CITY OF PALM COAST
VOLUNTEER FIREFIGHTERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2022

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

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

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

January 13, 2023

Board of Trustees
City of Palm Coast
Firefighters' Pension Board

Re: City of Palm Coast Volunteer Firefighters' Retirement Trust Fund

Dear Board:

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

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapters 112 and 175, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

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

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

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

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2021. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2022 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

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

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

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

Respectfully submitted,

Foster & Foster, Inc.

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

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

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Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Palm Coast Volunteer Firefighters' Retirement Trust Fund, performed as of October 1, 2022, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2024.

The contribution requirements, compared with those set forth in the June 14, 2022 actuarial impact statement, are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2022 9/30/2024	10/1/2021 9/30/2023
Minimum Required Contribution [1]	$140,193	$176,301
Member Contributions (Est.)	0	0
City And State Required Contribution	140,193	176,301
State Contribution (Est.) [2]	200,000	200,000
City Required Contribution [3]	$0	$0

[1] The City must contribute an amount equal to the applicable Normal Cost (adjusted for interest), less the available State Contribution. The Minimum Required Contribution disclosed above reflects this statutory requirement under Chapter 112.66(13).

[2] The City may use up to $200,000 in annual State Monies to offset the required contribution. State Monies in excess of $200,000 are allocated to the Membership Share Plan.

[3] The City has access to a $301,147.26 reserve in the event its contribution requirement is ever greater than $0.

As you can see, the Minimum Required Contribution decreased in comparison to the results presented in the June 14, 2022 actuarial impact statement. The decrease is attributable to a reduction in the number of active plan members from 33 to 27.

Net plan experience was favorable on the basis of the plan's actuarial assumptions. The primary sources of actuarial gain included favorable turnover experience and interest crediting on the Membership Share Plan (an estimated -13.59% net return compared to the 6.00% assumption). These gains were partially offset by a 3.39% investment return (net of fees, Actuarial Asset Basis), falling short of the 6.00% assumption.

CHANGES SINCE PRIOR VALUATION

Plan Changes

Ordinance 2022-18, adopted and effective September 20, 2022, provided for enhanced benefits for current and future retirees. Please refer to our June 14, 2022 Actuarial Impact Statement for details regarding the impact on plan liabilities and funding requirements.

Actuarial Assumption/Method Changes

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

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	10/1/2022	10/1/2021
A. Participant Data		
Actives	27	33
Service Retirees	31	28
Beneficiaries	1	0
Disability Retirees	0	0
Terminated Vested	6	5
Total	65	66
Payroll Under Assumed Ret. Age	0	0
Annual Rate of Payments to:		
Service Retirees	230,807	199,596
Beneficiaries	1,879	0
Disability Retirees	0	0
Terminated Vested	36,300	19,500
B. Assets		
Actuarial Value (AVA) [1]	5,638,062	5,319,084
Market Value (MVA) [1]	5,052,699	5,679,762
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	1,368,987	1,988,004
Disability Benefits	24,669	33,847
Death Benefits	7,438	10,261
Vested Benefits	60,412	76,374
Refund of Contributions	0	0
Service Retirees	2,010,525	1,536,066
Beneficiaries	28,751	0
Disability Retirees	0	0
Terminated Vested	207,200	77,452
Share Plan Balances [1]	912,051	913,442
City Reserve [1]	301,147	301,147
Total	4,921,180	4,936,593

C. Liabilities - (Continued)	10/1/2022	10/1/2021
Present Value of Future Salaries	0	0
Present Value of Future Member Contributions	0	0
Normal Cost (Retirement)	115,577	143,082
Normal Cost (Disability)	2,686	3,930
Normal Cost (Death)	595	910
Normal Cost (Vesting)	9,759	13,822
Normal Cost (Refunds)	0	0
Total Normal Cost	128,617	161,744
Present Value of Future Normal Costs	646,483	740,780
Accrued Liability (Retirement)	776,665	1,313,265
Accrued Liability (Disability)	11,449	18,286
Accrued Liability (Death)	3,992	6,061
Accrued Liability (Vesting)	22,917	30,094
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives)	2,246,476	1,613,518
Share Plan Balances [1]	912,051	913,442
City Reserve [1]	301,147	301,147
Total Actuarial Accrued Liability (EAN AL)	4,274,697	4,195,813
Unfunded Actuarial Accrued Liability (UAAL)	(1,363,365)	(1,123,271)
Funded Ratio (AVA / EAN AL)	131.9%	126.8%

D. Actuarial Present Value of Accrued Benefits

	10/1/2022	10/1/2021
Vested Accrued Benefits		
Inactives + Share Plan Balances [1]	3,158,527	2,526,960
Actives	355,119	855,321
Member Contributions	0	0
Total	3,513,646	3,382,281
Non-vested Accrued Benefits	172,695	186,139
Total Present Value Accrued Benefits (PVAB)	3,686,341	3,568,420
Funded Ratio (MVA / PVAB)	137.1%	159.2%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	89,625	
Benefits Paid	(180,396)	
Interest	208,693	
Other	0	
Total	117,922	

Valuation Date	10/1/2022	10/1/2021
Applicable to Fiscal Year Ending	9/30/2024	9/30/2023
E. Pension Cost		
Normal Cost [2]	$140,193	$176,301
Administrative Expenses [2]	42,502	39,377
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 29 years (as of 10/1/2022) [2]	(80,392)	(58,748)
Minimum Required Contribution [3]	140,193	176,301
Expected Member Contributions [2]	0	0
Expected City and State Contribution	140,193	176,301
F. Past Contributions		
Plan Years Ending:	9/30/2022	
City and State Requirement	82,235	
Actual Contributions Made:		
City	0	
State	200,000	
Total	200,000	
G. Net Actuarial (Gain)/Loss	(180,074)	

[1] The asset values and liabilities include accumulated Share Plan and City Reserve Balances as of 9/30/2022 and 9/30/2021.

