39 (54)	13.22 (24)
Median	9.32	0.69	10.92	2.30	11.59	11.15

Peer Group Analysis - IM U.S. Large Cap Growth Equity (SA+CF)



	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016
Investment	27.92 (43)	32.12 (56)	4.05 (47)	31.58 (12)	21.11 (49)	7.33 (91)
Index	27.32 (52)	37.53 (29)	3.71 (52)	26.30 (37)	21.94 (39)	13.76 (23)
Median	27.47	33.32	3.80	24.48	20.87	11.81

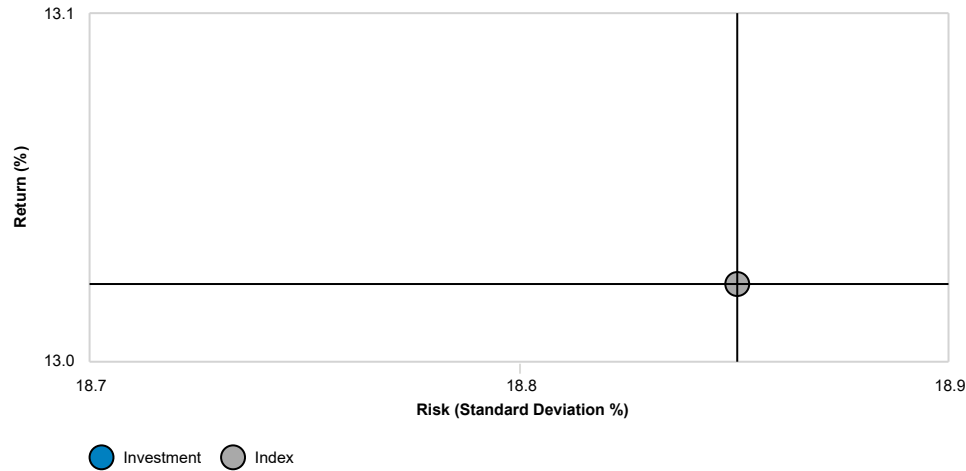
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	13.02	18.85	0.70	100.00	9	100.00	3

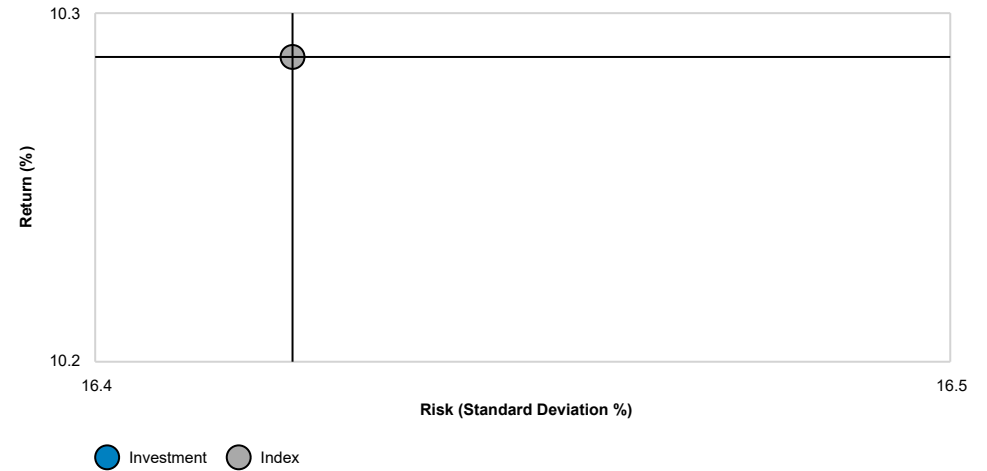
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	10.29	16.42	0.61	100.00	15	100.00	5

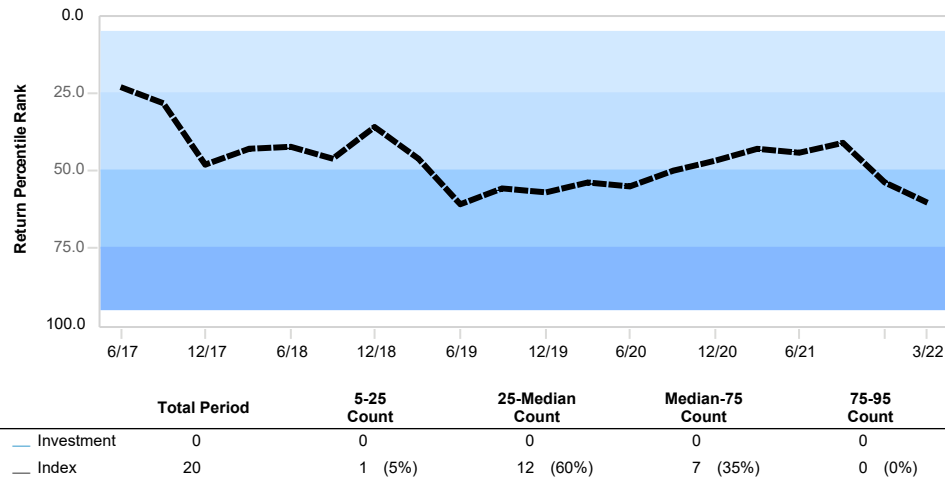
Risk and Return 3 Years



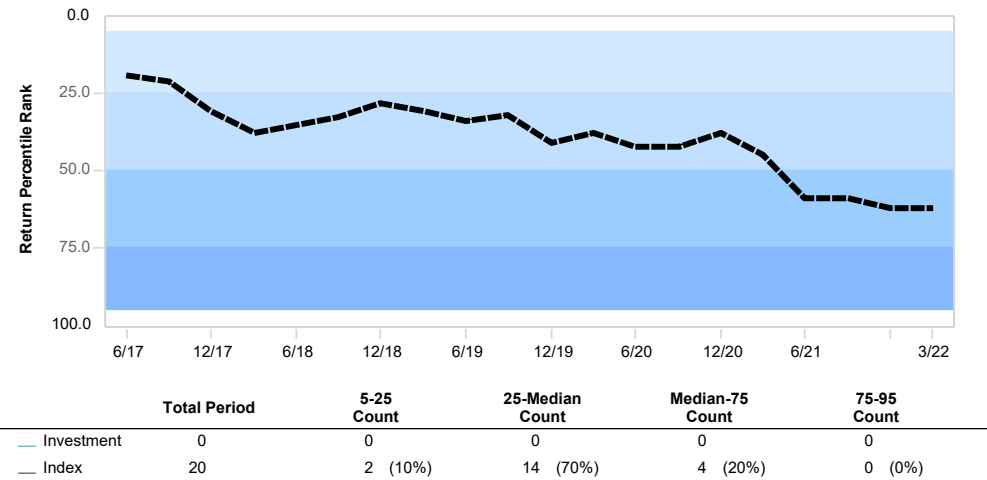
Risk and Return 5 Years



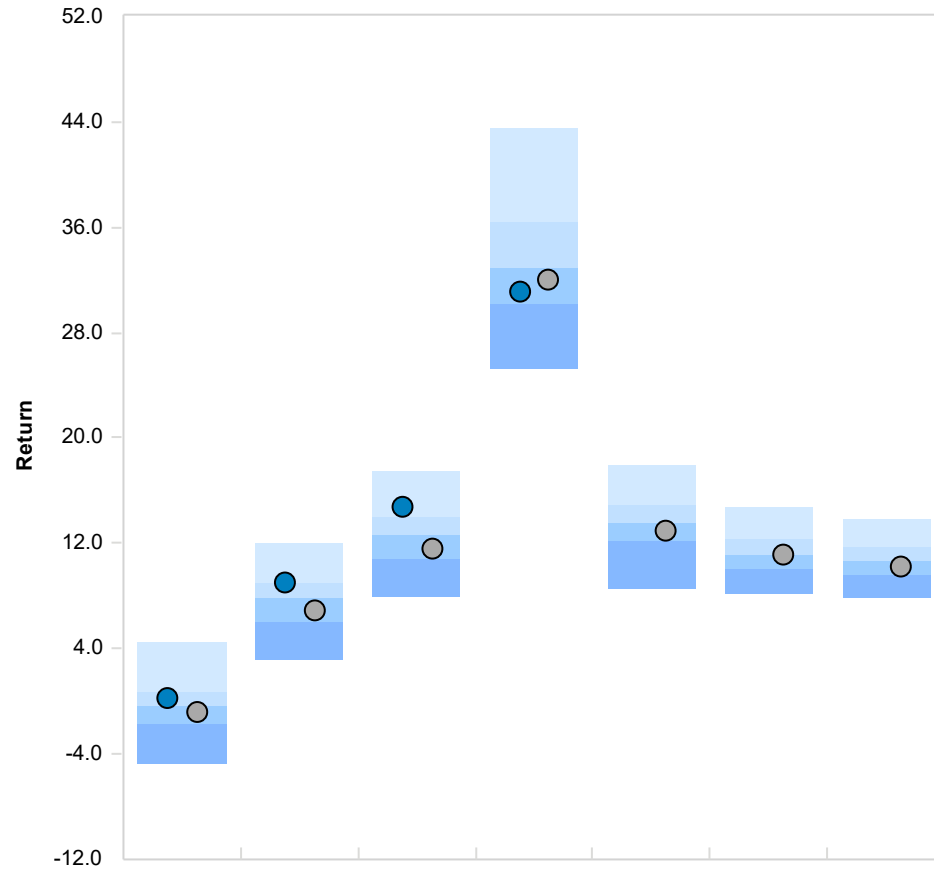
3 Year Rolling Percentile Rank IM U.S. Large Cap Value Equity (MF)



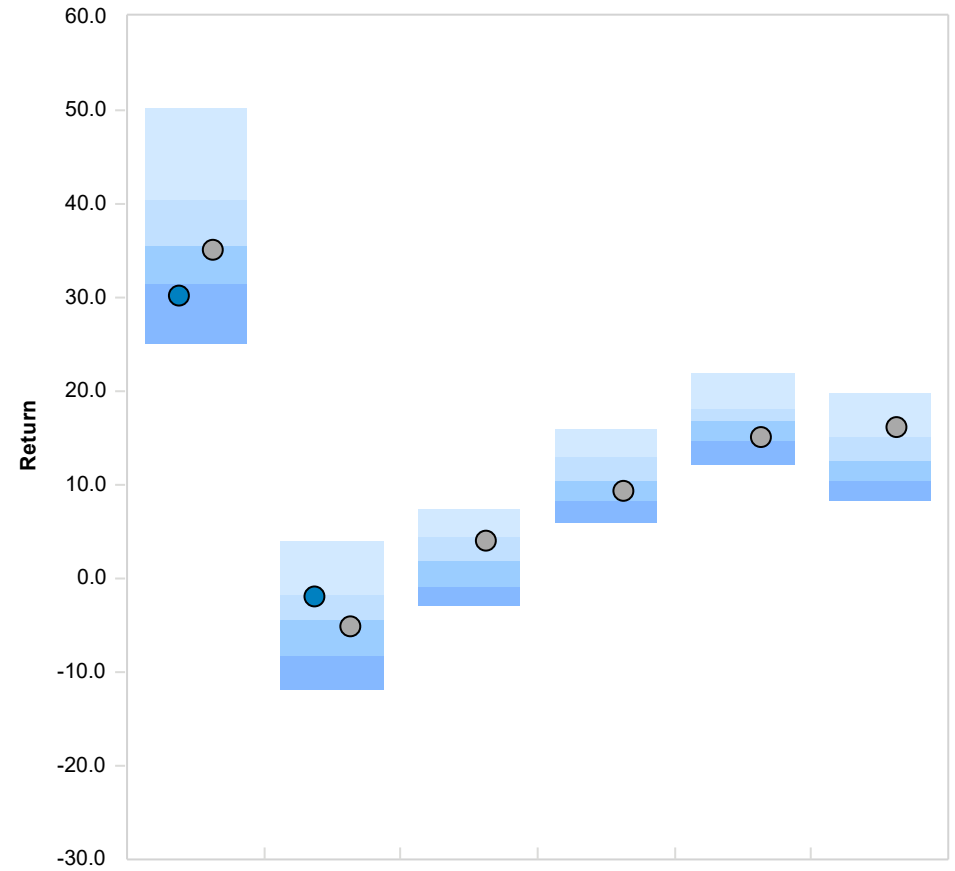
5 Year Rolling Percentile Rank IM U.S. Large Cap Value Equity (MF)



Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)



Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)



Comparative Performance

	1 Qtr Ending Dec-2021	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020
Investment	8.74 (29)	-0.90 (59)	6.24 (19)	9.57 (73)	12.96 (83)	6.86 (10)
Index	7.77 (58)	-0.78 (55)	5.21 (53)	11.26 (50)	16.25 (43)	5.59 (34)
Median	8.23	-0.66	5.25	11.23	15.77	4.82

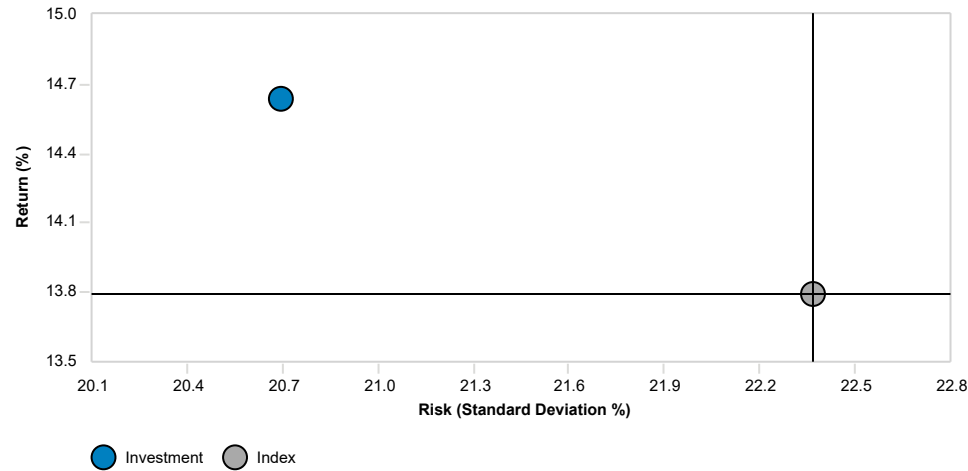
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	14.64	20.70	0.73	90.27	9	81.43	3
Index	13.79	22.37	0.66	100.00	8	100.00	4

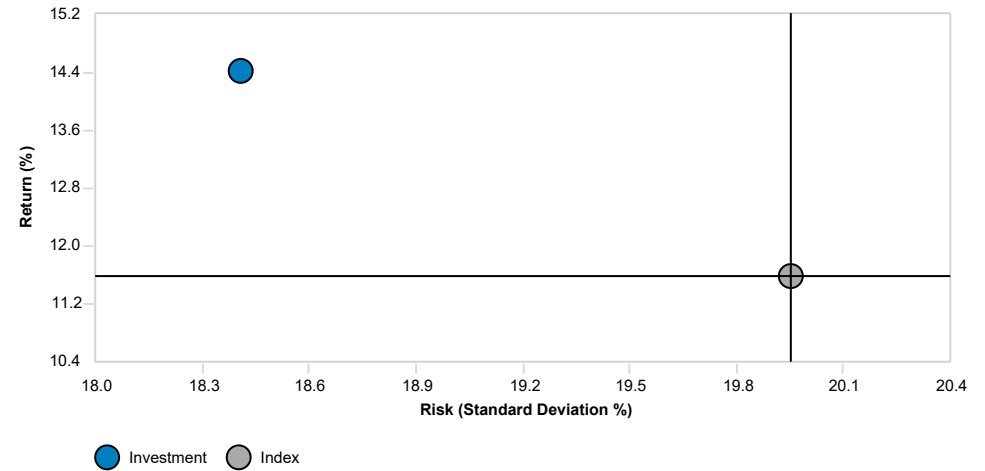
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	14.43	18.41	0.77	94.97	16	79.38	4
Index	11.57	19.95	0.60	100.00	14	100.00	6

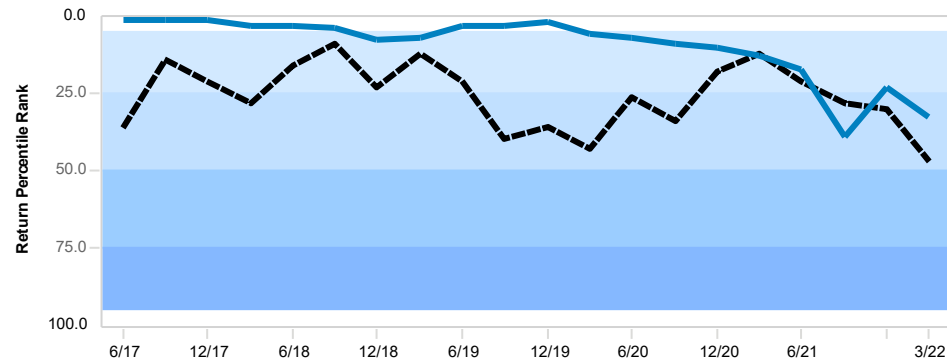
Risk and Return 3 Years



Risk and Return 5 Years

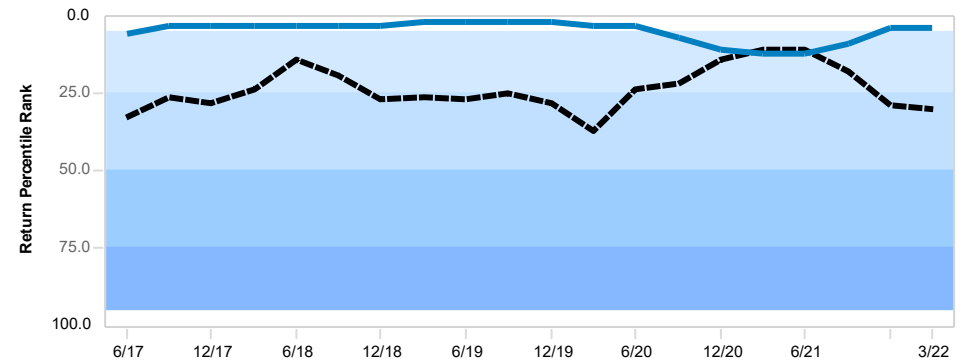


3 Year Rolling Percentile Rank IM U.S. Mid Cap Core Equity (MF)



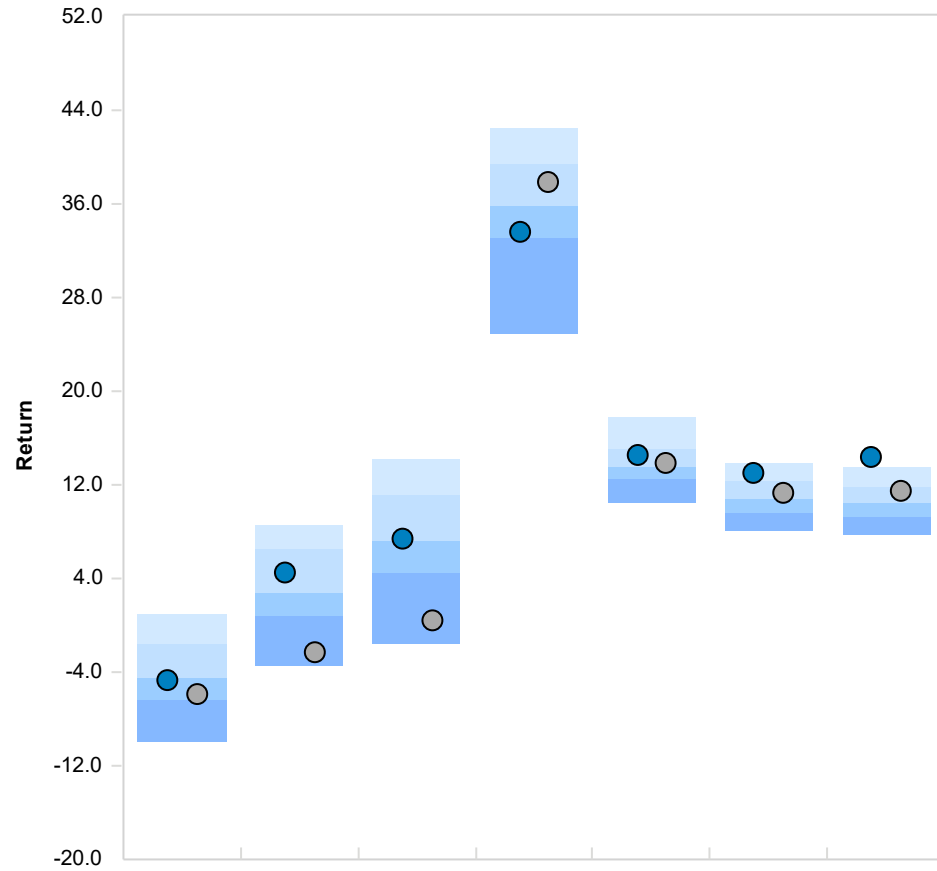
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)
Index	20	10 (50%)	10 (50%)	0 (0%)	0 (0%)

