CITY OF HOLLY HILL, FLORIDA

POLICE PENSION FUND BOARD OF TRUSTEES

AGENDA ● FEBRUARY 17, 2022

City Commission Chamber	Police Pension Fund Board of Trustees	11:00 AM

CITY HALL
1065 RIDGEWOOD AVENUE
HOLLY HILL, FL 32117

City Clerk's office: (386) 248-9441 - Fax: (386) 248-9448

HOLLY HILL
FLORIDA

City Commission Chamber
City Hall
1065 Ridgewood Avenue
Holly Hill, FL 32117

1. CALL TO ORDER

2. ROLL CALL - HONORING CHARLIE SHARP

3. APPROVAL OF MINUTES

1. Minutes - November 18, 2021, HHPD Pension Board Meeting
   (Requested by Valerie Manning, City Clerk)

4. CHAIRPERSON'S REPORT

1. Chairperson's Report for HHPD Pension Board
   (Requested by Valerie Manning, City Clerk)

5. OLD BUSINESS

1. Old Business
   (Requested by Valerie Manning, City Clerk)

6. NEW BUSINESS

1. New Business
   (Requested by Valerie Manning, City Clerk)
2. Foster and Foster Report - Patrick Donlan
   (Requested by Valerie Manning, City Clerk)

7. OTHER BUSINESS

A. Meeting dates for 2022: May 19, August 18, and November 17.

8. ADJOURNMENT

Website Address – www.hollyhillfl.org (City Clerk)

NOTICE – If any person decides to appeal any decision of the Police Pension Board, he/she will need a record of the proceedings and, for that purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The City does not prepare or provide such a record.

For special accommodations, please notify the City Clerk's Office at least 72 hours in advance. (386) 248-9441

Help for the hearing impaired is available through the Assistive Listening System. Receivers can be obtained from the City Clerk's Office.

In accordance with the Americans with Disabilities Act (ADA), persons needing a special accommodation to participate in the Police Pension Board proceedings should contact the City Clerk's Office no later than three (3) days prior to the proceedings.

Police Pension Board

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SCHEDULED

Meeting: 02/17/22 11:00 AM
Department: City Clerk
Category: Minutes
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 3623

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 3623)

Minutes - November 18, 2021, HHPD Pension Board Meeting

DISCUSSION:

Minutes from November 18, 2021 Holly Hill Police Pension board meeting.

MOTION:

Approve as submitted by staff.

HOLLY HILL POLICE OFFICERS' RETIREMENT TRUST FUND

"MEETING MINUTES"

Thursday November 18, 2021
City Commission Chambers

1. CALL TO ORDER
   Meeting was called to order at 11:10 AM

2. ROLL CALL
   Stephen Aldrich – Chairman
   Thomas Bentley- Secretary
   Christopher Yates
   Robert Taylor
   Charlie Sharp

3. APPROVAL OF MINUTES
   - August ,2021
     Only adjustment, Stephen Aldrich, official retirement date August 2, 2021, not July 2, 2021
     Motion to Approve made by Sharp, 2nd by Yates
     All in favor, Motion approved

4. CHAIRMAN'S REPORT

   - Former Officer Kenneth Gillis wants a refund of his contributions, paperwork signed and will be disbursed. Steven Aldrich retirement paperwork completed and is receiving payments. Jeff Traylor and Robert Culver recently retired and both will receive payments once calculations are complete

   - Received class action settlement check for $7,526.00 and will be sent to Salem Trust

5. OLD BUSINESS

6. NEW BUSINESS
   - 4th Quarter Report by Frank Wan of Burgess Chambers and Associates, Inc.
     - Plan made 22.5% this year
     - Plan has a current balance of $14,886,759.00
     - Approve and move $200,000.00 from Index 500 to Real Estate Fund
     - Motion made by Yates, 2nd by Bentley

All in Favor, motion approved

- Reinvest the dividends from Intercontinental back in to the fund
- Motion made by Yates, 2nd by Bentley
  All in Favor, motion approved

- Foster and Foster
  - Motion with 2021 Evaluation Report to make the assumption changes from the October 14, 2021 experience study, change the investment return assumption such that the city's funding requirements remain at 22.9% of payroll
  - Motion made by Sharp , 2nd by Yates
    All In Favor, motion approved

- Payment of Outstanding Bills
  Motion to Approve made by Sharp, 2nd by Bentley
  All in favor, motion approved

  - Paul Daragjati – Attorney Services - $372.50
  - Salem Trust – Custodial Services - $2,139.10
  - Foster & Foster – Actuarial Services – $8,445.00
  - Burgess Chambers and Associates, Inc. – Investment Services - $7,443.37
  - Integrity Fixed Income Management, LLC – Investment Management Fee - $1,717.62

7. OTHER BUSINESS
   - Meeting Dates for 2022 – Commission Chambers at 11:00 AM.
     - February 17, 2022
     - May 19, 2022
     - August 18, 2022
     - November 17, 2022

8. ADJOURNMENT
   - Meeting adjourned at 12:02 PM

Police Pension Board

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SCHEDULED

Meeting: 02/17/22 11:00 AM
Department: City Clerk
Category: Chairperson's Report
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 3624

CHAIRPERSON'S REPORT (ID # 3624)

Chairperson's Report for HHPD Pension Board

CHAIRPERSON'S REPORT:

A. Due to the importance of submitting documents in a timely manner, we have added Captain Yates to the list of authorized signers for the Pension board.

Police Pension Board

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SCHEDULED

Meeting: 02/17/22 11:00 AM
Department: City Clerk
Category: Old Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 3625)

DOC ID: 3625

Old Business

OLD BUSINESS:

A. Investigator Jefferson Traylor and Officer Robert Culver have received their monthly pension payments starting December 1, 2021.

HOLLY HILL
FLORIDA

Police Pension Board

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SCHEDULED

Meeting: 02/17/22 11:00 AM
Department: City Clerk
Category: New Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 3626

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 3626)

New Business

NEW BUSINESS:

A. 4th Quarter Report - Frank Wan (Burgess Chambers)

B. Payment of outstanding bills:

- ✓ Paul Daragjati - Attorney Services - $372.50
- ✓ Salem Trust - Custodial Services / already deducted - For **INFORMATIONAL PURPOSES ONLY** - $2,121.29
- ✓ Foster & Foster - Actuarial Services - $14,058.75
- ✓ Burgess Chambers - Investment Services, 4th Quarter - $7,615.00
- ✓ Integrity Fixed Income Management, LLC (Investment Management Fee) - $1,703.03

Burgess Chambers & Associates, Inc.

Institutional Investment Advisors

www.burgesschambers.com

December 31, 2021

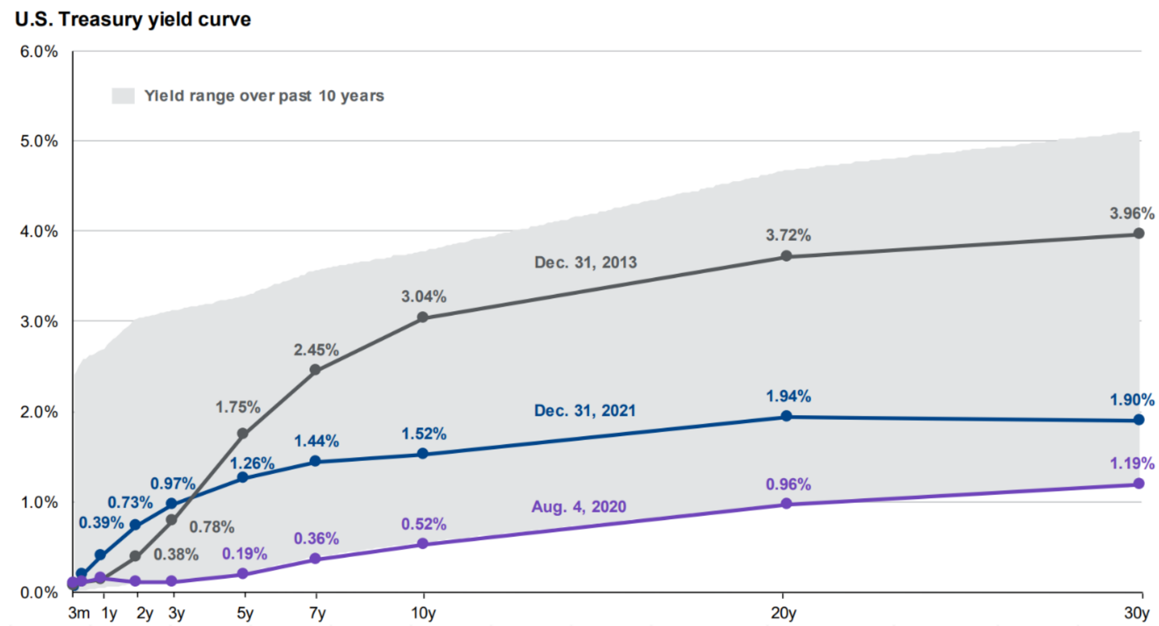
Holly Hill Police Officers' Retirement Trust Fund

Investment Performance
Period Ending
December 31, 2021

Holly Hill Police Officers' Retirement System
BCA Market Perspective ©
Shape of the Yield Curve
January 2022

During the fourth quarter of 2021 the two-year treasury yield rose from 0.28% to 0.73%, while the 10-year treasury yield remained the same at 1.52%. This phenomenon where short-term rates rise while longer term rates stay the same is known as a flattening of the yield curve and tends to signal a future of slowing economic growth.

The chart to the right shows three distinct yield curves: the current yield curve on December 31, 2021 (blue), the yield curve on December 31, 2013 (gray) which represents the curve's steepest levels in reaction to the Fed announcing it would begin pairing back its bond-buying program, and the yield curve on August 4, 2020 (purple) which reflects the record low on the 10-year treasury, driven by safe haven demand and pessimism around U.S. pandemic recovery*.[1]



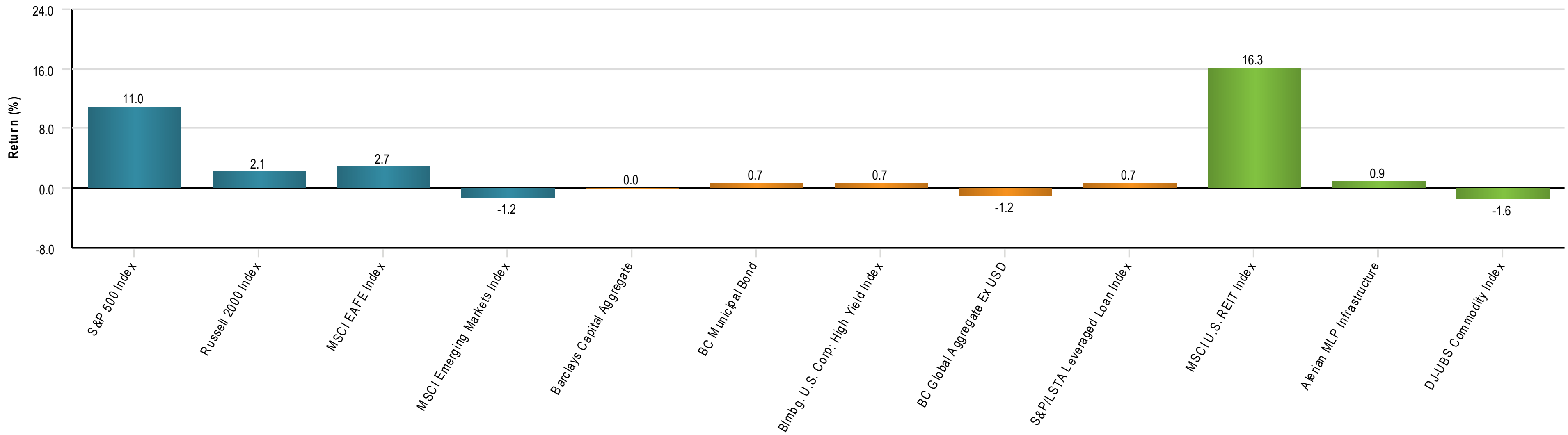
The $14.8 trillion Treasury market includes Treasury bills, notes and bonds with maturities ranging from one-month to 30-years. "The yield curve plots the yields of all Treasury securities, and investors watch its shape to extrapolate market expectations."[2] The yield curve is typically upward sloped, which signals economic growth and justifies investor expectations for a higher return given the incremental maturity risk. But from time to time, the yield curve may invert, a sign that has predicted past recessions. The recent rise of short-term rates suggests the Fed is expected to push for higher rates in the near future in order to curb inflationary concerns. Rising rates could slow the economy, by increasing borrowing costs.

In December, Fed Chairman Jerome Powell mentioned that "we're (the Fed) in a position where we're ending our taper by March, in two meetings, and we'll be in a position to raise interest rates as and when we think it's appropriate". Based on Fed's Summary of Economic Projections, investors should expect three hikes in 2022, beginning in March, and three additional hikes in 2023. Bond markets, however, are worried about hiking into a flat yield curve, and may question the Fed's ability to raise rates without triggering an abrupt end to the recovery. It can not be understated how important 2022 will be, as investors keep a close eye on broad financial conditions, maximum employment, price stability, and of course the shape of the yield curve.