[2] Contribution requirements include a 1.5 year interest load using the applicable assumption for investment return.

[3] Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.

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

Year	Projected Unfunded Actuarial Accrued Liability
2022	(1,363,365) [1]

I. 5 Year Comparison of Investment Return on Market Value and Actuarial Value

		Market Value	Actuarial Value	Assumed
Year Ended	9/30/2022	-13.59%	3.39%	6.00%
Year Ended	9/30/2021	19.22%	9.14%	6.00%
Year Ended	9/30/2020	5.57%	7.74%	7.00%
Year Ended	9/30/2019	5.08%	8.36%	7.00%
Year Ended	9/30/2018	7.30%	6.98%	7.00%

[1] Based on current State law and the existing UAAL bases, the UAAL is projected to never be positive.

STATEMENT BY ENROLLED ACTUARY

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

Doug Lozen

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

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

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

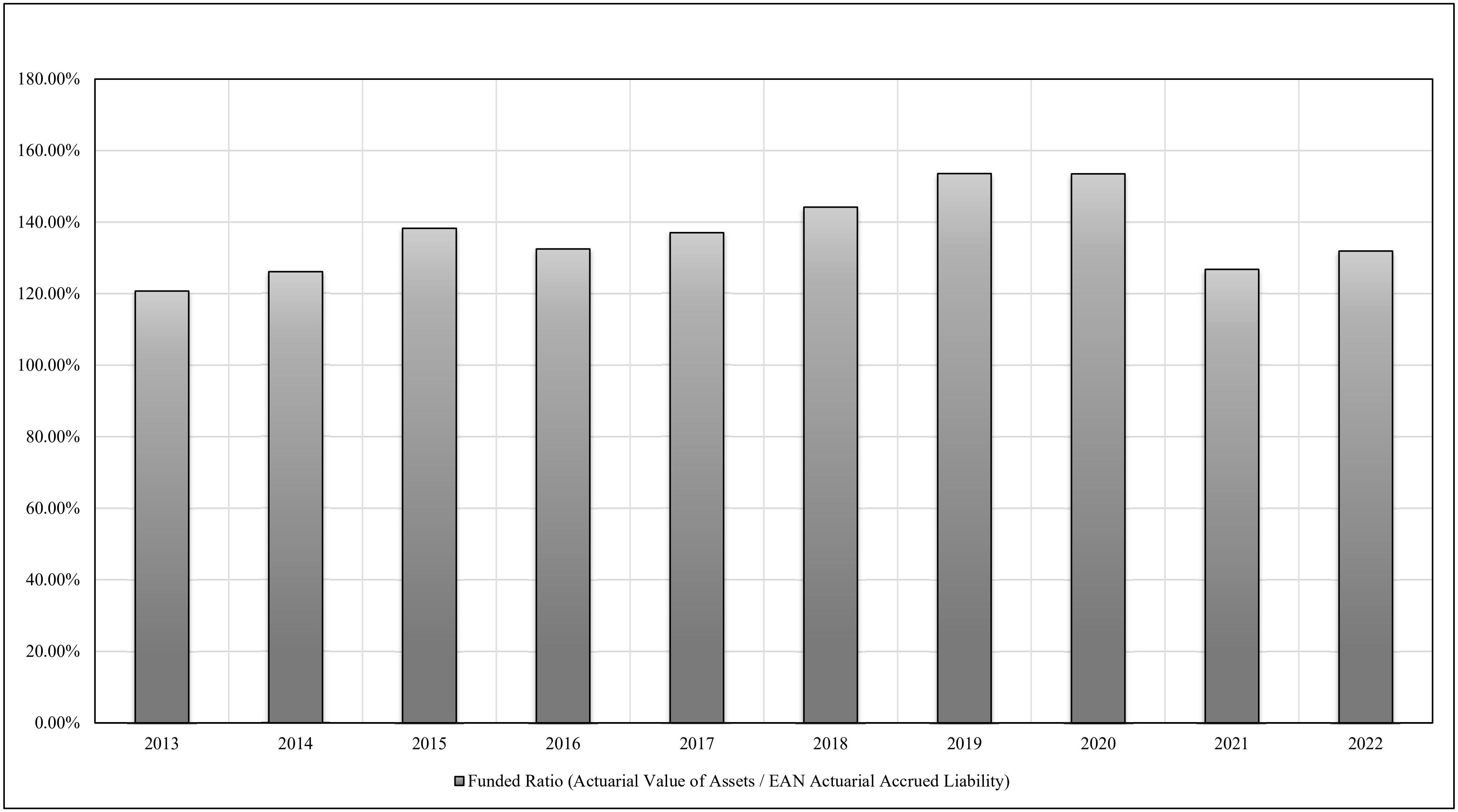
(1)	Unfunded Actuarial Accrued Liability as of October 1, 2021	($1,123,271)
(2)	Sponsor Normal Cost developed as of October 1, 2021	161,744
(3)	Expected administrative expenses for the year ended September 30, 2022	36,126
(4)	Expected interest on (1), (2) and (3)	(56,608)
(5)	Sponsor contributions to the System during the year ended September 30, 2022	200,000
(6)	Expected interest on (5)	1,282
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2022 (1)+(2)+(3)+(4)-(5)-(6)	(1,183,291)
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(180,074)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2022	(1,363,365)

