



March 1, 2024

City of Wilton Manors Volunteer Firefighters' Retirement System, Board of Trustees
c/o Richard W. Rothe, Chairman, Board of Trustees
2020 Wilton Drive
Wilton Manors, FL 33305

**Re: City of Wilton Manors Volunteer Firefighters' Retirement System
GASB No. 68 Disclosure Information for Reporting Year Ending September 30, 2023**

Dear Board Members:

As requested, we have prepared the actuarial disclosure information required under Governmental Accounting Standards Board (GASB) Statement Number 68 for the City of Wilton Manors Volunteer Firefighters' Retirement System for use in the preparation of the City's GAAP-basis employer financial statement for the reporting year ending September 30, 2023.

GASB Statement No. 68 establishes the accounting and financial reporting standards for state and local government employers who provide their employees (including former employees) pension benefits through a trust. These calculations have been made on a basis that is consistent with our understanding of this accounting standard. Enclosed are the following exhibits:

- Executive Summary
- Schedule of Changes in Net Pension Liability and Related Ratios for Measurement Year
- Notes to Net Pension Liability
- Pension Expense Under GASB No. 68
- Statement of Outflows and Inflows Arising from Current Reporting Period
- Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods
- Summary of Remaining Deferred Outflows and Inflows of Resources
- Schedule of Contributions
- Notes to Schedule of Contributions
- Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

The actuarial valuation of the liabilities was determined as of the beginning of the year, October 1, 2021 (based on the actuarial valuation results as reported in the October 1, 2021 actuarial valuation report dated May 24, 2022) and rolled forward to the September 30, 2022 measurement date. These liabilities are used for GASB Statement No. 68 reporting for the reporting period ending September 30, 2023. Using a measurement date of September 30, 2022 allows for timely reporting at the end of the year. If significant changes occur during the year, such as benefit changes or changes in assumptions or methods, these should be noted in the footnotes.

Required Disclosures

This information is intended to assist in preparation of the financial statements of the Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB Statement No. 68. These calculations have been made on a basis that is consistent with our understanding of this Statement.

The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 68 may produce significantly different results. This report may be provided to parties other than the City or Board only in its entirety and only with the permission of the City or Board. GRS is not responsible for unauthorized use of this report.

This report is based upon information, furnished to us by the Plan Administrator, concerning Plan benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not audited. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

This report complements that actuarial valuation reports that were provided to the Board and should be considered in conjunction with those reports. Please see the actuarial valuation report as of actuarial valuation report as of October 1, 2021 dated May 24, 2022 and the October 1, 2022 dated December 9, 2022 for additional discussion of the nature of the actuarial calculations and information related to participant data, economic and demographic assumptions, and benefit provisions.

The findings in this report are based on data through September 30, 2021 and financial information through September 30, 2022. 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.

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.



To the best of our knowledge, the information contained with this report is accurate and fairly represents the actuarial position of the Plan. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

The signing actuaries are independent of the plan sponsor.

Theora Braccialarghe and Melissa Zrelack are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By *Theora Braccialarghe*

Theora P. Braccialarghe, FSA, EA, MAAA
Senior Consultant & Actuary

By *Melissa Zrelack*

Melissa Zrelack, EA, MAAA
Consultant & Actuary

Enclosures

cc: Judy Hoekstra



EXECUTIVE SUMMARY
GASB Statement No. 68

Actuarial Valuation Date	October 1, 2021
Measurement Date of the Net Pension Liability	September 30, 2022
Employer's Fiscal Year Ending Date (Reporting Date)	September 30, 2023

Membership as of Actuarial Valuation Date

Number of	
- Retirees and Beneficiaries	7
- Inactive, Nonretired Members	2
- Active Members	1
- Total	10
Covered Payroll	\$ -

Net Pension Liability

Total Pension Liability	\$ 1,694,569
Plan Fiduciary Net Position	1,737,688
Net Pension Liability	\$ (43,119)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.54 %
Net Pension Liability as a Percentage of Covered Payroll	N/A: Plan is not pay based; members are volunteers

Development of the Single Discount Rate

Single Discount Rate	6.00 %
Long-Term Expected Rate of Investment Return	6.00 %
Long-Term Municipal Bond Rate*	4.40 %
Last year ending September 30 in the 2023 to 2122 projection period for which projected benefit payments are fully funded	2122

