

CITY OF PUNTA GORDA
FIREFIGHTERS' RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2022

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

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



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

December 14, 2022

Board of Trustees
City of Punta Gorda
Firefighters' Pension Board

Re: City of Punta Gorda Firefighters' Retirement System

Dear Board:

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

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

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

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

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

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


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


To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Punta Gorda, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Firefighters' Retirement System. 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, EA, ASA, MAAA
Enrolled Actuary #20-6595

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

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Enclosures

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SUMMARY OF REPORT

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

The contribution requirements, compared with those set forth in the May 9, 2022 actuarial impact statement, are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2022 <u>9/30/2024</u>	10/1/2021 <u>9/30/2023</u>
Minimum Required Contribution	\$821,673	\$798,678
Member Contributions (Est.)	255,062	236,628
City And State Required Contribution	566,611	562,050
State Contribution (Est.) ¹	209,406	209,406
City Required Contribution ²	\$357,205	\$352,644

¹ Represents the amount received in calendar 2022. As per a Mutual Consent Agreement between the Membership and the City, all State Monies received each year up to \$209,406 will be available to offset the City's required contribution.

² The above requirements assume that the City makes the full contribution at the beginning of the fiscal year.

As you can see, the Minimum Required Contribution shows an increase as a dollar amount when compared to the results displayed in the May 9, 2022 actuarial impact statement. The increase is attributable to an increase in the Total Annual Payroll. However, the Minimum Required Contribution when expressed as a percentage of Total Annual Payroll actually decreased. The reason for the reduction as a percentage of payroll is the net favorable actuarial experience as described in the next paragraph.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included favorable turnover experience and an average salary increase of 5.71% which fell short of the 6.00% assumption. These gains were offset in part by losses associated with an investment return of 6.28% (Actuarial Asset Basis) which fell short of the 7.45% assumption and inactive mortality experience.

CHANGES SINCE PRIOR VALUATION

Plan Changes

Ordinance No. 1987-2022 was adopted on May 18, 2022. This ordinance provided the following benefit provision changes:

- Benefit Accrual Rate: accrual rate for service earned after October 1, 2021 will be 3.5% for all Members (increased from the current rate of 3.0% for Members hired on and after October 1, 2012)
- Member Contribution Rate: member contributions will increase from 8.0% of salary to 9.5% of salary effective October 1, 2021 for all Members hired on or after October 1, 2012.
- Actuarially equivalent Pop-up optional form of payment will be offered at retirement.
- Post Retirement Investment Account (PRIA) is now provided to members participating in DROP.

Please refer to the May 9, 2022, Actuarial Impact Statement for details regarding the impact on the liabilities and funding requirements for the above changes.

Actuarial Assumption/Method Changes

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

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2022</u>	<u>10/1/2021</u>
A. Participant Data		
Actives	28	26
Service Retirees	15	14
DROP Retirees	1	2
Beneficiaries	1	1
Disability Retirees	5	5
Terminated Vested	<u>4</u>	<u>3</u>
Total	54	51
 Payroll Under Assumed Ret. Age	 2,532,893	 2,349,833
 Annual Rate of Payments to:		
Service Retirees	579,404	482,994
DROP Retirees	95,716	192,126
Beneficiaries	41,355	41,355
Disability Retirees	126,340	126,340
Terminated Vested	77,835	33,803
 B. Assets		
Actuarial Value (AVA) ¹	21,043,142	19,725,619
Market Value (MVA) ¹	18,856,075	22,028,033
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	16,833,408	15,682,251
Disability Benefits	206,378	198,174
Death Benefits	155,188	149,252
Vested Benefits	386,394	385,722
Refund of Contributions	11,832	6,873
Service Retirees	6,201,351	5,032,404
DROP Retirees ¹	2,384,796	3,580,159
Beneficiaries	290,163	301,394
Disability Retirees	1,223,195	1,239,109
Terminated Vested	470,065	161,522
Share Plan Balances ¹	495,189	572,068
Excess State Monies Reserve	<u>12,713</u>	<u>12,713</u>
 Total	 28,670,672	 27,321,641