Type of Base	Date Established	Years Remaining	10/1/2022 Amount	Amortization Amount
Consolidation Base	10/1/2021	29	(1,989,849)	(138,125)
Benefit Change	10/1/2021	14	806,558	81,862
Actuarial Gain	10/1/2022	15	(180,074)	(17,491)
			(1,363,365)	(73,754)

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2021	($1,123,271)
(2)	Expected UAAL as of October 1, 2022	(1,183,291)
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	140,752
	Active Decrements	(73,768)
	Inactive Mortality	9,820
	Interest Crediting on Share Plan Balances	(172,745)
	Other	(84,133)
	Increase in UAAL due to (Gain)/Loss	(180,074)
	Assumption Changes	0
(4)	Actual UAAL as of October 1, 2022	($1,363,365)

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rate</u>

Healthy Active Lives:

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

Healthy Retiree Lives:

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

Beneficiary Lives:

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

Disabled Lives:

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

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

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

<u>Interest Rate</u>

6.00% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

<u>Payroll Growth</u>

None.

<u>Administrative Expenses</u>

$38,993 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method	New UAAL amortization bases are amortized over 15 years. Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.
Funding Method	Entry Age Normal Actuarial Cost Method. An interest load of 1.5 years at the valuation assumption is applied for determination of the Minimum Required Contribution.
Asset Valuation Method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Normal Retirement	The earlier of attainment of age 55 with 10 years of credited service, age 52 with 25 years of credited service, or age 62 with 5 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption was evaluated in conjunction with a November 2020 actuarial experience study.
Early Retirement	None. This assumption was updated in conjunction with a November 2020 actuarial experience study.
Termination Rates	Below are assumed termination rates:

Years of Service	Termination Rate
0 – 1	25.0%
2 – 5	15.0%
6 – 10	5.0%
11+	0.0%

This assumption was updated in conjunction with a November 2020 actuarial experience study.

Disability Rates	75% of disabled lives are assumed to be service-related. Below are sample disability rates:

Age	Disability Rate
20	0.03%
30	0.04%
40	0.07%
50	0.18%

This assumption was evaluated in conjunction with a November 2020 actuarial experience study.

GLOSSARY

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

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

(a) The normal cost accrual rate equals:

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

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

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

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

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

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

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

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

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

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

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

DISCUSSION OF RISK

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

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

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

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.

- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

Impact of Plan Maturity on Risk

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

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

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 247.1% on October 1, 2012 to 71.1% on October 1, 2022, indicating that the plan has been maturing during the period.

- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 52.6%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.

- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 120.8% on October 1, 2012 to 131.9% on October 1, 2022.

- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from 10.4% on October 1, 2012 to 2.7% on October 1, 2022. The current Net Cash Flow Ratio of 2.7% indicates that contributions are generally in excess of the plan's benefit payments and administrative expenses.

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

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	10/1/2022	10/1/2021	10/1/2017	10/1/2012
Support Ratio				
Total Actives	27	33	39	42
Total Inactives	38	33	26	17
Actives / Inactives	71.1%	100.0%	150.0%	247.1%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	2,246,476	1,613,518	983,572	748,836
Total Accrued Liability (EAN)	4,274,697	4,195,813	2,849,781	2,171,326
Inactive AL / Total AL	52.6%	38.5%	34.5%	34.5%
Funded Ratio				
Actuarial Value of Assets (AVA)	5,638,062	5,319,084	3,905,224	2,623,239
Total Accrued Liability (EAN)	4,274,697	4,195,813	2,849,781	2,171,326
AVA / Total Accrued Liability (EAN)	131.9%	126.8%	137.0%	120.8%
Net Cash Flow Ratio				
Net Cash Flow [1]	136,162	17,606	44,610	287,407
Market Value of Assets (MVA)	5,052,699	5,679,762	4,040,315	2,769,856
Ratio	2.7%	0.3%	1.1%	10.4%

[1] Determined as total contributions minus benefit payments and administrative expenses.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

Received During Fiscal Year	Amount	Increase from Previous Year
2003	14,328.55	_____%
2004	62,129.98	333.6%
2005	96,546.34	55.4%
2006	128,816.42	33.4%
2007	242,231.00	88.0%
2008	380,757.00	57.2%
2009	499,181.00	31.1%
2010	339,246.90	-32.0%
2011	359,373.51	5.9%
2012	377,962.48	5.2%
2013	364,571.49	-3.5%
2014	381,967.45	4.8%
2015	324,642.30	-15.0%
2016	273,487.45	-15.8%
2017	232,596.92	-15.0%
2018	263,090.68	13.1%
2019	247,471.42	-5.9%
2020	271,790.64	9.8%
2021	308,196.92	13.4%
2022	350,084.88	13.6%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Cash	50,527.00
Total Cash and Equivalents	50,527.00
Total Receivable	0.00
Investments:	
Mutual Funds:	
Fixed Income	1,485,493.60
Equity	2,682,983.32
Pooled/Common/Commingled Funds:	
Real Estate	833,695.38
Total Investments	5,002,172.30
Total Assets	5,052,699.30
LIABILITIES	
Total Liabilities	0.00
NET POSITION RESTRICTED FOR PENSIONS	5,052,699.30