1 Source: FactSet, Federal Reserve, J.P. Morgan Asset Management
2 Source: Reuters

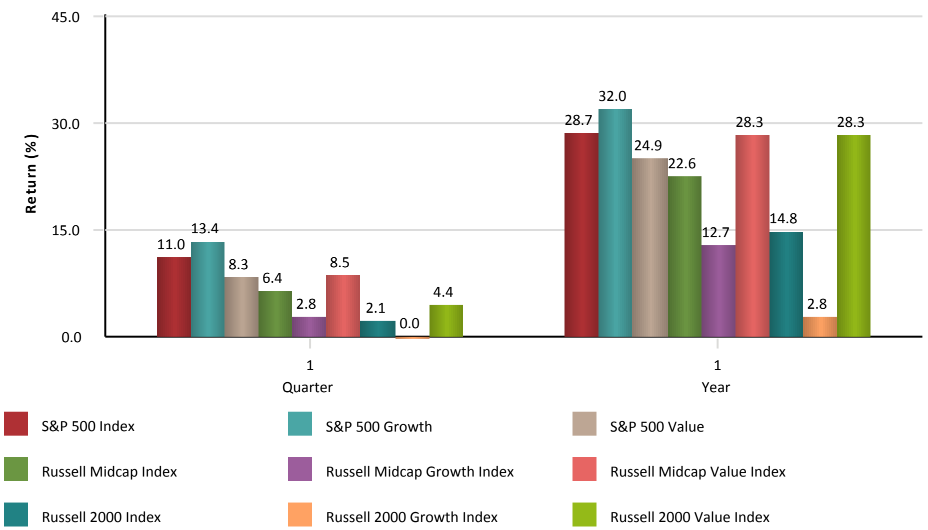
Quarterly Market Summary

1 Quarter Performance



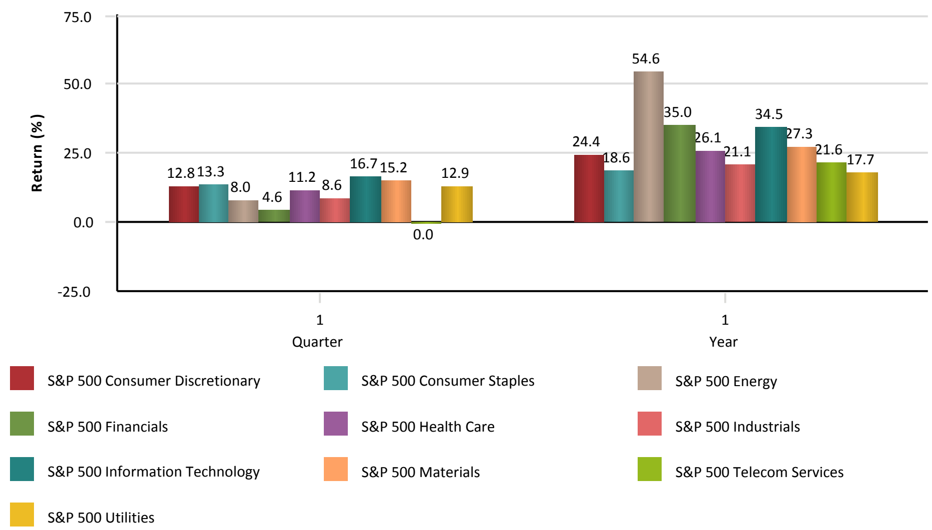
Source: Investment Metrics, LLC

US Market Indices Performance



Source: Investment Metrics, LLC

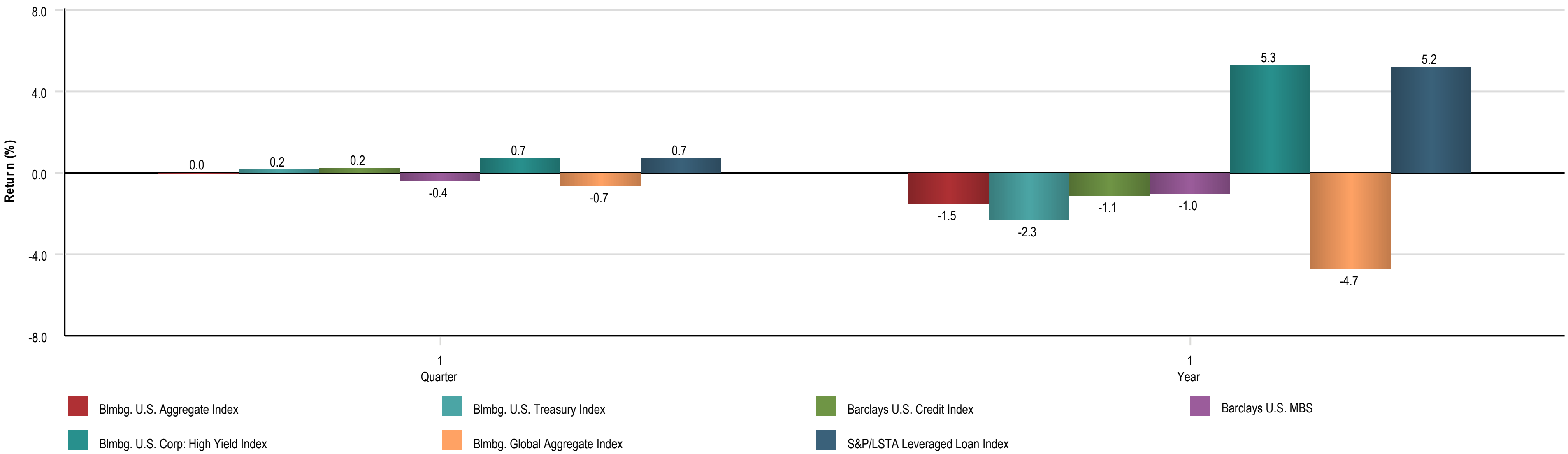
US Market Sector Performance



Source: Investment Metrics, LLC

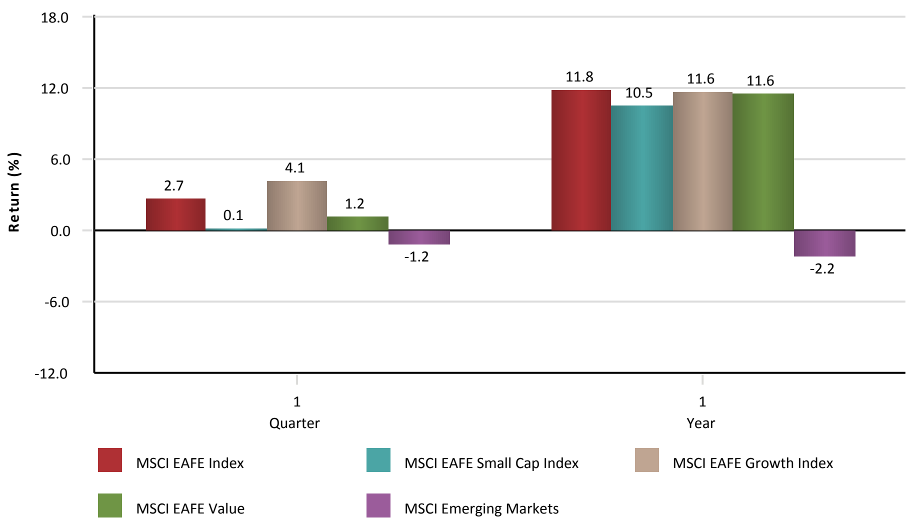
Quarterly Market Summary

Fixed Income Market Sector Performance



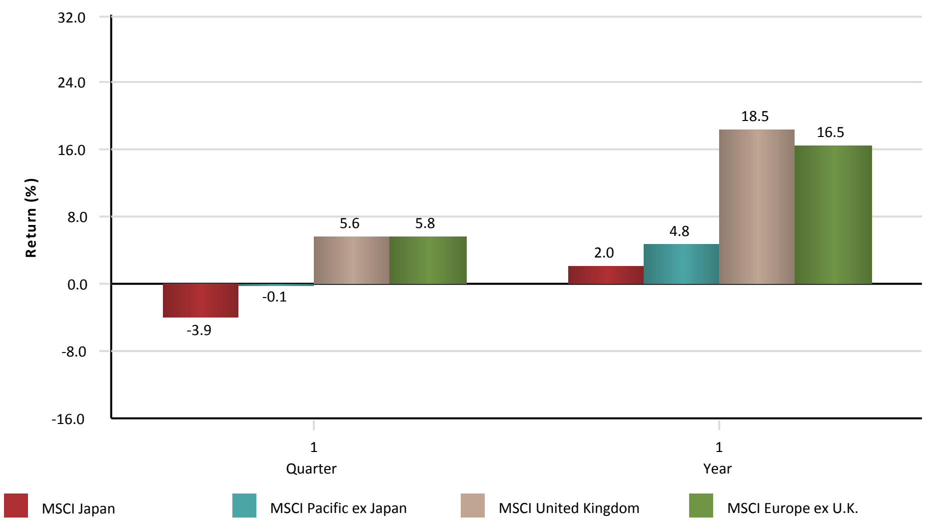
Source: Investment Metrics, LLC

Intl Equity Indices Performance



Source: Investment Metrics, LLC

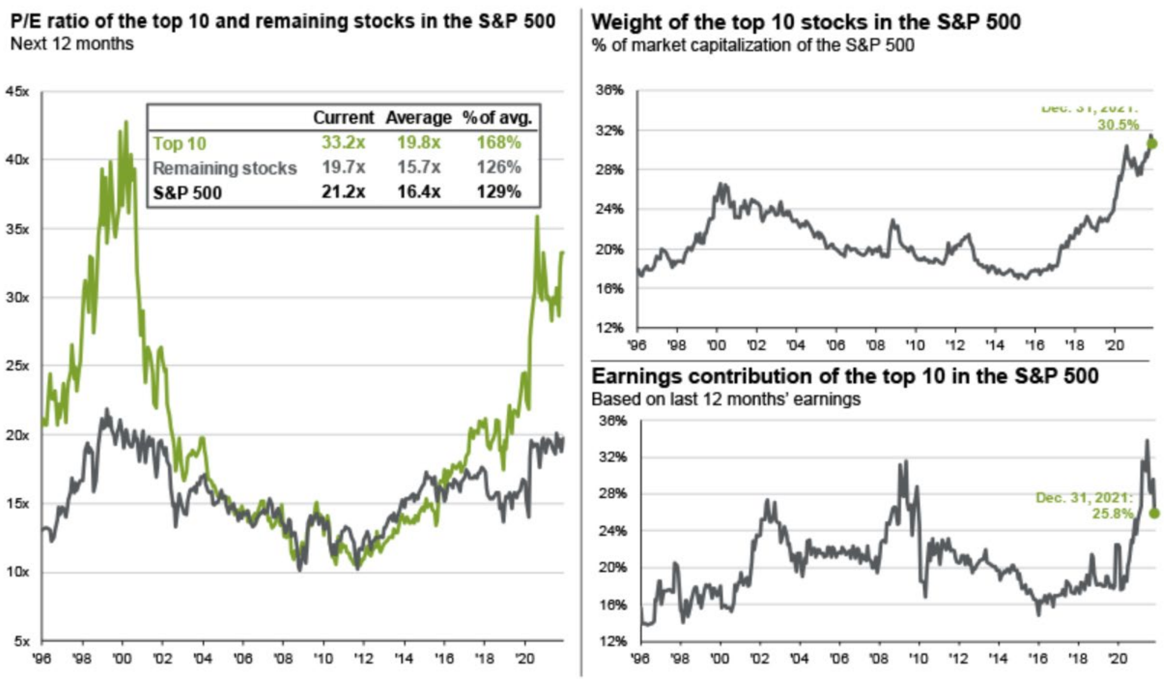
Intl Equity Region Performance



Source: Investment Metrics, LLC

Holly Hill Police Officers' Retirement System
Total Fund
Investment Summary
December 31, 2021

The Standard & Poor's 500 index is currently trading at a 29% premium compared to the long-term average P/E ratio. The top 10 stocks, representing 30.5% of the index, is trading at a 68% premium. The index is considered "top heavy", and the market will likely pay closer attention to this subset of stocks in 2022.



Source: JPMorgan Asset Management. Top 10 companies: AAPL (6.8%), MSFT (6.5%), AMZN (3.9%), TSLA (2.3%), GOOGL (4.3%), NVDA (2.1%), FB (1.9%), BRK (1.3) JPM (1.2%) & JNJ (1.2%).

- For the quarter, the Plan earned $759K or +5.2% net and ranked in the top 8th percentile. The best three performers were: Fidelity 500 Index (+11.0%), FMI Large-Cap (+10.6%) and Intercontinental Real Estate (+9.7%).

- For the one-year period, the Plan earned $2.1 million or +15.4% net, behind the policy index (+17.0%) and ranked in the top 19th percentile. The best three performers were: Fidelity 500 Index (+28.8%), Polen Growth (+24.7%) and Intercontinental Real Estate (+24.3%).

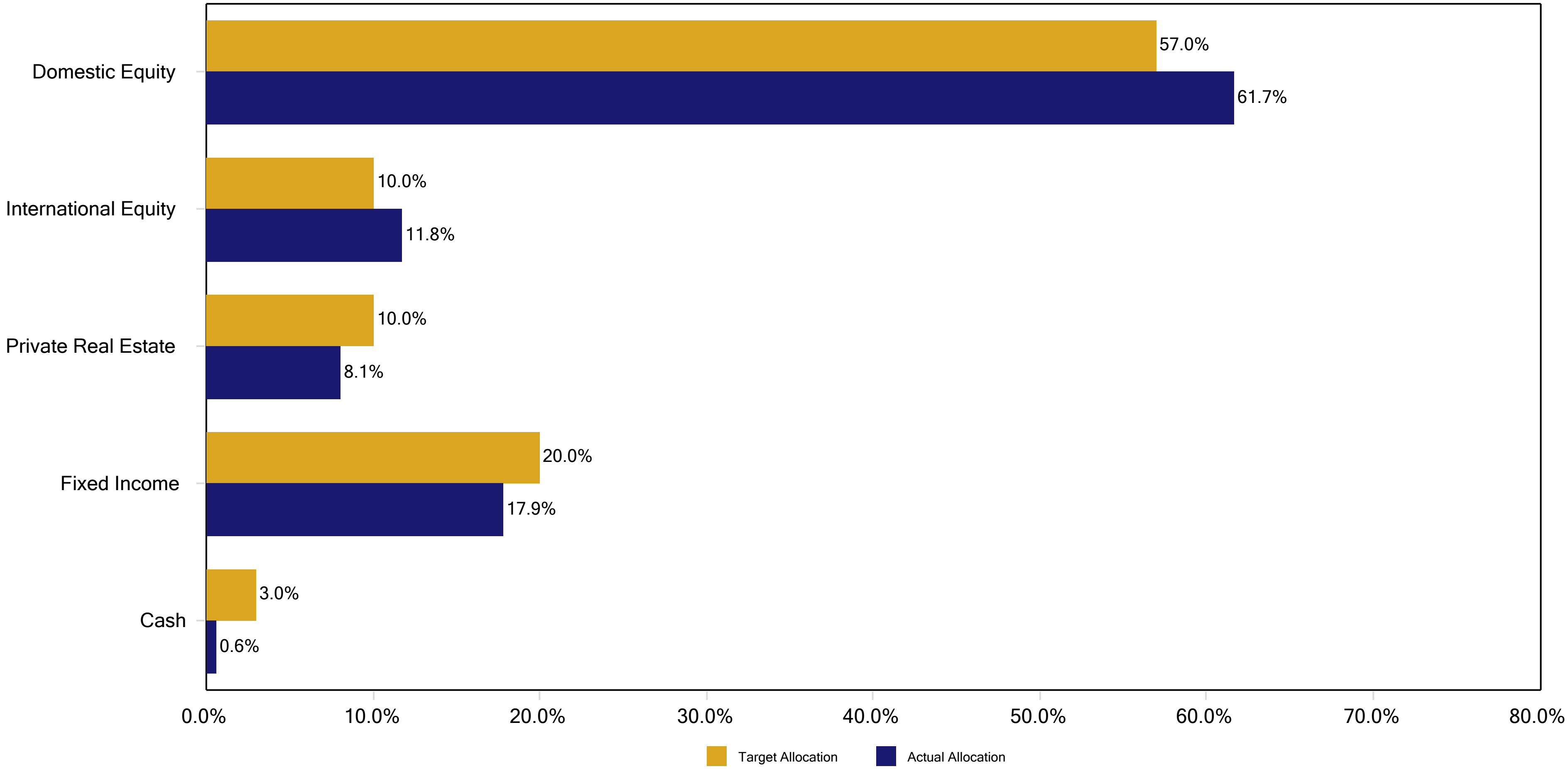
Holly Hill Police Officers' Retirement System
Total Fund
Investment Summary Continued
December 31, 2021

- For the three and five-year periods, the System earned +18.9% (+18.1% net, top 1st) and +12.8% (+11.9% net, top 5th), respectively.
- In November, $300K was raised from the Fidelity 500 Index to cover benefit payments.
- In December, $40K was raised from the Fidelity 500 Index to cover benefit payments.
- The Board elected to go back to reinvesting real estate income received through Intercontinental.

Holly Hill Police Officers' Retirement Trust Fund
Investment Performance - Net
December 31, 2021

	Quarter	One Year	Three Years	Five Years
Beginning Market Value	14,886,759	13,719,842	9,733,988	9,201,965
Contributions	-415,859	-574,476	-701,096	-808,808
Gain/Loss	759,113	2,084,648	6,197,121	6,836,856
Ending Market Value	15,230,013	15,230,013	15,230,013	15,230,013
Total Fund (%)	5.2	15.4	18.1	11.9
Policy Index (%)	6.2	17.0	17.5	12.5

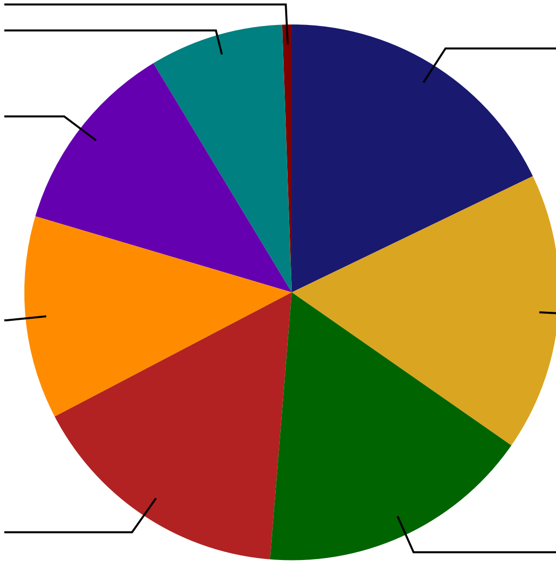
Holly Hill Police Officers' Retirement Trust Fund
Actual vs. Target Asset Allocation
December 31, 2021



	Market Value Actual $	Percent Actual	Percent Target	Percent Difference
Total Fund	**15,230,013**	**100.0**	**100.0**	**0.0**
Domestic Equity	9,401,392	61.7	57.0	4.7
International Equity	1,789,662	11.8	10.0	1.8
Private Real Estate	1,231,929	8.1	10.0	-1.9
Fixed Income	2,719,953	17.9	20.0	-2.1
Cash	87,076	0.6	3.0	-2.4

Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation

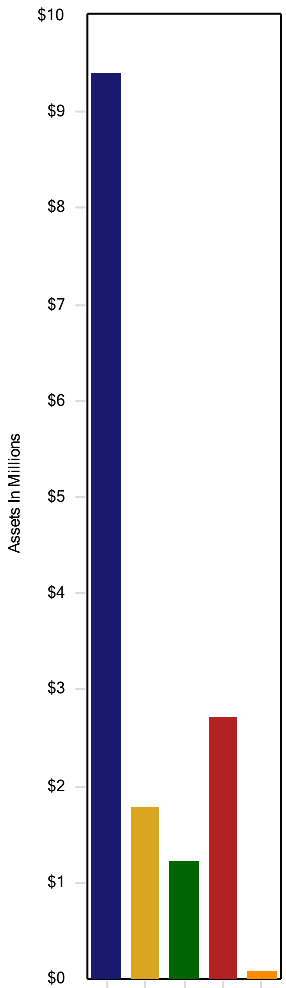
December 31, 2021 : 15,230,013



	Market Value $	Allocation (%)
Integrity Fixed Income (SMA)	2,719,953	17.86
FMI Large Cap Fund (MF)	2,561,256	16.82
Polen Growth Fund Institutional Class (MF)	2,530,819	16.62
Fidelity Mid Cap Index (MF)	2,443,131	16.04
Fidelity 500 Index Fd (MF)	1,866,186	12.25
Am Funds EuroPacific Growth R6 (MF)	1,789,662	11.75
Intercontinental US Real Estate (CF)	1,231,929	8.09
Salem Trust MF Acct Cash Sweep (MF)	87,076	0.57

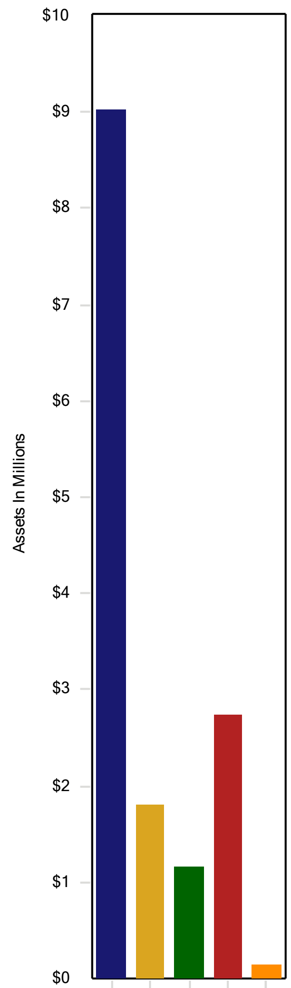
Holly Hill Police Officers' Retirement Trust Fund
Historical Asset Allocation
December 31, 2021

December 31, 2021



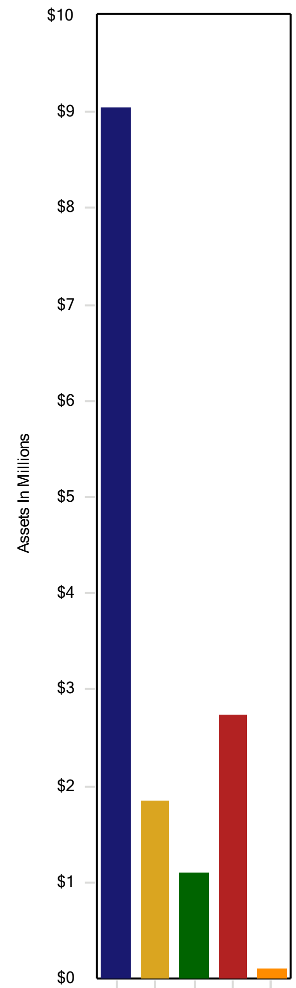
■	Domestic Equity	61.73
■	International Equity	11.75
■	Private Real Estate	8.09
■	Fixed Income	17.86
■	Cash	0.57

September 30, 2021



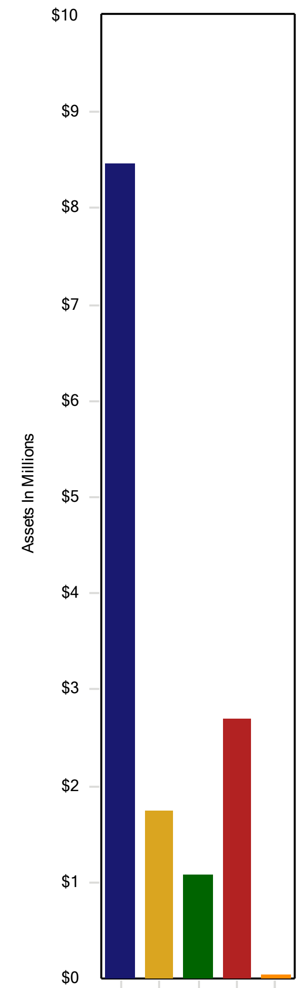
■	Domestic Equity	60.63
■	International Equity	12.16
■	Private Real Estate	7.82
■	Fixed Income	18.36
■	Cash	1.04

June 30, 2021



■	Domestic Equity	60.89
■	International Equity	12.49
■	Private Real Estate	7.47
■	Fixed Income	18.42
■	Cash	0.72

March 31, 2021



■	Domestic Equity	60.38
■	International Equity	12.37
■	Private Real Estate	7.66
■	Fixed Income	19.29
■	Cash	0.31

Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation & Performance - Gross
December 31, 2021

	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	15,230,013	5.5 (8)	16.2 (19)	18.9 (1)	12.8 (5)
Policy Index		6.2	17.0	17.5	12.5
7.4%		1.8	7.4	7.4	7.4
CPI + 4%		3.2	11.4	7.7	7.0
Equity	11,191,055	6.7	20.2	N/A	N/A
Domestic Equity	9,401,392	8.2	24.0	N/A	N/A
Polen Growth Fund Institutional Class (MF)	2,530,819	5.2	24.7	N/A	N/A
Russell 1000 Growth Index		11.6	27.6	34.1	25.3
Fidelity 500 Index Fd (MF)	1,866,186	11.0	28.8	N/A	N/A
S&P 500 Index		11.0	28.7	26.1	18.5
FMI Large Cap Fund (MF)	2,561,256	10.6	19.6	N/A	N/A
Russell 1000 Value Index		7.8	25.2	17.6	11.2
Fidelity Mid Cap Index (MF)	2,443,131	6.4	22.6	N/A	N/A
Russell Midcap Index		6.4	22.6	23.3	15.1
International Equity	1,789,662	-1.0	3.3	N/A	N/A
Am Funds EuroPacific Growth R6 (MF)	1,789,662	-1.0	3.3	N/A	N/A
MSCI AC World ex USA		1.9	8.3	13.7	10.1
Private Real Estate	1,231,929	9.7	24.3	N/A	N/A
Intercontinental US Real Estate (CF)	1,231,929	9.7	24.3	11.4	N/A
NCREIF Fund Index-ODCE (VW)		8.0	22.2	9.2	8.7
Fixed Income	2,719,953	-0.5	-0.9	N/A	N/A
Integrity Fixed Income (SMA)	2,719,953	-0.5 (96)	-0.9 (39)	N/A	N/A
Bloomberg Intermediate US Govt/Credit Idx		-0.6	-1.4	3.9	2.9
Cash	87,076	0.0	0.0	N/A	N/A
Salem Trust MF Acct Cash Sweep (MF)	87,076	0.0	0.0	N/A	N/A

Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation & Performance - Net
December 31, 2021