5 Year Rolling Percentile Rank IM U.S. Mid Cap Core Equity (MF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	20 (100%)	0 (0%)	0 (0%)	0 (0%)
Index	20	10 (50%)	10 (50%)	0 (0%)	0 (0%)

Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)

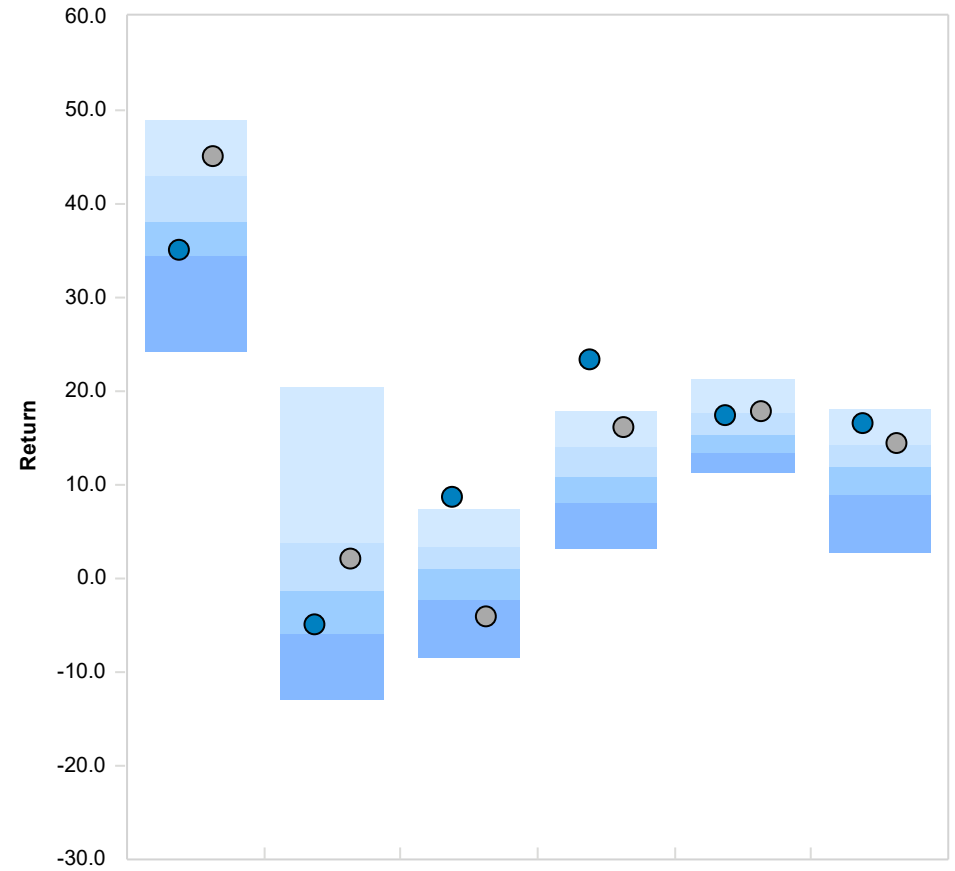


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Investment	-4.71 (53)	4.58 (37)	7.48 (49)	33.59 (70)	14.64 (33)	13.10 (12)	14.43 (4)
● Index	-5.82 (71)	-2.22 (92)	0.34 (92)	37.86 (34)	13.79 (47)	11.39 (41)	11.57 (30)
Median	-4.48	2.77	7.31	35.77	13.60	10.87	10.45

Comparative Performance

	1 Qtr Ending Dec-2021	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020
Investment	9.75 (13)	-2.41 (84)	5.31 (48)	8.45 (73)	21.29 (34)	3.24 (93)
Index	3.82 (93)	-2.68 (91)	5.44 (42)	10.93 (42)	27.41 (5)	5.88 (50)
Median	7.99	-0.85	5.22	10.33	19.41	5.86

Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016
● Investment	35.19 (72)	-4.86 (68)	8.64 (3)	23.40 (2)	17.45 (27)	16.60 (12)
● Index	45.03 (13)	2.22 (32)	-4.04 (81)	16.19 (11)	17.79 (23)	14.44 (23)
Median	38.16	-1.30	1.06	10.87	15.26	11.87

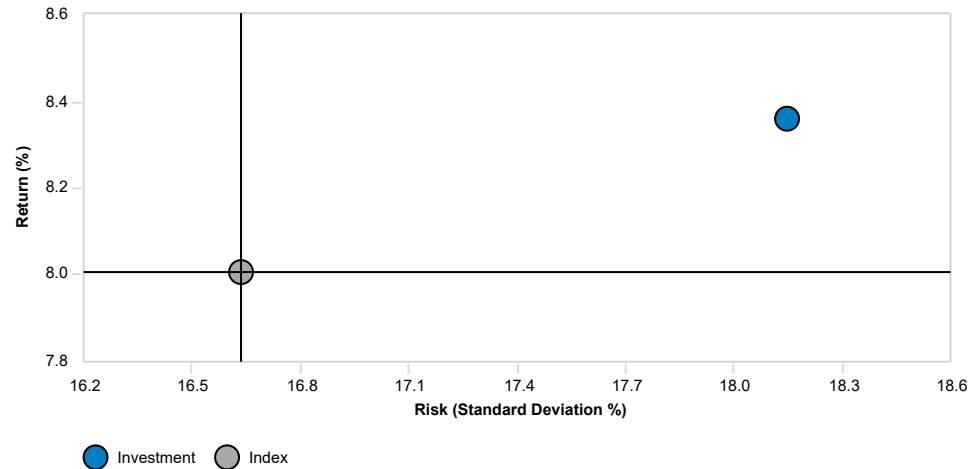
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	8.36	18.15	0.49	105.79	6	105.45	6
Index	8.01	16.64	0.50	100.00	8	100.00	4

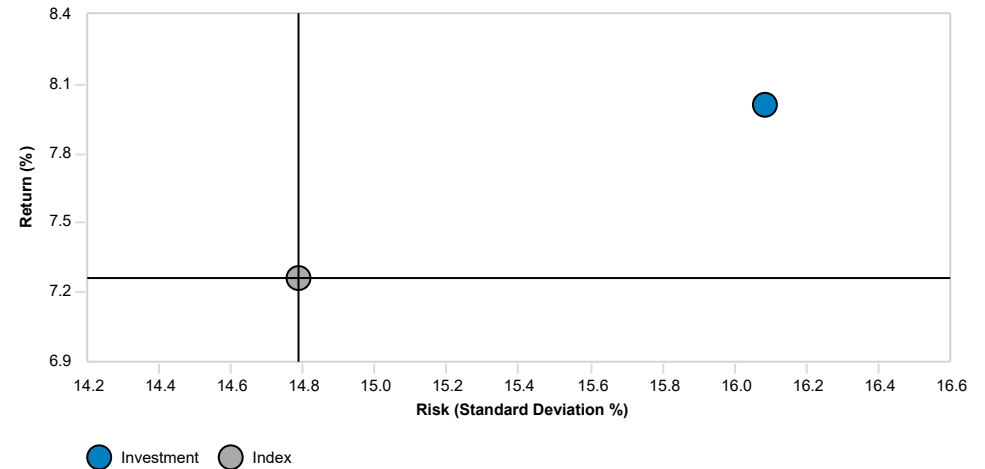
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	8.01	16.08	0.49	105.80	11	103.09	9
Index	7.26	14.79	0.47	100.00	13	100.00	7

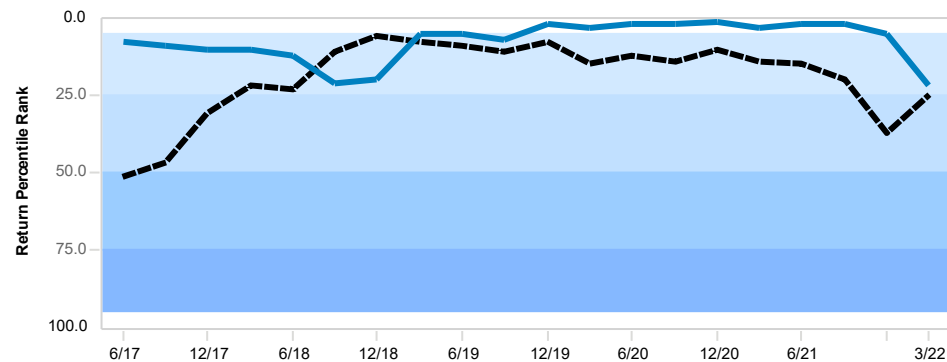
Risk and Return 3 Years



Risk and Return 5 Years

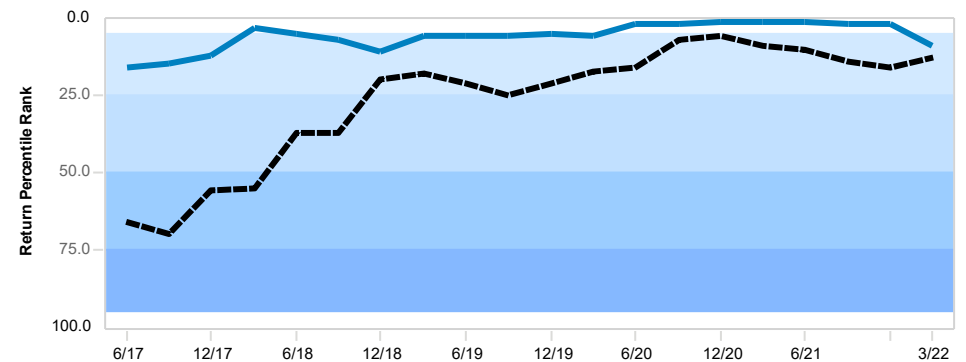


3 Year Rolling Percentile Rank IM International Multi-Cap Core Equity (MF)



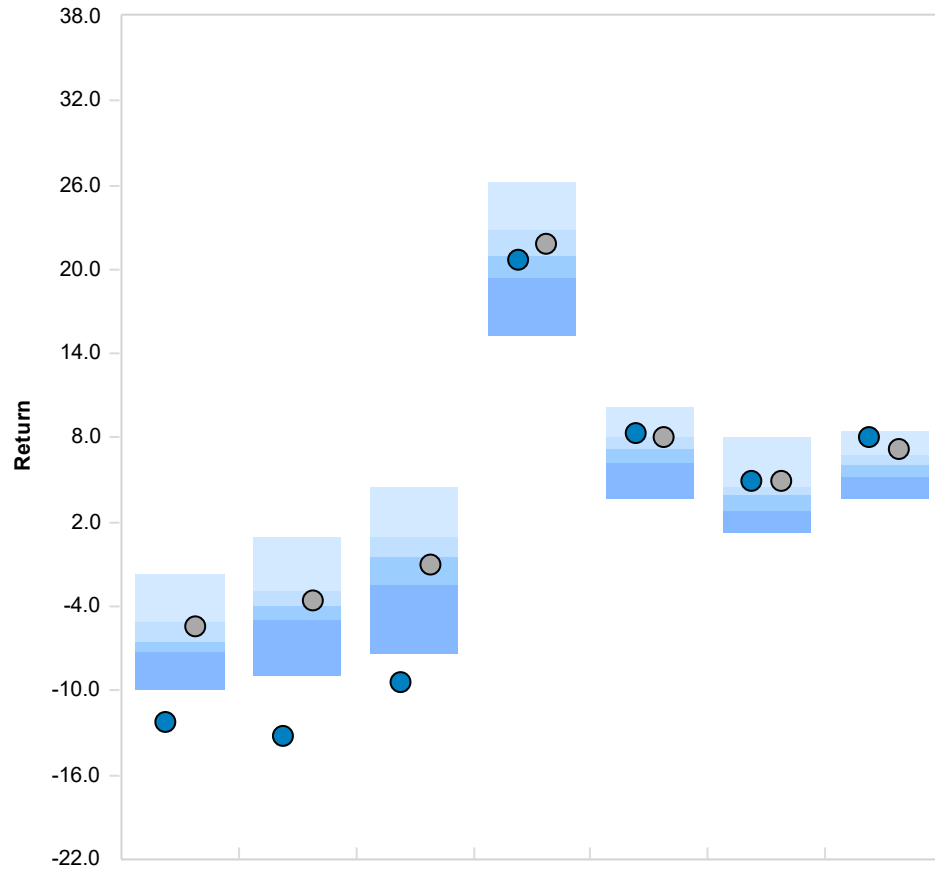
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	20 (100%)	0 (0%)	0 (0%)	0 (0%)
Index	20	16 (80%)	3 (15%)	1 (5%)	0 (0%)

5 Year Rolling Percentile Rank IM International Multi-Cap Core Equity (MF)

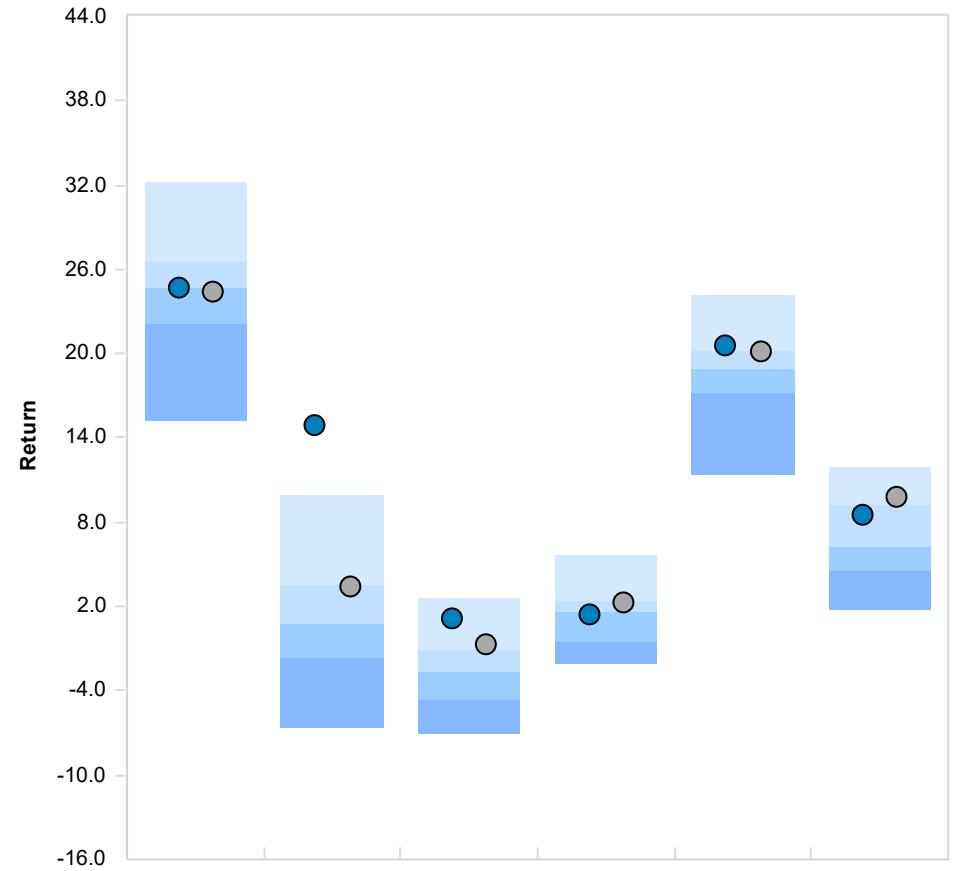


	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	20 (100%)	0 (0%)	0 (0%)	0 (0%)
Index	20	14 (70%)	2 (10%)	4 (20%)	0 (0%)

Peer Group Analysis - IM International Multi-Cap Core Equity (MF)



Peer Group Analysis - IM International Multi-Cap Core Equity (MF)



Comparative Performance

	1 Qtr Ending Dec-2021	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020
Investment	-1.13 (98)	-2.35 (70)	6.97 (4)	-0.43 (99)	19.95 (6)	9.66 (3)
Index	1.88 (75)	-2.88 (79)	5.64 (24)	3.60 (54)	17.08 (21)	6.36 (26)
Median	2.81	-1.41	5.17	3.72	15.69	5.05

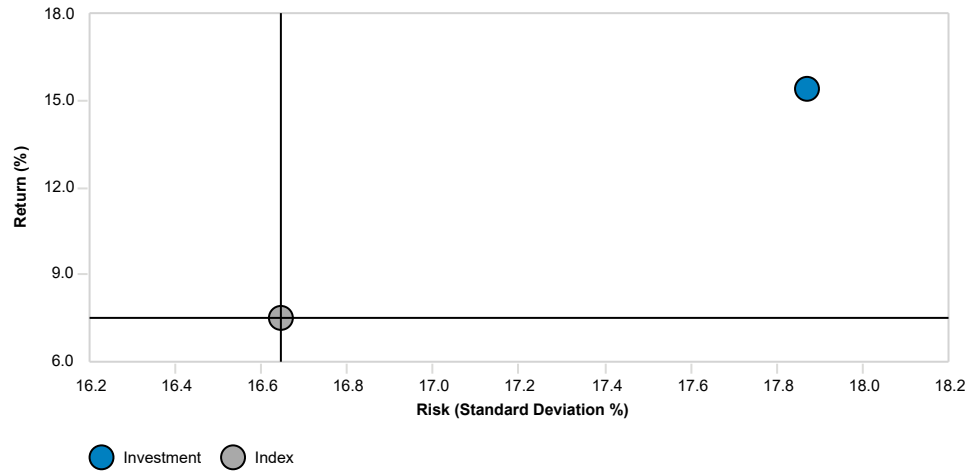
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	15.46	17.87	0.85	113.24	8	79.06	4
Index	7.51	16.64	0.47	100.00	8	100.00	4

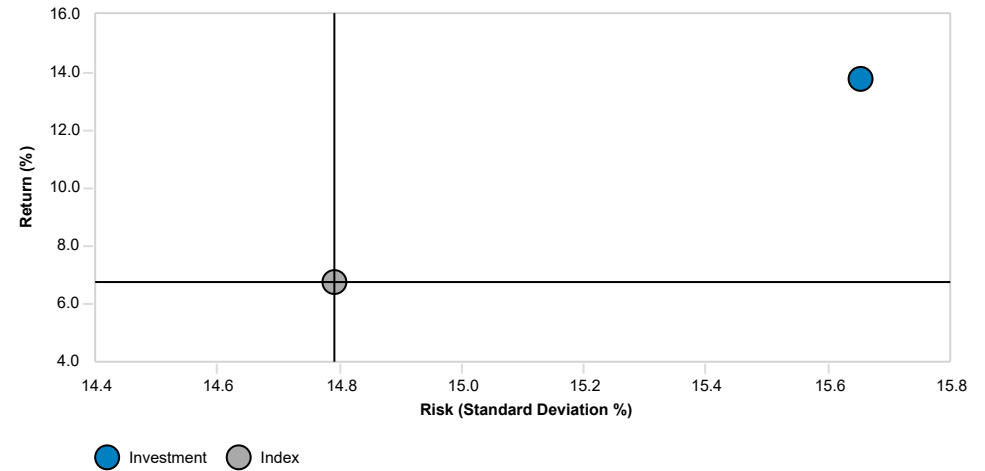
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	13.82	15.65	0.84	109.02	15	72.35	5
Index	6.76	14.79	0.44	100.00	13	100.00	7