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

ADDITIONS		
Contributions:		
State	350,084.88	
Total Contributions		350,084.88
Investment Income:		
Earnings/(Losses) as disclosed in FMPTF statement	(752,176.13)	
Less Investment Expense[1]	(11,047.63)	
Net Investment Income		(763,223.76)
Total Additions		(413,138.88)
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	153,883.79	
Lump Sum Share Distributions	26,512.54	
Total Distributions		180,396.33
Administrative Expense		33,527.08
Total Deductions		213,923.41
Net Increase in Net Position		(627,062.29)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		5,679,761.59
End of the Year		5,052,699.30

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

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2022

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return[1]
09/30/2019	5.08%
09/30/2020	5.57%
09/30/2021	19.22%
09/30/2022	-13.59%

Annualized Rate of Return for prior four (4) years:	3.39%	
(A) 10/01/2021 Actuarial Assets:		$5,319,084.37
(I) Net Investment Income:		
1. Earnings/(Losses) in FMPTF	(752,176.13)	
2. Change in Actuarial Value	946,039.65	
3. Investment Related Expenses	(11,047.63)	
Total		182,815.89
(B) 10/01/2022 Actuarial Assets:		$5,638,061.73
Actuarial Asset Rate of Return = 2I/(A+B-I):		3.39%
10/01/2022 Limited Actuarial Assets		$5,638,061.73
10/01/2022 Market Value of Assets		$5,052,699.30
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		($140,752.06)

[1]Market Value Basis, net of investment related expenses.

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

REVENUES		
Contributions:		
State	350,084.88	
Total Contributions		350,084.88
Earnings from Investments:		
Earnings/(Losses) as disclosed in FMPTF statement	(752,176.13)	
Change in Actuarial Value	946,039.65	
Total Earnings and Investment Gains		193,863.52
EXPENDITURES		
Distributions to Members:		
Benefit Payments	153,883.79	
Lump Sum Share Distributions	26,512.54	
Total Distributions		180,396.33
Expenses:		
Investment related[1]	11,047.63	
Administrative	33,527.08	
Total Expenses		44,574.71
Change in Net Assets for the Year		318,977.36
Net Assets Beginning of the Year		5,319,084.37
Net Assets End of the Year[2]		5,638,061.73

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.
[2]Net Assets may be limited for actuarial consideration.

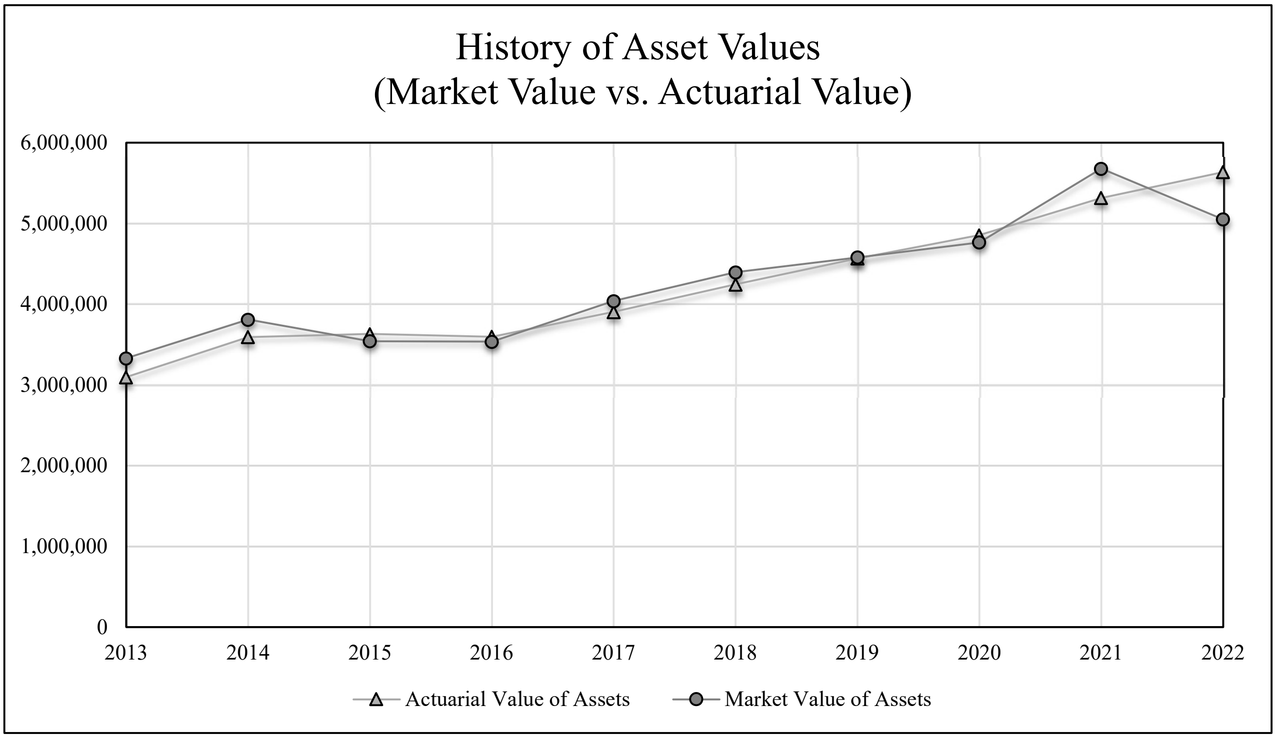
SUPPLEMENTAL CHAPTER 175 SHARE PLAN ACTIVITY
October 1, 2021 through September 30, 2022