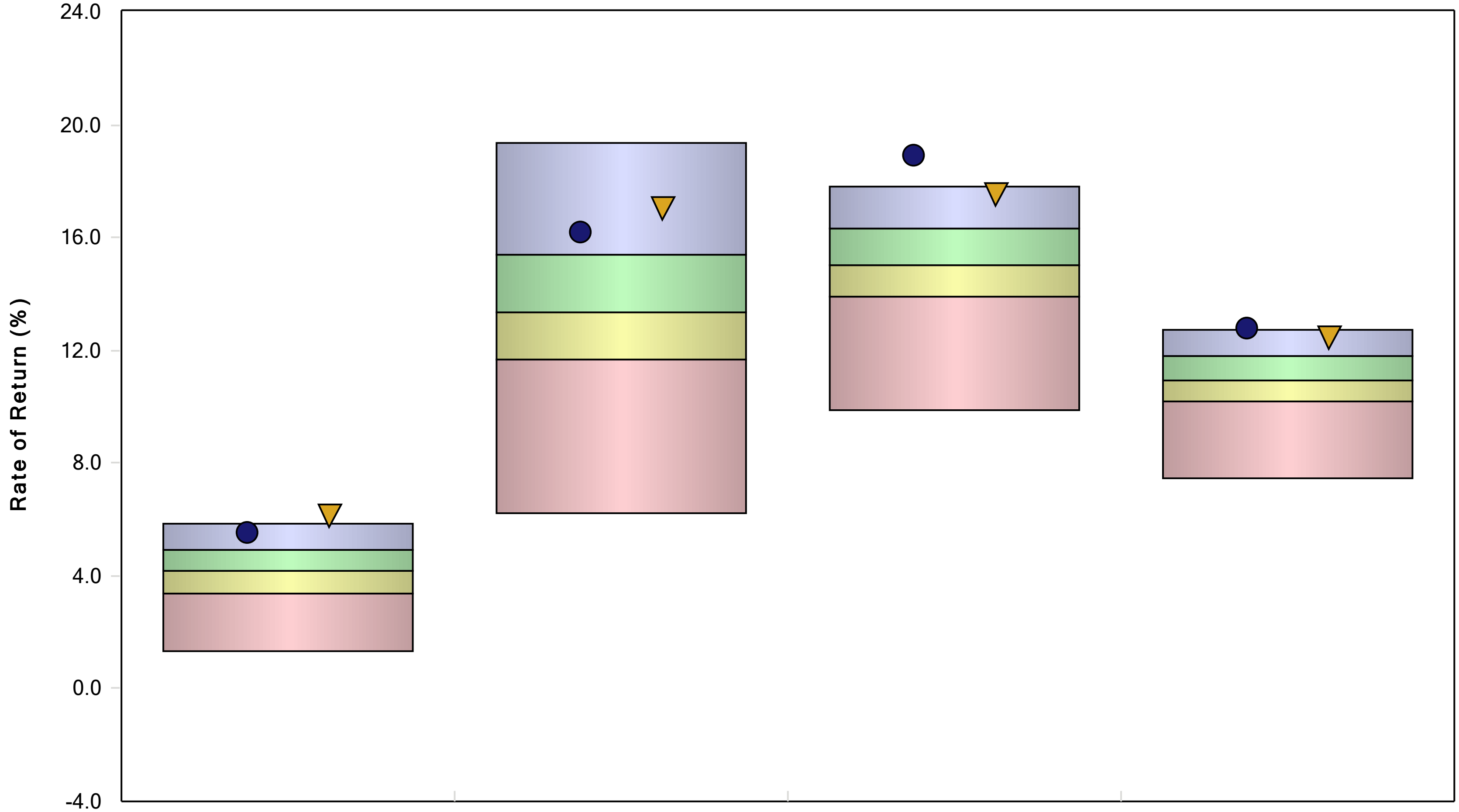
	Market Value	QTD ROR - Rank	1 Year ROR - Rank	3 Year ROR - Rank	5 Year ROR - Rank
Total Fund	15,230,013	5.2	15.4	18.1	11.9
Policy Index		6.2	17.0	17.5	12.5
7.4%		1.8	7.4	7.4	7.4
CPI + 4%		3.2	11.4	7.7	7.0
Equity	11,191,055	6.5	19.7	N/A	N/A
Domestic Equity	9,401,392	8.1	23.4	N/A	N/A
Polen Growth Fund Institutional Class (MF)	2,530,819	5.0 (78)	23.5 (37)	N/A	N/A
Russell 1000 Growth Index		11.6	27.6	34.1	25.3
Fidelity 500 Index Fd (MF)	1,866,186	11.0 (26)	28.7 (24)	N/A	N/A
S&P 500 Index		11.0	28.7	26.1	18.5
FMI Large Cap Fund (MF)	2,561,256	10.4 (6)	18.8 (96)	N/A	N/A
Russell 1000 Value Index		7.8	25.2	17.6	11.2
Fidelity Mid Cap Index (MF)	2,443,131	6.4 (77)	22.6 (65)	N/A	N/A
Russell Midcap Index		6.4	22.6	23.3	15.1
International Equity	1,789,662	-1.1	2.8	N/A	N/A
Am Funds EuroPacific Growth R6 (MF)	1,789,662	-1.1 (75)	2.8 (70)	N/A	N/A
MSCI AC World ex USA		1.9	8.3	13.7	10.1
Private Real Estate	1,231,929	6.6	19.9	N/A	N/A
Intercontinental US Real Estate (CF)	1,231,929	6.6	19.9	9.2	N/A
NCREIF Fund Index-ODCE (VW)		8.0	22.2	9.2	8.7
Fixed Income	2,719,953	-0.5	-1.2	N/A	N/A
Integrity Fixed Income (SMA)	2,719,953	-0.5	-1.2	N/A	N/A
Bloomberg Intermediate US Govt/Credit Idx		-0.6	-1.4	3.9	2.9
Cash	87,076	0.0	0.0	N/A	N/A
Salem Trust MF Acct Cash Sweep (MF)	87,076	0.0	0.0	N/A	N/A

Holly Hill Police Officers' Retirement Trust Fund
Asset Allocation & Performance - Net
December 31, 2021

1. Returns prior to 04/01/2019 were provided by previous service providers. Past performance should be used for illustrative purposes only.

2. Policy Index: eff 09/20 57% Russ 3000, 10% MSCI ACWI ex US, 20% BC Int G/C, 10% NCREIF ODCE and 3% 90-day treasury index; eff 12/17 17.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 10% S&P 500, 7.5% Russ 2500 Value, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 5% MSCI AC Wd ex US (net), 20% BC Int G/C, 10% NCREIF Prop Idx; eff 3/16 17.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 10% S&P 500, 7.5% Russ 2500 Value, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 5% MSCI AC Wd ex US (net), 30% BC Int G/C; eff 8/13 17.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 10% S&P 500, 7.5% Russ 2000 Value, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 5% MSCI AC Wd ex US (net), 30% BC Int G/C; eff 1/09 20% Russ 1000 Value, 20% Russ 1000 Growth, 7.5% Russ 2000 Value, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 5% MSCI AC Wd ex US (gross), 35% BC Int G/C; eff 1/05 22.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 7.5% Russ 2000, 7.5% Russ 2000 Growth, 5% MSCI EAFE (net), 40% BC Int G/C; eff 9/04 22.5% Russ 1000 Value, 17.5% Russ 1000 Growth, 15% Russ 2500 Growth, 5% MSCI EAFE (net), 40% BC Int G/C; Prior 24% Russ 1000 Value, 18% Russ 1000 Growth, 18% Russ 2500 Growth, 40% BC Int G/C

Holly Hill Police Officers' Retirement Trust Fund
Peer Universe Quartile Ranking
December 31, 2021

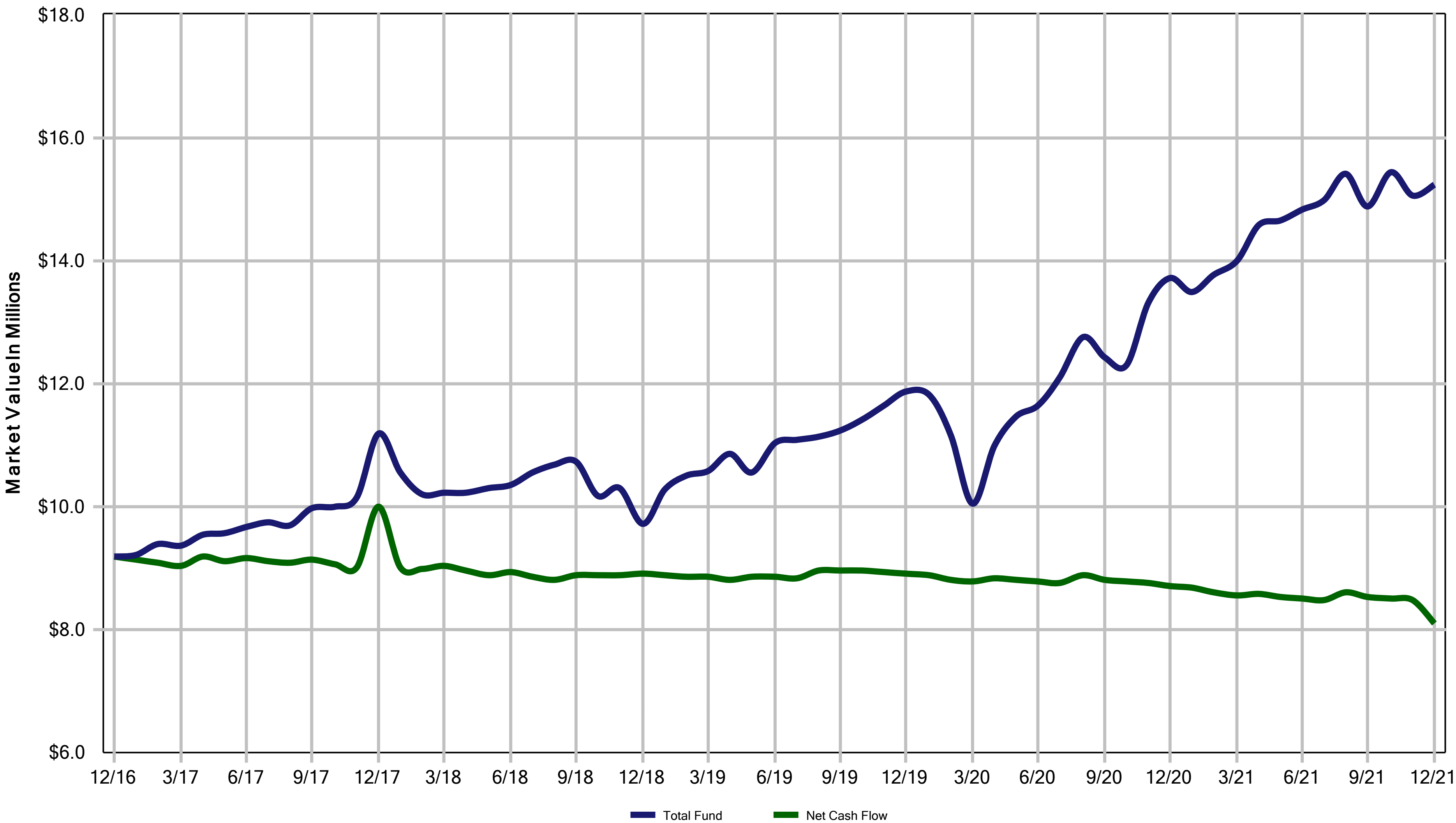


	Quarter	One Year	Three Years	Five Years
● Total Fund	5.5 (8)	16.2 (19)	18.9 (1)	12.8 (5)
▼ Policy Index	6.2 (2)	17.0 (13)	17.5 (8)	12.5 (9)
5th Percentile	5.8	19.3	17.8	12.7
1st Quartile	4.9	15.4	16.3	11.8
Median	4.2	13.3	15.0	10.9
3rd Quartile	3.4	11.7	13.9	10.2
95th Percentile	1.3	6.2	9.9	7.5

Parentheses contain percentile rankings.

Calculation based on quarterly data.

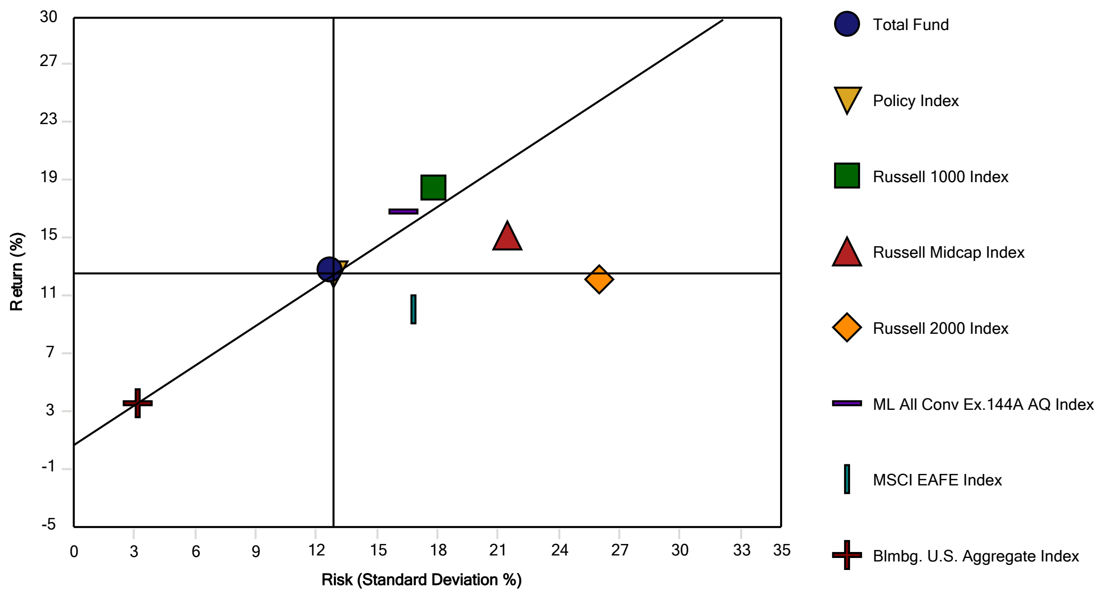
Holly Hill Police Officers' Retirement Trust Fund
Growth of Investments
January 1, 2017 Through December 31, 2021



Beginning MV	Ending MV	Annualized ROR
$9,201,965	$15,230,013	12.8

Holly Hill Police Officers' Retirement Trust Fund
Capital Market Line
Period Ending December 31, 2021

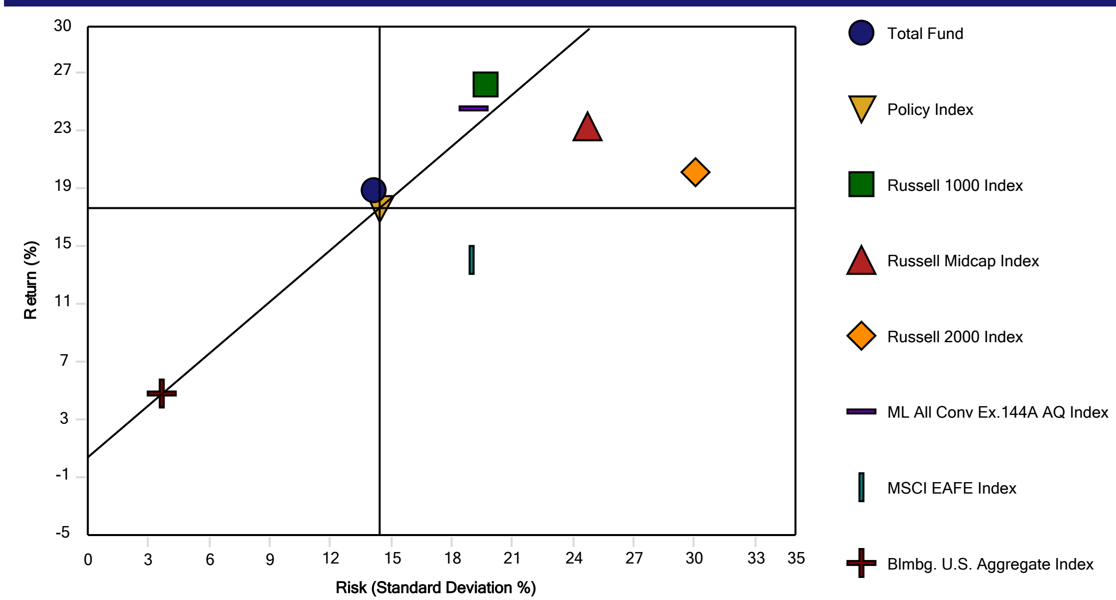
5 Years Risk/Reward



5 Years Statistics

	Return	Standard Deviation	Beta	Alpha
Total Fund	**12.81**	**12.68**	**0.98**	**0.54**
Policy Index	12.45	12.86	1.00	0.00
Russell 1000 Index	18.43	17.81	1.38	1.30
Russell Midcap Index	15.10	21.44	1.65	-4.23
Russell 2000 Index	12.02	25.97	1.89	-8.75
ML All Conv Ex.144A AQ Index	16.70	16.35	1.14	2.47
MSCI EAFE Index	10.07	16.79	1.26	-4.73
Blmbg. U.S. Aggregate Index	3.57	3.15	-0.02	3.84

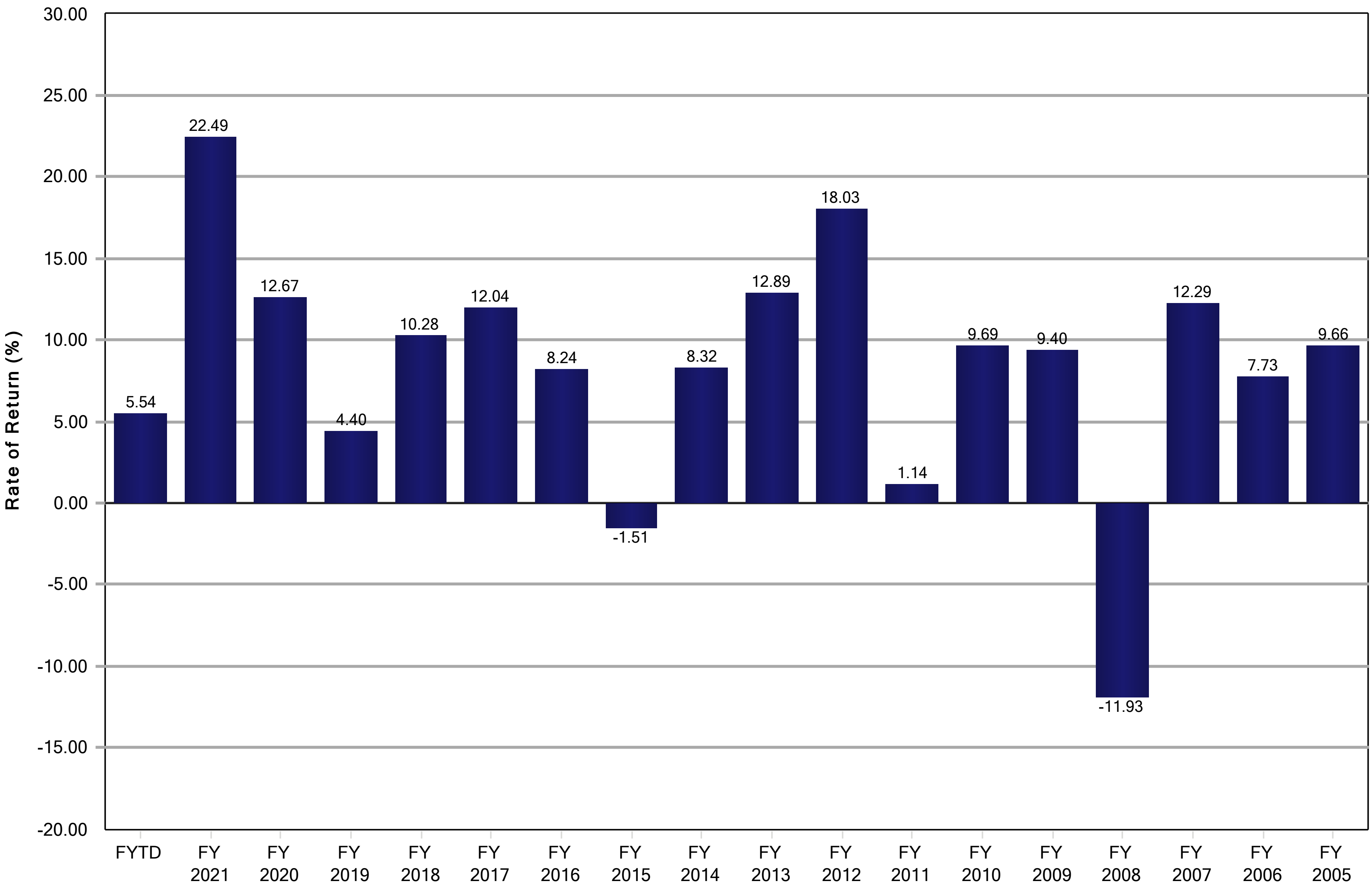
3 Years Risk/Reward



3 Years Statistics

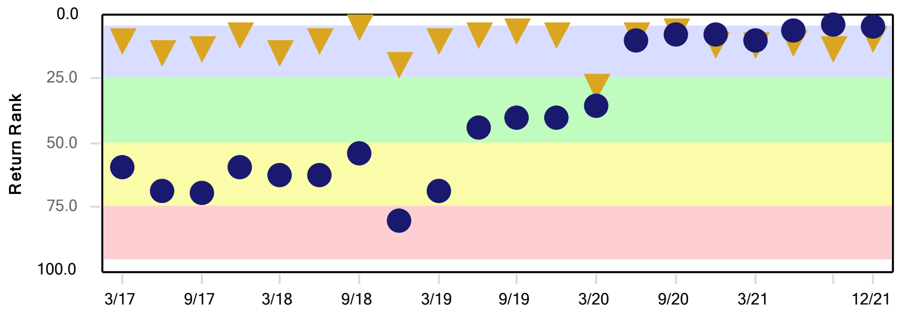
	Return	Standard Deviation	Beta	Alpha
Total Fund	**18.89**	**14.16**	**0.98**	**1.53**
Policy Index	17.55	14.41	1.00	0.00
Russell 1000 Index	26.21	19.64	1.36	2.07
Russell Midcap Index	23.29	24.74	1.70	-4.99
Russell 2000 Index	20.02	30.04	1.94	-10.29
ML All Conv Ex.144A AQ Index	24.49	19.05	1.18	3.59
MSCI EAFE Index	14.08	19.03	1.29	-7.13
Blmbg. U.S. Aggregate Index	4.79	3.66	-0.03	5.33