C. Liabilities - (Continued)	<u>10/1/2022</u>	<u>10/1/2021</u>
Present Value of Future Salaries	23,362,972	22,602,422
Present Value of Future Member Contributions	2,219,482	2,147,230
Normal Cost (Retirement)	652,889	603,587
Normal Cost (Disability)	14,055	13,026
Normal Cost (Death)	12,603	11,652
Normal Cost (Vesting)	25,532	23,235
Normal Cost (Refunds)	3,035	1,812
Total Normal Cost	<u>708,114</u>	<u>653,312</u>
Present Value of Future Normal Costs	6,313,529	6,084,912
Accrued Liability (Retirement)	10,942,546	9,997,758
Accrued Liability (Disability)	81,498	77,277
Accrued Liability (Death)	42,172	40,456
Accrued Liability (Vesting)	211,542	220,803
Accrued Liability (Refunds)	1,913	1,066
Accrued Liability (Inactives) ¹	10,569,570	10,314,588
Share Plan Balances ¹	495,189	572,068
Excess State Monies Reserve	12,713	12,713
Total Actuarial Accrued Liability (EAN AL)	<u>22,357,143</u>	<u>21,236,729</u>
Unfunded Actuarial Accrued Liability (UAAL)	1,314,001	1,511,110
Funded Ratio (AVA / EAN AL)	94.1%	92.9%

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2022</u>	<u>10/1/2021</u>
Vested Accrued Benefits		
Inactives + Share Plan Balances ¹	11,064,759	10,886,656
Actives	4,807,601	3,874,579
Member Contributions	<u>1,769,853</u>	<u>1,588,548</u>
Total	17,642,213	16,349,783
Non-vested Accrued Benefits	<u>575,187</u>	<u>576,142</u>
Total Present Value		
Accrued Benefits (PVAB)	18,217,400	16,925,925
Funded Ratio (MVA / PVAB)	103.5%	130.1%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	775,133	
Benefits Paid	(717,898)	
Interest	1,234,240	
Other	<u>0</u>	
Total	1,291,475	

Valuation Date	10/1/2022	10/1/2021
Applicable to Fiscal Year Ending	<u>9/30/2024</u>	<u>9/30/2023</u>
E. Pension Cost		
Normal Cost ²	\$750,601	\$692,511
Administrative Expenses ²	47,201	39,373
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 26 years (as of 10/1/2022) ²	23,871	66,794
Minimum Required Contribution	821,673	798,678
Expected Member Contributions ²	255,062	236,628
Expected City and State Contribution	566,611	562,050
F. Past Contributions		
Plan Years Ending:	<u>9/30/2022</u>	
City and State Requirement	547,922	
Actual Contributions Made:		
City	338,516	
State	<u>209,406</u>	
Total	547,922	
G. Net Actuarial (Gain)/Loss	(235,781)	

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2022 and 9/30/2021.

² Contributions developed as of 10/1/2022 displayed above have been adjusted to account for assumed salary increase components.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2022	1,314,001
2023	1,387,695
2024	1,409,026
2030	371,536
2033	36,765
2048	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2022	5.71%	6.00%
Year Ended 9/30/2021	7.95%	6.00%
Year Ended 9/30/2020	11.40%	6.00%
Year Ended 9/30/2019	12.43%	6.00%
Year Ended 9/30/2018	3.70%	6.00%

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

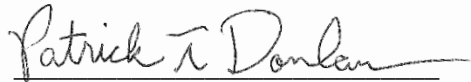
	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2022	-14.66%	6.28%	7.45%
Year Ended 9/30/2021	23.71%	10.84%	7.60%
Year Ended 9/30/2020	12.57%	10.60%	7.75%
Year Ended 9/30/2019	4.93%	9.77%	7.75%
Year Ended 9/30/2018	11.08%	8.45%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2022	\$2,532,893
	10/1/2012	1,619,708
(b) Total Increase		56.38%
(c) Number of Years		10.00
(d) Average Annual Rate		4.57%