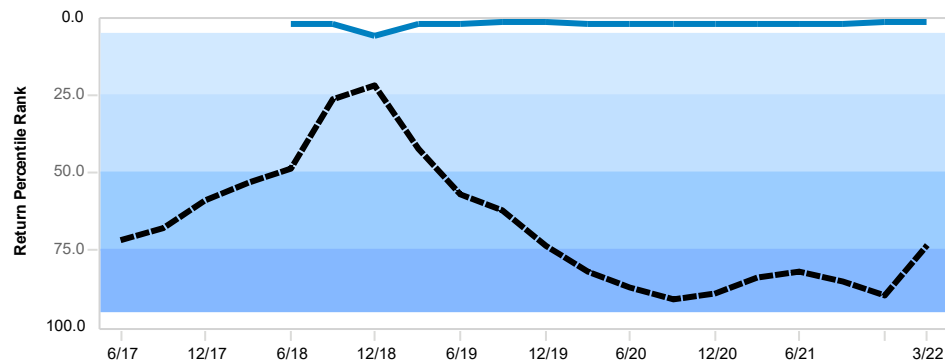
Risk and Return 3 Years



Risk and Return 5 Years

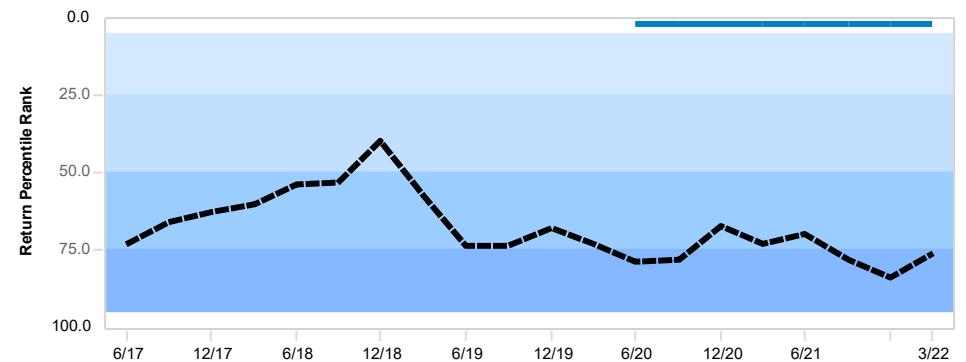


3 Year Rolling Percentile Rank IM International Large Cap Growth Equity (MF)



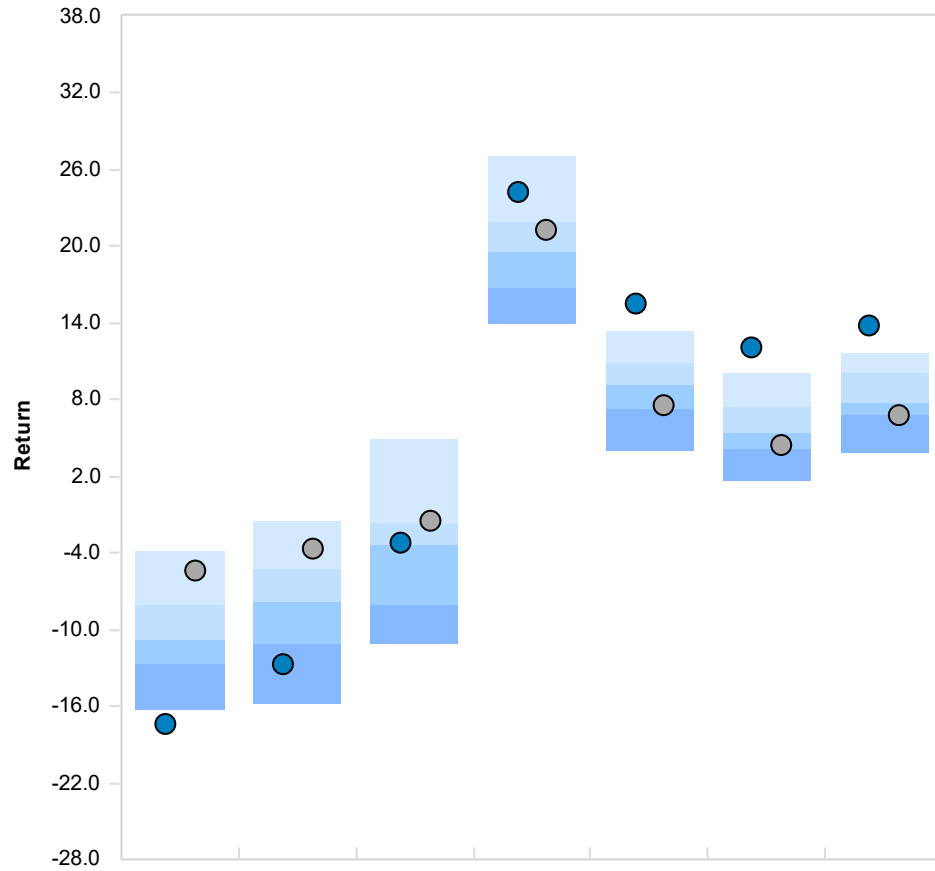
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	16	16 (100%)	0 (0%)	0 (0%)	0 (0%)
Index	20	1 (5%)	3 (15%)	8 (40%)	8 (40%)

5 Year Rolling Percentile Rank IM International Large Cap Growth Equity (MF)

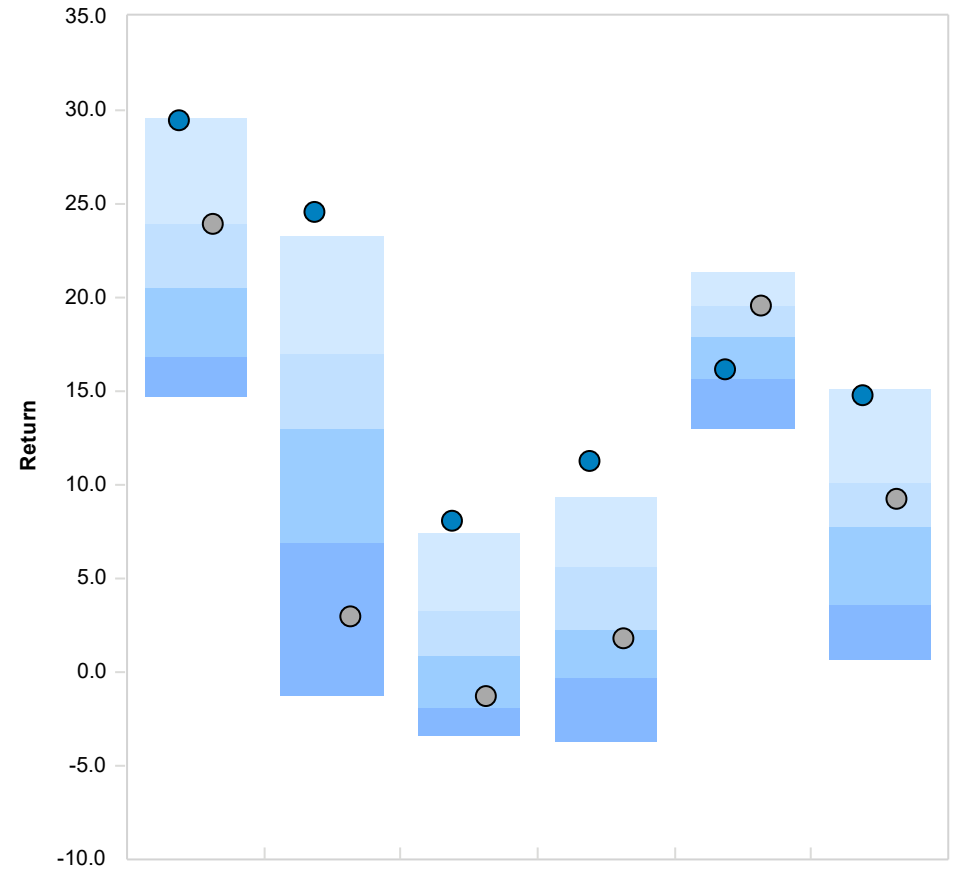


	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	8	8 (100%)	0 (0%)	0 (0%)	0 (0%)
Index	20	0 (0%)	1 (5%)	14 (70%)	5 (25%)

Peer Group Analysis - IM International Large Cap Growth Equity (MF)



Peer Group Analysis - IM International Large Cap Growth Equity (MF)



Comparative Performance

	1 Qtr Ending Dec-2021	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020
Investment	5.63 (5)	0.15 (7)	10.67 (2)	-0.04 (77)	16.87 (32)	8.70 (54)
Index	1.82 (76)	-2.99 (70)	5.48 (60)	3.49 (16)	17.01 (31)	6.25 (90)
Median	3.01	-1.69	6.18	0.78	14.75	8.76

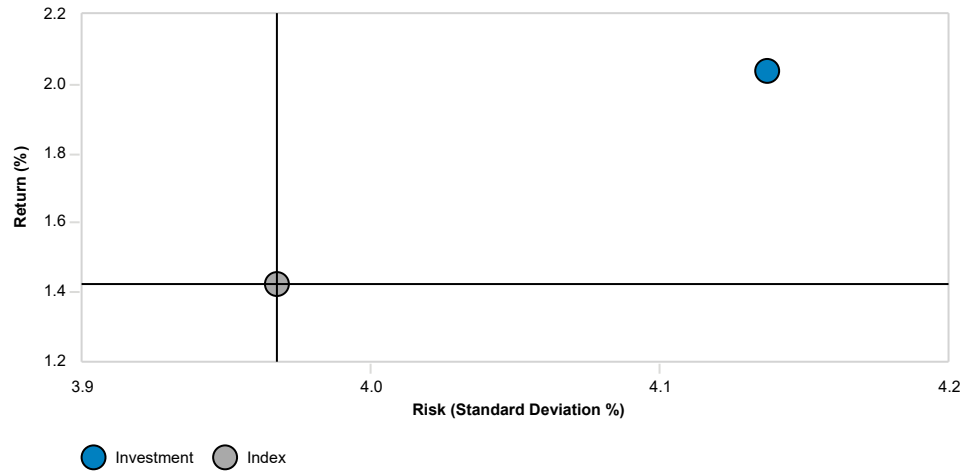
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	2.04	4.14	0.32	107.06	8	95.74	4
Index	1.42	3.97	0.18	100.00	7	100.00	5

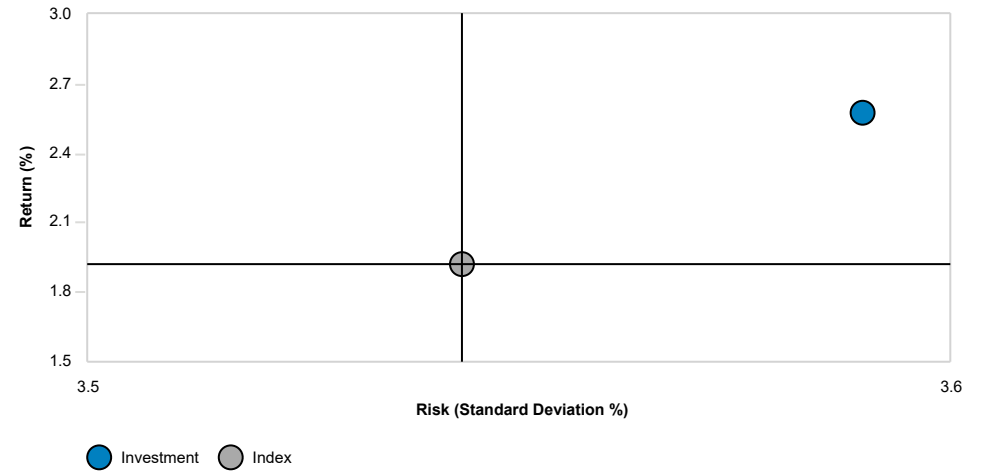
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	2.58	3.59	0.42	104.48	15	89.70	5
Index	1.92	3.54	0.24	100.00	13	100.00	7

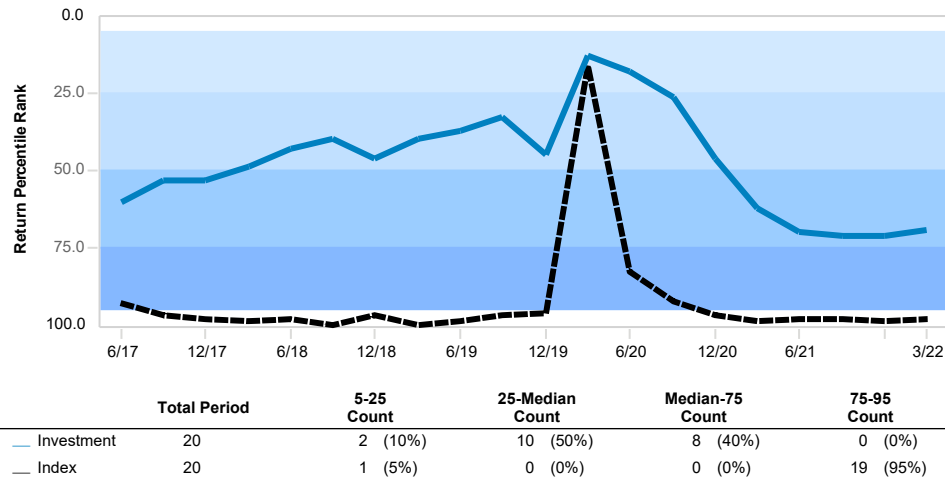
Risk and Return 3 Years



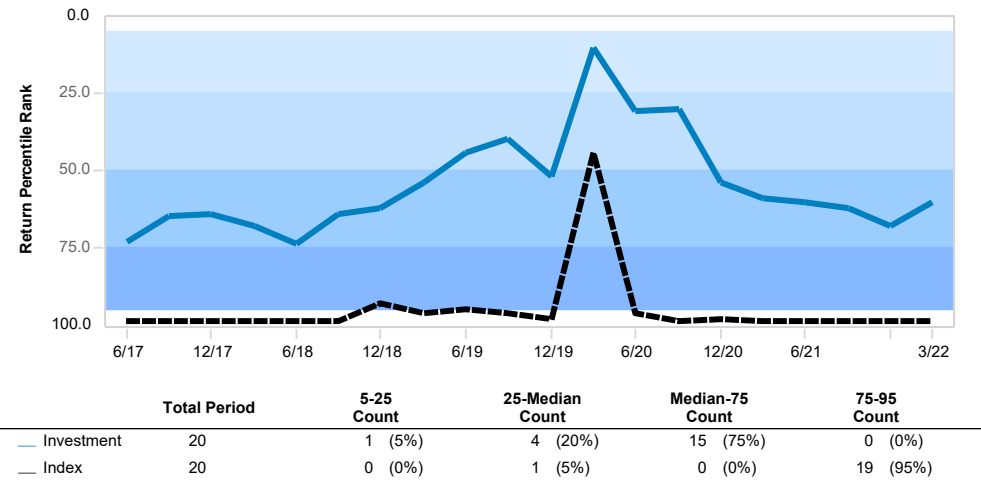
Risk and Return 5 Years



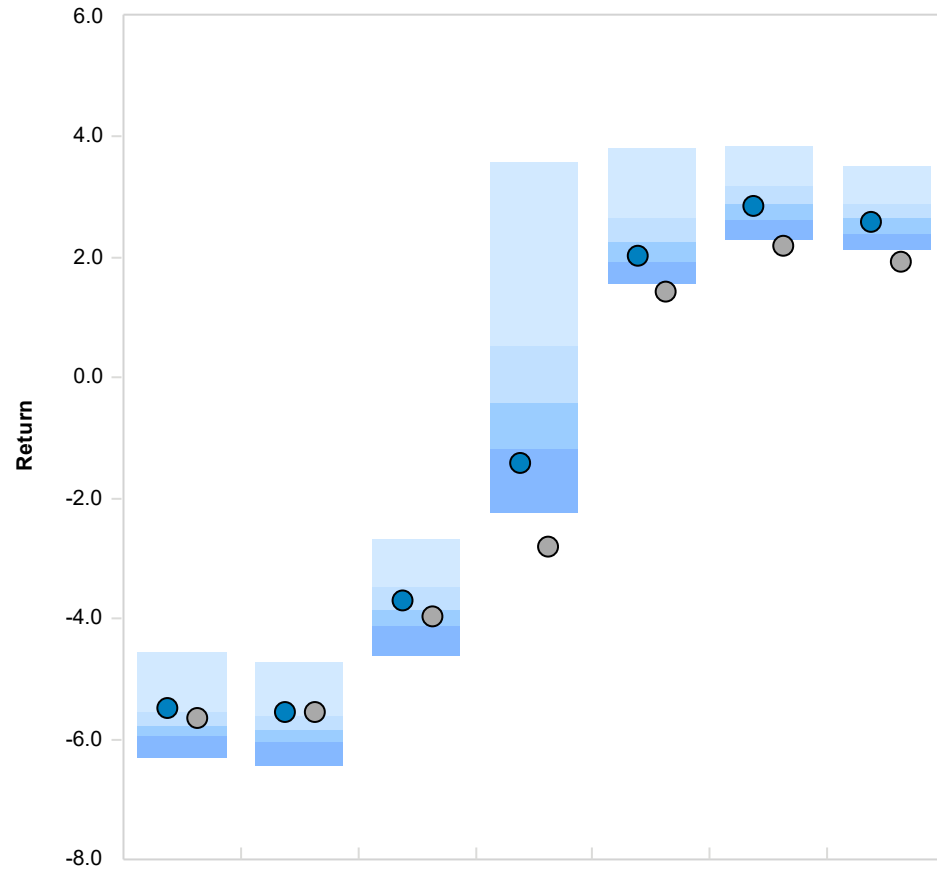
3 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (SA+CF)



5 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (SA+CF)



Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)

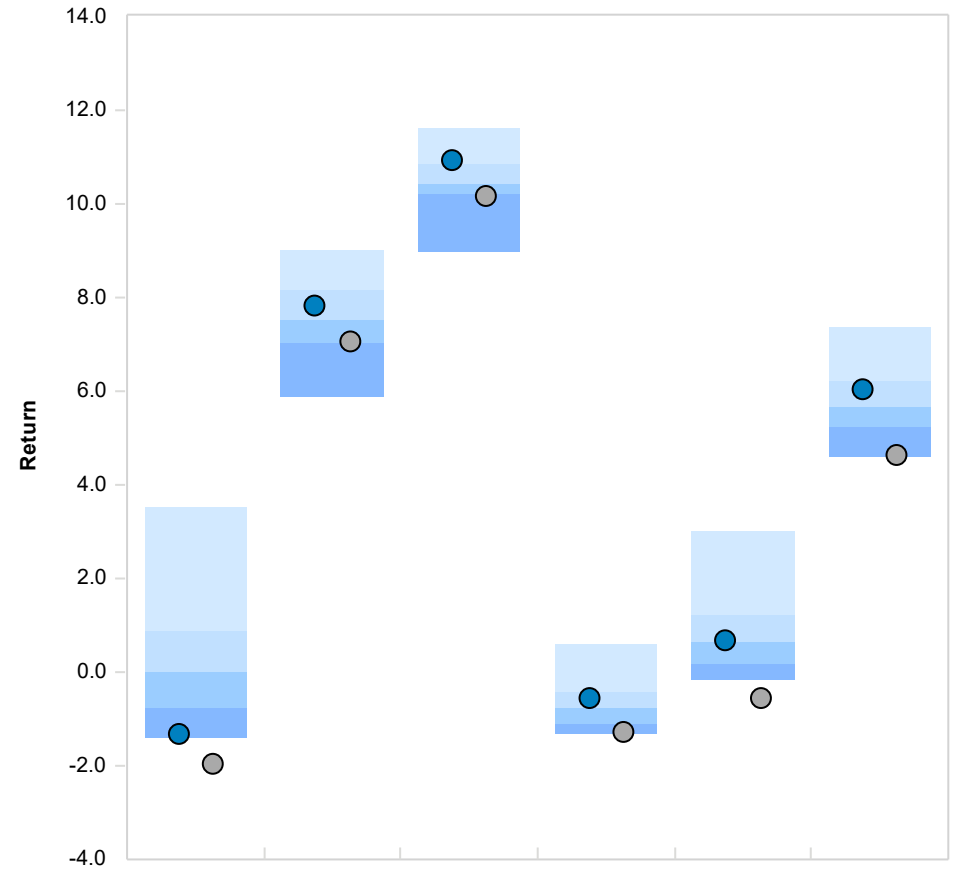


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Investment	-5.48 (21)	-5.54 (22)	-3.70 (36)	-1.40 (78)	2.04 (69)	2.86 (55)	2.58 (60)
● Index	-5.65 (35)	-5.56 (23)	-3.95 (58)	-2.82 (100)	1.42 (98)	2.18 (99)	1.92 (99)
Median	-5.80	-5.85	-3.87	-0.41	2.24	2.88	2.67