Holly Hill Police Officers' Retirement Trust Fund
Fiscal Year Rates of Return
December 31, 2021



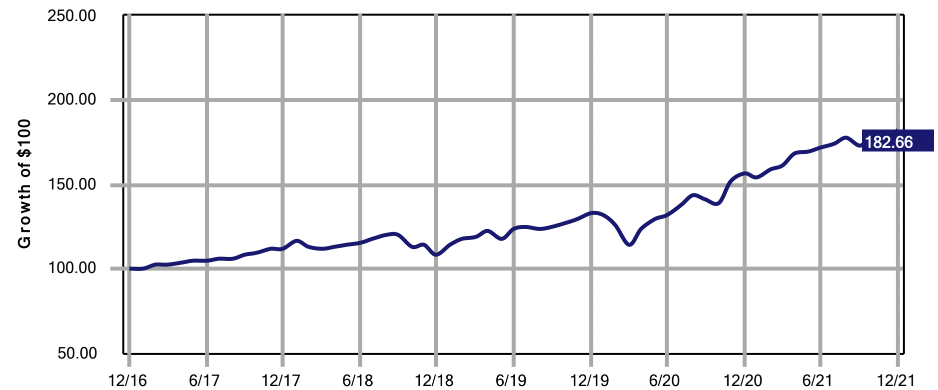
Holly Hill Police Officers' Retirement Trust Fund
Total Fund
December 31, 2021

5 Years Rolling Percentile Ranking - 5 Years

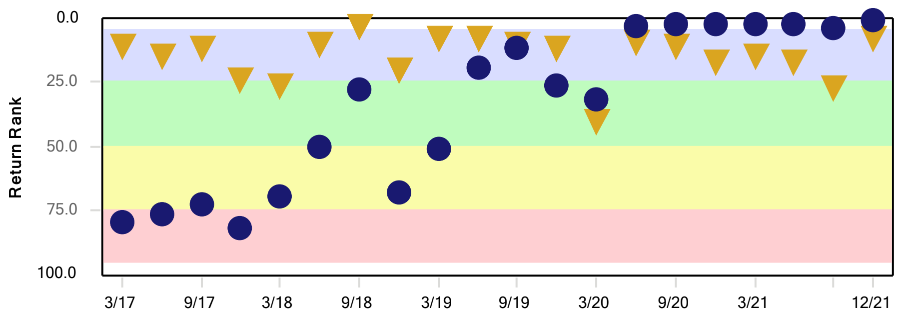


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Total Fund	20	7 (35%)	4 (20%)	8 (40%)	1 (5%)
▼ Policy Index	20	19 (95%)	1 (5%)	0 (0%)	0 (0%)

Growth of a Dollar

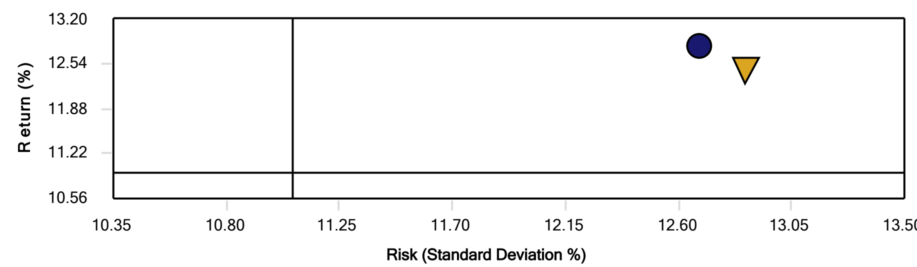


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Total Fund	20	9 (45%)	4 (20%)	4 (20%)	3 (15%)
▼ Policy Index	20	17 (85%)	3 (15%)	0 (0%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Total Fund	12.81	12.68
▼ Policy Index	12.45	12.86
— Median	10.94	11.07

Historical Statistics - 5 Years

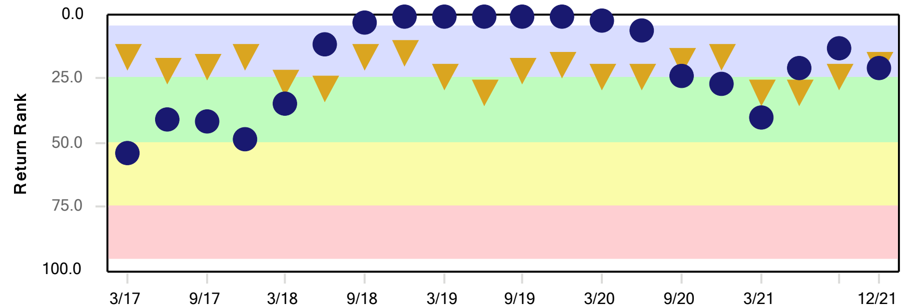
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	12.81	12.68	0.54	0.98	0.92	93.26	99.67
Policy Index	*12.45*	*12.86*	*0.00*	*1.00*	*0.89*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Total Fund	18.89	14.16	1.53	0.98	1.23	93.00	103.42
Policy Index	*17.55*	*14.41*	*0.00*	*1.00*	*1.13*	*100.00*	*100.00*

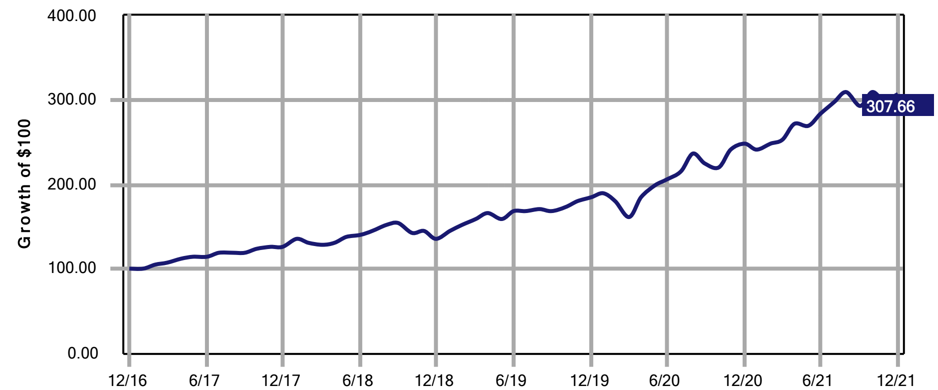
Holly Hill Police Officers' Retirement Trust Fund
Polen Growth;Inst (POLIX)
December 31, 2021

5 Years Rolling Percentile Ranking - 5 Years

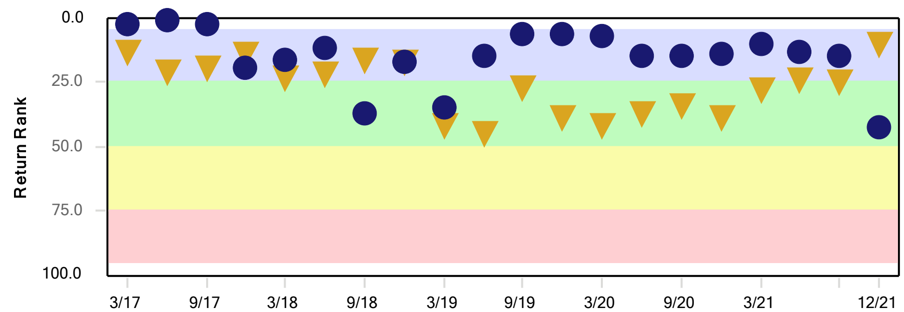


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Polen Growth;Inst (POLIX)	20	13 (65%)	6 (30%)	1 (5%)	0 (0%)
▼ Russell 1000 Growth Index	20	15 (75%)	5 (25%)	0 (0%)	0 (0%)

Growth of a Dollar

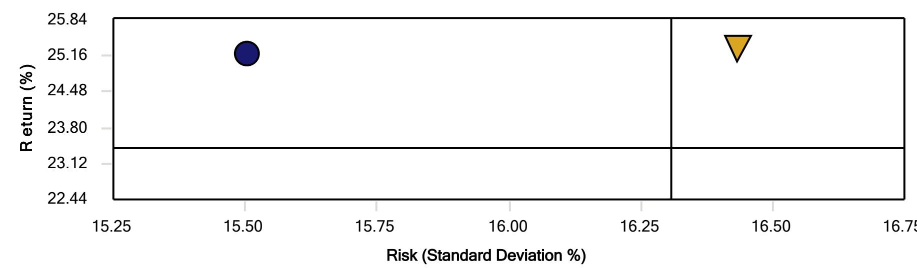


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Polen Growth;Inst (POLIX)	20	17 (85%)	3 (15%)	0 (0%)	0 (0%)
▼ Russell 1000 Growth Index	20	11 (55%)	9 (45%)	0 (0%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● Polen Growth;Inst (POLIX)	25.20	15.50
▼ Russell 1000 Growth Index	25.32	16.43
__ Median	23.41	16.31

Historical Statistics - 5 Years

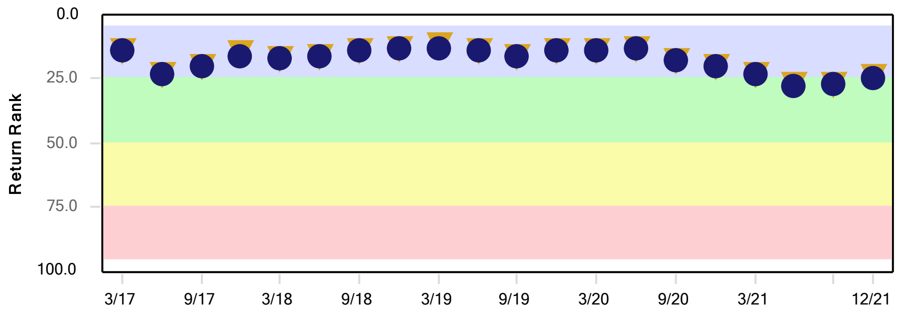
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Polen Growth;Inst (POLIX)	25.20	15.50	1.96	0.91	1.46	83.21	93.60
Russell 1000 Growth Index	*25.32*	*16.43*	*0.00*	*1.00*	*1.39*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Polen Growth;Inst (POLIX)	31.16	17.17	0.36	0.91	1.62	83.34	89.63
Russell 1000 Growth Index	*34.08*	*18.17*	*0.00*	*1.00*	*1.66*	*100.00*	*100.00*

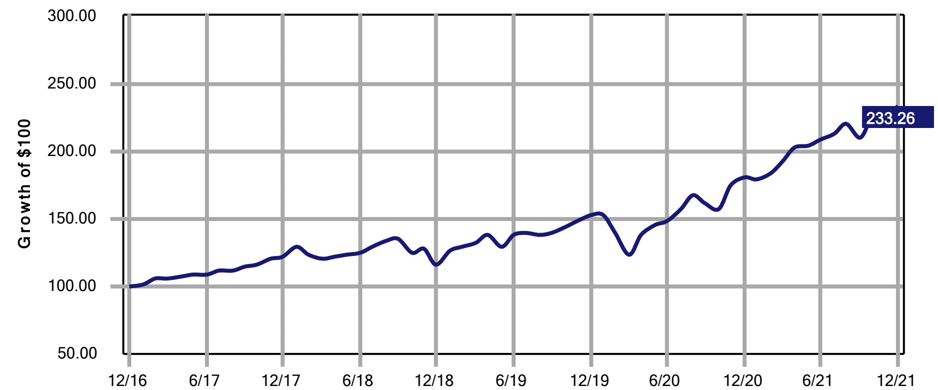
Holly Hill Police Officers' Retirement Trust Fund
Fidelity 500 Index Fund (FXAIX)
December 31, 2021

5 Years Rolling Percentile Ranking - 5 Years

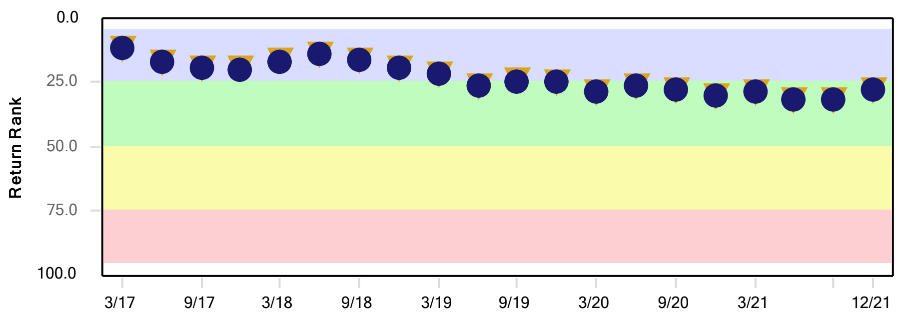


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Fidelity 500 Index Fund (FXAIX)	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)
S&P 500 Index	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)

Growth of a Dollar

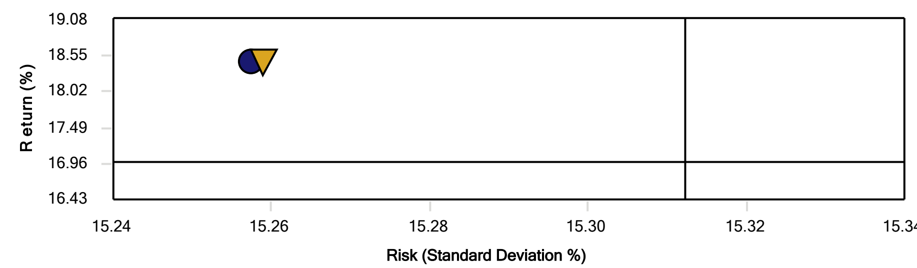


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Fidelity 500 Index Fund (FXAIX)	20	11 (55%)	9 (45%)	0 (0%)	0 (0%)
S&P 500 Index	20	11 (55%)	9 (45%)	0 (0%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
Fidelity 500 Index Fund (FXAIX)	18.46	15.26
S&P 500 Index	18.47	15.26
Median	16.97	15.31

Historical Statistics - 5 Years

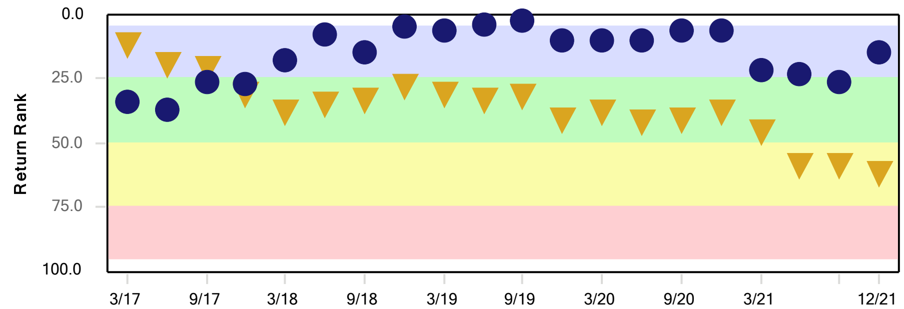
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity 500 Index Fund (FXAIX)	18.46	15.26	-0.01	1.00	1.11	100.01	99.96
S&P 500 Index	*18.47*	*15.26*	*0.00*	*1.00*	*1.11*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity 500 Index Fund (FXAIX)	26.06	17.17	0.00	1.00	1.38	99.98	99.97
S&P 500 Index	*26.07*	*17.17*	*0.00*	*1.00*	*1.38*	*100.00*	*100.00*

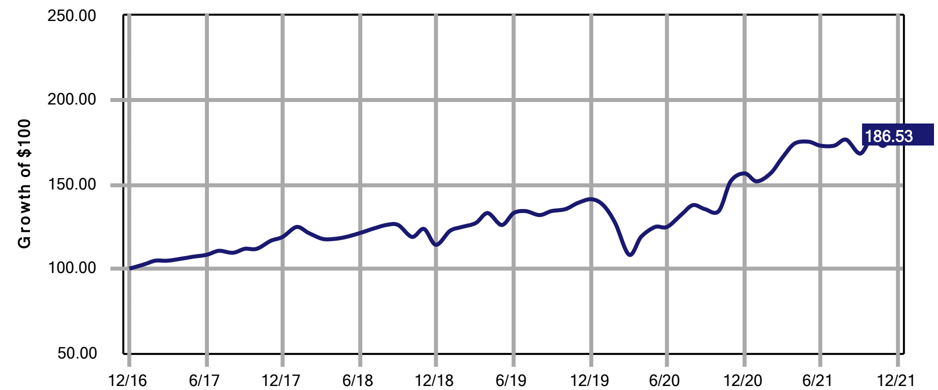
Holly Hill Police Officers' Retirement Trust Fund
FMI:Large Cap;Inst (FMIQX)
December 31, 2021

5 Years Rolling Percentile Ranking - 5 Years

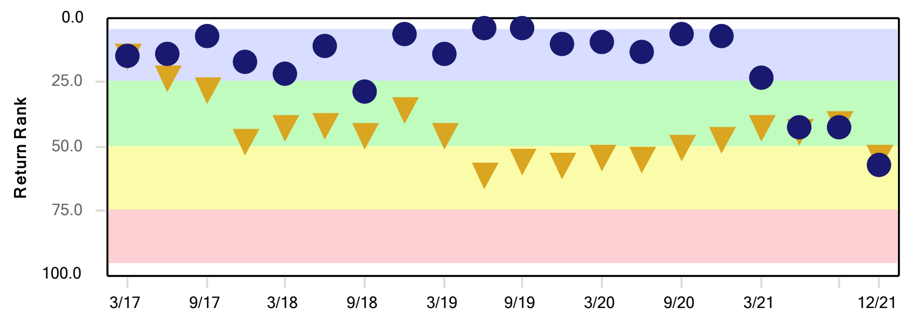


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● FMI:Large Cap;Inst (FMIQX)	20	15 (75%)	5 (25%)	0 (0%)	0 (0%)
▼ Russell 1000 Value Index	20	3 (15%)	14 (70%)	3 (15%)	0 (0%)

Growth of a Dollar

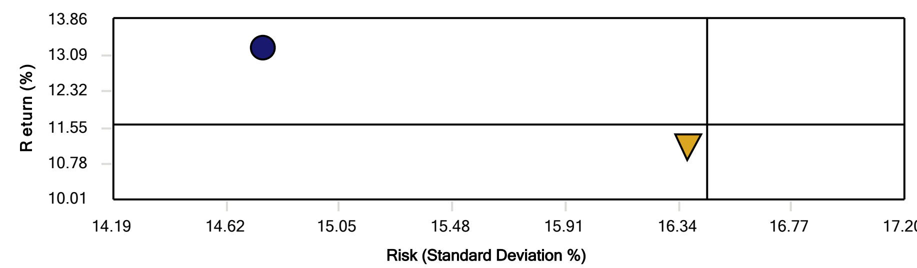


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● FMI:Large Cap;Inst (FMIQX)	20	16 (80%)	3 (15%)	1 (5%)	0 (0%)
▼ Russell 1000 Value Index	20	2 (10%)	12 (60%)	6 (30%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● FMI:Large Cap;Inst (FMIQX)	13.28	14.76
▼ Russell 1000 Value Index	11.16	16.37
— Median	11.60	16.45