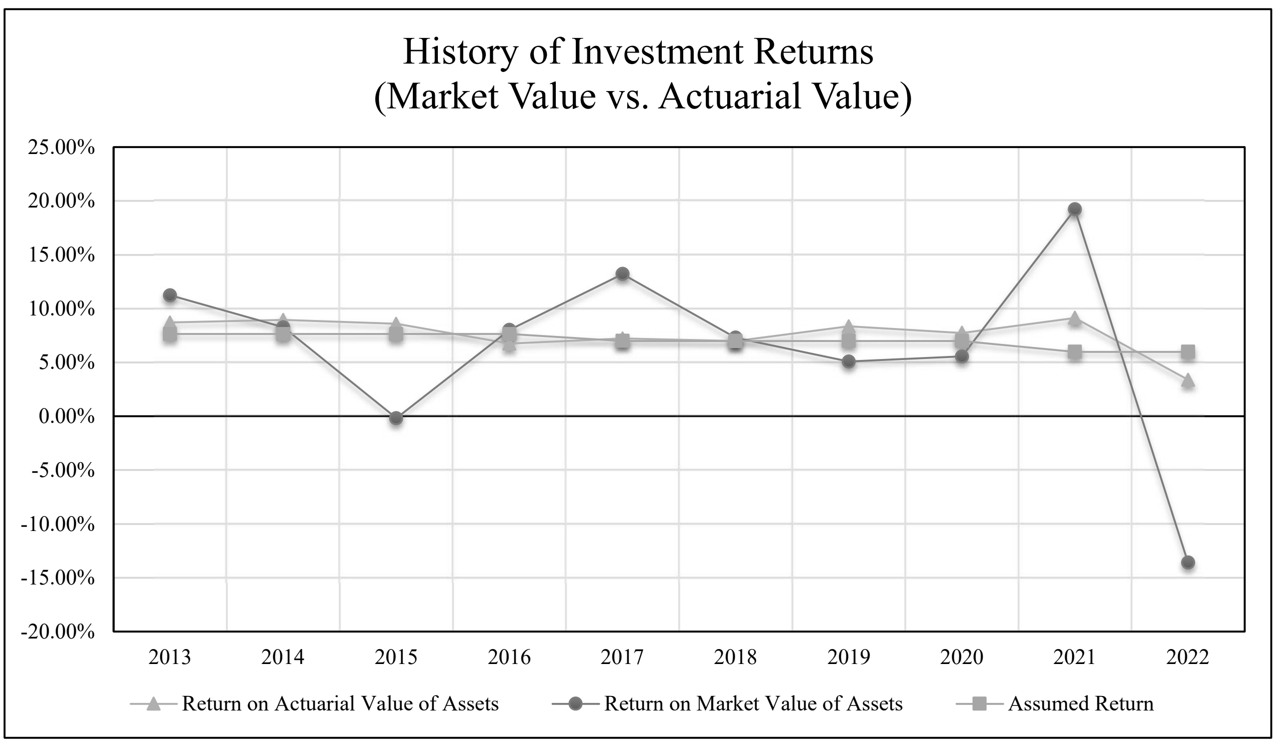
9/30/2021 Balance (Est.)	913,441.50
Prior Year Adjustment	(5,125.73)
Plus Additions	150,084.88
Investment Return Earned (Est.)	(119,837.00)
Administrative Fees	0.00
Less Distributions	(26,512.54)
9/30/2022 Balance (Est.)	912,051.11

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

(1)	Required City and State Contributions	$82,235.00
(2)	Less Allowable State Contribution	(200,000.00)
(3)	Required City Contribution for Fiscal 2022	0.00
(4)	Less 2021 Prepaid Contribution	0.00
(5)	Less Actual City Contributions	0.00
(6)	City Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2022	$0.00

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS





STATISTICAL DATA

	10/1/2022	10/1/2021	10/1/2020	10/1/2019
Actives				
Number	27	33	23	23
Average Current Age	39.7	40.1	41.1	42.9
Average Age at Employment	37.1	36.9	37.1	38.1
Average Past Service	2.6	3.2	4.0	4.8
Service Retirees				
Number	31	28	28	25
Average Current Age	76.0	77.5	76.5	76.8
Average Annual Benefit	$7,445	$7,128 [1]	$5,339	$5,430
Beneficiaries				
Number	1	0	0	0
Average Current Age	39.8	N/A	N/A	N/A
Average Annual Benefit	$1,879	N/A	N/A	N/A
Disability Retirees				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
Terminated Vested				
Number	6	5	5	5
Average Current Age	38.1	38.9	37.9	36.9
Average Annual Benefit	$6,050	$3,900	$3,900	$3,900

[1] Reflects amounts determined for the June 14, 2022 Actuarial Impact Statement.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	1											1
20 - 24	3	2										5
25 - 29	3											3
30 - 34	2											2
35 - 39				1		1						2
40 - 44		2	2					1				5
45 - 49	1						1					2
50 - 54			1			1						2
55 - 59	2											2
60 - 64		1										1
65+		2										2
Total	12	7	3	1	0	2	1	1	0	0	0	27