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, 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, 2021	\$1,511,110
(2) Sponsor Normal Cost developed as of October 1, 2021	430,078
(3) Expected administrative expenses for the year ended September 30, 2022	37,144
(4) Expected interest on (1), (2) and (3)	146,002
(5) Sponsor contributions to the System during the year ended September 30, 2022	547,922
(6) Expected interest on (5)	26,630
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2022 (1)+(2)+(3)+(4)-(5)-(6)	1,549,782
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	(235,781)
(10) Unfunded Actuarial Accrued Liability as of October 1, 2022	1,314,001

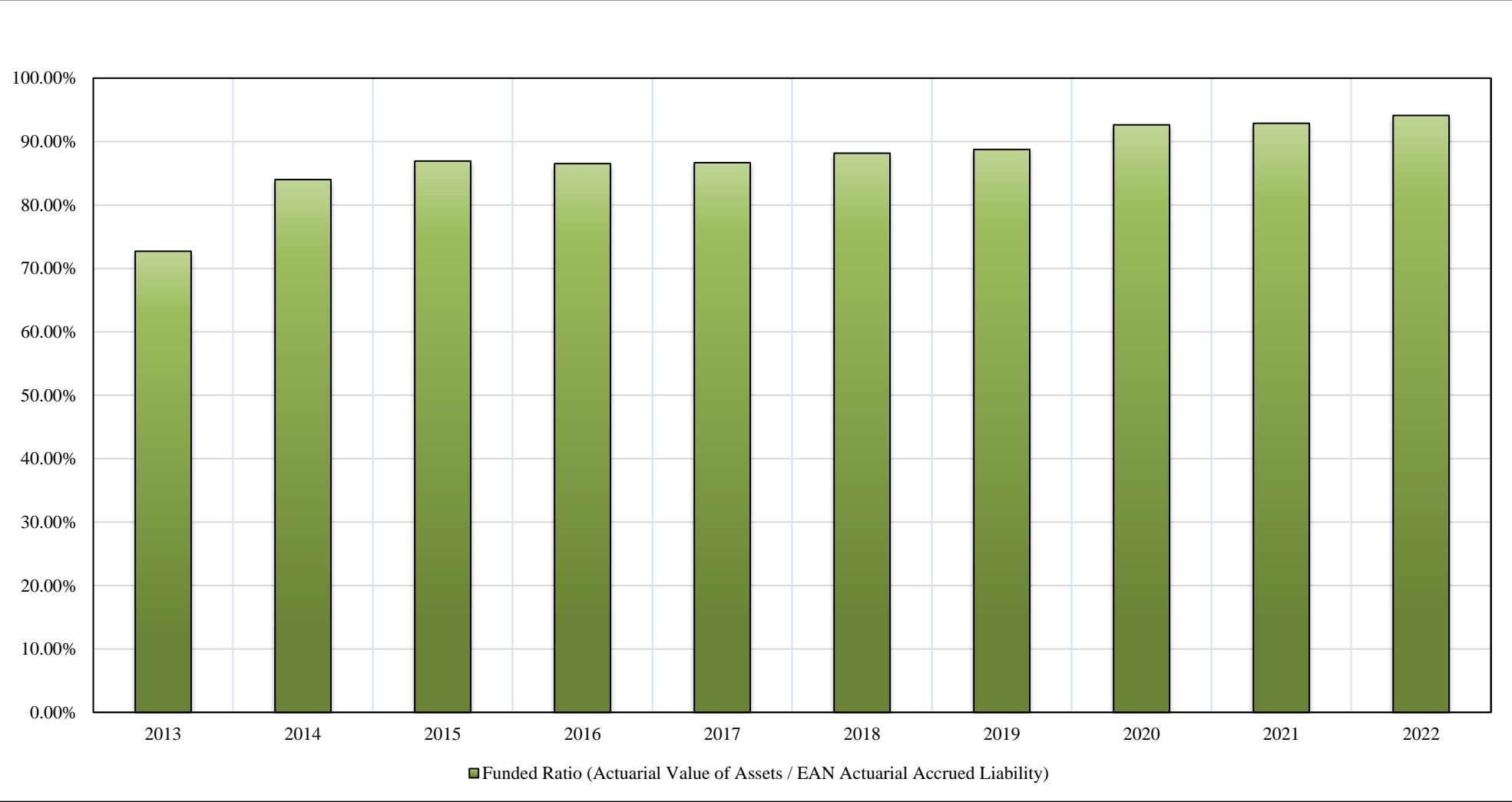
<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2022 Amount</u>	<u>Amortization Amount</u>
"B"	10/1/1994	2	24,039	12,451
"C"	10/1/1995	3	10,212	3,651
"D"	10/1/1999	7	81,809	14,350
"E"	10/1/2000	8	259,190	41,104
"F"	10/1/2002	10	31,067	4,203
"G"	10/1/2004	12	876,270	105,151
"H"	10/1/2005	13	368,684	42,108
"I"	10/1/2006	14	43,970	4,806
Actuarial Gain	10/1/2007	15	(66,908)	(7,032)
Benefit Improvement	10/1/2007	15	60,569	6,366
Method Change	10/1/2008	6	55,704	11,028
Assumption Change	10/1/2010	8	113,656	18,024
Benefit Change	10/1/2012	20	(183,461)	(16,685)
Actuarial Gain	10/1/2013	1	(53,842)	(53,842)
Actuarial Gain	10/1/2014	2	(299,512)	(155,134)
Actuarial Gain	10/1/2015	3	(120,239)	(42,992)
Assumption Change	10/1/2015	13	263,393	30,083
Assumption Change	10/1/2016	14	174,010	19,020
Actuarial Loss	10/1/2016	4	26,335	7,309
Actuarial Loss	10/1/2017	5	63,357	14,555
Actuarial Gain	10/1/2018	6	(22,000)	(4,355)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2022 <u>Amount</u>	Amortization <u>Amount</u>
Benefits Change	10/1/2018	26	(4,499)	(369)
Actuarial Loss	10/1/2019	7	187,110	32,820
Actuarial Loss	10/1/2020	13	207,746	23,727
Asmp/Mthd Change	10/1/2020	13	(665,890)	(76,053)
Actuarial Gain	10/1/2021	14	(306,913)	(33,548)
Assumption change	10/1/2021	14	321,445	35,136
Benefit Change	10/1/2021	14	104,480	11,420
Actuarial Gain	10/1/2022	15	(235,781)	(24,782)
			<u>1,314,001</u>	<u>22,520</u>