Historical Statistics - 5 Years

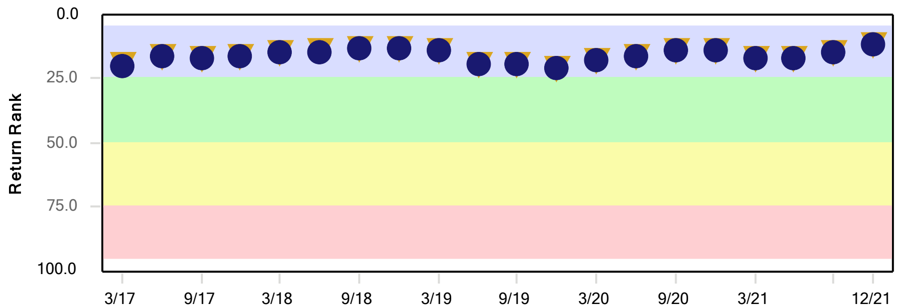
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
FMI:Large Cap;Inst (FMIQX)	13.28	14.76	3.20	0.87	0.84	84.26	97.24
Russell 1000 Value Index	*11.16*	*16.37*	*0.00*	*1.00*	*0.66*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
FMI:Large Cap;Inst (FMIQX)	17.54	17.30	1.64	0.89	0.96	88.77	93.31
Russell 1000 Value Index	*17.64*	*19.06*	*0.00*	*1.00*	*0.90*	*100.00*	*100.00*

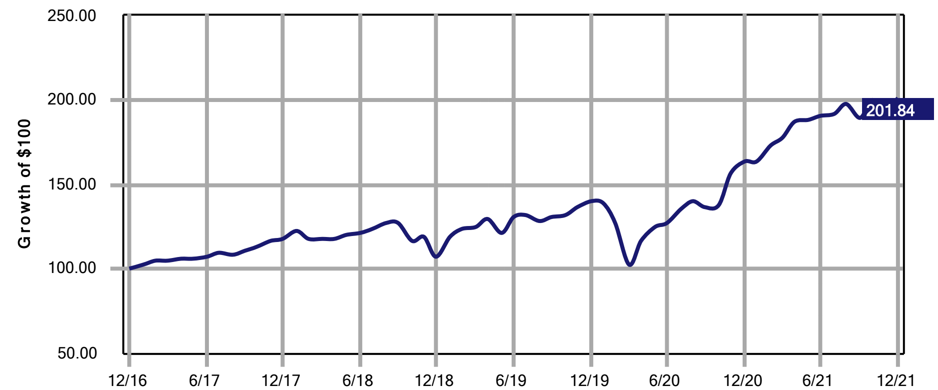
Holly Hill Police Officers' Retirement Trust Fund
Fidelity Mid Cap Index (FSMDX)
December 31, 2021

5 Years Rolling Percentile Ranking - 5 Years

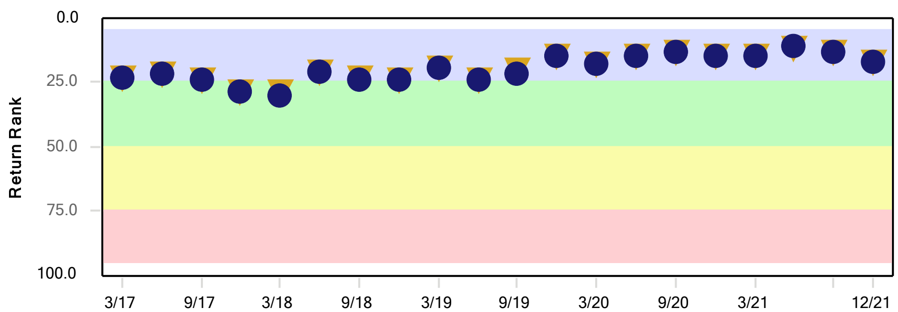


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Fidelity Mid Cap Index (FSMDX)	20	20 (100%	0 (0%)	0 (0%)	0 (0%)
Russell Midcap Index	20	20 (100%	0 (0%)	0 (0%)	0 (0%)

Growth of a Dollar

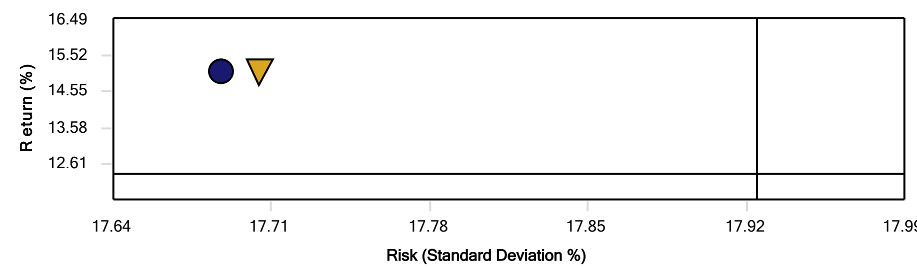


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
Fidelity Mid Cap Index (FSMDX)	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)
Russell Midcap Index	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
Fidelity Mid Cap Index (FSMDX)	15.08	17.69
Russell Midcap Index	15.10	17.70
Median	12.35	17.92

Historical Statistics - 5 Years

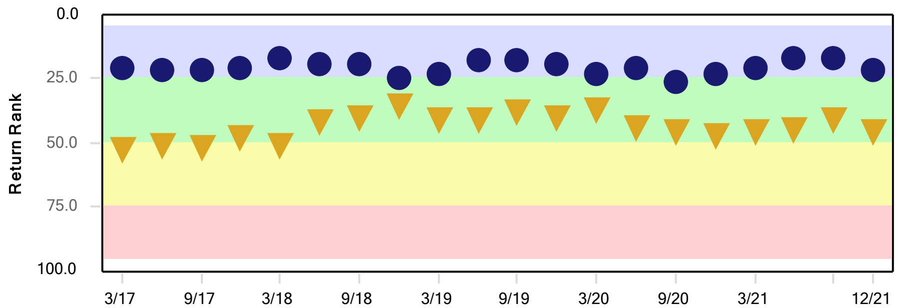
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity Mid Cap Index (FSMDX)	15.08	17.69	0.00	1.00	0.82	99.83	99.86
Russell Midcap Index	*15.10*	*17.70*	*0.00*	*1.00*	*0.82*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Fidelity Mid Cap Index (FSMDX)	23.27	20.53	0.00	1.00	1.08	99.80	99.88
Russell Midcap Index	*23.29*	*20.55*	*0.00*	*1.00*	*1.08*	*100.00*	*100.00*

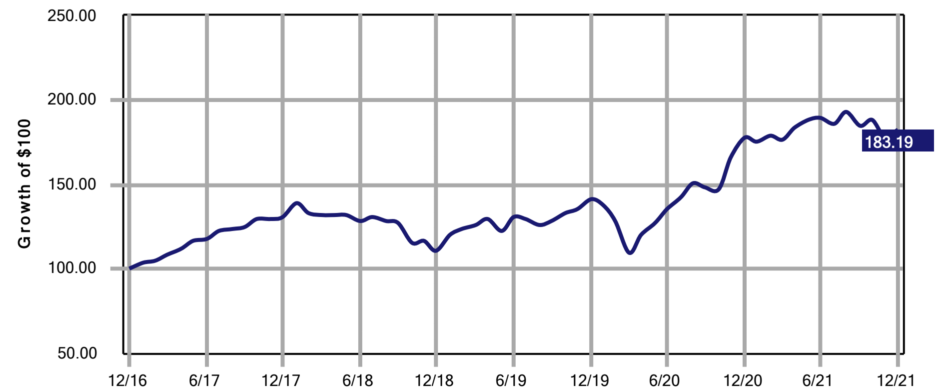
Holly Hill Police Officers' Retirement Trust Fund
American Funds EuPc;R6 (RERGX)
December 31, 2021

5 Years Rolling Percentile Ranking - 5 Years

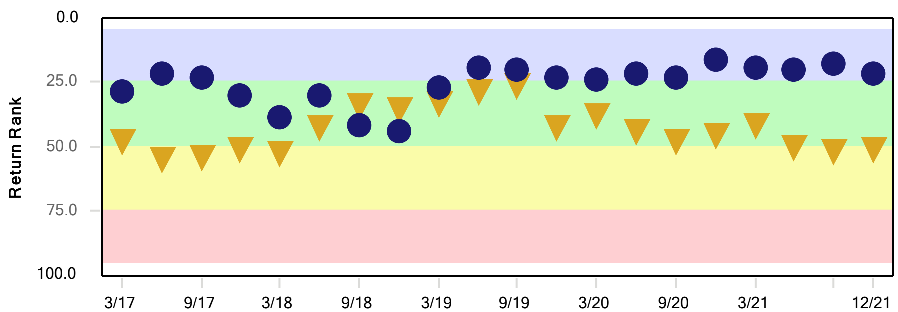


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● American Funds EuPc;R6 (RERGX)	20	19 (95%)	1 (5%)	0 (0%)	0 (0%)
▼ MSCI AC World ex USA	20	0 (0%)	16 (80%)	4 (20%)	0 (0%)

Growth of a Dollar

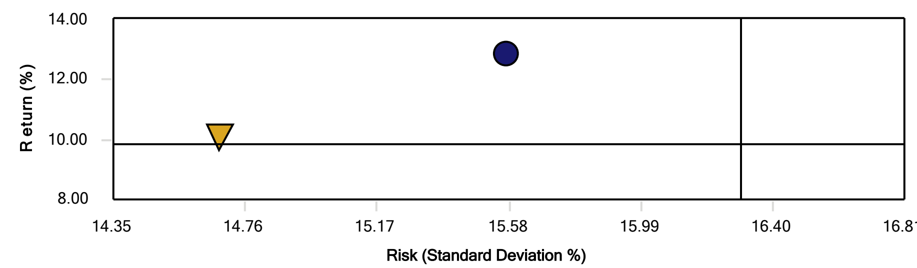


3 Years Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● American Funds EuPc;R6 (RERGX)	20	13 (65%)	7 (35%)	0 (0%)	0 (0%)
▼ MSCI AC World ex USA	20	0 (0%)	14 (70%)	6 (30%)	0 (0%)

Peer Group Risk/Reward - 5 Years



	Return	Standard Deviation
● American Funds EuPc;R6 (RERGX)	12.87	15.57
▼ MSCI AC World ex USA	10.12	14.68
— Median	9.86	16.30

Historical Statistics - 5 Years

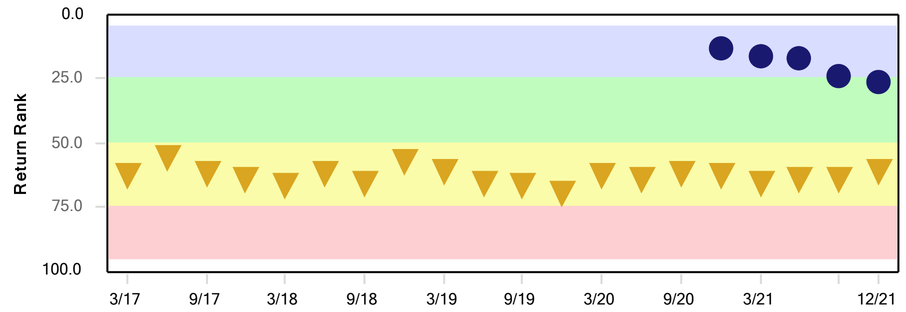
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
American Funds EuPc;R6 (RERGX)	12.87	15.57	2.27	1.03	0.78	95.15	107.45
MSCI AC World ex USA	*10.12*	*14.68*	*0.00*	*1.00*	*0.65*	*100.00*	*100.00*

Historical Statistics - 3 Years

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
American Funds EuPc;R6 (RERGX)	17.95	17.63	3.54	1.03	0.97	93.71	109.27
MSCI AC World ex USA	*13.70*	*16.77*	*0.00*	*1.00*	*0.79*	*100.00*	*100.00*

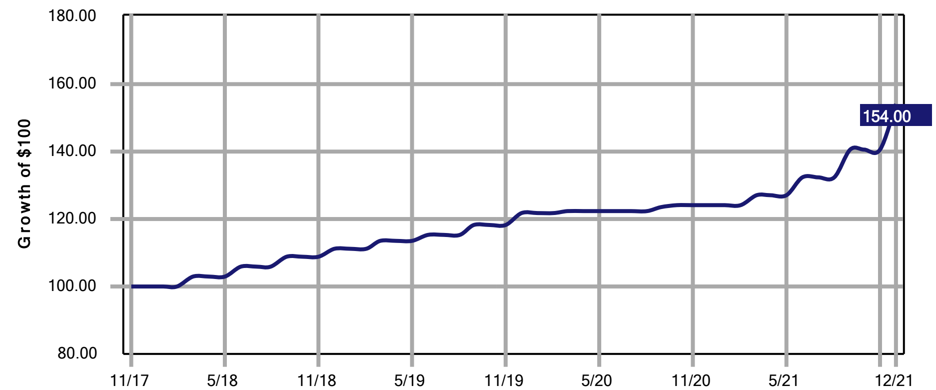
Holly Hill Police Officers' Retirement Trust Fund
Intercontinental US Real Estate (CF)
December 31, 2021

3 Years Rolling Percentile Ranking - 5 Years

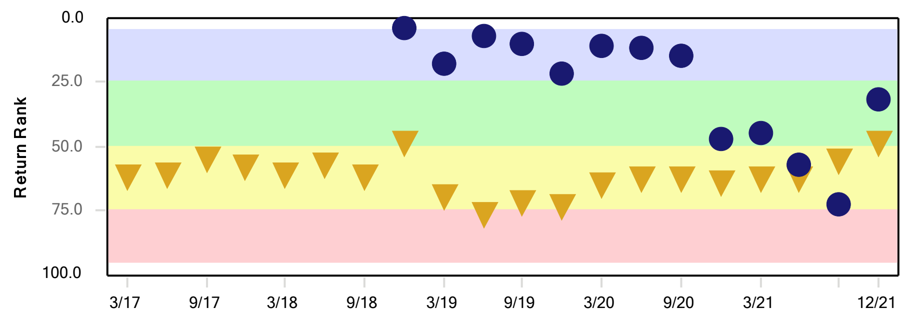


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Intercontinental US Real Estate (CF)	5	4 (80%)	1 (20%)	0 (0%)	0 (0%)
▼ NCREIF Fund Index-ODCE (VW)	20	0 (0%)	0 (0%)	20 (100%	0 (0%)

Growth of a Dollar

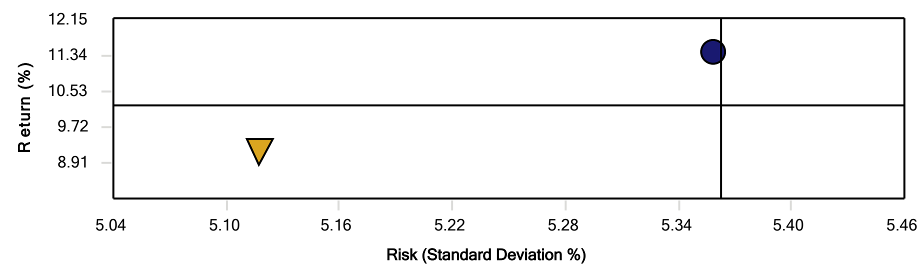


1 Year Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Intercontinental US Real Estate (CF)	13	8 (62%)	3 (23%)	2 (15%)	0 (0%)
▼ NCREIF Fund Index-ODCE (VW)	20	0 (0%)	2 (10%)	17 (85%)	1 (5%)

Peer Group Risk/Reward - 3 Years



	Return	Standard Deviation
● Intercontinental US Real Estate (CF)	11.41	5.36
▼ NCREIF Fund Index-ODCE (VW)	9.20	5.12
— Median	10.23	5.36

Historical Statistics - 3 Years

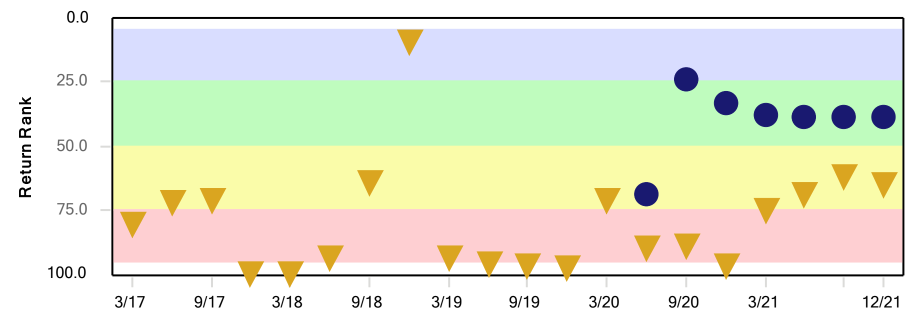
	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Intercontinental US Real Estate (CF)	11.41	5.36	2.19	0.99	1.82	1.25	116.28
NCREIF Fund Index-ODCE (VW)	*9.20*	*5.12*	*0.00*	*1.00*	*1.51*	*100.00*	*100.00*

Historical Statistics - 1 Year

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Intercontinental US Real Estate (CF)	24.31	5.30	-0.14	1.10	4.23	N/A	109.04
NCREIF Fund Index-ODCE (VW)	*22.17*	*4.57*	*0.00*	*1.00*	*4.50*	*N/A*	*100.00*

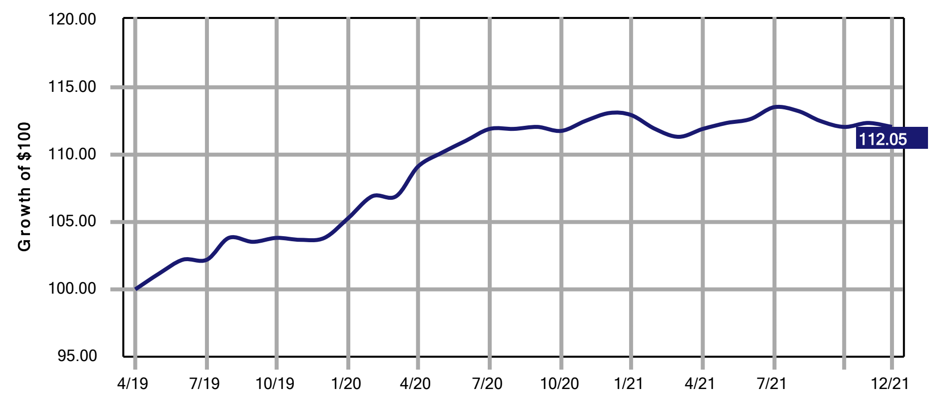
Holly Hill Police Officers' Retirement Trust Fund
Integrity Fixed Income (SMA)
December 31, 2021

1 Year Rolling Percentile Ranking - 5 Years

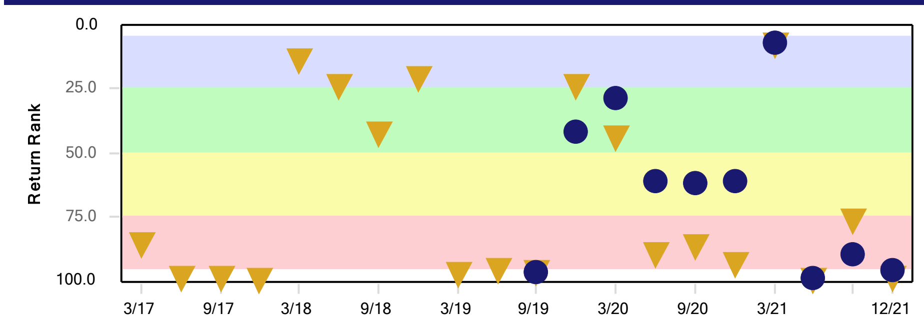


	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Integrity Fixed Income (SMA)	7	1 (14%	5 (71%	1 (14%	0 (0%)
▼ Bloomberg Intermediate US Govt/Credit Idx	20	1 (5%)	0 (0%)	8 (40%	11 (55%

Growth of a Dollar

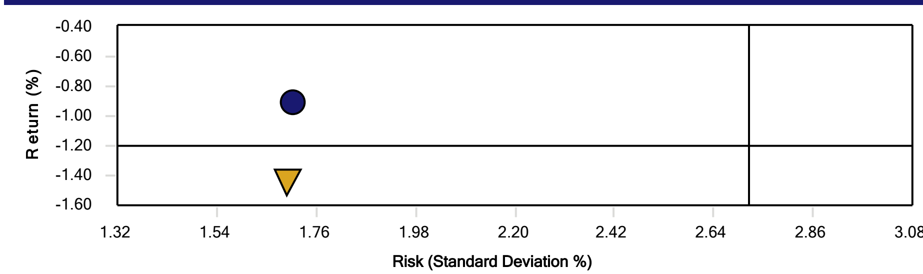


1 Quarter Rolling Percentile Ranking - 5 Years



	Periods	5 - 25	25 - 50	50 - 75	75 - 95
● Integrity Fixed Income (SMA)	10	1 (10%	2 (20%	3 (30%	4 (40%
▼ Bloomberg Intermediate US Govt/Credit Idx	20	5 (25%	2 (10%	0 (0%)	13 (65%

Peer Group Risk/Reward - 1 Year



	Return	Standard Deviation
● Integrity Fixed Income (SMA)	-0.91	1.71
▼ Bloomberg Intermediate US Govt/Credit Idx	-1.44	1.70
— Median	-1.20	2.72

Historical Statistics - 1 Year

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Integrity Fixed Income (SMA)	-0.91	1.71	0.51	0.98	-0.55	93.21	116.89
Bloomberg Intermediate US Govt/Credit Idx	*-1.44*	*1.70*	*0.00*	*1.00*	*-0.87*	*100.00*	*100.00*

Historical Statistics - 1 Quarter

	Return	Standard Deviation	Alpha	Beta	Sharpe Ratio	Down Market Capture	Up Market Capture
Integrity Fixed Income (SMA)	-0.46	0.27	0.02	0.91	-0.58	98.09	186.10
Bloomberg Intermediate US Govt/Credit Idx	*-0.57*	*0.28*	*0.00*	*1.00*	*-0.71*	*100.00*	*100.00*

Holly Hill Police Officers' Retirement Trust Fund
Glossary
December 31, 2021

-ACCRUED INTEREST- Bond interest earned since the last interest payment, but not yet received.