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2021	33
b. Terminations	
i. Vested (partial or full) with deferred annuity	(2)
ii. Nonvested Termination	(11)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(4)
f. Continuing participants	16
g. New entrants / Rehires	11
h. Total active life participants in valuation	27

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

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Total
a. Number prior valuation	28	0	0	5	33
Retired	5	0	0	(1)	4
Vested (Deferred Annuity)	0	0	0	2	2
Vested (Due Refund)	0	0	0	0	0
Hired/Terminated in Same Year	0	0	0	0	0
Death, With Survivor	(1)	1	0	0	0
Death, No Survivor	(1)	0	0	0	(1)
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
b. Number current valuation	31	1	0	6	38

SUMMARY OF CURRENT PLAN
(Through Ordinance 2022-18)

Credited Service	Total years and fractional parts of years of service with the City as Firefighter. Credited Service is based on "Length of Service Award Pension Program – Qualification Criteria."
Normal Retirement	
Date	Earlier of age 62 with the completion of 5 years of Credited Service, age 55 with the completion of 10 years of Credited Service, or age 52 with the completion of 25 years of Credited Service.
Benefit Accrual Rate	See table below.

Credited Service	Monthly Benefit Accrual (for each year of Credited Service)
Less than 10 years	$85
At least 10 years	$100

Form of Benefit	10 Year Certain and Life thereafter (options available).
Early Retirement	
Date	Age 50 & 10 years of Credited Service.
Benefit Amount	Accrued benefit, reduced 3% per year, from Age 55 or 62.
Disability Benefits	
Eligibility	
Service Incurred	Covered from Date of Employment.
Non-Service Incurred	Ten years of Credited Service.
Exclusions	Disability resulting from use of drugs, illegal participation in riots, service in military, etc.
Benefit	Benefit accrued to date of disability.
Duration	Payable for life (with 120 payments guaranteed) or until recovery (as determined by the Board).

Death Benefits

Eligibility	Five years of Credited Service.
Benefit	Accrued benefit paid to Beneficiary for ten years, beginning at the Member's Normal Retirement Date (unreduced) or Early Retirement Date (reduced).
Post-Retirement	According to option selected, if any.

Vesting (Termination)

Eligibility	Five years of Credited Service.
Benefit	Accrued benefit payable at the Member's election, on his otherwise Early or Normal Retirement Date.

Contributions

Premium Tax	1.85% tax on premiums for fire insurance policies.
City	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.

Supplement Benefit (Share Accounts)

Initial Crediting	80% of the $1,505,738 Excess State Monies Reserve, established as of September 30, 2014, is allocated to eligible participants.
Annual Crediting	Annual Premium tax revenues received by the City in excess of the $200,000 applicable frozen amount shall be allocated to participant accounts on a pro-rata basis (based on Credited Service).
Investment earnings	Eligible Share Accounts shall be credited or debited annually, based on the Plan's net-of-fees investment performance for the immediately preceding Plan Year.
Maximum Benefit	$3,000 combined for benefits payable under the "Length of Service Award Pension Program" and allocations pursuant to the Supplement Benefit program.
Vesting	Five years of Credited Service.
Eligibility for Distribution	Eligible for Normal or Early Retirement.

Board of Trustees	a. Two appointees of City Council; b. Two Firefighters elected by the members of the department; and c. Fifth member elected by the other four and appointed by Council as a ministerial duty.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Cash	50,527
Total Cash and Equivalents	50,527
Total Receivable	0
Investments:	
Mutual Funds:	
Fixed Income	1,485,494
Equity	2,682,983
Pooled/Common/Commingled Funds:	
Real Estate	833,695
Total Investments	5,002,172
Total Assets	5,052,699
Total Liabilities	0
NET POSITION RESTRICTED FOR PENSIONS	5,052,699

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

ADDITIONS		
Contributions:		
State	350,085	
Total Contributions		350,085
Investment Income:		
Earnings/(Losses) as disclosed in FMPTF statement	(752,176)	
Less Investment Expense[1]	(11,048)	
Net Investment Income		(763,224)
Total Additions		(413,139)
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	153,884	
Lump Sum Share Distributions	26,513	
Total Distributions		180,397
Administrative Expense		33,527
Total Deductions		213,924
Net Increase in Net Position		(627,063)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		5,679,762
End of the Year		5,052,699

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

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2022)

Plan Administration

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

a. Two appointees of City Council;

b. Two Firefighters elected by the members of the department; and

c. Fifth member elected by the other four and appointed by Council (as a ministerial duty).

Plan Membership as of October 1, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	28
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5
Active Plan Members	33
	66

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2021 Actuarial Valuation Report for the City of Palm Coast Volunteer Firefighters' Retirement Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Incorporated are the benefit changes for measurement date September 30, 2022 as noted under the Notes to Schedule of Changes in Net Pension Liability and Related Ratios.

Contributions

Premium Tax: 1.85% tax on premiums for fire insurance policies.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2022:

Asset Class	Target Allocation
U.S. Large Cap Equity	25%
U.S. Small Cap Equity	14%
Non - U.S. Equity	21%
Core Bonds	15%
Core Plus	15%
Core Real Estate	10%
Total	100.0%

Concentrations:

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

Rate of Return:

For the year ended September 30, 2022, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was -13.59 percent.