Total Pension Expense \$ 90,684

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	280,633	112,760
Total	\$ 280,633	\$ 112,760

**Source: "Fidelity General Obligation AA" rate as of September 30, 2022. This is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Investments' "20-Year Municipal GO AA Index." In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities.*



**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
FOR REPORTING YEAR ENDED SEPTEMBER 30, 2023
GASB Statement No. 68**

Measurement year ending September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability (NPL)									
Service Cost	\$ 3,509	\$ 3,560	\$ 3,555	\$ 3,552	\$ 3,548	\$ 2,785	\$ 2,784	\$ 2,781	\$ 3,420
Interest on the Total Pension Liability	97,677	98,075	97,063	98,032	96,276	136,401	132,943	127,765	124,087
Benefit Changes	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	21,766	22,373	24,799	(5,758)	(5,234)	(547,430)	(7,955)	(28,713)	(27,063)
Assumption Changes	-	(57,060)	-	-	-	157,023	-	172,401	-
Benefit Payments	(165,937)	(123,739)	(123,229)	(124,604)	(93,863)	(93,206)	(79,458)	(76,201)	(73,671)
Refunds	-	-	-	-	-	-	-	-	-
Other (Change in State Contribution Reserve)	30,151	71,300	14,929	11,936	43,915	-	-	57,921	76,851
Net Change in Total Pension Liability	(12,834)	14,509	17,117	(16,842)	44,642	(344,427)	48,314	255,954	103,624
Total Pension Liability - Beginning	1,707,403	1,692,894	1,675,777	1,692,619	1,647,977	1,992,404	1,944,090	1,688,136	1,584,512
Total Pension Liability - Ending (a)	\$ 1,694,569	\$ 1,707,403	\$ 1,692,894	\$ 1,675,777	\$ 1,692,619	\$ 1,647,977	\$ 1,992,404	\$ 1,944,090	\$ 1,688,136
Plan Fiduciary Net Position									
Contributions - Employer (from City)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Employer (from State)	104,886	94,263	85,359	83,904	87,830	93,880	113,066	143,468	162,399
Contributions - Non-Employer Contributing Entity	-	-	-	-	-	-	-	-	-
Contributions - Employee (including buyback contributions)	-	-	-	-	-	-	-	-	-
Pension Plan Net Investment Income	(226,616)	296,241	105,701	93,588	187,918	163,275	114,245	(78,303)	157,260
Benefit Payments	(165,937)	(123,739)	(123,229)	(124,604)	(93,863)	(93,206)	(79,458)	(76,201)	(73,671)
Refunds	-	-	-	-	-	-	-	-	-
Pension Plan Administrative Expense	(42,142)	(38,245)	(37,537)	(41,063)	(40,155)	(36,978)	(23,065)	(40,557)	(27,489)
Other	-	-	-	-	-	1	(1)	-	-
Net Change in Plan Fiduciary Net Position	(329,809)	228,520	30,294	11,825	141,730	126,972	124,787	(51,593)	218,499
Plan Fiduciary Net Position - Beginning	2,067,497	1,838,977	1,808,683	1,796,858	1,655,128	1,528,156	1,403,369	1,454,962	1,236,463
Plan Fiduciary Net Position - Ending (b)	\$ 1,737,688	\$ 2,067,497	\$ 1,838,977	\$ 1,808,683	\$ 1,796,858	\$ 1,655,128	\$ 1,528,156	\$ 1,403,369	\$ 1,454,962
Net Pension Liability - Ending (a) - (b)	(43,119)	(360,094)	(146,083)	(132,906)	(104,239)	(7,151)	464,248	540,721	233,174
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.54 %	121.09 %	108.63 %	107.93 %	106.16 %	100.43 %	76.70 %	72.19 %	86.19 %
Total Employee Payroll	N/A								
NPL as a % of Covered Payroll	N/A								
Notes to Schedule:	N/A								