-ALPHA- A linear regressive constant that measures expected return independent of Beta.

-ASSET ALLOCATION- The division of portfolio asset classes in order to achieve an expected investment objective.

-BALANCED UNIVERSES - Public Funds, Endowments & Foundations, Corporate peer groups, and PSN peer groups.

-BETA- A measure of portfolio sensitivity (volatility) in relation to the market, based upon past experience.

-BOND DURATION- A measure of portfolio sensitivity to interest rate risk.

-COMMINGLED FUND- An investment fund which is similar to a mutual fund in that investors are permitted to purchase and redeem units that represent ownership in a pool of securities.

-CONVERTIBLE BONDS - Hybrid securities' that offer equity returns during rising equity markets and improved down-market protection.

-CORE- An equal weighting in both growth and value stocks.

-CORRELATION COEFFICIENT- A measure of how two assets move together. The measure is bounded by +1 and -1; +1 means that the two assets move together positively, while a measure of -1 means that the assets are perfectly negatively correlated.

-GROWTH MANAGER- Generally invests in companies that have either experienced above-average growth rates and/or are expected to experience above-average growth rates in the future. Growth portfolios tend to have high price/earnings ratios and generally pay little to no dividends.

-INDEXES- Indexes are used as "independent representations of markets" (e.g., S&P 500).

-INFORMATION RATIO- Annualized excess return above the benchmark relative to the annualized tracking error.

-LARGE CAP- Generally, the term refers to a company that has a market capitalization that exceeds $10 billion.

-MANAGER UNIVERSE- A collection of quarterly investment returns from various investment management firms that may be subdivided by style (e.g. growth, value, core).

-MID CAP- Generally, the term refers to a company that has a market capitalization between $2 and $10 billion.

-NCREIF - A quarterly time series composite total rate of return measure of investment performance of a large pool of individual commercial real estate properties acquired in the private market for investment purposes only.

-NCREIF ODCE - Open End Diversified Core Equity index which consists of historical and current returns from 26 open-end commingled funds pursuing core strategy. This index is capitalization weighted, time weighted and gross of fees.

-NET- Investment return accounts only for manager fees.

-PROTECTING FLORIDA INVESTMENT ACT (PFIA) - SBA publishes a list of prohibited investments (scrutinized companies).

-RATE OF RETURN- The percentage change in the value of an investment in a portfolio over a specified time period, excluding contributions.

-RISK MEASURES- Measures of the investment risk level, including beta, credit, duration, standard deviation, and others that are based on current and historical data.

-R-SQUARED- Measures how closely portfolio returns and those of the market are correlated, or how much variation in the portfolio returns may be explained by the market. An R2 of 40 means that 40% of the variation in a fund’s price changes could be attributed to changes in the market index over the time period.

Holly Hill Police Officers' Retirement Trust Fund
Glossary
December 31, 2021

-SHARPE RATIO- The ratio of the rate of return earned above the risk-free rate to the standard deviation of the portfolio. It measures the number of units of return per unit of risk.

-SMALL CAP- Generally refers to a company with a market capitalization $300 million to $2 billion.

-STANDARD DEVIATION- Measure of the variability (dispersion) of historical returns around the mean. It measures how much exposure to volatility was experienced by the implementation of an investment strategy.

-SYSTEMATIC RISK- Measured by beta, it is the risk that cannot be diversified away (market risk).

-TIME WEIGHTED (TW) RETURN - A measure of the investments versus the investor. When there are no flows the TW & DOLLAR weighted (DW) returns are the same and vice versa.

-TRACKING ERROR- A measure of how closely a manager's performance tracks an index; it is the annualized standard deviation of the differences between the quarterly returns for the manager and the benchmark.

-TREYNOR RATIO- A measure of reward per unit of risk. (excess return divided by beta).

-UP AND DOWN-MARKET CAPTURE RATIO- Ratio that illustrates how a manager performed relative to the market during rising and declining market periods.

-VALUE MANAGER- Generally invests in companies that have low price-to-earnings and price-to-book ratios and/or above-average dividend yields.

Holly Hill Police Officers' Retirement Trust Fund
Disclosure
December 31, 2021

Advisory services are offered through or by Burgess Chambers and Associates, Inc., a registered SEC investment advisor.

Performance Reporting:

1. Changes in portfolio valuations due to capital gains or losses, dividends, interest, income and management fees are included in the calculation of returns. All calculations are made in accordance with generally accepted industry standards.

2. Transaction costs, such as commissions, are included in the purchase cost or deducted from the proceeds or sale of a security. Differences in transaction costs may affect comparisons.

3. Individual client returns may vary due to a variety of factors, including differences in investment objectives, asset allocating and timing of investment decisions.

4. Performance reports are generated from information supplied by the client, custodian, and/or investment managers. BCA relies upon the accuracy of this data when preparing reports.

5. The market indexes do not include transaction costs, and an investment in a product similar to the index would have lower performance dependent upon costs, fees, dividend reinvestments, and timing. Benchmarks and indexes are for comparison purposes only, and there is no assurance or guarantee that such performance will be achieved.

6. Performance information prepared by third party sources may differ from that shown by BCA. These differences may be due to different methods of analysis, different time periods being evaluated, different pricing sources for securities, treatment of accrued income, treatment of cash, and different accounting procedures.

7. Certain valuations, such as alternative assets, ETF, and mutual funds, are prepared based on information from third party sources, the accuracy of such information cannot be guaranteed by BCA. Such data may include estimates and maybe subject to revision.

8. BCA relies on third party vendors to supply tax cost and market values, In the event that cost values are not available, market values may be used as a substitute.

9. BCA has not reviewed the risks of individual security holdings.

10. BCA investment reports are not indicative of future results.

11. Performance rankings are time sensitive and subject to change.

12. Mutual Fund (MF), Collective Investment Trusts (CIT) and Exchange Traded Funds (ETF) are ranked in net of fee universes.

13. Separately Managed Account (SMA) and Commingled Fund (CF) returns are ranked in gross of fees universes.

14. Composite returns are ranked in universes that encompass both gross and net of fee returns.

15. Total Fund returns are ranked in a gross of fee universe.

16. Private investments may include performance fees in addition to a management fee. For the purpose of BCA's calculations, net returns take in consideration both performance and management fees, but gross returns include management fees only.

17. For a free copy of Part II (mailed w/i 5 bus. days from request receipt) of Burgess Chambers & Associates, Inc.'s most recent Form ADV which details pertinent business procedures, please contact: 315 East Robinson Street Suite #690, Orlando, Florida 32801, 407-644-0111, info@burgesschambers.com.

Burgess Chambers & Associates, Inc.

Institutional Investment Advisors

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Police Pension Board

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SCHEDULED

Meeting: 02/17/22 11:00 AM
Department: City Clerk
Category: New Business
Prepared By: Valerie Manning
Initiator: Valerie Manning
Sponsors:
DOC ID: 3655

POLICE PENSION FUND BOARD OF TRUSTEES (ID # 3655)

Foster and Foster Report - Patrick Donlan

CITY OF HOLLY HILL
POLICE OFFICERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2021

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2023

GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2021

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

February 15, 2022

Board of Trustees
City of Holly Hill
Police Officers' Pension Board
1065 Ridgewood Avenue
Holly Hill, FL 32117

Re: City of Holly Hill Police Officers' Retirement Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Holly Hill Police Officers' 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 185, 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.

13420 Parker Commons Blvd., Suite 104 Fort Myers, FL 33912 · (239) 433-5500 · Fax (239) 481-0634 · www.foster-foster.c

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the City of Holly Hill, 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, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2021 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 Holly Hill, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Police Officers' 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: Patrick T Donlan

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #20-6595

By: Chih Hung (Kevin) Peng

Kevin H. Peng, ASA, EA, MAAA
Enrolled Actuary #20-7783

PTD/lke

Enclosures

TABLE OF CONTENTS

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Holly Hill Police Officers' Retirement Trust Fund, performed as of October 1, 2021, 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, 2023.

The contribution requirements, compared with those set forth in the October 1, 2020 actuarial valuation report, are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2021 9/30/2023	10/1/2020 9/30/2022
Minimum Required Contribution		
% of Projected Annual Payroll	41.1%	41.0%
Member Contributions (Est.)		
% of Projected Annual Payroll	6.4%	6.3%
City And State Required Contribution		
% of Projected Annual Payroll	34.7%	34.7%
State Contribution (Est.) [1]	$138,114	$138,114
% of Projected Annual Payroll	11.7%	11.7%
City Required Contribution [2]		
% of Projected Annual Payroll	23.0%	23.0%

[1] Represents the amount received in calendar 2021. As per a Mutual Consent Agreement between the Membership and the City, all State Monies received each year will be available to offset the City's required contribution.

[2] The required contribution from the combination of City and State sources for the year ending September 30, 2023, is 34.7% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 23.0% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received. Please note that the City has access to a prepaid contribution of $15,422.25 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2022.

As you can see, the Minimum Required Contribution stay about the same when compared to the results determined in the October 1, 2020 actuarial valuation report. The cost would actually have decreased more significantly were it not for the changes in assumptions the Board approved as a results of an actuarial experience study dated October 14, 2021.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial gain was an investment return of 10.24% (Actuarial Asset Basis) which exceeded the 7.40% assumption. This gain was offset in part by losses associated with more retirements than expected and inactive mortality experience.

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

As a result of an experience study dated October 14, 2021, the Board approved the following changes in conjunction with this valuation:

1. Decrease the investment return assumption from 7.40% to 6.90% per year, net of investment related expenses.
2. Increase the expected individual salary increases for the first 4 years of employment and reduce the expectation after 4 years of service.
3. Switch to entirely service-based assumption for expected withdrawal rates, with the assumed withdrawal rates to be generally more withdrawals than previous assumed.

There have been no method changes since the prior valuation.

CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1)	Contribution Determined as of October 1, 2020	22.9%
(2)	Summary of Contribution Impact by component:	
	Change in State Contribution Percentage	0.1%
	Change in Normal Cost Rate	-0.1%
	Change in Administrative Expense Percentage	0.3%
	Payroll Change Effect on UAAL Amortization	0.1%
	Investment Return (Actuarial Asset Basis)	-3.2%
	Salary Increases	0.2%
	Active Decrements	0.8%
	Inactive Mortality	0.9%
	UAAL Amortization Impact from Contribution Policy	-1.9%
	Assumption Change	3.8%
	Other	-0.9%
	Total Change in Contribution	0.1%
(3)	Contribution Determined as of October 1, 2021	23.0%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump 10/1/2021	Old Assump 10/1/2021	10/1/2020
A. Participant Data			
Actives	21	21	21
Service Retirees	18	18	16
DROP Retirees	1	1	1
Beneficiaries	1	1	1
Disability Retirees	2	2	2
Terminated Vested	6	6	6
Total	49	49	47
Total Annual Payroll	$1,176,359	$1,174,831	$1,183,502
Payroll Under Assumed Ret. Age	1,176,359	1,174,831	1,183,502
Annual Rate of Payments to:			
Service Retirees	796,624	796,624	685,465
DROP Retirees	47,418	47,418	47,104
Beneficiaries	14,283	14,283	14,283
Disability Retirees	27,030	27,030	27,030
Terminated Vested	45,277	45,277	56,558
B. Assets			
Actuarial Value (AVA) [1]	13,475,049	13,475,049	12,384,754
Market Value (MVA) [1]	14,873,915	14,873,915	12,384,754
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	4,074,627	3,923,177	4,767,789
Disability Benefits	45,794	47,238	53,820
Death Benefits	33,416	36,006	41,840
Vested Benefits	294,429	439,349	437,718
Refund of Contributions	127,107	82,109	76,605
Service Retirees	9,861,079	9,409,067	7,977,690
DROP Retirees [1]	828,727	804,619	718,145
Beneficiaries	120,219	116,665	120,276
Disability Retirees	357,936	338,084	337,527
Terminated Vested	565,854	535,712	637,762
Share Plan Balances [1]	0	0	0
Total	16,309,188	15,732,026	15,169,172

C. Liabilities - (Continued)	New Assump 10/1/2021	Old Assump 10/1/2021	10/1/2020
Present Value of Future Salaries	6,971,472	7,276,096	7,191,681
Present Value of Future Member Contributions	445,477	464,943	450,199
Normal Cost (Retirement)	129,022	162,215	168,256
Normal Cost (Disability)	3,784	4,392	4,716
Normal Cost (Death)	3,024	3,712	4,227
Normal Cost (Vesting)	26,337	37,014	32,919
Normal Cost (Refunds)	20,522	14,347	14,481
Total Normal Cost	182,689	221,680	224,599
Present Value of Future Normal Costs	975,212	1,235,931	1,277,761
Accrued Liability (Retirement)	3,321,405	2,960,758	3,752,341
Accrued Liability (Disability)	26,141	22,319	25,770
Accrued Liability (Death)	20,761	18,750	21,442
Accrued Liability (Vesting)	182,660	268,556	275,709
Accrued Liability (Refunds)	49,194	21,565	24,749
Accrued Liability (Inactives) [1]	11,733,815	11,204,147	9,791,400
Share Plan Balances [1]	0	0	0
Total Actuarial Accrued Liability (EAN AL)	15,333,976	14,496,095	13,891,411
Unfunded Actuarial Accrued Liability (UAAL)	1,858,927	1,021,046	1,506,657
Funded Ratio (AVA / EAN AL)	87.9%	93.0%	89.2%

D. Actuarial Present Value of Accrued Benefits	New Assump 10/1/2021	Old Assump 10/1/2021	10/1/2020
Vested Accrued Benefits			
Inactives + Share Plan Balances [1]	11,733,815	11,204,147	9,791,400
Actives	1,292,069	1,183,193	1,906,516
Member Contributions	469,886	469,886	543,998
Total	13,495,770	12,857,226	12,241,914
Non-vested Accrued Benefits	675,574	688,399	708,522
Total Present Value Accrued Benefits (PVAB)	14,171,344	13,545,625	12,950,436
Funded Ratio (MVA / PVAB)	105.0%	109.8%	95.6%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	625,719	0	
Plan Experience	0	429,912	
Benefits Paid	0	(764,759)	
Interest	0	930,036	
Other	0	0	
Total	625,719	595,189	

	New Assump	Old Assump	
Valuation Date	10/1/2021	10/1/2021	10/1/2020
Applicable to Fiscal Year Ending	9/30/2023	9/30/2023	9/30/2022
E. Pension Cost			
Normal Cost (with interest)			
% of Total Annual Payroll [2]	16.1	19.6	19.7
Administrative Expenses (with interest)			
% of Total Annual Payroll [2]	2.4	2.4	2.1
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2021, with interest)			
% of Total Annual Payroll [2]	22.6	15.3	19.2
Minimum Required Contribution			
% of Total Annual Payroll [2]	41.1	37.3	41.0
Expected Member Contributions			
% of Total Annual Payroll [2]	6.4	6.4	6.3
Expected City and State Contribution			
% of Total Annual Payroll [2]	34.7	30.9	34.7
F. Past Contributions			
Plan Years Ending:	9/30/2021		
City and State Requirement	536,263		
Actual Contributions Made:			
City	398,149		
State	138,114		
Total	536,263		
G. Net Actuarial (Gain)/Loss	(228,056)		

[1] The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2021 and 9/30/2020.

[2] Contributions developed as of 10/1/2021 are expressed as a percentage of total annual payroll at 10/1/2021 of $1,176,359 after assumption changes and of $1,174,831 before assumption changes.

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

Year	Projected Unfunded Actuarial Accrued Liability
2021	1,858,927
2022	1,712,284
2023	1,555,523
2026	1,017,306
2030	318,113
2033	174,920
2036	0

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

		Actual	Assumed
Year Ended	9/30/2021	6.59%	5.67%
Year Ended	9/30/2020	8.50%	5.50%
Year Ended	9/30/2019	-0.25%	6.31%
Year Ended	9/30/2018	6.12%	5.96%
Year Ended	9/30/2017	5.53%	5.86%

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

		Market Value	Actuarial Value	Assumed
Year Ended	9/30/2021	21.66%	10.24%	7.40%
Year Ended	9/30/2020	11.80%	8.85%	7.40%
Year Ended	9/30/2019	3.90%	7.73%	7.40%
Year Ended	9/30/2018	8.74%	6.06%	7.40%
Year Ended	9/30/2017	11.14%	5.71%	7.40%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2021	$1,176,359
	10/1/2011	1,060,484
(b) Total Increase		10.93%
(c) Number of Years		10.00
(d) Average Annual Rate		1.04%

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.