Comparative Performance

	1 Qtr Ending Dec-2021	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020
Investment	-0.06 (61)	0.10 (51)	1.85 (79)	-3.64 (92)	0.43 (94)	1.07 (51)
Index	0.09 (16)	-0.03 (87)	1.74 (92)	-3.58 (91)	-0.02 (98)	0.39 (98)
Median	-0.03	0.10	2.00	-3.17	1.10	1.08

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)

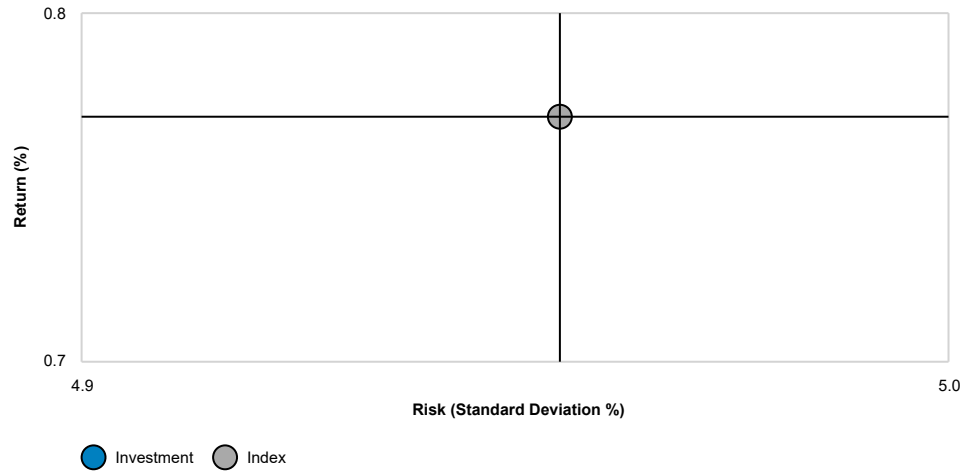


	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016
● Investment	-1.34 (95)	7.81 (40)	10.94 (22)	-0.56 (31)	0.69 (45)	6.06 (31)
● Index	-1.95 (99)	7.08 (70)	10.16 (78)	-1.27 (95)	-0.55 (100)	4.63 (95)
Median	-0.02	7.52	10.42	-0.75	0.63	5.66

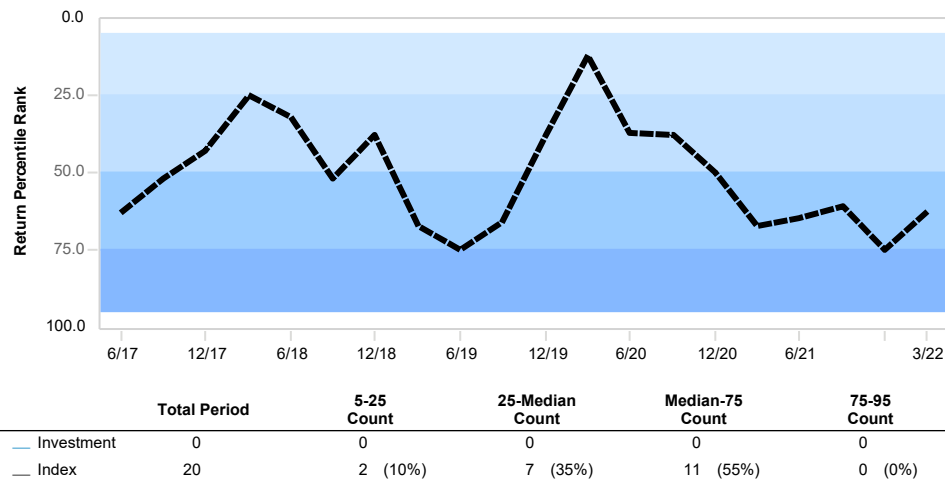
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	0.77	4.96	0.02	100.00	7	100.00	5

Risk and Return 3 Years



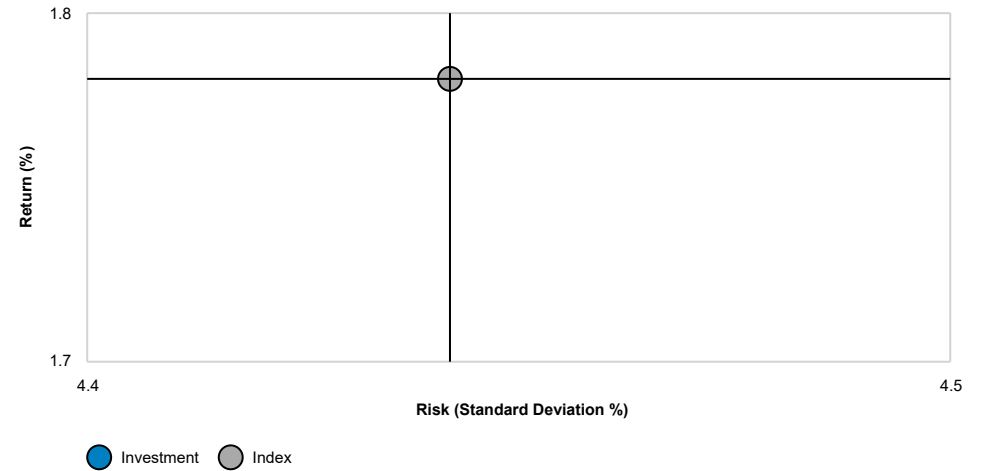
3 Year Rolling Percentile Rank IM Global Fixed Income (MF)



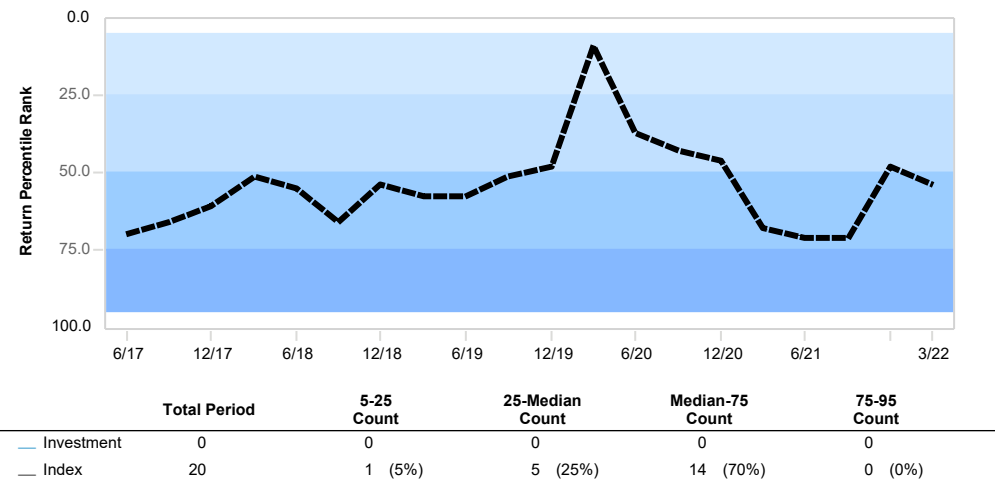
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	1.78	4.44	0.17	100.00	13	100.00	7

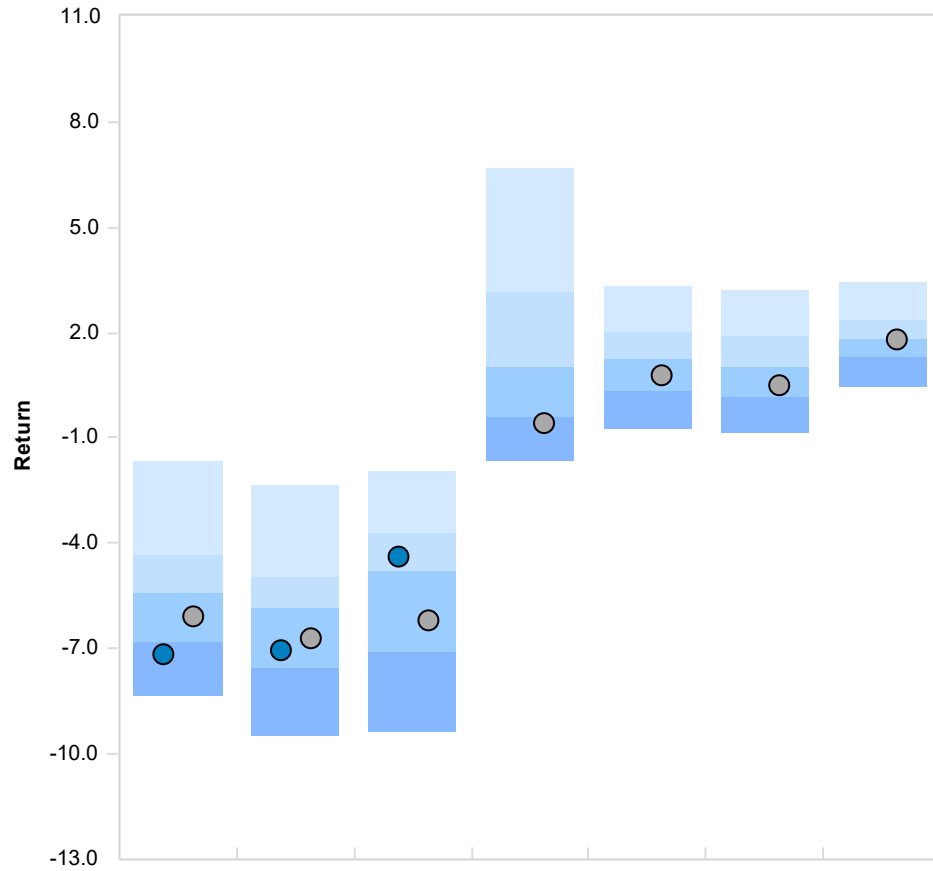
Risk and Return 5 Years



5 Year Rolling Percentile Rank IM Global Fixed Income (MF)



Peer Group Analysis - IM Global Fixed Income (MF)

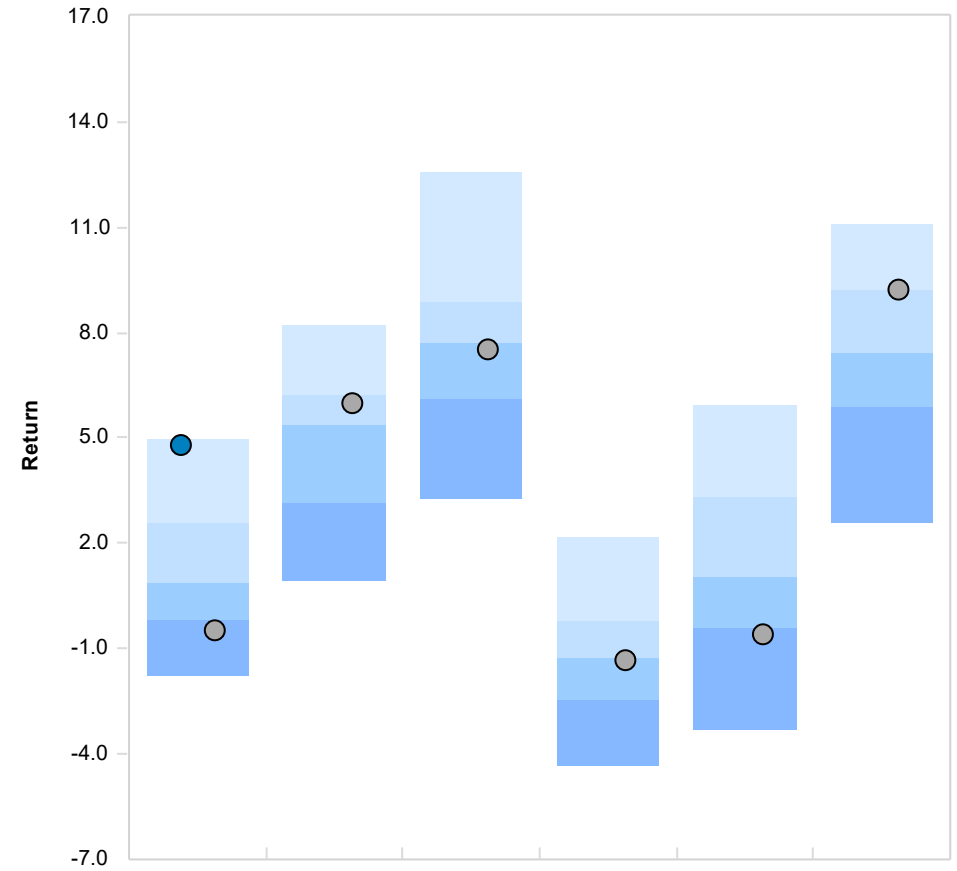


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
Investment	-7.17 (84)	-7.06 (66)	-4.37 (41)	N/A	N/A	N/A	N/A
Index	-6.05 (60)	-6.71 (56)	-6.22 (65)	-0.55 (79)	0.77 (63)	0.51 (65)	1.78 (54)
Median	-5.42	-5.87	-4.77	0.99	1.25	1.03	1.82

Comparative Performance

	1 Qtr Ending Dec-2021	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021
Investment	0.12 (6)	0.12 (18)	2.77 (3)
Index	-0.70 (51)	-0.91 (73)	1.45 (41)
Median	-0.69	-0.34	1.33

Peer Group Analysis - IM Global Fixed Income (MF)



	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016
Investment	4.82 (6)	N/A	N/A	N/A	N/A	N/A
Index	-0.45 (80)	5.99 (33)	7.54 (52)	-1.32 (51)	-0.56 (77)	9.23 (26)
Median	0.91	5.39	7.67	-1.29	1.05	7.42

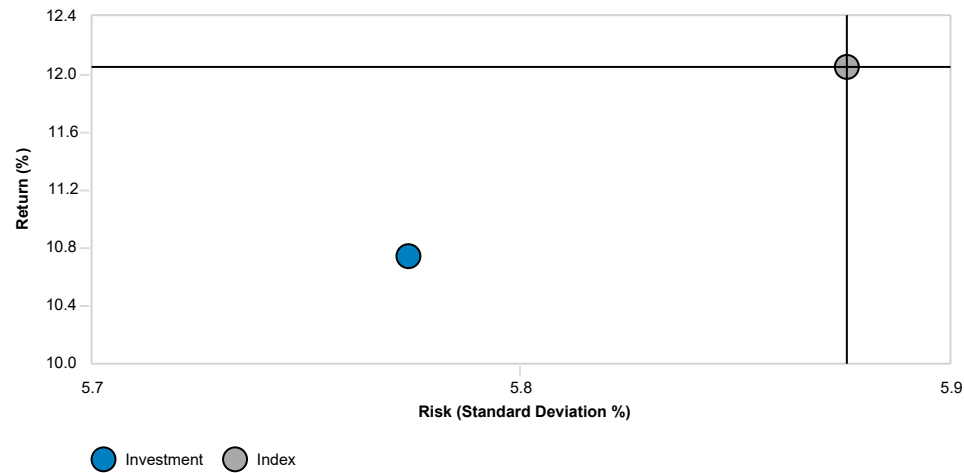
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	10.74	5.77	1.63	92.06	10	158.65	2
Index	12.05	5.88	1.79	100.00	11	100.00	1

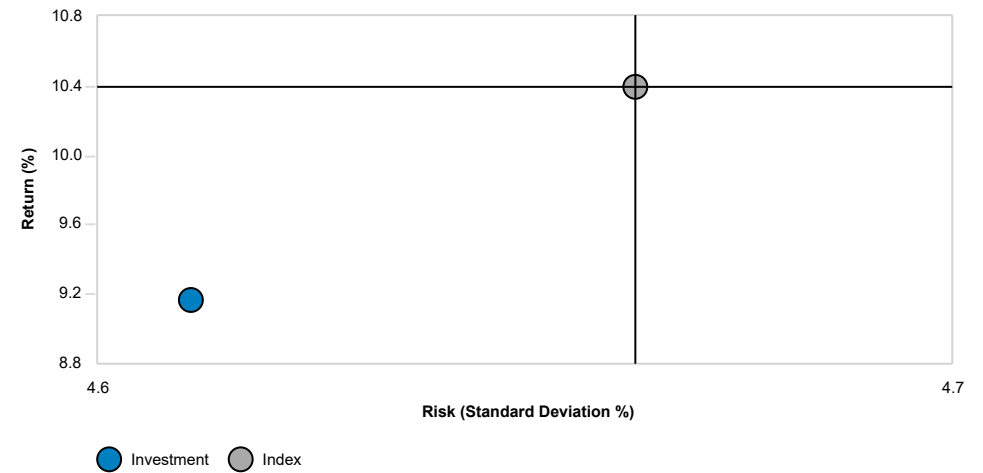
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	9.17	4.61	1.63	90.38	18	158.65	2
Index	10.39	4.66	1.84	100.00	19	100.00	1

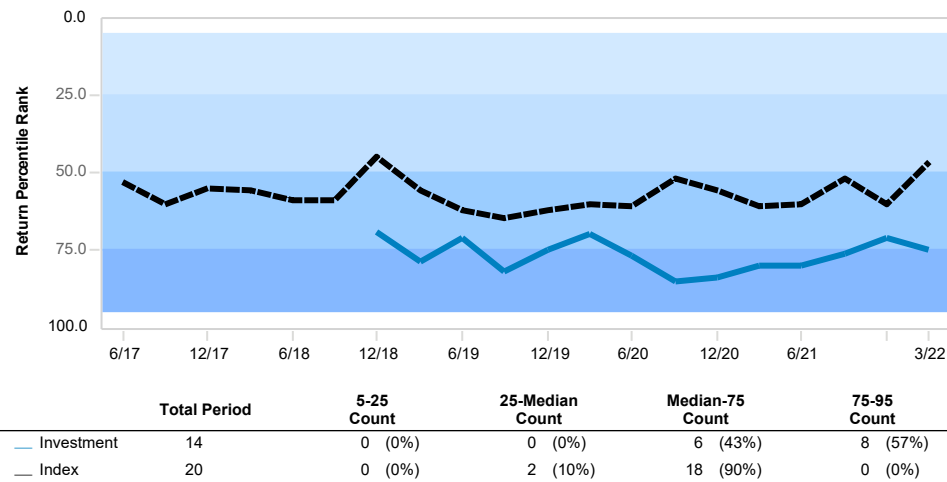
Risk and Return 3 Years



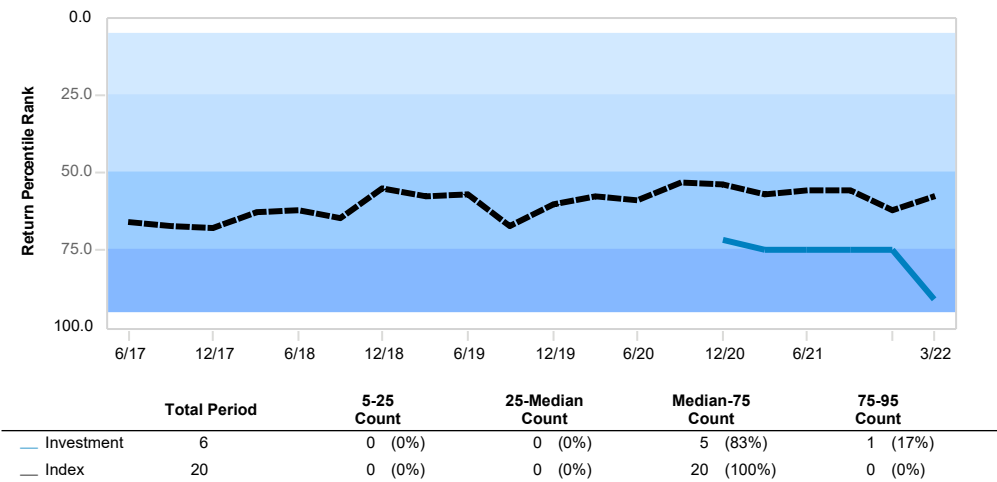
Risk and Return 5 Years



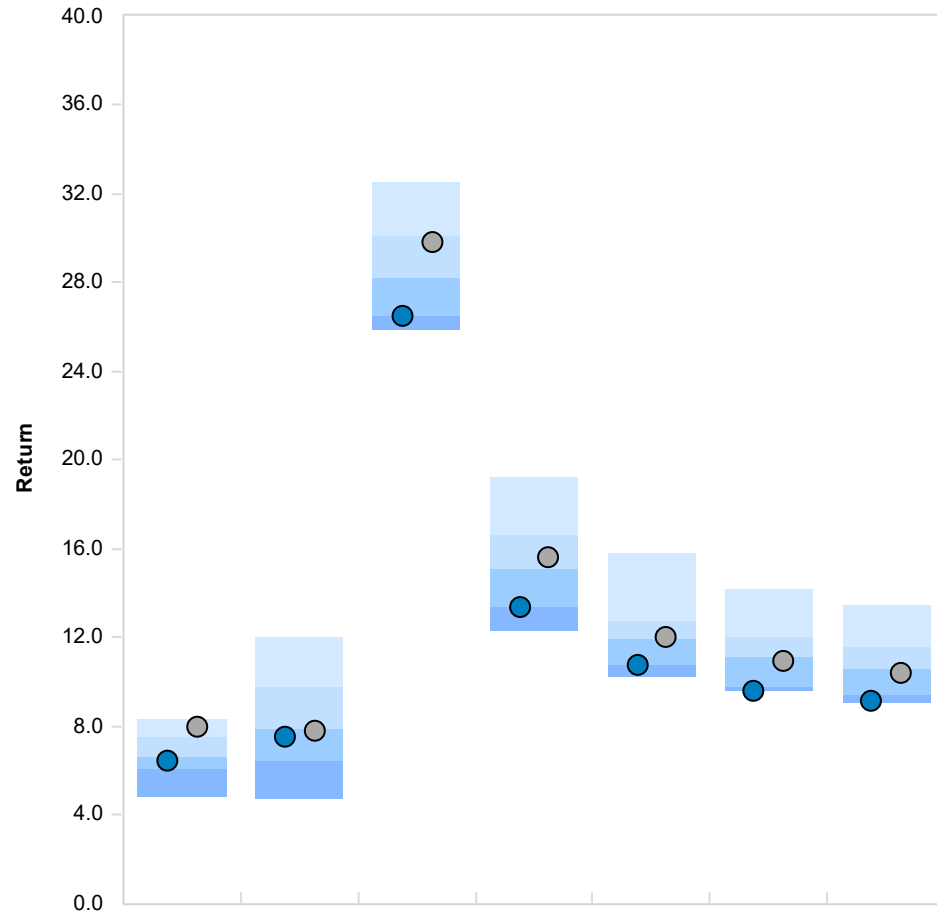
3 Year Rolling Percentile Rank IM U.S. Open End Private Real Estate (SA+CF)