NOTE: The Plan is not pay based, as the members are volunteer firefighters



NOTES TO NET PENSION LIABILITY
GASB Statement No. 68

Significant Assumptions and Methods used to Measure the Net Pension Liability

The Total Pension Liability was determined by the actuarial valuation as of October 1, 2021, using the following actuarial assumptions and methods, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Salary Increases	N/A. The plan is not pay based.
Investment Rate of Return	0.06
COLA	None
Retirement Age	100% retirement one half year after reaching age 55 or age 50 with 20 years of service.
Mortality	<p>Pre-retirement (Healthy): PUB-2010 Headcount Weighted Safety Below Median Employee Male Table, set forward one year, and the PUB-2010 Headcount Weighted Safety Employee Female Table, set forward one year.</p> <p>Post-retirement (Healthy): PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward one year, and the PUB-2010 Headcount Weighted Safety Healthy Retiree Female Table, set forward one year.</p> <p>Post-Retirement (Disabled): 80% PUB-2010 Headcount Weighted General Disabled Retiree Male and Female Tables and 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Male and Female Tables.</p> <p>Mortality improvements for healthy members are being made for each year after 2010 using gender-specific MP-2018 projection scales. There is no provision for mortality improvements for disabled members. The mortality assumption is the same as used for Special Risk Members of the Florida Retirement System (FRS) in the July 1, 2021 actuarial valuation, in compliance with Florida Statutes.</p>

Standard actuarial update procedures were used to "roll forward" the Total Pension Liability to the September 30, 2022 measurement date.

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2021 Actuarial Valuation Report dated May 24, 2022.



PENSION EXPENSE
FISCAL YEAR ENDED SEPTEMBER 30, 2023
BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2022
GASB Statement No. 68

Pension Expense

1. Service Cost	\$ 3,509
2. Interest on the Total Pension Liability	97,677
3. Current-Period Benefit Changes	-
4. Employee Contributions (made negative for addition here)	-
5. Projected Earnings on Plan Investments (made negative for addition here)	(120,954)
6. Pension Plan Administrative Expense	42,142
7. Other Changes in Plan Fiduciary Net Position	-
8. Other Changes in Total Pension Liability (Change in State Contribution Reserve)	30,151
9. Recognition of Outflow (Inflow) of Resources due to Liabilities	21,766
10. Recognition of Outflow (Inflow) of Resources due to Assets	16,393
11. Total Pension Expense	\$ 90,684



**STATEMENT OF OUTFLOWS AND INFLOWS
ARISING FROM CURRENT REPORTING PERIOD
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2023
BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2022
GASB Statement No. 68**

A. Outflows (Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability due to (gains) or losses	\$ 21,766
2. Assumption Changes (gains) or losses	-
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	1.0
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	21,766
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for assumption changes	-
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	21,766
7. Deferred Outflow (Inflow) of Resources to be recognized in future the difference between expected and actual experience of the Total Pension Liability	-
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for assumption changes	-
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	-

B. Outflows (Inflows) of Resources due to Assets

1. Net difference between projected and actual earnings on pension plan investments due to (gains) or losses	\$ 347,570
2. Recognition period for Assets {in years}	5.0
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	69,514
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	278,056

C. Outflow of Resources due to Employer Contribution

1. Deferred Outflow of Resources due to Employer/State pension contribution made subsequent to 9/30/2022 but before 9/30/2023	\$ 236,639
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**STATEMENT OF OUTFLOWS AND INFLOWS
ARISING FROM CURRENT AND PRIOR REPORTING PERIODS
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2023
BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2022
GASB Statement No. 68**

A. Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows	Inflows	Net Outflows
1. Due to Liabilities	\$ 21,766	\$ -	\$ 21,766
2. Due to Assets	71,980	55,587	16,393
3. Total	\$ 93,746	\$ 55,587	\$ 38,159

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows	Inflows	Net Outflows
1. Differences between expected and actual experience	\$ 21,766	\$ -	\$ 21,766
2. Assumption Changes	-	-	-
3. Net Difference between projected and actual earnings on pension plan investments	71,980	55,587	16,393
4. Total	\$ 93,746	\$ 55,587	\$ 38,159

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Outflows	Inflows	Net Outflows
1. Differences between expected and actual experience	\$ -	\$ -	\$ -
2. Assumption Changes	-	-	-
3. Net Difference between projected and actual earnings on pension plan investments	280,633	112,760	167,873
4. Total	\$ 280,633	\$ 112,760	\$ 167,873

