

City of Lake Mary Firefighters' Retirement System

CHAPTER 112.664, F.S. COMPLIANCE REPORT

IN CONNECTION WITH THE OCTOBER 1, 2021 FUNDING ACTUARIAL
VALUATION REPORT AND THE PLAN'S FINANCIAL REPORTING FOR THE
YEAR ENDING SEPTEMBER 30, 2021





November 30, 2021

Board of Trustees
City of Lake Mary Firefighters' Retirement System
Lake Mary, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Lake Mary Firefighters' Retirement System (Plan) to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Retirement Board 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.

The purpose of the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data or other information through September 30, 2021. 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. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the Plan Administrator concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board as described in our October 1, 2021 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2021 actuarial valuation report. Please refer to the October 1, 2021 actuarial valuation report, dated November 2, 2021, for summaries and descriptions of this information.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future Plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided as a counterpart to the Chapter 112.664, Florida Statutes requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.

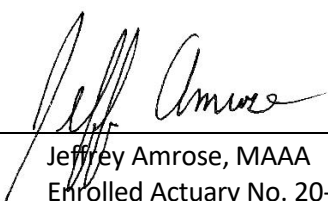
The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1) F.S., the actuarial disclosures required under this section were 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, meet the requirements of Section 112.664(1), F.S. and Section 60T-1.0035, F.A.C.

Respectfully submitted,
GABRIEL, ROEDER, SMITH AND COMPANY

By 
Jeffrey Amrose, MAAA
Enrolled Actuary No. 20-6599
Senior Consultant & Actuary


By 
Trisha Amrose, MAAA
Enrolled Actuary No. 20-8010
Consultant & Actuary



TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Ch. 112.664, F.S. Results	
Schedule of Changes in Net Pension Liability	
1. Using financial reporting assumptions per GASB Statement No. 67	1
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	2
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	3
4. Using the mandated mortality and funding interest rate +2%	4
Assets Versus Benefit Payments Projections	
1. Using assumptions from the Plan's latest actuarial valuation	5
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	6
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	7
4. Using the mandated mortality and funding interest rate +2%	8
Actuarially Determined Contribution	9

CH. 112.664, Florida Statutes

RESULTS

**Schedule of Changes in the Employers' Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,

1. Total pension liability

	2021
a. Service Cost	\$ 819,268
b. Interest	1,590,395
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	103,286
e. Assumption Changes	(364,810)
f. Benefit Payments	(753,688)
g. Contribution Refunds	(1,312)
h. Net Change in Total Pension Liability	1,393,139
i. Total Pension Liability - Beginning	22,278,163
j. Total Pension Liability - Ending	\$ 23,671,302

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 1,092,745
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	150,617
d. Net Investment Income	4,040,185
e. Benefit Payments	(753,688)
f. Contribution Refunds	(1,312)
g. Administrative Expense	(50,848)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	4,477,699
j. Plan Fiduciary Net Position - Beginning	21,555,592
k. Plan Fiduciary Net Position - Ending	\$ 26,033,291

3. Net Pension Liability / (Asset) (2,361,989)

Certain Key Assumptions

Valuation Date	10/01/2020
Measurement Date	09/30/2021
Investment Return Assumption	7.00%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation



**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,

1. Total pension liability

	2021
a. Service Cost	\$ 819,268
b. Interest	1,590,395
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	103,286
e. Assumption Changes	(364,810)
f. Benefit Payments	(753,688)
g. Contribution Refunds	(1,312)
h. Net Change in Total Pension Liability	1,393,139
i. Total Pension Liability - Beginning	22,278,163
j. Total Pension Liability - Ending	\$ 23,671,302

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 1,092,745
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	150,617
d. Net Investment Income	4,040,185
e. Benefit Payments	(753,688)
f. Contribution Refunds	(1,312)
g. Administrative Expense	(50,848)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	4,477,699
j. Plan Fiduciary Net Position - Beginning	21,555,592
k. Plan Fiduciary Net Position - Ending	\$ 26,033,291

3. Net Pension Liability / (Asset) (2,361,989)

Certain Key Assumptions

Valuation Date	10/01/2020
Measurement Date	09/30/2021
Investment Return Assumption	7.00%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation



Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.