5 Year Rolling Percentile Rank IM U.S. Open End Private Real Estate (SA+CF)



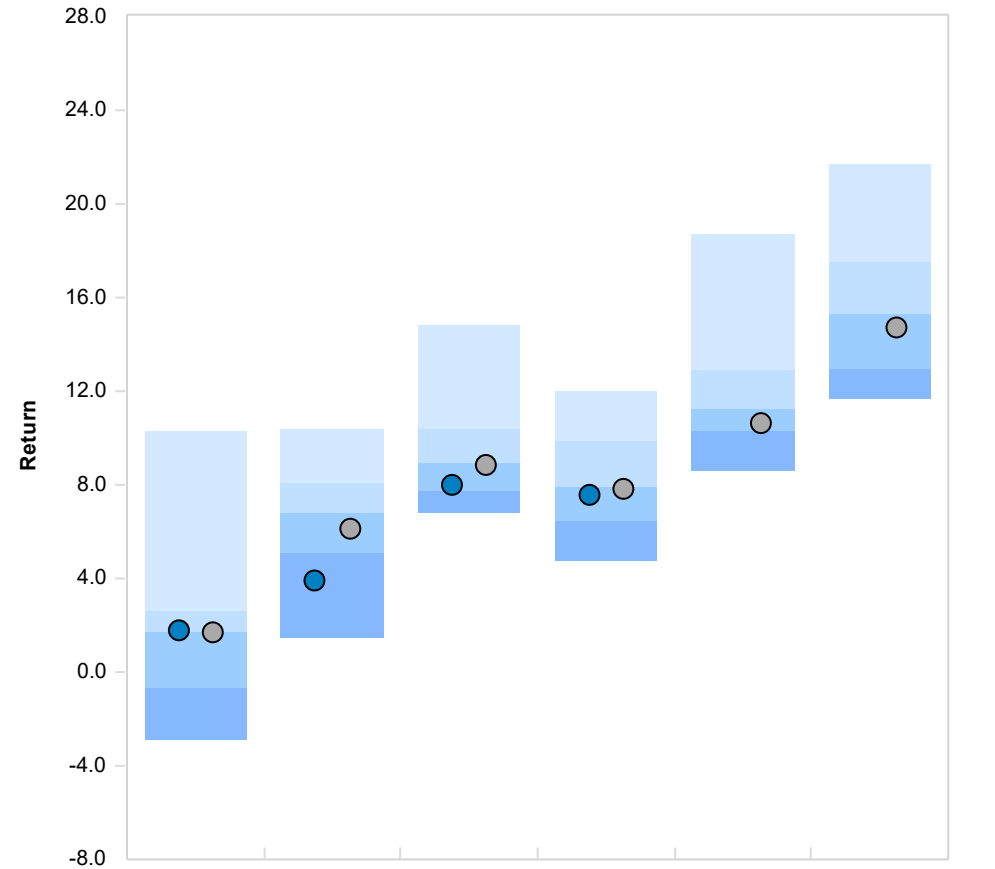
Peer Group Analysis - IM U.S. Open End Private Real Estate (SA+CF)



Comparative Performance

	1 Qtr Ending Dec-2021	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020
Investment	8.13 (38)	6.72 (41)	2.92 (84)	1.86 (59)	1.95 (36)	-0.03 (77)
Index	7.70 (44)	6.96 (35)	4.39 (41)	2.28 (40)	1.36 (59)	0.57 (48)
Median	7.57	6.33	4.17	2.10	1.63	0.49

Peer Group Analysis - IM U.S. Open End Private Real Estate (SA+CF)



Total Fund Compliance:	Yes	No	N/A
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Equity Compliance:	Yes	No	N/A
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Fixed Income Compliance:	Yes	No	N/A
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Manager Compliance:															
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A

Fee Analysis
Total Fund
As of March 31, 2022

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Vanguard Total Stk Mkt Index (VITSX)	0.04	17,937,712	7,175	0.04 % of Assets
Allspring	0.66	16,128,367	106,447	0.66 % of First \$50 M 0.60 % of Next \$50 M 0.55 % Thereafter
JP Morgan Equity Income R6 (OIEJX)	0.40	18,357,676	73,431	0.40 % of Assets
Eaton Vance Atlanta Capital SMID-Cap R6 (ERASX)	0.84	10,228,758	85,922	0.84 % of Assets
Total Domestic Equity	0.44	62,652,514	272,975	
EuroPacific Growth Fund (RERGX)	0.49	7,956,317	38,986	0.49 % of Assets
WCM Focused Int'l Growth (WCMIX)	1.03	3,701,672	38,127	1.03 % of Assets
Total International Equity	0.66	11,657,989	77,113	
Sawgrass	0.25	26,066,302	65,166	0.25 % of Assets
Total Domestic Fixed Income	0.25	26,066,302	65,166	
PIMCO Diversified Income (PDIIX)	0.79	3,594,655	28,398	0.79 % of Assets
Total Global Fixed Income	0.79	3,609,183	28,479	
JP Morgan Strategic Property Fund	1.00	6,628,114	66,281	1.00 % of Assets
Total Real Estate	1.00	6,628,114	66,281	
Total Cash & Equivalents*		4,767,133		
Total Fund	0.44	115,381,235	510,014	

*Manager fees associated with money market or cash accounts are not tracked.



Benchmark History
Investment Policy Benchmarks
As of March 31, 2022

Total Fund Policy	
Allocation Mandate	Weight (%)
Jan-1973	
S&P 500 Index	45.00
ICE BofAML US Corp & Gov 1-10 Yrs	45.00
MSCI EAFE Index	10.00
Jul-2001	
S&P 500 Index	45.00
BofA Merrill Lynch Domestic Master A or Better	45.00
MSCI EAFE Index	10.00
Jan-2010	
Russell 3000 Index	45.00
BofA Merrill Lynch Domestic Master A or Better	45.00
MSCI AC World ex USA	10.00
Apr-2011	
Russell 3000 Index	45.00
BofA Merrill Lynch Domestic Master A or Better	40.00
MSCI AC World ex USA	10.00
FTSE World Government Bond Index	5.00
Mar-2014	
Russell 3000 Index	50.00
MSCI AC World ex USA	10.00
BofA Merrill Lynch Domestic Master A or Better	35.00
FTSE World Government Bond Index	5.00
Nov-2015	
Russell 3000 Index	50.00
MSCI AC World ex USA	10.00
BofA Merrill Lynch Domestic Master A or Better	30.00
FTSE World Government Bond Index	5.00
NCREIF Fund Index-Open End Diversified Core (EW)	5.00

Total Equity Policy	
Allocation Mandate	Weight (%)
Jan-1970	
S&P 500 Index	80.00
MSCI EAFE Index	20.00
Jan-2010	
Russell 3000 Index	80.00
MSCI AC World ex USA	20.00
Apr-2011	
Russell 3000 Index	82.00
MSCI AC World ex USA	18.00
Mar-2014	
Russell 3000 Index	83.00
MSCI AC World ex USA	17.00
Total Domestic Equity Policy	
Allocation Mandate	Weight (%)
Jan-1970	
S&P 500 Index	100.00
Jan-2010	
Russell 3000 Index	100.00
Apr-2011	
Russell 3000 Index	100.00
Vanguard Total Stock Market Index	
Allocation Mandate	Weight (%)
Jun-2003	
MSCI US Broad Market Index	100.00
Jun-2013	
CRSP U.S. Total Market TR Index	100.00



Total International Equity Policy	
Allocation Mandate	Weight (%)
Jan-1970	
MSCI EAFE Index	100.00
Jan-2010	
MSCI AC World ex USA	100.00
Apr-2011	
MSCI AC World ex USA	100.00

Total Domestic Fixed Income Policy	
Allocation Mandate	Weight (%)
Jul-1999	
ICE BofAML US Corp & Gov 1-10 Yrs	100.00
Jul-2001	
BofA Merrill Lynch Domestic Master A or Better	100.00

Total Fixed Income Policy	
Allocation Mandate	Weight (%)
Jul-1999	
ICE BofAML US Corp & Gov 1-10 Yrs	100.00
Jul-2001	
BofA Merrill Lynch Domestic Master A or Better	100.00
Jan-2010	
BofA Merrill Lynch Domestic Master A or Better	100.00
Apr-2011	
BofA Merrill Lynch Domestic Master A or Better	89.00
FTSE World Government Bond Index	11.00
Mar-2014	
BofA Merrill Lynch Domestic Master A or Better	87.50
FTSE World Government Bond Index	12.50
Nov-2015	
BofA Merrill Lynch Domestic Master A or Better	85.70
FTSE World Government Bond Index	14.30

Total Global Fixed Income Policy	
Allocation Mandate	Weight (%)
Nov-2010	
FTSE World Government Bond Index	100.00

Investment Manager Long-Term Composite Returns



Comparative Performance
Total Fund - Manager Composites
As of March 31, 2022

Comparative Performance Trailing Returns - Manager Composites

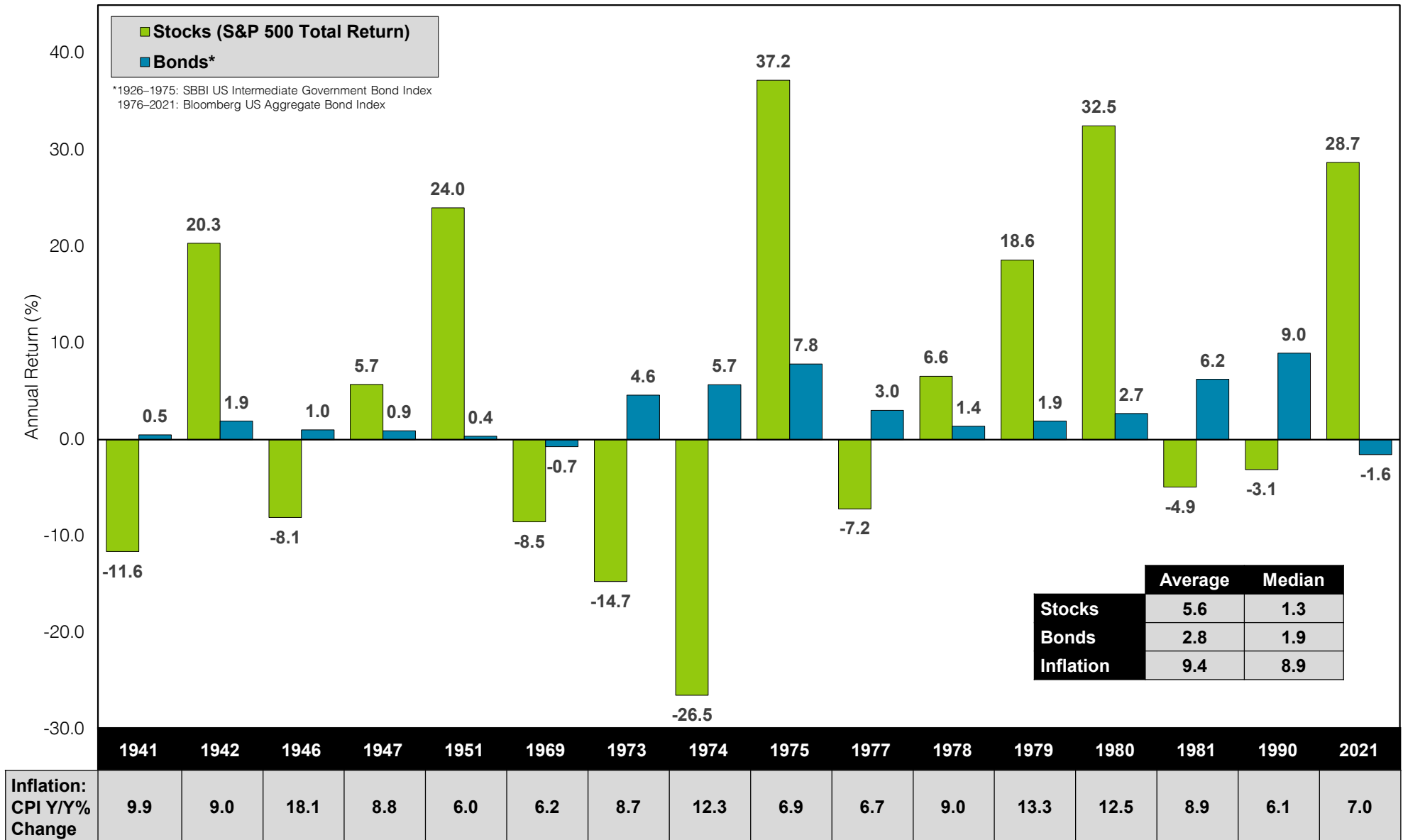
	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		10 YR		Inception		Inception Date
Domestic Equity																	
Vanguard TSM Idx;Inst (VITSX)	-5.46	(47)	3.20	(46)	11.68	(37)	18.16	(22)	15.37	(14)	13.34	(8)	14.25	(11)	8.74	(30)	08/01/1997
Vanguard Total Stock Market Index	-5.44	(46)	3.22	(45)	11.71	(36)	18.17	(21)	15.38	(14)	13.35	(8)	14.25	(11)	N/A		
IM U.S. Multi-Cap Core Equity (MF) Median	-5.69		2.82		10.37		15.76		13.22		11.01		12.53		8.06		
Allspring Heritage Premier Growth Equity	-12.57	(81)	-10.86	(92)	-1.04	(92)	16.99	(86)	18.86	(49)	14.30	(76)	14.48	(81)	13.46	(16)	08/01/1994
Russell 1000 Growth Index	-9.04	(41)	1.54	(32)	14.98	(17)	23.60	(12)	20.88	(20)	17.34	(14)	17.04	(16)	11.20	(93)	
IM U.S. Large Cap Growth Equity (SA+CF) Median	-9.88		-1.61		10.57		20.08		18.81		15.45		15.83		12.27		
JPMorgan:Equity Inc;R6 (OIEJX)	0.24	(38)	9.21	(22)	14.97	(16)	14.31	(35)	12.54	(15)	11.25	(13)	12.67	(12)	13.12	(14)	02/01/2012
Russell 1000 Value Index	-0.74	(62)	6.98	(63)	11.67	(66)	13.02	(60)	10.29	(62)	9.73	(45)	11.70	(29)	12.25	(30)	
IM U.S. Large Cap Value Equity (MF) Median	-0.38		7.79		12.73		13.55		10.66		9.59		11.20		11.76		
Eaton Vance AC SMID;R6 (ERASX)	-4.71	(53)	4.58	(37)	7.48	(49)	14.64	(33)	14.43	(4)	13.20	(3)	N/A		13.97	(3)	08/01/2014
Russell 2500 Index	-5.82	(71)	-2.22	(92)	0.34	(92)	13.79	(47)	11.57	(30)	9.99	(27)	12.09	(24)	10.68	(26)	
IM U.S. Mid Cap Core Equity (MF) Median	-4.48		2.77		7.31		13.60		10.45		8.90		11.17		9.38		
International Equity																	
American Funds EuPc;R6 (RERGX)	-12.24	(99)	-13.22	(99)	-9.35	(98)	8.36	(22)	8.01	(9)	6.22	(10)	7.32	(8)	7.86	(13)	06/01/2009
Total International Equity Policy	-5.33	(27)	-3.55	(41)	-1.04	(57)	8.01	(25)	7.26	(13)	5.68	(20)	6.04	(42)	6.89	(32)	
IM International Multi-Cap Core Equity (MF) Median	-6.51		-3.95		-0.50		7.20		6.06		4.72		5.81		6.54		
WCM Focused Intl Gro;Inst (WCMIX)	-17.34	(98)	-12.69	(85)	-3.23	(49)	15.46	(1)	13.82	(2)	11.48	(1)	10.70	(1)	9.55	(1)	06/01/2011
MSCI AC World ex USA	-5.33	(9)	-3.55	(12)	-1.04	(20)	8.01	(68)	7.26	(64)	5.68	(57)	6.04	(61)	4.69	(61)	
IM International Large Cap Growth Equity (MF) Median	-10.79		-7.89		-3.40		9.11		7.74		5.84		6.27		5.19		
Fixed Income																	
Sawgrass High-Quality Core Fixed Income	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A		04/01/1998
BofA Merrill Lynch Domestic Master A or Better	-5.65	(35)	-5.56	(23)	-3.95	(58)	1.42	(98)	1.92	(99)	1.65	(100)	2.02	(99)	N/A		
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-5.80		-5.85		-3.87		2.24		2.67		2.38		2.76		4.83		
Global Fixed Income																	
PIMCO:Div Income;Inst (PDIIX)	-7.09	(83)	-7.06	(66)	-4.37	(41)	1.87	(29)	3.15	(9)	3.88	(1)	4.24	(1)	6.18	(1)	08/01/2003
Bimbg. Global Multiverse	-6.05	(60)	-6.71	(56)	-6.22	(65)	0.77	(63)	1.78	(54)	1.74	(48)	1.21	(69)	3.52	(54)	
IM Global Fixed Income (MF) Median	-5.42		-5.87		-4.77		1.25		1.82		1.68		1.56		3.56		
Real Estate																	
JP Morgan Strategic Property Fund (SPF)	6.51	(67)	15.16	(34)	26.48	(84)	10.74	(75)	9.15	(92)	9.57	(100)	10.73	(82)	9.61	(N/A)	01/01/1998
NCREIF Fund Index-Open End Diversified Core (EW)	7.97	(13)	16.28	(25)	29.84	(31)	12.05	(47)	10.39	(58)	10.66	(53)	11.18	(54)	9.00	(N/A)	
IM U.S. Open End Private Real Estate (SA+CF) Median	6.61		15.01		28.27		11.92		10.65		10.86		11.57		N/A		

Returns for periods greater than one year are annualized. Returns are expressed as percentages.