Patrick T. Donlan

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #20-6595

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

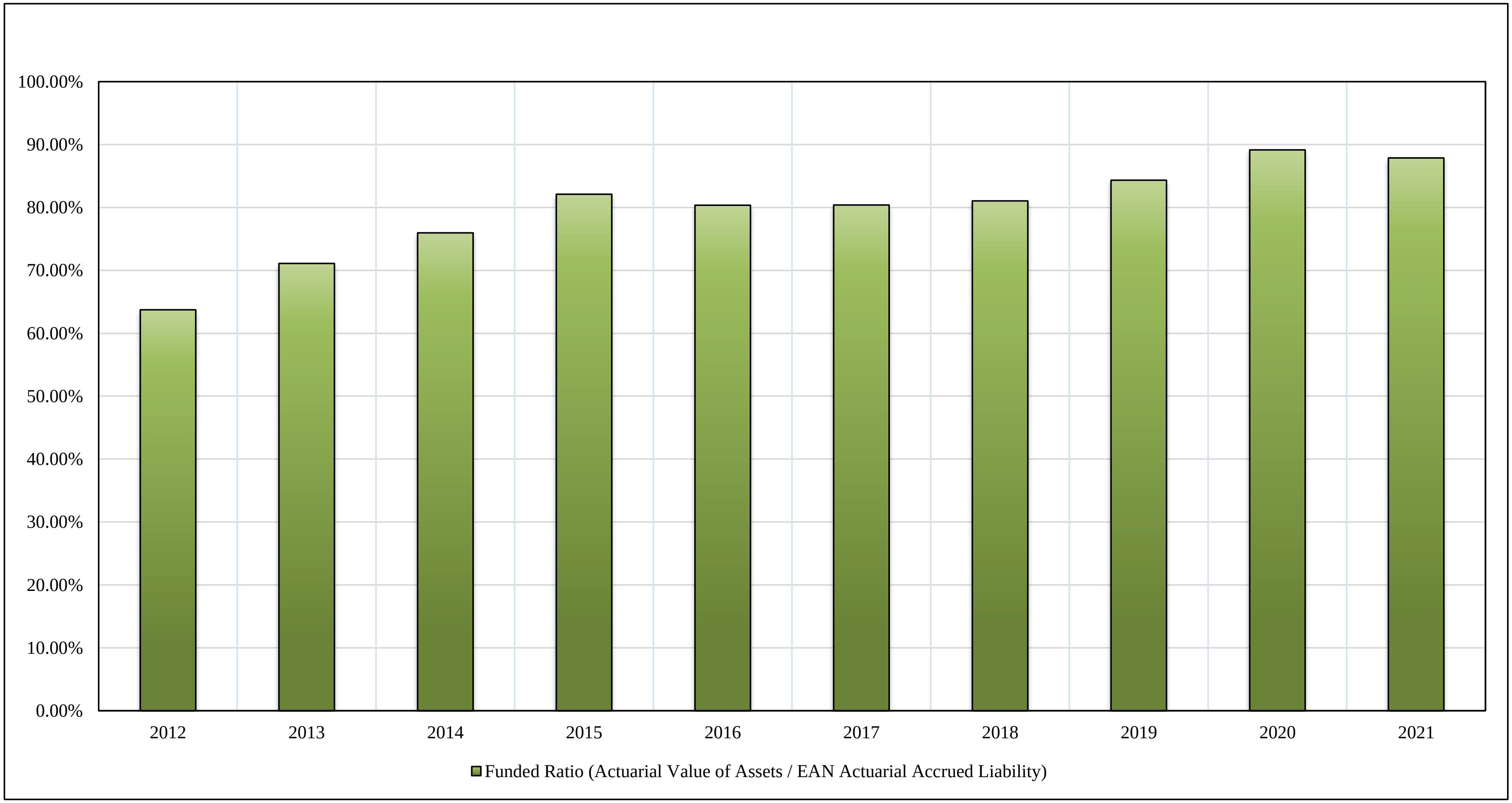
(1)	Unfunded Actuarial Accrued Liability as of October 1, 2020	$1,506,657
(2)	Sponsor Normal Cost developed as of October 1, 2020	148,973
(3)	Expected administrative expenses for the year ended September 30, 2021	23,761
(4)	Expected interest on (1), (2) and (3)	123,396
(5)	Sponsor contributions to the System during the year ended September 30, 2021	536,263
(6)	Expected interest on (5)	17,422
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2021 (1)+(2)+(3)+(4)-(5)-(6)	1,249,102
(8)	Change to UAAL due to Assumption Change	837,881
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(228,056)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2021	1,858,927

Type of Base	Date Established	Years Remaining	10/1/2021 Amount	Amortization Amount
Consolidation Base	10/1/2020	8	1,249,102	194,925
Actuarial Gain	10/1/2021	15	(228,056)	(23,275)
Assump Change	10/1/2021	15	837,881	85,514
			1,858,927	257,164

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2020	$1,506,657
(2)	Expected UAAL as of October 1, 2021	1,249,102
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(349,716)
	Salary Increases	17,190
	Active Decrements	83,101
	Inactive Mortality	92,361
	Other	(70,992)
	Increase in UAAL due to (Gain)/Loss	(228,056)
	Assumption Changes	837,881
(4)	Actual UAAL as of October 1, 2021	$1,858,927

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rate</u>

Healthy Active Lives:

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

Healthy Retiree Lives:

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

Beneficiary Lives:

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

Disabled Lives:

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

All rates are projected generationally with Mortality Improvement Scale MP-2018. 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.

75% of active deaths are assumed to be service-incurred.

<u>Interest Rate</u>

6.90% (prior year 7.40%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases	See table later in this section. This assumption is based on the results of an experience study performed in October 14, 2021. Salary in year of retirement is increased individually to account for lump sum payments.
Payroll Growth	0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.
Administrative Expenses	$26,750 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.
Retirement Age	See table later in this section. This assumption resulted from the August 10, 2016 Experience Study and remained unchanged as confirmed in the October 14, 2021 Experience Study.
Disability Rate	See sample rates in table later in this section. This assumption is confirmed in the October 14, 2021 experience Study. 75% of disablements are assumed to be service related. We believe this assumption is in line with the Experience incurred by other plans containing Florida Municipal Police Officers.
Termination Rate	See sample rates in table later in this section. This assumption resulted from the October 14, 2021 Experience Study.
Funding Method	Entry Age Normal Actuarial Cost Method.
Actuarial Asset Method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

Assumption Tables

Salary Scale		
Service	Current Rate	Prior Rate
0	15.00%	10.00%
1-4	6.00%	5.50%
5+	4.50%	5.50%

% Retiring During the Year (<20 Years of Service)	
Age	Rate
50-54	5.0%
55	50.0%
56	75.0%
57+	100.0%

% Retiring During the Year (>= 20 Years of Service)	
Age	Rate
<55	50.0%
55	50.0%
56	75.0%
57+	100.0%

% Terminating During the Year		
Service	Current Rate	Prior Rate
0	20.0%	15.0%
1-5	14.0%	11.5%
6-9	14.0%	8.7%
10-14	5.0%	7.2%
15+	2.0%	5.3%

% Becoming Disabled During the Year	
Age	Rate
20	0.03%
25	0.03%
30	0.04%
35	0.05%
40	0.07%
45	0.10%
50	0.18%
55	0.36%
60	0.90%
65	2.22%

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.

- <u>Investment Return</u>: 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.

- <u>Salary Increases</u>: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.

- <u>Demographic Assumptions:</u> 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 131.6% on October 1, 2011 to 84.0% on October 1, 2021, 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 76.5%. 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 60.4% on October 1, 2011 to 87.9% on October 1, 2021.

- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, increased from -4.2% on October 1, 2011 to -1.2% on October 1, 2021. The current Net Cash Flow Ratio of -1.2% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

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

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	10/1/2011	10/1/2016	10/1/2020	10/1/2021
Support Ratio				
Total Actives	25	24	21	21
Total Inactives [1]	19	22	24	25
Actives / Inactives [1]	131.6%	109.1%	87.5%	84.0%
Asset Volatility Ratio				
Market Value of Assets (MVA)	6,486,493	9,166,974	12,384,754	14,873,915
Total Annual Payroll	1,060,484	1,200,750	1,183,502	1,176,359
MVA / Total Annual Payroll	611.7%	763.4%	1,046.4%	1,264.4%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	8,046,229	8,507,691	9,791,400	11,733,815
Total Accrued Liability (EAN)	11,130,133	11,934,751	13,891,411	15,333,976
Inactive AL / Total AL	72.3%	71.3%	70.5%	76.5%
Funded Ratio				
Actuarial Value of Assets (AVA)	6,726,247	9,590,468	12,384,754	13,475,049
Total Accrued Liability (EAN)	11,130,133	11,934,751	13,891,411	15,333,976
AVA / Total Accrued Liability (EAN)	60.4%	80.4%	89.2%	87.9%
Net Cash Flow Ratio				
Net Cash Flow [2]	(272,363)	(10,865)	(140,994)	(171,736)
Market Value of Assets (MVA)	6,486,493	9,166,974	12,384,754	14,873,915
Ratio	-4.2%	-0.1%	-1.1%	-1.2%

[1] Excludes terminated participants awaiting a refund of member contributions.

[2] 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
1998	51,838.81	_____%
1999	48,759.83	-5.9%
2000	45,177.19	-7.3%
2001	45,612.78	1.0%
2002	51,038.21	11.9%
2003	60,740.83	19.0%
2004	71,624.61	17.9%
2005	74,699.30	4.3%
2006	74,699.30	0.0%
2007	74,699.30	0.0%
2008	-	-100.0%
2009	150,819.27	N/A
2010	69,797.43	-53.7%
2011	64,309.42	-7.9%
2012	61,153.14	-4.9%
2013	59,865.22	-2.1%
2014	95,509.46	59.5%
2015	102,018.98	6.8%
2016	108,176.57	6.0%
2017	117,012.15	8.2%
2018	129,437.11	10.6%
2019	138,915.05	7.3%
2020	139,910.26	0.7%
2021	138,114.39	-1.3%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

ASSETS	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	193,234.40	193,234.40
Total Cash and Equivalents	193,234.40	193,234.40
Receivables:		
Member Contributions in Transit	2,727.17	2,727.17
City Contributions in Transit	12,143.69	12,143.69
Investment Income	25,430.75	25,430.75
Total Receivable	40,301.61	40,301.61
Investments:		
U. S. Bonds and Bills	912,309.72	904,646.20
Corporate Bonds	1,388,858.59	1,354,409.38
Municipal Obligations	407,490.65	410,168.20
Mutual Funds:		
Equity	7,779,927.91	10,835,425.55
Pooled/Common/Commingled Funds:		
Real Estate	950,494.90	1,163,443.00
Total Investments	11,439,081.77	14,668,092.33
Total Assets	11,672,617.78	14,901,628.34
LIABILITIES		
Payables:		
Refunds of Member Contributions	2,444.92	2,444.92
Benefit Payments	7,707.43	7,707.43
Investment Expenses	2,139.10	2,139.10
Prepaid City Contribution	15,422.25	15,422.25
Total Liabilities	27,713.70	27,713.70
NET POSITION RESTRICTED FOR PENSIONS	11,644,904.08	14,873,914.64

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Market Value Basis

ADDITIONS			
Contributions:			
Member		83,499.76	
City		398,149.03	
State		138,114.39	
Total Contributions			619,763.18
Investment Income:			
Net Realized Gain (Loss)	298,397.23		
Unrealized Gain (Loss)	1,887,131.44		
Net Increase in Fair Value of Investments		2,185,528.67	
Interest & Dividends		517,365.37	
Less Investment Expense[1]		(41,997.18)	
Net Investment Income			2,660,896.86
Total Additions			3,280,660.04
DEDUCTIONS			
Distributions to Members:			
Benefit Payments		740,738.43	
Lump Sum DROP Distributions		0.00	
Refunds of Member Contributions		24,020.16	
Total Distributions			764,758.59
Administrative Expense			26,740.36
Total Deductions			791,498.95
Net Increase in Net Position			2,489,161.09
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of the Year			12,384,753.55
End of the Year			14,873,914.64

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

ACTUARIAL ASSET VALUATION
September 30, 2021

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Gains/Losses Not Yet Recognized

Plan Year Ending	Gain/(Loss)	Amounts Not Yet Recognized by Valuation Year 2021	2022	2023	2024	2025
09/30/2021	1,748,582	1,398,866	1,049,150	699,434	349,718	0
Total		1,398,866	1,049,150	699,434	349,718	0

Development of Investment Gain/Loss

Market Value of Assets, including Prepaid Contributions, 09/30/2020	12,428,720
Contributions Less Benefit Payments & Admin Expenses	(200,280)
Expected Investment Earnings*	912,315
Actual Net Investment Earnings	2,660,897
2021 Actuarial Investment Gain/(Loss)	1,748,582

*Expected Investment Earnings = 0.074 * (12,428,720 - 0.5 * 200,280)

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2021	14,873,915
(2) Gains/(Losses) Not Yet Recognized	1,398,866
(3) Actuarial Value of Assets, 09/30/2021, (1) - (2)	13,475,049
(A) 09/30/2020 Actuarial Assets, including Prepaid Contributions:	12,428,720
(I) Net Investment Income:	
1. Interest and Dividends	517,365
2. Realized Gain (Loss)	298,397
3. Unrealized Gain (Loss)	1,887,131
4. Change in Actuarial Value	(1,398,866)
5. Investment Expenses	(41,997)
Total	1,262,031
(B) 09/30/2021 Actuarial Assets:, including Prepaid Contributions:	13,490,471
Actuarial Assets Rate of Return = 2I/(A+B-I):	10.24%
Market Value of Assets Rate of Return:	21.66%
10/01/2021 Limited Actuarial Assets (not including Prepaid):	13,475,049
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	349,716

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2021
Actuarial Asset Basis

REVENUES

Contributions:		
Member	83,499.76	
City	398,149.03	
State	138,114.39	
Total Contributions		619,763.18
Earnings from Investments:		
Interest & Dividends	517,365.37	
Net Realized Gain (Loss)	298,397.23	
Unrealized Gain (Loss)	1,887,131.44	
Change in Actuarial Value	(1,398,866.00)	
Total Earnings and Investment Gains		1,304,028.04

EXPENDITURES

Distributions to Members:		
Benefit Payments	740,738.43	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	24,020.16	
Total Distributions		764,758.59
Expenses:		
Investment related[1]	41,997.18	
Administrative	26,740.36	
Total Expenses		68,737.54
Change in Net Assets for the Year		1,090,295.09
Net Assets Beginning of the Year		12,384,753.55
Net Assets End of the Year[2]		13,475,048.64

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

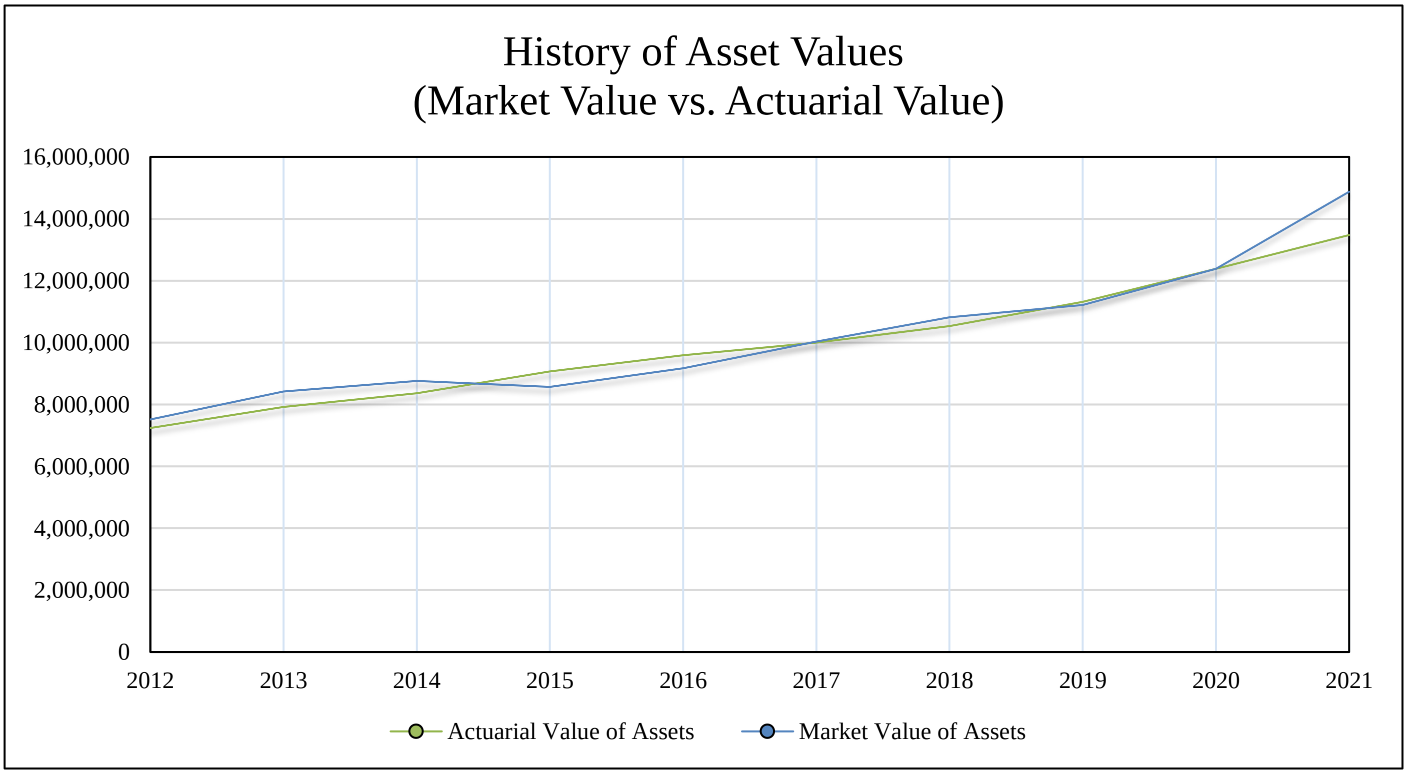
DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2020 to September 30, 2021

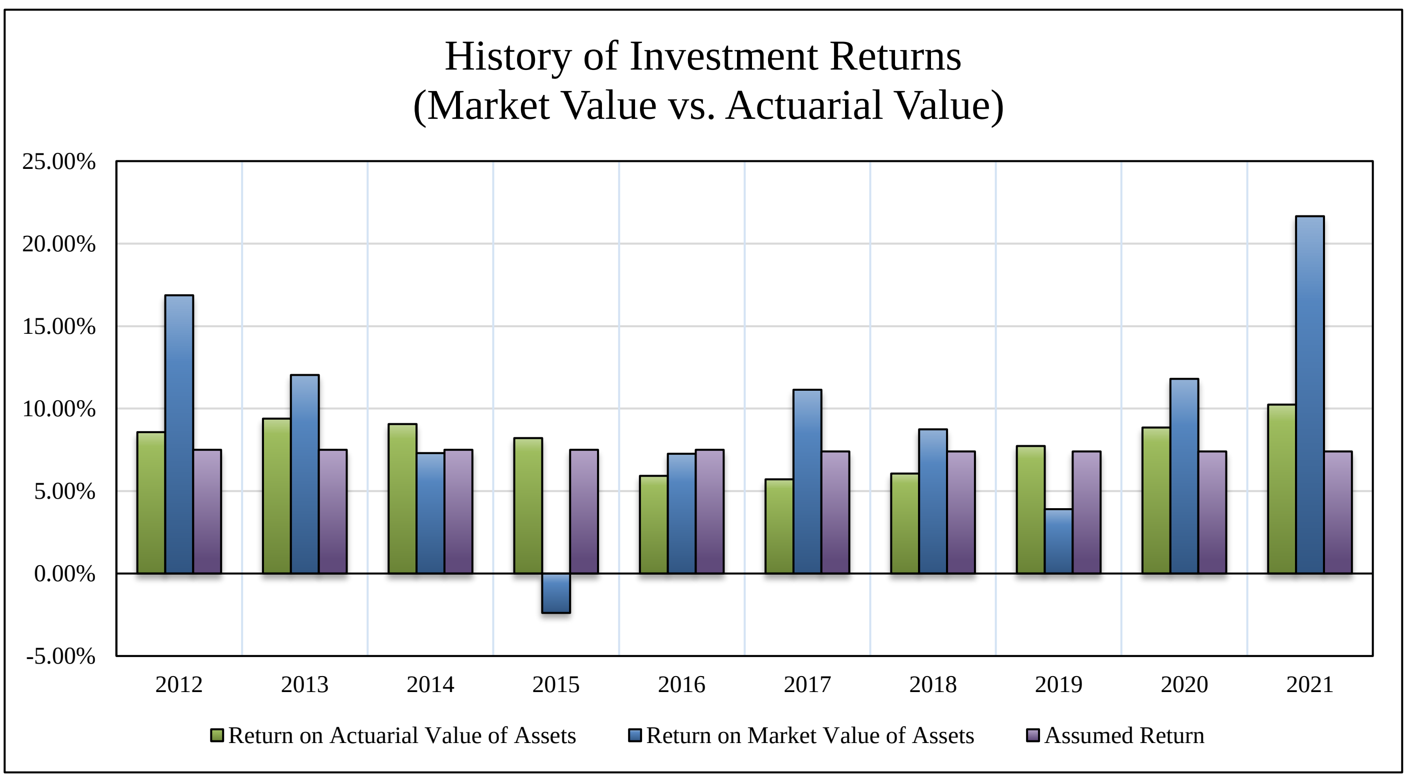
Beginning of the Year Balance	186,000.14
Plus Additions	47,103.96
Investment Return Earned	44,378.00
Less Distributions	0.00
End of the Year Balance	277,482.10