Fiscal year ending September 30,

1. Total pension liability

	2021
a. Service Cost	\$ 1,248,488
b. Interest	1,443,126
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	13,937
e. Assumption Changes	-
f. Benefit Payments	(753,688)
g. Contribution Refunds	(1,312)
h. Net Change in Total Pension Liability	1,950,551
i. Total Pension Liability - Beginning	27,991,523
j. Total Pension Liability - Ending	\$ 29,942,074

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 1,092,745
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	150,617
d. Net Investment Income	4,040,185
e. Benefit Payments	(753,688)
f. Contribution Refunds	(1,312)
g. Administrative Expense	(50,848)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	4,477,699
j. Plan Fiduciary Net Position - Beginning	21,555,592
k. Plan Fiduciary Net Position - Ending	\$ 26,033,291

3. Net Pension Liability / (Asset) 3,908,783

Certain Key Assumptions

Valuation Date	10/01/2020
Measurement Date	09/30/2021
Investment Return Assumption	5.00%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation



Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,

1. Total pension liability

	2021
a. Service Cost	\$ 547,215
b. Interest	1,622,920
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	13,937
e. Assumption Changes	-
f. Benefit Payments	(753,688)
g. Contribution Refunds	(1,312)
h. Net Change in Total Pension Liability	1,429,072
i. Total Pension Liability - Beginning	17,862,731
j. Total Pension Liability - Ending	\$ 19,291,803

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 1,092,745
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	150,617
d. Net Investment Income	4,040,185
e. Benefit Payments	(753,688)
f. Contribution Refunds	(1,312)
g. Administrative Expense	(50,848)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	4,477,699
j. Plan Fiduciary Net Position - Beginning	21,555,592
k. Plan Fiduciary Net Position - Ending	\$ 26,033,291

3. Net Pension Liability / (Asset) (6,741,488)

Certain Key Assumptions

Valuation Date	10/01/2020
Measurement Date	09/30/2021
Investment Return Assumption	9.00%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions from the Latest Actuarial Valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	25,706,625	1,765,135	980,816	26,490,944
2022	26,490,944	1,810,767	1,245,681	27,056,030
2023	27,056,030	1,847,446	1,327,897	27,575,579
2024	27,575,579	1,881,180	1,403,156	28,053,603
2025	28,053,603	1,910,468	1,522,402	28,441,669
2026	28,441,669	1,935,123	1,594,121	28,782,671
2027	28,782,671	1,955,992	1,679,853	29,058,810
2028	29,058,810	1,973,210	1,740,191	29,291,829
2029	29,291,829	1,987,841	1,788,201	29,491,469
2030	29,491,469	2,000,543	1,824,562	29,667,450
2031	29,667,450	2,012,085	1,846,769	29,832,766
2032	29,832,766	2,024,461	1,823,780	30,033,447
2033	30,033,447	2,038,404	1,826,783	30,245,068
2034	30,245,068	2,053,186	1,827,669	30,470,585
2035	30,470,585	2,069,350	1,816,885	30,723,050
2036	30,723,050	2,087,230	1,810,956	30,999,324
2037	30,999,324	2,106,736	1,806,202	31,299,858
2038	31,299,858	2,128,273	1,791,909	31,636,222
2039	31,636,222	2,152,321	1,777,547	32,010,996
2040	32,010,996	2,179,018	1,764,337	32,425,677
2041	32,425,677	2,208,615	1,748,055	32,886,237
2042	32,886,237	2,241,573	1,727,524	33,400,286
2043	33,400,286	2,278,577	1,698,382	33,980,481
2044	33,980,481	2,320,455	1,662,259	34,638,677
2045	34,638,677	2,367,908	1,622,837	35,383,748
2046	35,383,748	2,421,528	1,580,994	36,224,282

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:

All Years

Certain Key Assumptions

Valuation Investment return assumption

7.00%

Valuation Mortality Table

FRS Mortality Rates from 7/1/19 FRS Valuation

Note: As required in Section 112.664 (1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection**Not Reflecting Any Contributions from the Employer, State or Employee****Using Assumptions required under 112.664(1)(a), F.S.**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	25,706,625	1,765,135	980,816	26,490,944
2022	26,490,944	1,810,767	1,245,681	27,056,030
2023	27,056,030	1,847,446	1,327,897	27,575,579
2024	27,575,579	1,881,180	1,403,156	28,053,603
2025	28,053,603	1,910,468	1,522,402	28,441,669
2026	28,441,669	1,935,123	1,594,121	28,782,671
2027	28,782,671	1,955,992	1,679,853	29,058,810
2028	29,058,810	1,973,210	1,740,191	29,291,829
2029	29,291,829	1,987,841	1,788,201	29,491,469
2030	29,491,469	2,000,543	1,824,562	29,667,450
2031	29,667,450	2,012,085	1,846,769	29,832,766
2032	29,832,766	2,024,461	1,823,780	30,033,447
2033	30,033,447	2,038,404	1,826,783	30,245,068
2034	30,245,068	2,053,186	1,827,669	30,470,585
2035	30,470,585	2,069,350	1,816,885	30,723,050
2036	30,723,050	2,087,230	1,810,956	30,999,324
2037	30,999,324	2,106,736	1,806,202	31,299,858
2038	31,299,858	2,128,273	1,791,909	31,636,222
2039	31,636,222	2,152,321	1,777,547	32,010,996
2040	32,010,996	2,179,018	1,764,337	32,425,677
2041	32,425,677	2,208,615	1,748,055	32,886,237
2042	32,886,237	2,241,573	1,727,524	33,400,286
2043	33,400,286	2,278,577	1,698,382	33,980,481
2044	33,980,481	2,320,455	1,662,259	34,638,677
2045	34,638,677	2,367,908	1,622,837	35,383,748
2046	35,383,748	2,421,528	1,580,994	36,224,282

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:

All Years

Certain Key Assumptions

Valuation Investment return assumption

7.00%

Valuation Mortality Table

FRS Mortality Rates from 7/1/19 FRS Valuation

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	25,706,625	1,260,811	980,816	25,986,620
2022	25,986,620	1,268,189	1,245,681	26,009,128
2023	26,009,128	1,267,259	1,327,897	25,948,490
2024	25,948,490	1,262,346	1,403,156	25,807,680
2025	25,807,680	1,252,324	1,522,402	25,537,602
2026	25,537,602	1,237,027	1,594,121	25,180,508
2027	25,180,508	1,217,029	1,679,853	24,717,684
2028	24,717,684	1,192,379	1,740,191	24,169,872
2029	24,169,872	1,163,789	1,788,201	23,545,460
2030	23,545,460	1,131,659	1,824,562	22,852,557
2031	22,852,557	1,096,459	1,846,769	22,102,247
2032	22,102,247	1,059,518	1,823,780	21,337,985
2033	21,337,985	1,021,230	1,826,783	20,532,432
2034	20,532,432	980,930	1,827,669	19,685,693
2035	19,685,693	938,863	1,816,885	18,807,671
2036	18,807,671	895,110	1,810,956	17,891,825
2037	17,891,825	849,436	1,806,202	16,935,059
2038	16,935,059	801,955	1,791,909	15,945,105
2039	15,945,105	752,817	1,777,547	14,920,375
2040	14,920,375	701,910	1,764,337	13,857,948
2041	13,857,948	649,196	1,748,055	12,759,089
2042	12,759,089	594,766	1,727,524	11,626,331
2043	11,626,331	538,857	1,698,382	10,466,806
2044	10,466,806	481,784	1,662,259	9,286,331
2045	9,286,331	423,746	1,622,837	8,087,240
2046	8,087,240	364,837	1,580,994	6,871,083
2047	6,871,083	305,134	1,536,799	5,639,418
2048	5,639,418	244,699	1,490,878	4,393,239
2049	4,393,239	183,585	1,443,082	3,133,742
2050	3,133,742	121,854	1,393,321	1,862,275
2051	1,862,275	59,567	1,341,866	579,976
2052	579,976	-	1,289,122	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 31.42