Stock & Bond Returns During Periods of High Inflation

CPI-U Change Equal To or Greater Than 6.0%
Calendar Year Periods: 1926-2021



Source: Bureau of Labor Statistics & Morningstar Direct. Data as of December 31, 2021

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Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Public Market Equivalent (PME)	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

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Intermediate Fixed Income

Manager Analysis

As of 3/31/2022

Jacksonville Beach Retirement System



Purpose for this Manager Evaluation Report

The purpose of this search is to evaluate options for intermediate duration fixed income managers.

Investment Options for this Manager Evaluation Report

Firm Name	Strategy Name	Vehicle	Management Fee	Investment Minimum
Robert W. Baird & Co. Incorporated	Baird Intermediate Bond Institutional (BIMIX)	MF	0.30%	\$25,000
Garcia Hamilton & Associates	Garcia Hamilton Intermediate Agg.	SA	0.25%	\$5,000,000
Sawgrass Asset Management	Sawgrass Intermediate Fixed Income	SA	0.25%	\$1,000,000
Fidelity Investments	Fidelity Inflation Protected-Bond Index (FIPDX)	MF	0.05%	\$1,000,000

As of 3/31/2022

	Baird Intermediate Bond Inst	Garcia Hamilton Intermediate Aggregate	Sawgrass Intermediate Fixed Income	Fidelity® Inflation-Prot Bd Index	Sawgrass High Quality Core Fixed Income
COMPOSITION					
# of Holdings	657	45	74	48	144
% Asset in Top 10 Holdings	45.97	33.72	56.95	33.30	70.88
Asset Alloc Cash %	4.67	12.90	4.07	0.22	2.21
Asset Alloc Equity %	0.00	0.00	0.00	0.00	0.00
Asset Alloc Bond %	91.47	85.15	95.93	99.78	97.79
Asset Alloc Other %	3.86	1.95	0.00	0.00	0.00
STATISTICS					
Average Eff Duration Survey	4.05	3.40	3.89	5.29	5.87
Average Eff Maturity Survey	4.46	3.91	4.64		6.86
Average Coupon	2.45	3.09	1.68	0.70	1.53
Average YTM Survey		2.54			
Average Credit Quality	A	AA	AA	AAA	AA
SECTOR ALLOCATION					
Government %	45.63	18.04	58.30	99.78	61.47
Government Related %	0.00	0.00	2.74	0.00	0.99
Municipal Taxable %	1.22	0.00	0.00	0.00	0.00
Municipal Tax-Exempt %	0.06	0.00	0.00	0.00	0.00
Bank Loan %	0.00	0.00	0.00	0.00	0.00
Corporate Bond %	34.88	20.73	29.82	0.00	23.18
Agency Mortgage-Backed %	1.80	46.38	5.08	0.00	12.16
Non-Ag. Res. Mortgage-Backed %	0.10	0.00	0.00	0.00	0.00
Commercial Mortgage-Backed %	4.30	0.00	0.00	0.00	0.00
Asset-Backed %	3.56	0.00	0.00	0.00	0.00
Cash & Equivalents %	4.67	12.90	4.07	0.22	2.21

Characteristic data is based on best available data.

Morningstar Direct does not provide fundamental data for Bloomberg Barclays' fixed income indices.

Sawgrass Intermediate is being included at the sole request of the client. Sawgrass Intermediate is not an AndCo Approved strategy.

As of 3/31/2022

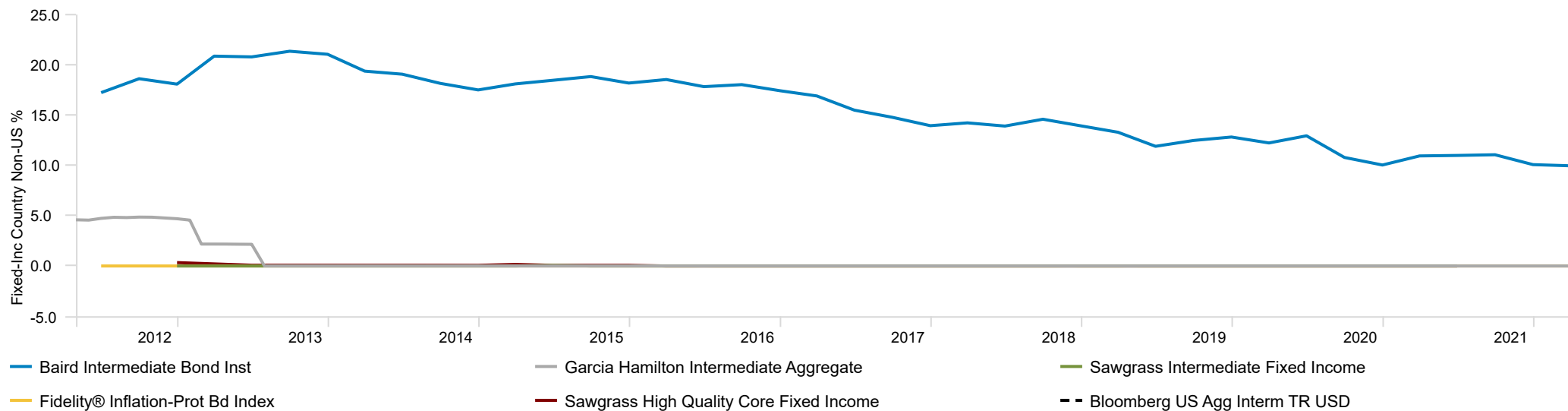
	Baird Intermediate Bond Inst	Garcia Hamilton Intermediate Aggregate	Sawgrass Intermediate Fixed Income	Fidelity® Inflation-Prot Bd Index	Sawgrass High Quality Core Fixed Income
MATURITY DISTRIBUTION					
Maturity 1-3 Yr %	22.61	7.39	8.28	23.96	0.43
Maturity 3-5 Yr %	25.20	10.84	18.52	24.79	6.25
Maturity 5-7 Yr %	25.32	10.18	51.14	14.71	69.28
Maturity 7-10 Yr %	11.65	12.31	7.07	18.74	6.72
Maturity 10-15 Yr %	2.04	6.05	1.29	0.64	3.19
Maturity 15-20 Yr %	1.05	44.58	0.00	3.99	0.47
Maturity 20-30 Yr %	3.50	1.51	1.57	12.97	11.32
Maturity 30+ Yr %	2.34	0.00	0.00	0.00	0.00
QUALITY DISTRIBUTION					
Credit Quality Survey AAA %	58.20	77.25	70.79	100.00	76.79
Credit Quality Survey AA %	3.80	0.00	0.00	0.00	0.00
Credit Quality Survey A %	14.40	22.75	23.78	0.00	17.69
Credit Quality Survey BBB %	23.00	0.00	5.43	0.00	5.52
Credit Quality Survey BB %	0.60	0.00	0.00	0.00	0.00
Credit Quality Survey B %	0.00	0.00	0.00	0.00	0.00
Credit Quality Survey Below B %	0.00	0.00	0.00	0.00	0.00
Credit Quality Survey Not Rated %	0.00	0.00	0.00	0.00	0.00

Characteristic data is based on best available data.

Current Portfolio Region Allocation

	Baird Intermediate Bond Inst	Garcia Hamilton Intermediate Aggregate	Sawgrass Intermediate Fixed Income	Fidelity® Inflation-Prot Bd Index	Sawgrass High Quality Core Fixed Income
Portfolio Date	3/31/2022	3/31/2022	6/30/2021	3/31/2022	6/30/2021
United States %	89.05	100.00	100.00	100.00	100.00
North America %	89.41	100.00	100.00	100.00	100.00
Latin America %	0.68	0.00	0.00	0.00	0.00
United Kingdom %	1.95	0.00	0.00	0.00	0.00
Europe dev %	5.44	0.00	0.00	0.00	0.00
Europe emrg %	0.00	0.00	0.00	0.00	0.00
Japan %	0.89	0.00	0.00	0.00	0.00
Australasia %	1.04	0.00	0.00	0.00	0.00
Asia dev %	0.47	0.00	0.00	0.00	0.00
Asia emrg %	0.13	0.00	0.00	0.00	0.00
Africa/Middle East %	0.00	0.00	0.00	0.00	0.00
Developed %	99.19	100.00	100.00	100.00	100.00
Emerging %	0.81	0.00	0.00	0.00	0.00

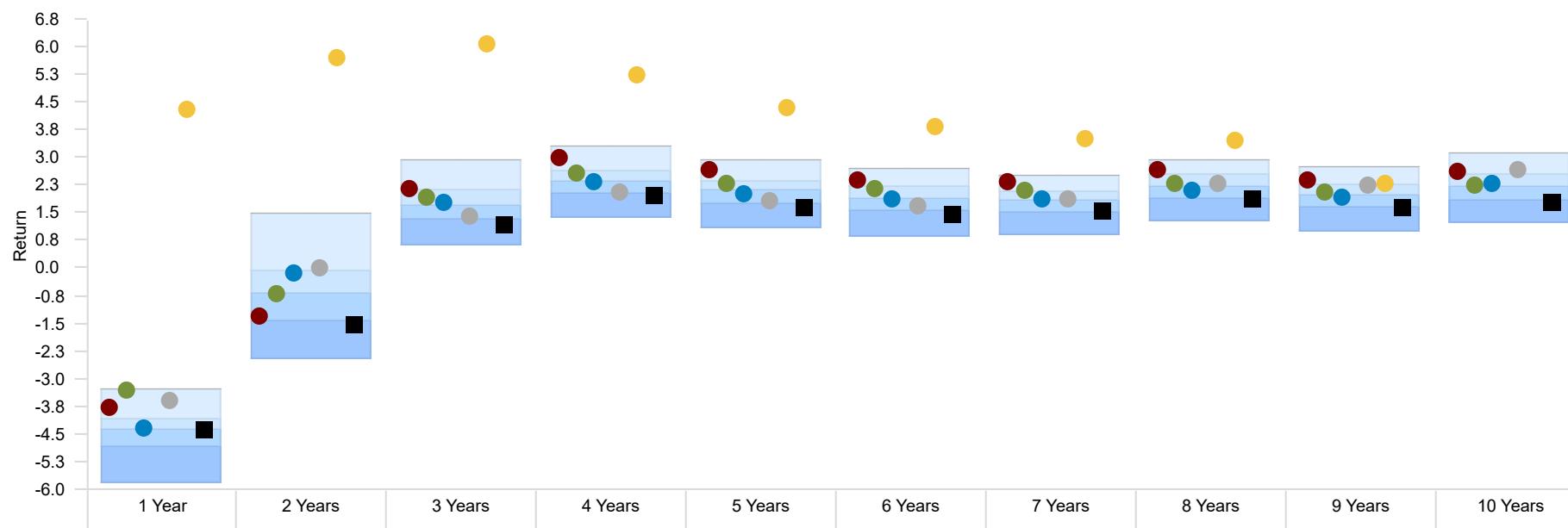
Historical Non-US Portfolio Exposure



Characteristic data is based on best available data.



As of Date: 3/31/2022 Peer Group (5-95%): Funds - U.S. - Intermediate Core Bond



● Baird Intermediate Bond Inst

● Garcia Hamilton Intermediate Aggregate

● Sawgrass Intermediate Fixed Income

● Fidelity® Inflation-Prot Bd Index

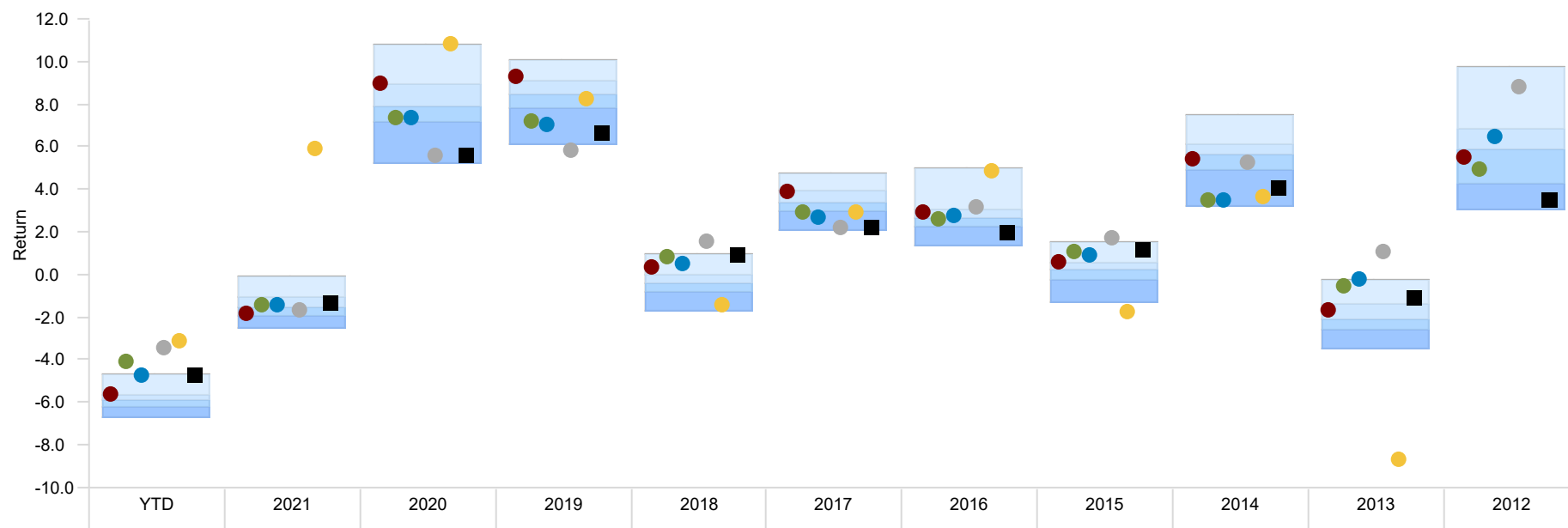
● Sawgrass High Quality Core Fixed Income

■ Bloomberg US Agg Interm TR USD

Returns are Net of Fees.

Performance data shown prior to fund's inception date represents extended performance of an older share class of the same strategy.

As of Date: 3/31/2022 Peer Group (5-95%): Funds - U.S. - Intermediate Core Bond



● Baird Intermediate Bond Inst

● Garcia Hamilton Intermediate Aggregate

● Sawgrass Intermediate Fixed Income

● Fidelity® Inflation-Prot Bd Index

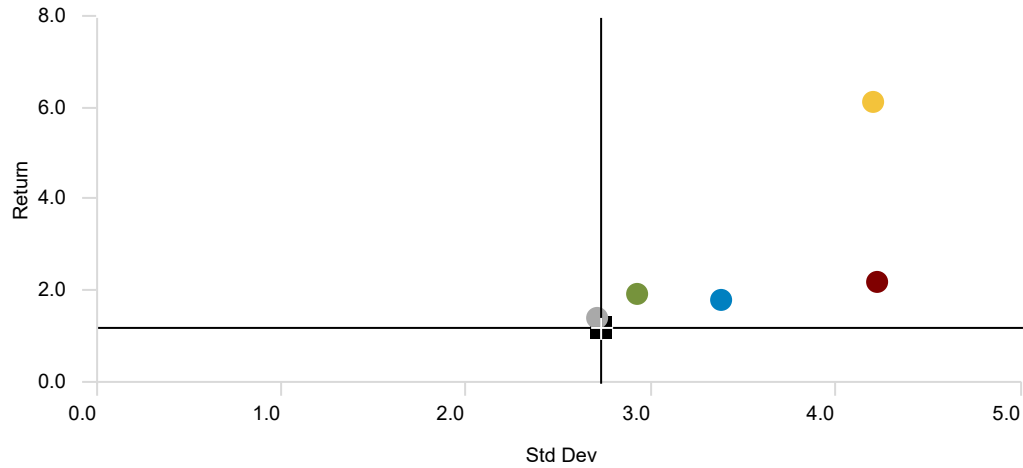
● Sawgrass High Quality Core Fixed Income

■ Bloomberg US Agg Interm TR USD

Risk-Reward: 3-Year

Time Period: 4/1/2019 to 3/31/2022

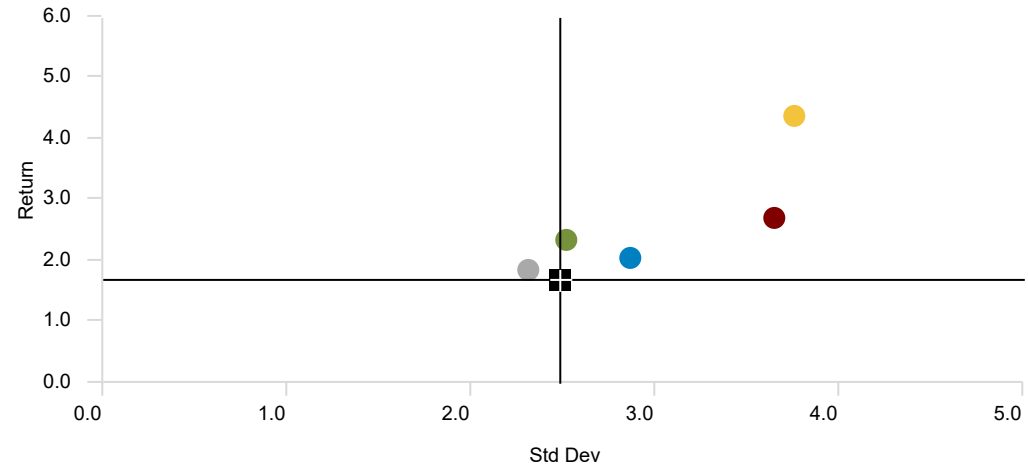
Calculation Benchmark: Bloomberg US Agg Interm TR USD



Risk-Reward: 5-Year

Time Period: 4/1/2017 to 3/31/2022

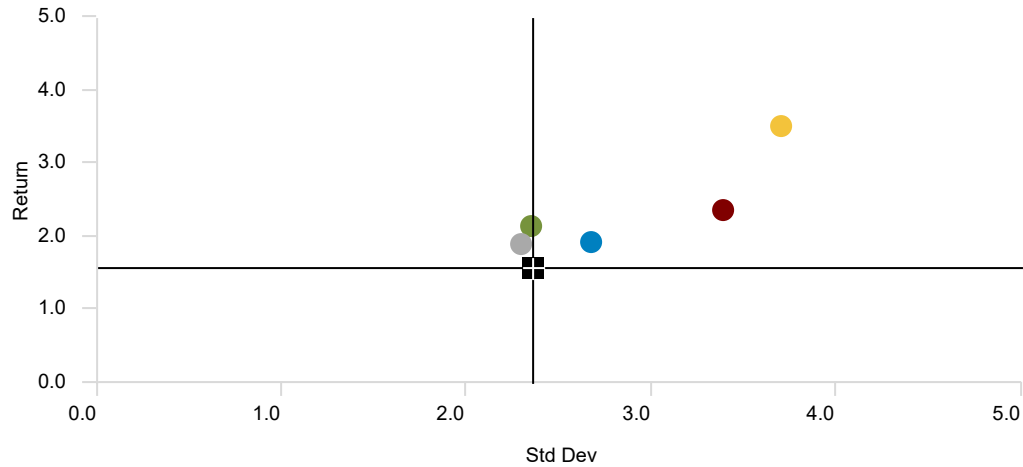
Calculation Benchmark: Bloomberg US Agg Interm TR USD



Risk-Reward: 7-Year

Time Period: 4/1/2015 to 3/31/2022

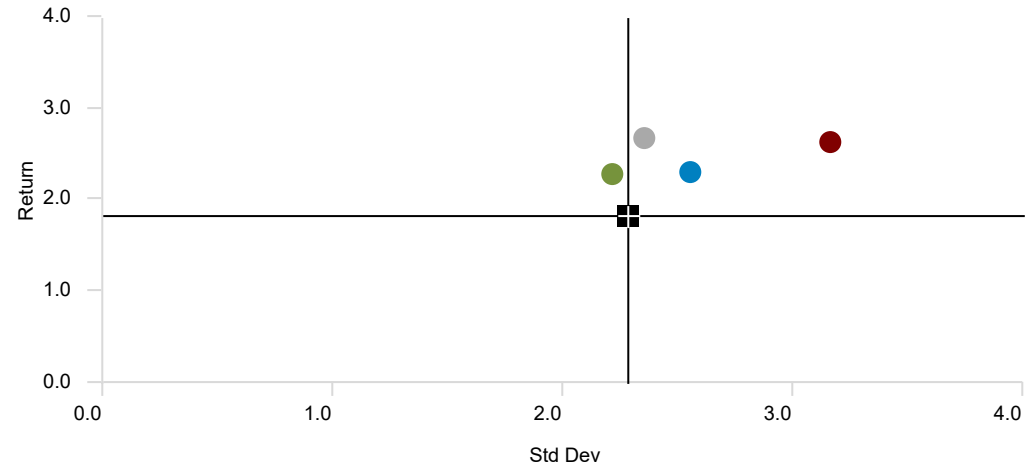
Calculation Benchmark: Bloomberg US Agg Interm TR USD