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

NET PENSION LIABILITY OF THE SPONSOR

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

Total Pension Liability	$ 4,552,092
Plan Fiduciary Net Position	$ (5,052,699)
Sponsor's Net Pension Liability	$ (500,607)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	111.00%

Actuarial Assumptions:
The Total Pension Liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	N/A
Discount Rate	6.00%
Investment Rate of Return	6.00%

Mortality Rate Healthy Lives:
Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Mortality Rate Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
Mortality Rate Beneficiary Lives:
Female: PubG.H-2010 (Below Median) for Healthy Retirees.
Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.
Mortality Rate Disabled Lives:
80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

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

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

The most recent actuarial experience study used to review the other significant assumptions was dated November 11, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.
For 2022 the inflation rate assumption of the investment advisor was 2.80%.
These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2022 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return[1]
U.S. Large Cap Equity	7.1%
U.S. Small Cap Equity	8.5%
Non - U.S. Equity	8.2%
Core Bonds	2.5%
Core Plus	2.8%
Core Real Estate	6.6%

[1] Source: Florida League of Cities

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 6.00 percent.

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

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Sponsor's Net Pension Liability	$ (130,255)	$ (500,607)	$ (803,177)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

	09/30/2022	09/30/2021
Total Pension Liability		
Service Cost	161,942	76,093
Interest	230,227	168,229
Share Plan Allocation	150,085	108,197
Changes of benefit terms	804,065	-
Differences between Expected and Actual Experience	123,710	4,133
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	(180,397)	(246,132)
Net Change in Total Pension Liability	1,289,632	110,520
Total Pension Liability - Beginning	3,262,460	3,151,940
Total Pension Liability - Ending (a)	$ 4,552,092	$ 3,262,460
Plan Fiduciary Net Position		
Contributions - State	350,085	308,197
Net Investment Income	(763,224)	895,545
Benefit Payments, including Refunds of Employee Contributions	(180,397)	(246,132)
Administrative Expense	(33,527)	(44,459)
Net Change in Plan Fiduciary Net Position	(627,063)	913,151
Plan Fiduciary Net Position - Beginning	5,679,762	4,766,611
Plan Fiduciary Net Position - Ending (b)	$ 5,052,699	$ 5,679,762
Net Pension Liability - Ending (a) - (b)	$ (500,607)	$ (2,417,302)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	111.00%	174.09%
Covered Payroll	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A

Notes to Schedule:

Changes in benefit terms:

For measurement date 09/30/2022, amounts reported as changes of benefits resulted from the following:
Ordinance 2022-18, adopted and effective September 20, 2022, provided for enhanced benefits for current and future retirees.

SCHEDULE OF CONTRIBUTIONS

Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2022	$ 82,235	$ 200,000	$ (117,765)	N/A	N/A
09/30/2021	$ 86,230	$ 200,000	$ (113,770)	N/A	N/A

<u>Notes to Schedule</u>

Valuation Date: 10/01/2020

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2020 Actuarial Valuation for the City of Palm Coast Volunteer Firefighters' Retirement Trust Fund prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS
Last 2 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2022	-13.59%
09/30/2021	19.22%

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

Plan Description

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

a. Two appointees of City Council;

b. Two Firefighters elected by the members of the department; and

c. Fifth member elected by the other four and appointed by Council (as a ministerial duty).

All volunteer firefighters as of February 17, 2009, and all future new volunteer firefighters, shall become members of this system as a condition of employment or upon being added to the roll of volunteer firefighters by the fire chief. All volunteer firefighters are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

Plan Membership as of October 1, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	28
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5
Active Plan Members	33
	66

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2021 Actuarial Valuation Report for the City of Palm Coast Volunteer Firefighters' Retirement Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Incorporated are the benefit changes for measurement date September 30, 2022 as noted under the Notes to Schedule of Changes in Net Pension Liability and Related Ratios.

Contributions

Premium Tax: 1.85% tax on premiums for fire insurance policies.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.

Net Pension Liability

The measurement date is September 30, 2022.

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

The reporting period is October 1, 2021 through September 30, 2022.

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

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

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	N/A
Discount Rate	6.00%
Investment Rate of Return	6.00%

Mortality Rate Healthy Lives:
Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Mortality Rate Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
Mortality Rate Beneficiary Lives:
Female: PubG.H-2010 (Below Median) for Healthy Retirees.
Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.
Mortality Rate Disabled Lives:
80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

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

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

The most recent actuarial experience study used to review the other significant assumptions was dated November 11, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class.
For 2022 the inflation rate assumption of the investment advisor was 2.80%.
These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return[1]
U.S. Large Cap Equity	25.0%	7.1%
U.S. Small Cap Equity	14.0%	8.5%
Non - U.S. Equity	21.0%	8.2%
Core Bonds	15.0%	2.5%
Core Plus	15.0%	2.8%
Core Real Estate	10.0%	6.6%
Total	100.0%	

[1] Source: Florida League of Cities

Discount Rate:
The Discount Rate used to measure the Total Pension Liability was 6.00 percent.
The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2021	$ 3,262,460	$ 5,679,762	$ (2,417,302)
Changes for a Year:			
Service Cost	161,942	-	161,942
Interest	230,227	-	230,227
Share Plan Allocation	150,085	-	150,085
Differences between Expected and Actual Experience	123,710	-	123,710
Changes of assumptions	-	-	-
Changes of benefit terms	804,065	-	804,065
Contributions - State	-	350,085	(350,085)
Net Investment Income	-	(763,224)	763,224
Benefit Payments, including Refunds of Employee Contributions	(180,397)	(180,397)	-
Administrative Expense	-	(33,527)	33,527
Net Changes	1,289,632	(627,063)	1,916,695
Balances at September 30, 2022	$ 4,552,092	$ 5,052,699	$ (500,607)

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

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Sponsor's Net Pension Liability	$ (130,255)	$ (500,607)	$ (803,177)

Pension Plan Fiduciary Net Position.