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

	Year Ending September 30	Net Deferred Outflows
2024		\$ 34,394
2025		32,037
2026		31,928
2027		69,514
2028		-
Thereafter		-
Total		\$ 167,873



**SUMMARY OF REMAINING DEFERRED
OUTFLOWS AND INFLOWS OF RESOURCES
GASB Statement No. 68**

<u>Date Established</u>	<u>Source</u>	<u>Recognition Period in years</u>	<u>Original Amount</u>	<u>Years Remaining</u>	<u>Remaining Amount</u>	<u>Amount in Current Expense</u>
<u>Deferred Outflows of Resources</u>						
9/30/2020	Investment Exp. Loss	5.0	\$ 11,771	2.0	\$ 4,709	\$ 2,354
9/30/2021	Investment Exp. Loss	5.0	558	3.0	334	112
9/30/2023	Investment Exp. Loss	5.0	347,570	5.0	347,570	69,514
9/30/2023	Liability Exp. Loss	1.0	21,766	1.0	21,766	21,766
SUBTOTALS:			381,665		374,379	93,746
<u>Deferred Inflows of Resources</u>						
9/30/2019	Investment Exp. Gain	5.0	(89,996)	1.0	(18,000)	(18,000)
9/30/2022	Investment Exp. Gain	5.0	(187,934)	4.0	(150,347)	(37,587)
SUBTOTALS:			(277,930)		(168,347)	(55,587)
GRAND TOTALS:			\$ 103,735		\$ 206,032	\$ 38,159



SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 68

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	\$ 79,117	\$ 85,547	\$ (6,430)	N/A	N/A
2015	80,349	85,547	(5,198)	N/A	N/A
2016	78,859	85,547	(6,688)	N/A	N/A
2017	91,007	93,880	(2,873)	N/A	N/A
2018	92,659	87,830	4,829	N/A	N/A
2019	95,516	83,904	11,612	N/A	N/A
2020	94,996	85,359	9,637	N/A	N/A
2021	88,525	94,263	(5,738)	N/A	N/A
2022	77,801	104,886	(27,085)	N/A	N/A
2023	74,713	236,639	(161,926)	N/A	N/A

Notes:

The Plan is not pay based. The members are volunteer firefighters.

Prior to October 1, 2016, Actual Contribution includes State contributions up to the base amount of \$85,547.

The City and membership agreed to use the accumulated excess premium tax revenue as of May 2016 to supplement funding of the Retirement System. The accumulated excess premium tax money was used to set up a Funding Standard Account (FSA) for the System. Future premium tax money received by the System will be allocated between a Share Plan for the membership and the FSA, based on the funded status of the System when the premium tax money is received. The credit balance in the FSA will be used to cover any contribution deficiencies from October 1, 2016 forward.



NOTES TO SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 68

Valuation Date: October 1, 2022
Notes Actuarially determined contributions are calculated as of the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	15 years
Asset Valuation Method	5-year smoothed market
Salary Increases	N/A. The plan is not pay based.
Investment Rate of Return	6.00%
Retirement Age	100% retirement one half year after reaching age 55 or age 50 with 20 years of service.

Mortality Pre-retirement (Healthy): PUB-2010 Headcount Weighted Safety Below Median Employee Male Table, set forward one year, and the PUB-2010 Headcount Weighted Safety Employee Female Table, set forward one year.

Post-retirement (Healthy): PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward one year, and the PUB-2010 Headcount Weighted Safety Healthy Retiree Female Table, set forward one year.

Post-Retirement (Disabled): 80% PUB-2010 Headcount Weighted General Disabled Retiree Male and Female Tables and 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Male and Female Tables.

Mortality improvements for healthy members are being made for each year after 2010 using gender-specific MP-2018 projection scales. There is no provision for mortality improvements for disabled members. The mortality assumption is the same as used for Special Risk Members of the Florida Retirement System (FRS) in the July 1, 2021 actuarial valuation, in compliance with Florida Statutes.

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2022 Actuarial Valuation Report dated December 9, 2022.



**SENSITIVITY OF NET PENSION LIABILITY
TO THE SINGLE DISCOUNT RATE ASSUMPTION
GASB Statement No. 68**

A single discount rate of 6.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.00%. The projection of cash flows used to determine this 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 the total 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 (6.00%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 6.00%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
\$115,723	(\$43,119)	(\$177,585)