RECONCILIATION OF CITY'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2021

(1)	City and State Required Contribution Rate	40.1%
(2)	Pensionable Payroll Derived from Member Contributions	$1,337,315.26
(3)	City and State Required Contribution	536,263.42
(4)	Less Allowable State Contribution	(138,114.39)
(5)	Equals Required City Contribution for Fiscal 2021	398,149.03
(6)	Less 2020 Prepaid Contribution	(43,966.06)
(7)	Less Actual City Contributions	(369,605.22)
(8)	Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2021	($15,422.25)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS





STATISTICAL DATA

	10/1/2018	10/1/2019	10/1/2020	10/1/2021
Actives - Hired before 7/1/2011				
Number	7	7	6	5
Average Current Age	45.3	46.3	46.8	46.3
Average Age at Employment	29.4	29.4	29.4	30.0
Average Past Service	15.9	16.9	17.4	16.3
Average Annual Salary	$67,283	$67,674	$73,294	$71,100
Actives - Hired on or after 7/1/2011				
Number	16	16	15	16
Average Current Age	37.3	38.1	39.9	38.2
Average Age at Employment	33.7	34.2	35.0	33.3
Average Past Service	3.6	3.9	4.9	4.9
Average Annual Salary	$47,640	$45,833	$49,582	$51,304
Service Retirees				
Number	14	15	16	18
Average Current Age	67.7	67.5	67.3	66.9
Average Annual Benefit	$44,365	$42,504	$42,842	$44,257
DROP Retirees				
Number	1	1	1	1
Average Current Age	56.8	57.8	58.8	59.8
Average Annual Benefit	$47,231	$47,231	$47,104	$47,418
Beneficiaries				
Number	1	1	1	1
Average Current Age	72.9	73.9	74.9	75.9
Average Annual Benefit	$14,283	$14,283	$14,283	$14,283
Disability Retirees				
Number	2	2	2	2
Average Current Age	54.4	55.4	56.4	57.4
Average Annual Benefit	$13,515	$13,515	$13,515	$13,515
Terminated Vested				
Number	8	6	6	6
Average Current Age [1]	46.5	46.8	47.8	46.2
Average Annual Benefit [1]	$13,241	$14,201	$14,140	$15,092

[1] The Average Current Age and Average Annual Benefit exclude participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	1											1
25 - 29	1					1						2
30 - 34	1			1		1						3
35 - 39		1		1	2		1					5
40 - 44							1					1
45 - 49			1				1	3				5
50 - 54						2	1					3
55 - 59						1						1
60 - 64												0
65+												0
Total	3	1	1	2	2	5	4	3	0	0	0	21

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2020	21
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	(1)
iii. Refund of member contributions or full lump sum distribution received	(1)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. DROP	0
g. Continuing participants	18
h. New entrants	3
i. Total active life participants in valuation	21

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

	Service Retirees, Vested Receiving Benefits	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
a. Number prior valuation	16	1	1	2	4	2	26
Retired	2	0	0	0	(1)	0	1
DROP	0	0	0	0	0	0	0
Vested (Deferred Annuity)	0	0	0	0	0	0	0
Vested (Due Refund)	0	0	0	0	0	1	1
Hired/Terminated in Same Year	0	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0	0
Disabled	0	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0	0
Rehires	0	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0	0
b. Number current valuation	18	1	1	2	3	3	28

SUMMARY OF CURRENT PLAN
(Through Ordinance 2019-3023)

Latest Amendment Date	November 12, 2019.
Eligibility	Full-time employees who are classified as full-time sworn police officers shall participate in the System as a condition of employment.
Credited Service	Total years and fractional parts of years of continuous employment with the City as a Police Officer.
Earnings	Total W-2 Earnings plus all tax deferred or tax exempt items of income. Additional 10.6% of Earnings included for calculating AFC if employed prior to 10/1/1999.
Average Final Compensation (AFC)	Average Earnings for the highest 5 years during the 10 years immediately preceding retirement or termination.
Member Contributions	5.00% of Earnings, 7.00% if hired on or after July 1, 2011.
Member Contributions by City	8.00% of Earnings prior to October 1, 2005; 0.00% thereafter. Members hired on or after 10/1/1999 vest in these contributions 16.66% for each complete year of Credited Service to 100% after 6 years of Credited Service. Members hired before 10/1/1999 are 100% vested in these contributions.
City and State Contributions	Remaining amount necessary to pay current costs and amortize past service cost if any, over 30 years.
Normal Retirement	
Date	Earlier of Age 55 and 6 years of Credited Service or 20 years of Credited Service. For Members hired on or after July 1, 2011, the Earlier of age 55 and 10 years of Credited Service or 20 years of credited service regardless of age.
Benefit	3.00% of Average Final Compensation times Credited Service. Members retiring after 10/1/1999 receive $150 per month, payable for life.
Form of Benefit	Ten Year Certain and Life Annuity (options available).

Early Retirement

Eligibility	Age 50 and 6 Years of Credited Service. For Members hired on or after July 1, 2011, age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year.

Cost of Living Adjustment — Annual 2.00% increase commencing 5 years after retirement for those Members who retire on or after October 6, 2009 (including disability retirees and beneficiaries, but not including those who terminate prior to reaching their Early or Normal Retirement Date and later begin drawing benefits).

Vesting

Schedule	100% after 6 years of Credited Service. For Members hired on or after July 1, 2011, 100% after 10 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability

Eligibility	Service Incurred: Covered from date of employment. Non-Service Incurred: 10 years of Credited Service.
Benefit	Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).
Duration	Payable for life (with 120 months guaranteed) or until recovery (as determined by the Board). Options are available.

Death Benefits

Pre-Retirement	Vested: Monthly accrued benefit payable to designated beneficiary for 10 years. Non-vested: Refund of accumulated contributions without interest.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

Board of Trustees	a. Two Commission appointees, b. Two Members of the Department elected by the membership, and c. Fifth Member elected by other 4 and appointed by Commission.
Deferred Retirement Option Plan	
Eligibility	Eligibility for Normal Retirement.
Participation	Not to exceed 60 months.
Rate of Return	Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs).
Form of Distribution	Lump sum at termination of employment.
Chapter 185 Share Account	Pursuant to Chapter 2015-39, Laws of Florida, a share plan exists but is currently not funded as the City and Membership mutually consented to allow the City to use all annual State Monies to offset its funding requirements through September 30, 2019.

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STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	MARKET VALUE
ASSETS	
Cash and Cash Equivalents:	
Short Term Investments	193,234
Total Cash and Equivalents	193,234
Receivables:	
Member Contributions in Transit	2,727
City Contributions in Transit	12,144
Investment Income	25,431
Total Receivable	40,302
Investments:	
U. S. Bonds and Bills	904,646
Corporate Bonds	1,354,409
Municipal Obligations	410,168
Mutual Funds:	
Equity	10,835,426
Pooled/Common/Commingled Funds:	
Real Estate	1,163,443
Total Investments	14,668,092
Total Assets	14,901,628
LIABILITIES	
Payables:	
Refunds of Member Contributions	2,445
Benefit Payments	7,707
Investment Expenses	2,139
Total Liabilities	12,291
NET POSITION RESTRICTED FOR PENSIONS	14,889,337

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STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Market Value Basis

ADDITIONS		
Contributions:		
Member	83,500	
City	369,605	
State	138,114	
Total Contributions		591,219
Investment Income:		
Net Increase in Fair Value of Investments	2,185,529	
Interest & Dividends	517,365	
Less Investment Expense[1]	(41,997)	
Net Investment Income		2,660,897
Total Additions		3,252,116
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	740,739	
Lump Sum DROP Distributions	0	
Refunds of Member Contributions	24,020	
Total Distributions		764,759
Administrative Expense		26,740
Total Deductions		791,499
Net Increase in Net Position		2,460,617
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		12,428,720
End of the Year		14,889,337

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

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2021)

Plan Administration

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

a. Two Commission appointees,
b. Two Members of the Department elected by the Membership, and a
c. Fifth Member elected by other 4 and appointed by Commission.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	6
Active Plan Members	21
	47

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the City of Holly Hill Police Officers' Retirement Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 5.00% of Earnings, 7.00% if hired on or after July 1, 2011.

Member Contributions by City: 8.00% of Earnings prior to October 1, 2005; 0.00% thereafter. Members hired on or after 10/1/1999 vest in these contributions 16.66% for each complete year of Credited Service to 100% after 6 years of Credited Service. Members hired before 10/1/1999 are 100% vested in these contributions.

City and State Contributions: Remaining amount necessary to pay current costs and amortize past service cost if any, over 30 years.

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2021:

Asset Class	Target Allocation
Domestic Equity	57.00%
International Equity	10.00%
Bonds	20.00%
Private Real Estate	10.00%
Cash	3.00%
Total	100.00%

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, 2021, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 21.66 percent.

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

Deferred Retirement Option Program

Eligibility for Normal Retirement.

Participation: Not to exceed 60 months.

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs).

The DROP balance as September 30, 2021 is $277,482.

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NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2021 were as follows:

Total Pension Liability	$ 14,964,056
Plan Fiduciary Net Position	$ (14,889,337)
Sponsor's Net Pension Liability	$ 74,719
Plan Fiduciary Net Position as a percentage of Total Pension Liability	99.50%

Actuarial Assumptions:
The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.70%
Salary Increases	Service based
Discount Rate	6.90%
Investment Rate of Return	6.90%

Mortality Rate Healthy Active Lives:
Female: PubS.H-2010 (Below Median) for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Mortality Rate Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
Mortality 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, 2020 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

75% of active deaths are assumed to be service-incurred.

The most recent actuarial experience study used to review the other significant assumptions was dated October 14, 2021.

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 2021 the inflation rate assumption of the investment advisor was 2.30%.
These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return[1]
Domestic Equity	8.30%
International Equity	4.10%
Bonds	3.10%
Private Real Estate	5.50%
Cash	0.20%

[1] Source: Burgess Chambers

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 6.90 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 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Sponsor's Net Pension Liability	$ 1,800,787	$ 74,719	$ (1,361,463)

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	232,897	244,781
Interest	981,457	980,818
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	395,025	(77,182)
Changes of assumptions	707,024	(380,240)
Benefit Payments, including Refunds of Employee Contributions	(764,759)	(730,570)
Net Change in Total Pension Liability	1,551,644	37,607
Total Pension Liability - Beginning	13,412,412	13,374,805
Total Pension Liability - Ending (a)	$ 14,964,056	$ 13,412,412
Plan Fiduciary Net Position		
Contributions - Employer	369,605	432,123
Contributions - State	138,114	139,910
Contributions - Employee	83,500	76,812
Net Investment Income	2,660,897	1,316,673
Benefit Payments, including Refunds of Employee Contributions	(764,759)	(730,570)
Administrative Expense	(26,740)	(26,759)
Net Change in Plan Fiduciary Net Position	2,460,617	1,208,189
Plan Fiduciary Net Position - Beginning	12,428,720	11,220,531
Plan Fiduciary Net Position - Ending (b)	$ 14,889,337	$ 12,428,720
Net Pension Liability - Ending (a) - (b)	$ 74,719	$ 983,692
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	99.50%	92.67%
Covered Payroll	$ 1,337,315	$ 1,228,981
Net Pension Liability as a percentage of Covered Payroll	5.59%	80.04%

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/2021, the Board approved the following assumption changes based on the October 14, 2021 actuarial experience study:

1. Assumed investment return reduced from 7.40% to 6.90%, net of investment related expenses.
2. Increase the expected individual salary increases for the first 4 years of employment and reduce the expectation after 4 years of service.
3. Switch to entirely service-based assumption for expected withdrawal rates, with the assumed withdrawal rates to be generally more withdrawals than previous assumed.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman’s July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

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
09/30/2021	$ 536,263	$ 507,719	$ 28,544	$ 1,337,315	37.97%
09/30/2020	$ 539,523	$ 572,033	$ (32,510)	$ 1,228,981	46.55%

Notes to Schedule

Valuation Date: 10/01/2019

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, 2019 Actuarial Valuation for the City of Holly Hill Police Officers' Retirement Trust Fund.

SCHEDULE OF INVESTMENT RETURNS

Last 2 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2021	21.66%
09/30/2020	11.80%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2021)

Plan Description

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

a. Two Commission appointees,
b. Two Members of the Department elected by the Membership, and a
c. Fifth Member elected by other 4 and appointed by Commission.

Full-time employees who are classified as full-time sworn police officers shall participate in the System as a condition of employment.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	6
Active Plan Members	21
	47

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the City of Holly Hill Police Officers' Retirement Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 5.00% of Earnings, 7.00% if hired on or after July 1, 2011.

Member Contributions by City: 8.00% of Earnings prior to October 1, 2005; 0.00% thereafter. Members hired on or after 10/1/1999 vest in these contributions 16.66% for each complete year of Credited Service to 100% after 6 years of Credited Service. Members hired before 10/1/1999 are 100% vested in these contributions.

City and State Contributions: Remaining amount necessary to pay current costs and amortize past service cost if any, over 30 years.

Net Pension Liability

The measurement date is September 30, 2021.
The measurement period for the pension expense was October 1, 2020 to September 30, 2021.
The reporting period is October 1, 2020 through September 30, 2021.

The Sponsor's Net Pension Liability was measured as of September 30, 2021.
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, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.70%
Salary Increases	Service based
Discount Rate	6.90%
Investment Rate of Return	6.90%

Mortality Rate Healthy Active Lives:
Female: PubS.H-2010 (Below Median) for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Mortality Rate Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
Mortality 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, 2020 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

75% of active deaths are assumed to be service-incurred.

The most recent actuarial experience study used to review the other significant assumptions was dated October 14, 2021.

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 2021 the inflation rate assumption of the investment advisor was 2.30%.
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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return[1]
Domestic Equity	57.00%	8.30%
International Equity	10.00%	4.10%
Bonds	20.00%	3.10%
Private Real Estate	10.00%	5.50%
Cash	3.00%	0.20%
Total	100.00%	

[1] Source: Burgess Chambers

Discount Rate:
The Discount Rate used to measure the Total Pension Liability was 6.90 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, 2020	$ 13,412,412	$ 12,428,720	$ 983,692
Changes for a Year:			
Service Cost	232,897	-	232,897
Interest	981,457	-	981,457
Differences between Expected and Actual Experience	395,025	-	395,025
Changes of assumptions	707,024	-	707,024
Changes of benefit terms	-	-	-
Contributions - Employer	-	369,605	(369,605)
Contributions - State	-	138,114	(138,114)
Contributions - Employee	-	83,500	(83,500)
Net Investment Income	-	2,660,897	(2,660,897)
Benefit Payments, including Refunds of Employee Contributions	(764,759)	(764,759)	-
Administrative Expense	-	(26,740)	26,740
Net Changes	1,551,644	2,460,617	(908,973)
Balances at September 30, 2021	$ 14,964,056	$ 14,889,337	$ 74,719

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

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Sponsor's Net Pension Liability	$ 1,800,787	$ 74,719	$ (1,361,463)

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, 2021, the Sponsor will recognize a Pension Expense of $31,252.
On September 30, 2021, 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	295,814	25,727
Changes of assumptions	471,350	126,747
Net difference between Projected and Actual Earnings on Pension Plan investments	-	1,565,264
Total	$ 767,164	$ 1,717,738

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:	
2022	$ (148,970)
2023	$ (4,098)
2024	$ (447,790)
2025	$ (349,716)
2026	$ -
Thereafter	$ -

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	232,897	244,781
Interest	981,457	980,818
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	395,025	(77,182)
Changes of assumptions	707,024	(380,240)
Benefit Payments, including Refunds of Employee Contributions	(764,759)	(730,570)
Net Change in Total Pension Liability	1,551,644	37,607
Total Pension Liability - Beginning	13,412,412	13,374,805
Total Pension Liability - Ending (a)	$ 14,964,056	$ 13,412,412
Plan Fiduciary Net Position		
Contributions - Employer	369,605	432,123
Contributions - State	138,114	139,910
Contributions - Employee	83,500	76,812
Net Investment Income	2,660,897	1,316,673
Benefit Payments, including Refunds of Employee Contributions	(764,759)	(730,570)
Administrative Expense	(26,740)	(26,759)
Net Change in Plan Fiduciary Net Position	2,460,617	1,208,189
Plan Fiduciary Net Position - Beginning	12,428,720	11,220,531
Plan Fiduciary Net Position - Ending (b)	$ 14,889,337	$ 12,428,720
Net Pension Liability - Ending (a) - (b)	$ 74,719	$ 983,692
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	99.50%	92.67%
Covered Payroll	$ 1,337,315	$ 1,228,981
Net Pension Liability as a percentage of Covered Payroll	5.59%	80.04%

Notes to Schedule:

Changes of assumptions:

1. Assumed investment return reduced from 7.40% to 6.90%, net of investment related expenses.
2. Increase the expected individual salary increases for the first 4 years of employment and reduce the expectation after 4 years of service.
3. Switch to entirely service-based assumption for expected withdrawal rates, with the assumed withdrawal rates to be generally more withdrawals than previous assumed.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

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
09/30/2021	$ 536,263	$ 507,719	$ 28,544	$ 1,337,315	37.97%
09/30/2020	$ 539,523	$ 572,033	$ (32,510)	$ 1,228,981	46.55%

Notes to Schedule

Valuation Date: 10/01/2019

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, 2019 Actuarial Valuation for the City of Holly Hill Police Officers' Retirement Trust Fund.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

The following information is not required to be disclosed but is provided for informational purposes.

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	$ 983,692	$ 812,022	$ 293,954	$ -
Total Pension Liability Factors:				
Service Cost	232,897	-	-	232,897
Interest	981,457	-	-	981,457
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	395,025	-	395,025	-
Current year amortization of experience difference	-	(25,727)	(164,139)	138,412
Change in assumptions about future economic or demographic factors or other inputs	707,024	-	707,024	-
Current year amortization of change in assumptions	-	(126,747)	(235,674)	108,927
Benefit Payments, including Refunds of Employee Contributions	(764,759)	-	-	-
Net change	1,551,644	(152,474)	702,236	1,461,693
Plan Fiduciary Net Position:				
Contributions - Employer	369,605	-	-	-
Contributions - State	138,114	-	-	-
Contributions - Employee	83,500	-	-	(83,500)
Projected Net Investment Income	912,315	-	-	(912,315)
Difference between projected and actual earnings on Pension Plan investments	1,748,582	1,748,582	-	-
Current year amortization	-	(537,708)	(76,342)	(461,366)
Benefit Payments, including Refunds of Employee Contributions	(764,759)	-	-	-
Administrative Expenses	(26,740)	-	-	26,740
Net change	2,460,617	1,210,874	(76,342)	(1,430,441)
Ending Balance	$ 74,719	$ 1,870,422	$ 919,848	$ 31,252

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AMORTIZATION SCHEDULE - INVESTMENTS

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments									
			2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2021	$ (1,748,582)	5	$ (349,718)	$ (349,716)	$ (349,716)	$ (349,716)	$ (349,716)	$ -	$ -	$ -	$ -	$ -
2020	$ (490,368)	5	$ (98,074)	$ (98,074)	$ (98,074)	$ (98,074)	$ -	$ -	$ -	$ -	$ -	$ -
2019	$ 381,708	5	$ 76,342	$ 76,342	$ 76,342	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2018	$ (124,310)	5	$ (24,862)	$ (24,862)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2017	$ (325,271)	5	$ (65,054)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ (461,366)	$ (396,310)	$ (371,448)	$ (447,790)	$ (349,716)	$ -	$ -	$ -	$ -	$ -

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AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
			Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions									
2021	$ 707,024	3	$ 235,674	$ 235,675	$ 235,675	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2020	$ (380,240)	3	$ (126,747)	$ (126,747)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 108,927	$ 108,928	$ 235,675	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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AMORTIZATION SCHEDULE - EXPERIENCE

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
			Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience									
2021	$ 395,025	3	$ 131,675	$ 131,675	$ 131,675	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2020	$ (77,182)	3	$ (25,727)	$ (25,727)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2019	$ 129,854	4	$ 32,464	$ 32,464	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 138,412	$ 138,412	$ 131,675	$ -	$ -	$ -	$ -	$ -	$ -	$ -