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

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

For the year ended September 30, 2022, the Sponsor will recognize a Pension Expense of $1,184,910.
On September 30, 2022, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	105,156	33,609
Changes of assumptions	40,013	-
Net difference between Projected and Actual Earnings on Pension Plan investments	567,351	-
Total	$ 712,520	$ 33,609

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

Year ended September 30:	
2023	$ 159,950
2024	$ 135,673
2025	$ 120,433
2026	$ 242,237
2027	$ 20,618
Thereafter	$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

	09/30/2022	09/30/2021
Total Pension Liability		
Service Cost	161,942	76,093
Interest	230,227	168,229
Share Plan Allocation	150,085	108,197
Changes of benefit terms	804,065	-
Differences between Expected and Actual Experience	123,710	4,133
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	(180,397)	(246,132)
Net Change in Total Pension Liability	1,289,632	110,520
Total Pension Liability - Beginning	3,262,460	3,151,940
Total Pension Liability - Ending (a)	$ 4,552,092	$ 3,262,460
Plan Fiduciary Net Position		
Contributions - State	350,085	308,197
Net Investment Income	(763,224)	895,545
Benefit Payments, including Refunds of Employee Contributions	(180,397)	(246,132)
Administrative Expense	(33,527)	(44,459)
Net Change in Plan Fiduciary Net Position	(627,063)	913,151
Plan Fiduciary Net Position - Beginning	5,679,762	4,766,611
Plan Fiduciary Net Position - Ending (b)	$ 5,052,699	$ 5,679,762
Net Pension Liability - Ending (a) - (b)	$ (500,607)	$ (2,417,302)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	111.00%	174.09%
Covered Payroll	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A

Notes to Schedule:

Changes in benefit terms:

For measurement date 09/30/2022, amounts reported as changes of benefits resulted from the following:

Ordinance 2022-18, adopted and effective September 20, 2022, provided for enhanced benefits for current and future retirees.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2022	$ 82,235	$ 200,000	$ (117,765)	N/A	N/A
09/30/2021	$ 86,230	$ 200,000	$ (113,770)	N/A	N/A

Notes to Schedule

Valuation Date: 10/01/2020

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2020 Actuarial Valuation for the City of Palm Coast Volunteer Firefighters' Retirement Trust Fund prepared by Foster & Foster Actuaries and Consultants.

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	$ (2,417,302)	$ 564,451	$ 161,492	$ -
Total Pension Liability Factors:				
Service Cost	161,942	-	-	161,942
Interest	230,227	-	-	230,227
Share Plan Allocation	150,085	-	-	150,085
Changes in benefit terms	804,065	-	-	804,065
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	123,710	-	123,710	-
Current year amortization of experience difference	-	(42,643)	(21,653)	(20,990)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(40,013)	40,013
Benefit Payments	(180,397)	-	-	-
Net change	1,289,632	(42,643)	62,044	1,365,342
Plan Fiduciary Net Position:				
Contributions - State	350,085	-	-	-
Projected Net Investment Income	344,871	-	-	(344,871)
Difference between projected and actual earnings on Pension Plan investments	(1,108,095)	-	1,108,095	-
Current year amortization	-	(122,787)	(253,699)	130,912
Benefit Payments	(180,397)	-	-	-
Administrative Expenses	(33,527)	-	-	33,527
Net change	(627,063)	(122,787)	854,396	(180,432)
Ending Balance	$ (500,607)	$ 399,021	$ 1,077,932	$ 1,184,910

AMORTIZATION SCHEDULE - INVESTMENTS

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

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2022	$ 1,108,095	5	$ 221,619	$ 221,619	$ 221,619	$ 221,619	$ 221,619	$ -	$ -	$ -	$ -	$ -
2021	$ (609,020)	5	$ (121,804)	$ (121,804)	$ (121,804)	$ (121,804)	$ -	$ -	$ -	$ -	$ -	$ -
2020	$ 71,036	5	$ 14,207	$ 14,207	$ 14,207	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2019	$ 89,365	5	$ 17,873	$ 17,873	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2018	$ (4,915)	5	$ (983)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 130,912	$ 131,895	$ 114,022	$ 99,815	$ 221,619	$ -	$ -	$ -	$ -	$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
			Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions									
2020	$ 160,053	4	$ 40,013	$ 40,013	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 40,013	$ 40,013	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
			Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience									
2022	$ 123,710	6	$ 20,620	$ 20,618	$ 20,618	$ 20,618	$ 20,618	$ 20,618	$ -	$ -	$ -	$ -
2021	$ 4,133	4	$ 1,033	$ 1,033	$ 1,033	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2020	$ (35,681)	4	$ (8,920)	$ (8,920)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2019	$ (123,444)	5	$ (24,689)	$ (24,689)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2018	$ (45,171)	5	$ (9,034)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ (20,990)	$ (11,958)	$ 21,651	$ 20,618	$ 20,618	$ 20,618	$ -	$ -	$ -	$ -