Certain Key Assumptions

Valuation Investment return assumption 5.00%
Valuation Mortality Table FRS Mortality Rates from 7/1/19 FRS Valuation

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection**Not Reflecting Any Contributions from the Employer, State or Employee****Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	25,706,625	2,269,460	980,816	26,995,269
2022	26,995,269	2,373,519	1,245,681	28,123,107
2023	28,123,107	2,471,324	1,327,897	29,266,534
2024	29,266,534	2,570,846	1,403,156	30,434,224
2025	30,434,224	2,670,572	1,522,402	31,582,394
2026	31,582,394	2,770,680	1,594,121	32,758,953
2027	32,758,953	2,872,712	1,679,853	33,951,812
2028	33,951,812	2,977,354	1,740,191	35,188,975
2029	35,188,975	3,086,539	1,788,201	36,487,313
2030	36,487,313	3,201,753	1,824,562	37,864,504
2031	37,864,504	3,324,701	1,846,769	39,342,436
2032	39,342,436	3,458,749	1,823,780	40,977,405
2033	40,977,405	3,605,761	1,826,783	42,756,383
2034	42,756,383	3,765,829	1,827,669	44,694,543
2035	44,694,543	3,940,749	1,816,885	46,818,407
2036	46,818,407	4,132,164	1,810,956	49,139,615
2037	49,139,615	4,341,286	1,806,202	51,674,699
2038	51,674,699	4,570,087	1,791,909	54,452,877
2039	54,452,877	4,820,769	1,777,547	57,496,099
2040	57,496,099	5,095,254	1,764,337	60,827,016
2041	60,827,016	5,395,769	1,748,055	64,474,730
2042	64,474,730	5,724,987	1,727,524	68,472,193
2043	68,472,193	6,086,070	1,698,382	72,859,881
2044	72,859,881	6,482,588	1,662,259	77,680,210
2045	77,680,210	6,918,191	1,622,837	82,975,564
2046	82,975,564	7,396,656	1,580,994	88,791,226

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:

All Years

Certain Key Assumptions

Valuation Investment return assumption

9.00%

Valuation Mortality Table

FRS Mortality Rates from 7/1/19 FRS Valuation

Note: As required in Section 112.664 (1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



ACTUARIALLY DETERMINED CONTRIBUTION				
	Plan's Latest Actuarial Valuation Assumptions	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions	112.664(1)(b) F.S. Except 2% Higher Investment Return Assumption
A. Valuation Date	October 1, 2021	October 1, 2021	October 1, 2021	October 1, 2021
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2023	9/30/2023	9/30/2023	9/30/2023
C. Assumed Dates of Employer Contributions	Evenly	Evenly	Evenly	Evenly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 74,245	\$ 74,245	\$ 472,717	\$ 0
E. Employer Normal Cost	688,218	688,218	1,108,334	431,639
F. Employer ADC if Paid on Valuation Date: D + E	762,463	762,463	1,581,051	431,639
G. Employer ADC Adjusted for Frequency of Payments	789,149	789,149	1,620,577	451,063
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	26.06 %	26.06 %	53.51 %	14.89 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.00 %	3.00 %	3.00 %	3.00 %
J. Covered Payroll for Contribution Year	3,119,278	3,119,278	3,119,278	3,119,278
K. Employer ADC for Contribution Year: H x J	812,884	812,884	1,669,126	464,460
L. Estimated Credit for State Revenue in Contribution Year	191,920	191,920	191,920	191,920
M. Net Employer ADC in Contribution Year	620,964	620,964	1,477,206	272,540
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	19.91 %	19.91 %	47.36 %	8.74 %
O. Expected Member Contribution	155,964	155,964	155,964	155,964
P. Total Contribution (Including Members) in Contribution Year	968,848	968,848	1,825,090	620,424
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	31.06 %	31.06 %	58.51 %	19.89 %
R. Certain Key Assumptions				
Investment Return Assumption	7.00%	7.00%	5.00%	9.00%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation	FRS Mortality Rates from 7/1/19 FRS Valuation	FRS Mortality Rates from 7/1/19 FRS Valuation	FRS Mortality Rates from 7/1/19 FRS Valuation