Risk-Reward: 10-Year

Time Period: 4/1/2012 to 3/31/2022

Calculation Benchmark: Bloomberg US Agg Interm TR USD



● Baird Intermediate Bond Inst

● Garcia Hamilton Intermediate Aggregate

● Sawgrass Intermediate Fixed Income

● Fidelity® Inflation-Prot Bd Index

● Sawgrass High Quality Core Fixed Income

■ Bloomberg US Agg Interm TR USD

MPT Statistics: 3-Year

Time Period: 4/1/2019 to 3/31/2022 Calculation Benchmark: Bloomberg US Agg Interm TR USD

	Baird Intermediate Bond Inst	Garcia Hamilton Intermediate Aggregate	Sawgrass Intermediate Fixed Income	Fidelity® Inflation-Prot Bd Index	Sawgrass High Quality Core Fixed Income	Bloomberg US Agg Interm TR USD
Return	1.77	1.41	1.93	6.11	2.19	1.19
Excess Return	0.58	0.22	0.74	4.92	1.00	0.00
Std Dev	3.38	2.71	2.93	4.20	4.22	2.73
Beta	1.16	0.87	1.06	1.24	1.49	1.00
Tracking Error	1.33	1.36	0.59	2.68	1.83	0.00
Sharpe Ratio	0.32	0.27	0.43	1.29	0.36	0.19
Alpha	0.51	0.29	0.70	4.68	0.77	0.00
Information Ratio	0.44	0.16	1.25	1.83	0.55	
Batting Average	50.00	52.78	69.44	72.22	52.78	100.00
Up Capture Ratio	135.24	99.68	121.51	207.90	166.07	100.00
Down Capture Ratio	129.14	91.77	104.18	80.76	157.95	100.00

MPT Statistics: 5-Year

Time Period: 4/1/2017 to 3/31/2022 Calculation Benchmark: Bloomberg US Agg Interm TR USD

	2.02	1.83	2.33	4.35	2.69	1.67
Return	2.02	1.83	2.33	4.35	2.69	1.67
Excess Return	0.35	0.16	0.66	2.68	1.01	0.00
Std Dev	2.88	2.31	2.53	3.76	3.65	2.49
Beta	1.08	0.82	0.98	1.19	1.41	1.00
Tracking Error	1.05	1.14	0.64	2.48	1.49	0.00
Sharpe Ratio	0.32	0.32	0.49	0.86	0.43	0.23
Alpha	0.30	0.26	0.66	2.53	0.78	0.00
Information Ratio	0.33	0.14	1.03	1.08	0.68	
Batting Average	53.33	50.00	68.33	63.33	58.33	100.00
Up Capture Ratio	117.82	92.79	109.10	165.20	149.21	100.00
Down Capture Ratio	115.73	81.23	88.56	101.38	141.37	100.00

MPT Statistics: 7-Year

Time Period: 4/1/2015 to 3/31/2022 Calculation Benchmark: Bloomberg US Agg Interm TR USD

	Baird Intermediate Bond Inst	Garcia Hamilton Intermediate Aggregate	Sawgrass Intermediate Fixed Income	Fidelity® Inflation-Prot Bd Index	Sawgrass High Quality Core Fixed Income	Bloomberg US Agg Interm TR USD
Return	1.90	1.88	2.13	3.51	2.35	1.56
Excess Return	0.34	0.32	0.57	1.95	0.80	0.00
Std Dev	2.68	2.30	2.35	3.70	3.39	2.36
Beta	1.07	0.87	0.96	1.24	1.36	1.00
Tracking Error	0.92	1.06	0.65	2.41	1.38	0.00
Sharpe Ratio	0.39	0.44	0.54	0.71	0.44	0.29
Alpha	0.29	0.41	0.59	1.77	0.55	0.00
Information Ratio	0.37	0.31	0.88	0.81	0.58	
Batting Average	54.76	52.38	65.48	58.33	58.33	100.00
Up Capture Ratio	117.15	98.42	106.87	160.91	143.53	100.00
Down Capture Ratio	113.79	82.92	86.30	116.95	138.22	100.00

MPT Statistics: 10-Year

Time Period: 4/1/2012 to 3/31/2022 Calculation Benchmark: Bloomberg US Agg Interm TR USD

Return	2.30	2.67	2.28		2.62	1.81
Excess Return	0.48	0.86	0.47		0.81	0.00
Std Dev	2.56	2.36	2.21		3.16	2.28
Beta	1.06	0.92	0.93		1.32	1.00
Tracking Error	0.84	1.13	0.60		1.23	0.00
Sharpe Ratio	0.66	0.87	0.75		0.63	0.52
Alpha	0.41	0.95	0.54		0.43	0.00
Information Ratio	0.58	0.76	0.77		0.65	
Batting Average	56.67	58.33	65.83		60.00	100.00
Up Capture Ratio	117.60	111.24	103.39		137.02	100.00
Down Capture Ratio	109.98	81.04	84.61		130.88	100.00

Alpha - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta.

Batting Average – A measure of a manager's ability to consistently beat the market. It is calculated by dividing the number of months in which the manager beat or matched an index by the total number of months in the period.

Best Quarter- This is the highest quarterly (3 month) return of the investment since its inception.

Beta - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.

Down Period Percent - Number of months below 0 divided by the total number of months.

Downmarket Capture Ratio - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance.

Downside Std Dev - This measures only deviations below a specified benchmark.

Excess Return- This is a measure of an investment's return in excess of a benchmark.

Information Ratio - This calculates the value-added contribution of the manager and is derived by dividing the excess rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.

Longest Down-Streak Return - Return for the longest series of negative monthly returns.

Longest Down-Streak # of Periods - Longest series of negative monthly returns.

Longest Up-Streak Return - Return for the longest series of positive monthly returns.

Longest Up-Streak - Longest series of positive monthly returns.

Kurtosis - Kurtosis indicates the peakedness of a distribution. For normal distribution, Kurtosis is 3.

Max Drawdown - The peak to trough decline during a specific record period of an investment or fund. It is usually quoted as the percentage between the peak to the trough.

Max Drawdown # of Periods - This is the number of months that encompasses the max drawdown for an investment.

R-Squared - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.

Return - Compounded rate of return for the period.

Sharpe Ratio - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.

Skewness - Skewness reflects the degree of asymmetry of a distribution. If the distribution has a longer left tail, the function has negative skewness. Otherwise, it has positive skewness. A normal distribution

is symmetric with skewness 0.

Sortino Ratio - The Sortino Ratio is similar to Sharpe Ratio except it uses downside risk (Downside Deviation) in the denominator. It was developed in early 1980's by Frank Sortino. Since upside variability is not necessarily a bad thing, Sortino ratio is sometimes more preferable than Sharpe ratio.

Standard Deviation - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.

Tracking Error - This is a measure of the standard deviation of a portfolio's excess returns versus its designated market benchmark.

Treynor Ratio - Similar to Sharpe Ratio, Treynor Ratio is a measurement of efficiency utilizing the relationship between annualized risk-adjusted return and risk. Unlike Sharpe Ratio, Treynor Ratio utilizes "market" risk (beta) instead of total risk (standard deviation). Good performance efficiency is measured by a high ratio.

Up period Percent - Number of months above 0 divided by the total number of months.

Upmarket Capture Ratio - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

Worst Quarter - This is the lowest quarterly (3 month) return of the investment since its inception.

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MEMORANDUM

TO: Board of Trustees
City of Jacksonville Beach General Employees' Retirement Plan
City of Jacksonville Beach Police Officers' Retirement Plan
City of Jacksonville Beach Firefighters' Retirement Plan

FROM: Duston Scott, Pension Plan Administrator

SUBJECT: 2023 Recommended Annual Operating Budgets

DATE: April 27, 2022

Attached are the proposed 2023 operating budgets for the City of Jacksonville Beach General Employees' Retirement Plan, Police Officers' Retirement Plan and Firefighters' Retirement Plan. The budgets were prepared using the following assumptions:

Revenues:

Investment Earnings – Estimated at 7.0% (7.50% actuarial assumption).

Member Contributions – 7.95% of estimate payroll for 2023. (General, Police, and Fire employee contribution rate).

City Contributions – Per actuary for 2023. (2.01% decrease in General, 8.88% increase in Police, and 4.06% increase in Fire.

Tax Revenues – Police tax revenues are projected the same as last year actual. The City will no longer receive Fire tax revenues due to the outsourcing the Fire services. Jacksonville will receive the tax revenues going forward.

Expenses:

Personal Services – Allocation of the Pension Plan Administrator's salary (General 38.73%, Police 13.75%, and Fire 9.02%).

Professional Services – 3% increase in AndCo. annual fee.

Contract Services – Adjustment were made to budgets relative to prior years to more closely reflect actual expenses.

Other Current Charges – Removal of budgets pension software upgrade and contingency.

Pension Benefits – Estimated based on current year benefits paid plus new retirees and projected Back-DROP payments for fiscal year 2023.

Accounting/Audit – Charges for accounting have been adjusted. These are the first adjustments in nearly 20 years.



Memo**Page 2**

Overall, the General Employees' Retirement Plan budgeted expenses are 2.9% higher than last year due to an adjustment to pension benefits, the Police Officers' Retirement Plan budgeted expenses are slightly less the prior year, and the Firefighters' Retirement Plan budgeted expenditures are 4.25% lower due to an adjustment to pension benefits.

RECOMMENDATION

Recommend approval of the 2022/2023 annual operating budgets for the City of Jacksonville Beach General Employees' Retirement Plan, Police Officers' Retirement Plan and Firefighters' Retirement Plan.

City of Jacksonville Beach Retirement Systems

2023 PROPOSED
BUDGET



Budget Assumptions

Revenues:

- **Investment Earnings** – 7.0%
- **Member Contributions** – General, Police and Fire – 7.95%
- **City Contributions** – a 2% decrease for General, a 9% increase for Police, and a 4% increase for Fire
- **Tax Revenues** – **Based on October 1, 2021 actuarial valuation** Police tax revenues as projected SALY. Jacksonville will continue to receive Fire tax revenue going forward

Budget Assumptions

Expenses:

- **Total Expenses** – consistent with prior years
- **Personal Services** – an allocation of the Pension Plan Administrator's salary
- **Professional Services** – AndCo 3% increase
- **Pension Benefits** – current year benefits paid plus new retirees projected to begin receiving benefits and Back-DROP payouts in 2023
- **Other Current Charges-** Removed proposal to upgrade pension software and contingency

General Employees

Revenues	2022 Budget	2023 Budget	% Change
Taxes	-	-	-
Investment Earnings	4,409,188	5,103,943	15.8%
Contributions:			
Member	1,128,112	1,143,180	1.3%
City	<u>2,407,054</u>	<u>2,356,821</u>	-2.0%
Total Contributions	3,535,166	3,512,001	-1.0%
Other Revenues	<u>12,000</u>	<u>12,000</u>	0.0%
Total Revenues	<u>\$7,956,354</u>	<u>8,615,944</u>	8.3%

General Employees

Expenses	2022 Budget	2023 Budget	% Change
Personal Services	43,750	42,943	-1.9%
Professional Services			
Actuarial	22,500	22,500	0.0%
Legal	11,000	11,000	0.0%
Investment	13,500	14,000	3.7%
Other	<u>5,000</u>	<u>5,200</u>	4.0%
Total Professional Services	52,000	52,700	0.9%
Management & Custodial Fees	246,500	155,500	-36.9%
Pension Benefits	5,100,500	5,300,000	3.9%
Other Expenses	28,550	78,843	176.2%
Total Expenses	<u>\$5,471,300</u>	<u>\$5,629,986</u>	2.9%

Police Officers

Revenues	2022 Budget	2023 Budget	% Change
Taxes*	251,023	303,569	20.9%
Investment Earnings	1,863,589	2,263,210	21.4%
Contributions:			
Member	420,190	427,180	1.7%
City	<u>402,828</u>	<u>438,601</u>	8.9%
Total Contributions	823,018	865,781	5.2%
Other Revenues	<u>3,000</u>	<u>3,000</u>	0.0%
Total Revenues	<u>2,940,630</u>	<u>3,435,560</u>	16.8%

Police Officers

Expenses	2022 Budget	2023 Budget	% Change
Personal Services	15,534	15,248	3.0%
Professional Services			
Actuarial	24,000	24,000	0.0%
Legal	11,000	11,000	0.0%
Investment	13,500	14,000	3.7%
Other	<u>2,000</u>	<u>2,200</u>	10.0%
Total Professional Services	50,500	51,200	1.4%
Management & Custodial Fees	106,500	71,000	-33.3%
Pension Benefits	1,717,000	1,700,000	-1.0%
Other Expenses	24,250	40,028	22.2%
Total Expenses	<u>1,913,784</u>	<u>1,877,476</u>	-1.9%

Firefighters

Revenues	2022 Budget	2023 Budget	% Increase (Decrease)
Taxes*	0	0	0%
Investment Earnings	1,043,797	1,288,576	6.3%
Contributions:			
Member	135,185	138,197	2.2%
City	680,344	707,653	4.1%
	<u>0</u>	<u>289,465</u>	N/A
Total Contributions	815,529	1,135,315	39.1%
Other Revenues	<u>2,000</u>	<u>2,000</u>	0.0%
Total Revenues	<u>1,861,326</u>	<u>2,425,891</u>	30.3%

Firefighters

Expenses	2022 Budget	2023 Budget	% Change
Personal Services	10,189	10,001	-1.8%
Professional Services			
Actuarial	23,000	23,000	0.0%
Legal	11,000	11,000	0.0%
Investment	13,500	14,000	3.7%
Other	<u>2,000</u>	<u>2,000</u>	0.0%
Total Professional Services	49,500	50,000	1.0%
Management & Custodial Fees	60,000	43,500	-27.5%
Pension Benefits	983,000	945,000	-3.9%
Other Expenses	22,550	28,859	28.0%
Total Expenses	<u>1,125,239</u>	<u>1,077,360</u>	-4.25%

ALL PENSION FUNDS
SUMMARY OF REVENUES AND EXPENSES

	Actual	Actual	Actual	Budget	Proposed	Increase	%
	2019	2020	2021	2022	Budget 2023	(Decrease)	Change
REVENUES							
TAXES	370,217	418,343	303,569	251,023	303,569	52,546	20.93%
Pooled Interest	16,504	3,833	779	7,181	6,000	(1,181)	-16.44%
Equity Accounts	2,551,462	7,459,050	18,981,516	4,382,171	5,674,055	1,291,884	29.48%
Fixed Income	2,606,593	2,113,763	(375,795)	2,531,482	2,539,046	7,564	0.30%
Real Estate	143,126	38,723	662,335	395,740	436,628	40,888	10.33%
INVESTMENT EARNINGS	5,317,685	9,615,369	19,268,834	7,316,574	8,655,729	1,298,267	17.74%
Member Contributions	1,599,257	1,651,240	1,778,594	1,683,487	1,708,557	25,070	1.49%
City Contributions	3,187,726	3,915,277	4,005,584	3,488,093	3,503,075	14,982	0.43%
City Minimum Contribution	2,133	2,033	299	2,133	-	(2,133)	-100.00%
County Contribution	-	-	-	-	289,465	289,465	0.00%
Other Misc Revenues	15,796	16,199	20,825	17,000	17,000	-	0.00%
CONTRIBUTIONS & OTHER	4,804,912	5,584,750	5,805,302	5,190,713	5,518,097	327,384	6.31%
TOTAL REVENUES	10,492,814	15,618,462	25,377,705	12,758,310	14,477,395	1,678,197	13.15%
EXPENSES							
Pension Administrator Wages	45,028	46,852	41,204	51,834	55,809	3,975	7.67%
Payroll Taxes	3,166	3,430	3,131	3,967	4,291	324	8.18%
City Pension Contribution	6,911	7,395	7,791	8,493	7,517	(976)	-11.49%
Other Benefits	4,472	3,457	49	5,180	575	(4,605)	-88.90%
PERSONAL SERVICES	59,577	61,135	52,175	69,473	68,192	(1,282)	-1.85%
Actuarial Services	56,350	61,600	64,350	69,500	69,500	-	0.00%
Other professional services	-	600	600	9,000	9,400	400	4.44%
Legal	31,299	31,604	30,600	33,000	33,000	-	0.00%
Investment Services	28,407	48,667	40,278	40,500	42,000	1,500	3.70%
PROFESSIONAL SERVICES	116,056	142,471	135,828	152,000	153,900	1,900	1.25%
Salem Custodial Fees	-	-	-	-	-	-	0.00%
Fixed Income	88,247	84,317	88,939	76,500	90,000	13,500	17.65%
Equity Accounts	95,759	88,450	112,869	278,000	120,000	(158,000)	-56.83%
Real Estate	-	-	-	56,000	57,000	1,000	1.79%
Pooled svc. Chgs.	1,059	614	2,666	2,500	3,000	500	20.00%
Other contract services	-	-	-	-	-	-	0.00%
CONTRACT SERVICES	211,799	173,380	204,474	413,000	270,000	(143,000)	-34.62%
Pension benefits	7,318,572	7,907,014	7,545,238	7,800,500	7,945,000	144,500	1.85%
Travel and training	17,884	10,658	23,316	23,000	25,000	2,000	8.70%
Postage	53	4	35	300	300	-	0.00%
Liability	16,785	16,584	16,584	-	17,001	17,001	0.00%
Printing & Binding	-	-	-	-	-	-	0.00%
Other Current Charges	-	-	-	18,000	-	(18,000)	-100.00%
Office supplies	376	153	-	300	300	-	0.00%
Operating supplies	-	-	-	600	600	-	0.00%
Books, subs. & mem.	1,950	1,860	2,294	2,400	2,800	400	16.67%
Information Systems	1,500	1,500	1,500	1,500	1,500	-	0.00%
Accounting/audit	29,250	29,250	29,250	29,250	100,229	70,979	242.66%
TOTAL OPERATING	7,714,225	8,282,874	7,958,519	8,440,850	8,516,630	75,780	0.90%
TOTAL EXPENSES	7,773,802	8,344,009	8,010,694	8,510,323	8,584,822	74,498	0.88%
REVENUES - EXPENSES							
REVENUES - EXPENSES	2,719,012	7,274,453	17,367,010	4,247,988	5,892,573	1,603,699	

PENSION FUND
FUND 611 - GENERAL EMPLOYEES
SUMMARY OF REVENUES AND EXPENSES

	Actual	Actual	Actual	Budget	Proposed	Increase	%
	2019	2020	2021	2022	Budget 2023	(Decrease)	Change
REVENUES							
TAXES	-	-	-	-	-	-	0.00%
Pooled Interest	(626)	(3,279)	(516)	69	2,000	1,931	2803.18%
Equity Accounts	1,530,464	4,460,454	11,196,030	2,391,944	3,346,776	954,832	39.92%
Fixed Income	1,563,534	1,288,402	(221,659)	1,777,494	1,497,627	(279,867)	-15.75%
Real Estate	85,853	23,156	390,671	239,681	257,540	17,859	7.45%
INVESTMENT EARNINGS	3,179,225	5,768,733	11,364,525	4,409,188	5,103,943	694,755	15.76%
Member Contributions	1,036,998	1,106,253	1,130,086	1,128,112	1,143,180	15,068	1.34%
City Contributions	2,098,271	2,322,790	2,443,559	2,405,220	2,356,821	(48,399)	-2.01%
City Minimum Contribution	1,834	1,834	-	1,834	-	(1,834)	-100.00%
County Contribution	-	-	-	-	-	-	0.00%
Other Misc Revenues	9,612	9,168	17,632	12,000	12,000	-	0.00%
CONTRIBUTIONS & OTHER	3,146,715	3,440,045	3,591,277	3,547,166	3,512,001	(35,165)	-0.99%
TOTAL REVENUES	6,325,940	9,208,778	14,955,802	7,956,354	8,615,944	659,590	8.29%
EXPENSES							
Pension Administrator Wages	28,356	29,505	25,949	32,642	35,094	2,452	7.51%
Payroll Taxes	1,994	2,160	1,972	2,498	2,702	204	8.18%
City Pension Contribution	4,352	4,657	4,906	5,349	4,734	(615)	-11.49%
Other Benefits	2,816	2,177	31	3,262	413	(2,849)	-87.34%
PERSONAL SERVICES	37,518	38,500	32,858	43,750	42,943	(807)	-1.85%
Actuarial Services	18,300	19,200	21,800	22,500	22,500	-	0.00%
Other professional services	-	200	200	5,000	5,200	200	4.00%
Legal	10,319	10,403	10,200	11,000	11,000	-	0.00%
Investment Services	9,469	16,222	13,426	13,500	14,000	500	3.70%
PROFESSIONAL SERVICES	38,088	46,026	45,626	52,000	52,700	700	1.35%
Salem Custodial Fees	16,114	-	-	-	-	-	0.00%
Fixed Income	63,531	50,421	52,460	45,000	52,000	7,000	15.56%
Equity Accounts	46,843	52,892	66,575	168,000	70,000	(98,000)	-58.33%
Real Estate	-	-	-	32,000	32,000	-	0.00%
Pooled svc. Chgs.	23	(131)	(72)	1,500	1,500	-	0.00%
Other contract services	-	-	-	-	-	-	0.00%
CONTRACT SERVICES	126,511	103,182	118,963	246,500	155,500	(91,000)	-36.92%
Pension benefits	4,648,240	5,465,841	5,422,910	5,100,500	5,300,000	199,500	3.91%
Travel and training	4,205	1,728	6,336	7,000	7,000	-	0.00%
Postage	20	1	12	100	100	-	0.00%
Liability	5,595	5,528	5,528	-	5,667	5,667	0.00%
Printing & Binding	-	-	-	-	-	-	0.00%
Other Current Charges	-	-	-	10,000	-	(10,000)	-100.00%
Office supplies	112	51	-	100	100	-	0.00%
Operating supplies	-	-	-	100	100	-	0.00%
Books, subs. & mem.	690	620	806	1,000	1,000	-	0.00%
Information Systems	500	500	500	500	500	-	0.00%
Accounting/audit	9,750	9,750	9,750	9,750	64,376	54,626	560.27%
TOTAL OPERATING	4,833,711	5,633,226	5,610,431	5,427,550	5,587,043	159,493	2.94%
TOTAL EXPENSES	4,871,229	5,671,726	5,643,289	5,471,300	5,629,986	158,686	2.90%
REVENUES - EXPENSES	1,454,711	3,537,051	9,312,513	2,485,054	2,985,958	500,904	

PENSION FUND
FUND 612 - POLICE OFFICERS
SUMMARY OF REVENUES AND EXPENSES

	Actual	Actual	Actual	Budget	Proposed	Increase	%
	2019	2020	2021	2022	Budget 2023	(Decrease)	Change
REVENUES							
TAXES	228,825	251,023	303,569	251,023	303,569	52,546	20.93%
Pooled Interest	7,749	3,214	32	3,214	2,000	(1,214)	-37.77%
Equity Accounts	653,995	1,913,892	4,962,144	1,276,418	1,483,310	206,892	16.21%
Fixed Income	668,126	526,797	(98,240)	483,817	663,757	179,940	37.19%
Real Estate	36,686	9,936	173,147	100,140	114,143	14,003	13.98%
INVESTMENT EARNINGS	1,366,556	2,453,839	5,037,083	1,863,589	2,263,210	399,621	21.44%
Member Contributions	383,822	399,342	489,927	420,190	427,180	6,990	1.66%
City Contributions	573,416	658,426	720,532	402,828	438,601	35,773	8.88%
City Minimum Contribution	-	-	-	-	-	-	0.00%
County Contribution	-	-	-	-	-	-	0.00%
Other Misc Revenues	3,961	2,104	3,169	3,000	3,000	-	0.00%
CONTRIBUTIONS & OTHER	961,199	1,059,872	1,213,628	826,018	868,781	42,763	5.18%
TOTAL REVENUES	2,556,580	3,764,734	6,554,280	2,940,630	3,435,560	494,930	16.83%
EXPENSES							
Pension Administrator Wages	10,068	10,475	9,212	11,590	12,542	952	8.21%
Payroll Taxes	708	767	700	887	960	73	8.23%
City Pension Contribution	1,545	1,653	1,742	1,899	1,681	(218)	-11.48%
Other Benefits	1,000	772	11	1,159	65	(1,094)	-94.39%
PERSONAL SERVICES	13,321	13,667	11,665	15,534	15,248	(287)	-1.85%
Actuarial Services	19,550	19,450	21,750	24,000	24,000	-	0.00%
Other professional services	-	200	200	2,000	2,200	200	10.00%
Legal	10,661	10,798	10,200	11,000	11,000	-	0.00%
Investment Services	9,469	16,222	13,426	13,500	14,000	500	3.70%
PROFESSIONAL SERVICES	39,680	46,670	45,576	50,500	51,200	700	1.39%
Salem Custodial Fees	6,806	-	-	-	-	-	0.00%
Fixed Income	15,832	21,634	23,250	20,500	24,000	3,500	17.07%
Equity Accounts	31,333	22,695	29,506	70,000	30,000	(40,000)	-57.14%
Real Estate	-	-	-	15,500	15,500	-	0.00%
Pooled svc. Chgs.	494	375	702	500	1,500	1,000	200.00%
Other contract services	-	-	-	-	-	-	0.00%
CONTRACT SERVICES	54,465	44,704	53,458	106,500	71,000	(35,500)	-33.33%
Pension benefits	1,702,415	1,291,775	1,282,380	1,717,000	1,700,000	(17,000)	-0.99%
Travel and training	7,843	4,121	10,219	8,000	10,000	2,000	25.00%
Postage	20	-	12	100	100	-	0.00%
Liability	5,595	5,528	5,528	-	5,667	5,667	0.00%
Printing & Binding	-	-	-	-	-	-	0.00%
Other Current Charges	-	-	-	5,000	-	(5,000)	-100.00%
Office supplies	152	51	-	100	100	-	0.00%
Operating supplies	-	-	-	100	100	-	0.00%
Books, subs. & mem.	600	620	744	700	1,000	300	42.86%
Information Systems	500	500	500	500	500	-	0.00%
Accounting/audit	9,750	9,750	9,750	9,750	22,561	12,811	131.39%
TOTAL OPERATING	1,821,020	1,403,719	1,408,167	1,898,250	1,862,228	(36,022)	-1.90%
TOTAL EXPENSES	1,834,341	1,417,387	1,419,832	1,913,784	1,877,476	(36,309)	-1.90%
REVENUES - EXPENSES	722,239	2,347,347	5,134,447	1,026,847	1,558,084	531,239	

PENSION FUND
FUND 613 - FIREFIGHTERS
SUMMARY OF REVENUES AND EXPENSES

	Actual	Actual	Actual	Budget	Proposed	Increase	%
	2019	2020	2021	2022	Budget 2023	(Decrease)	Change
REVENUES							
TAXES	141,392	167,320	0	0	0	-	0.00%
Pooled Interest	9,381	3,898	1,263	3,898	2,000	(1,898)	-48.69%
Equity Accounts	367,003	1,084,704	2,823,342	713,809	843,969	130,160	18.23%
Fixed Income	374,933	298,564	(55,896)	270,171	377,662	107,491	39.79%
Real Estate	20,587	5,631	98,517	55,919	64,945	9,026	16.14%
INVESTMENT EARNINGS	771,904	1,392,797	2,867,226	1,043,797	1,288,576	244,779	23.45%
Member Contributions	178,437	145,645	158,581	135,185	138,197	3,012	2.23%
City Contributions	516,039	934,061	841,493	680,045	707,653	27,608	4.06%
City Minimum Contribution	299	199	299	299	0	(299)	-100.00%
County Contribution					289,465	289,465	0.00%
Other Misc Revenues	2,223	4,927	24	2,000	2,000	0	0.00%
CONTRIBUTIONS & OTHER	696,998	1,084,832	1,000,397	817,529	1,137,315	319,786	39.12%
TOTAL REVENUES	1,610,294	2,644,950	3,867,623	1,861,326	2,425,891	564,565	30.33%
EXPENSES							
Pension Administrator Wages	6,604	6,872	6,043	7,602	8,173	571	7.51%
Payroll Taxes	464	503	459	582	629	47	8.08%
City Pension Contribution	1,014	1,085	1,143	1,245	1,102	(143)	-11.51%
Other Benefits	656	507	7	759	97	(662)	-87.22%
PERSONAL SERVICES	8,738	8,967	7,652	10,189	10,001	(188)	-1.84%
Actuarial Services	18,500	22,950	20,800	23,000	23,000	-	0.00%
Other professional services	-	200	200	2,000	2,000	-	0.00%
Legal	10,319	10,403	10,200	11,000	11,000	-	0.00%
Investment Services	9,469	16,222	13,426	13,500	14,000	500	3.70%
PROFESSIONAL SERVICES	38,288	49,776	44,626	49,500	50,000	500	1.01%
Salem Custodial Fees	3,814	-	-	-	-	-	0.00%
Fixed Income	8,884	12,261	13,229	11,000	14,000	3,000	27.27%
Equity Accounts	17,583	12,862	16,788	40,000	20,000	(20,000)	-50.00%
Real Estate	-	-		8,500	9,500	1,000	11.76%
Pooled svc. Chgs.	542	370	2,036	500		(500)	-100.00%
Other contract services						-	0.00%
CONTRACT SERVICES	30,823	25,494	32,053	60,000	43,500	(16,500)	-27.50%
Pension benefits	967,917	1,149,398	839,948	983,000	945,000	(38,000)	-3.87%
Travel and training	5,836	4,809	6,761	8,000	8,000	-	0.00%
Postage	13	3	11	100	100	-	0.00%
Liability	5,595	5,528	5,528	-	5,667	5,667	0.00%
Printing & Binding						-	0.00%
Other Current Charges				3,000	-	(3,000)	-100.00%
Office supplies	112	51		100	100	-	0.00%
Operating supplies				400	400	-	0.00%
Books, subs. & mem.	660	620	744	700	800	100	14.29%
Information Systems	500	500	500	500	500	-	0.00%
Accounting/audit	9,750	9,750	9,750	9,750	13,292	3,542	36.33%
TOTAL OPERATING	1,059,494	1,245,929	939,921	1,115,050	1,067,359	(47,691)	-4.28%
TOTAL EXPENSES	1,068,232	1,254,896	947,573	1,125,239	1,077,360	(47,879)	-4.25%
REVENUES - EXPENSES							
	542,062	1,390,054	2,920,050	736,087	1,348,531	612,444	

City of

Jacksonville Beach

City Hall

11 North Third Street

Jacksonville Beach

FL 32250

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www.jacksonvillebeach.org

MEMORANDUM

TO: Board of Trustees
City of Jacksonville Beach General Employees' Retirement Plan
City of Jacksonville Beach Police Officers' Retirement Plan
City of Jacksonville Beach Firefighters' Retirement Plan

FROM: Duston Scott, Pension Plan Administrator

SUBJECT: Quarterly Report as of March 31, 2022

DATE: April 15, 2022

Plan Membership

Attached is a report of the General Employees', Police Officers' and Firefighters' Retirement System memberships as of March 31, 2022.

The General Employees' Retirement System had 249 active members and 198 receiving or eligible to draw benefits; the Police Officers' had 65 active members and 40 receiving or eligible to draw benefits; and, the Firefighters' had 25 active members and 23 receiving or eligible to draw benefits. Pension refund/rollover payments thru March 31, 2022, totaled \$147,795.00 in the General Employees' Plan and \$8,499.56 in the Police Officers' Plan. Back-DROP payouts thru December 31, 2021 totaled \$85,562.76 in the General Employees' Plan.

Continuing Education

Florida Public Pension Trustees Association (FPPTA) 38th Annual Conference
Hilton Bonnet Creek, Orlando June 26 – 29, 2022

The 38th Annual Conference will look back at the history of public pensions and focus on important lessons the industry can apply to the present regarding funding levels, investment performance, and what it takes to provide retirement security to your plans' beneficiaries.

Quarterly Meeting Calendar for 2022

The next quarterly board meeting is scheduled for:

- **Wednesday, August 10, 2022 3:00 p.m.** in the Council Chamber



CITY OF JACKSONVILLE BEACH RETIREMENT SYSTEMS

PLAN MEMBERSHIP

	GENERAL EMPLOYEES			POLICE OFFICERS			FIREFIGHTERS		
	As Of 3/31/2022	As Of 09/30/2021	Change	As Of 3/31/2022	As Of 09/30/2021	Change	As Of 3/31/2022	As Of 09/30/2021	Change
Active Participants									
Vested	79	81	(2)	30	30	-	23	23	-
Nonvested	170	161	9	35	36	(1)	2	2	-
Total Active Participants	249	242	7	65	66	(1)	25	25	-
Retirees and Beneficiaries									
Retirees Receiving Benefits	161	164	(3)	29	32	(3)	14	14	-
Beneficiaries Receiving Benefits	30	28	2	6	5	1	6	7	(1)
Disability Benefits	7	7	-	5	5	-	3	3	-
Total Receiving Benefits	198	199	(1)	40	42	(2)	23	24	(1)
Terminated Vested Members		12	(12)		4	(4)		1	(1)
Total Members Currently Receiving benefits and Term. Vested Members	198	211	(13)	40	46	(6)	23	25	(2)
% of Retirees to Active Employees	80%	87%		62%	70%		92%	100%	

CITY OF JACKSONVILLE BEACH RETIREMENT SYSTEMS

PENSION MEMBER CONTRIBUTION REFUNDS AND DROP PAYOUTS

10/1/2020-TO-DATE THRU 06/30/2021

<u>General Employees' Retirement System</u>	<u>DATE</u>	<u>AMOUNT</u>
Refunds/Rollovers		
Kornegay Jr., Ryan	10/1/2021	\$ 6,999.18
Civello, Joseph	10/1/2021	\$ 12,022.01
Gallagher, Kimberly	11/1/2021	\$ 63,047.22
Babineaux, Christopher	12/1/2021	\$ 2,122.26
Hankin, Michael	1/1/2022	\$ 597.22
Butler, Catherine	2/1/2022	\$ 19,556.58
Franklin, Beverly	3/1/2022	\$ 21,352.13
Dabbah, Lisa	3/1/2022	\$ 17,764.53
Conley, Khalid	3/1/2022	\$ 4,333.87
		\$ 147,795.00
Back-DROP Payouts/Rollovers		
Osorio, Rodolfo	12/1/2021	85,562.76
		\$ 85,562.76
Total General Employees' Refunds & DROP Payouts/Rollovers		\$ 233,357.76
<u>Police Officers' Retirement System</u>		
Refunds/Rollovers		
Mandile, Jeremy	3/1/2022	\$ 8,499.56
Total Police Officers' Refunds/Rollovers		\$ 8,499.56
Police Officers' Back-DROP Payouts/Rollovers		
		\$ -
		\$ -
<u>Firefighters' Retirement System</u>		
Refunds/Rollovers		
Firefighters' Back-DROP Payouts/Rollovers		
Total Firefighters' Refunds & DROP Payouts/Rollovers		\$ -

CITY OF JACKSONVILLE BEACH GENERAL EMPLOYEES' PENSION BOARD

MEMBER	TERM BEGINS	TERM EXPIRES
Council Appointee Christine Hoffman 1026 North 13 th Street Jacksonville Beach, FL 32250 904-476-6153 CHoffman@jaxbchfl.net	<i>Appointed by Council</i> 01/22/13	<i>Serves at pleasure of Council</i>
Council Appointee Dan Janson, <u>Chair Pro-Tem</u> c/o Human Resources 11 North 3 rd Street Jacksonville Beach, FL 32250 904-247-6263	<i>Appointed by Council</i> 03/15/2021	<i>Serves at pleasure of Council</i>
Employees' Representative Nick Currie - BES <u>Secretary</u> 1460 Shetter Avenue Jacksonville Beach, FL 32250 W – 247-6258 NCurrie@jaxbchfl.net	<i>Re-elected by Member</i> <i>Employees –</i> 11/13/2018 4 yr. term	10/31/2022
Employees' Representative Eddie Vergara - Finance 11 N 3 rd Street Jacksonville Beach, FL 32250 W – 247-6139 EVergara@jaxbchfl.net	<i>Re-elected by Member</i> <i>Employees -</i> 10/12/2020 4 yr. term	10/31/2024
Fifth Member Brandon Maresma, <u>Chairperson</u> 324 North 6 th Avenue Jacksonville Beach, FL 32250 W – 222-0204 x307 Brandon@postilliontax.com	<i>Selected by Board -</i> 11/12/2019 <i>Reappointed by Council -</i> 11/09/2021 2 yr. term	12/31/2023

Pension Administrator – Duston Scott, Payroll/Benefits Administrator
Plan Treasurer – Ashlie Gossett, Chief Financial Officer

CITY OF JACKSONVILLE BEACH POLICE OFFICERS' PENSION BOARD

MEMBER	TERM BEGINS	TERM EXPIRES
Council Appointee		
Marvin V. DuPree, <u>Chair Pro-Tem</u> 1511-C Penman Road Jacksonville Beach, FL 32250 W- 246-2001 boducpa@aug.com	Re-appointed by Council - 02/23/2022 2 yr. term	03/31/2024
Council Appointee		
Rudy Dean 11 North 3 rd St. Jacksonville Beach, FL 32250 (843) 230-4443 jdgosztyla@gmail.com	Appointed by Council - 02/23/2022 2 yr. term	03/31/2024
Employees' Representative		
SGT Jason Sharp <u>Chairperson</u> c/o Police Department 101 S. Penman Rd. Jacksonville Beach, FL 32250 W – 247-1661 jsharp@jaxbchfl.net	Re-elected by Member Employees - 10/01/2021 2 yr. term	09/30/2023
Employees' Representative		
SGT David Cohill, <u>Secretary</u> c/o Police Department 101 S. Penman Rd. Jacksonville Beach, FL 32250 W – 270-1661 dcohill@jaxbchfl.net	Re-elected by Member Employees - 10/01/2021 2 yr. term	09/30/2023
Fifth Member		
John Gosztyla 324 6 th Ave N Jacksonville Beach, FL 32250 (248) 892-0294 jdgosztyla@gmail.com	Selected by Board - 03/22/2022 2 yr. term	03/31/2024

Pension Administrator – Duston Scott, Payroll/Benefits Administrator
Plan Treasurer – Ashlie Gossett, Chief Financial Officer

CITY OF JACKSONVILLE BEACH FIREFIGHTERS' PENSION BOARD

MEMBER	TERM BEGINS	TERM EXPIRES
Lance Huish 11 North 3 rd St. Jacksonville Beach, FL 32250 W – 853-6241 FAX – 853-6243 dennis@dfpensions.com	<i>Appointed by Council - 02/23/2022 2 yr. term</i>	03/31/2024
Gaylord George Candler, Ph.D. <u>Chairperson</u> 507 16 th Avenue South Jacksonville Beach FL 32250 W- 620-1388 H- 508-631-6117 g.candler@unf.edu	<i>Re-appointed by Council - 02/23/2022 2 yr. term</i>	03/31/2024
Employees' Representative Eng. Edward Dawson, <u>Chair Pro-Tem</u> c/o Fire Department 515 N. Julia St. Jacksonville, FL 32202 W – 247-6240 pizzagod@bellsouth.net	<i>Re-elected by Member Employees - 10/01/2021 2 yr. term</i>	09/30/2023
Employees' Representative Eng. John McDaniel c/o Fire Department 515 N. Julia St. Jacksonville, FL 32202 W – 247-6240 mcdanielj@live.com	<i>Re-elected by Member Employees - 10/01/2021 2 yr. term</i>	09/30/2023
Fifth Member Deborah White, <u>Secretary</u> 18 Little Tomoka Way Ormond Beach, FL. 32174 H – 720 -7197 dwhitejaxbch@yahoo.com	<i>Re-selected by Board - 03/22/2020 2 yr. term</i>	03/31/2024

Pension Administrator – Duston Scott, Payroll/Benefits Administrator
Plan Treasurer – Ashlie Gossett, Chief Financial Officer