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2021	\$1,511,110
(2) Expected UAAL as of October 1, 2022	1,549,782
 (3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	231,335
Salary Increases	(169,094)
Active Decrements	(201,619)
Inactive Mortality	85,690
Interest Crediting on Share Plan Balances	(118,730)
Other	<u>(63,363)</u>
Increase in UAAL due to (Gain)/Loss	(235,781)
Assumption Changes	0
(4) Actual UAAL as of October 1, 2022	\$1,314,001

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 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.

90% of active deaths are assumed to be service-incurred.

Interest Rate

7.45% 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

6.0% per year up to the assumed retirement age; see Table later in this section. Final salary in year of retirement is increased individually to account for additional non-regular compensation. We feel that this assumption is reasonable on a long-term basis

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

\$44,529 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 15 years.

Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.

Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution:

Interest - None, based on current 7.45% assumption.

Salary - A full year, based on current 6.00% assumption.

Termination Rates

See Table later in this section for sample rates applicable prior to 10 years of employment. In addition, all members are assumed to have a 1.0% rate for all ages after completing 10 or more years of employment. The assumption is based on the results of an experience study dated September 10, 2020.

Disability Rates

See Table later in this section for sample rates. It is assumed that 90% of disablements are service related. This assumption was developed from those used by other plans containing Florida municipal Firefighters.

Retirement Age

See Table later in this section. The assumption is based on the results of an experience study dated September 10, 2020.

Early Retirement

Commencing upon a member's eligibility for Early Retirement (Age 45 with 10 years of credited service), members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year. We feel that this assumption is reasonable based on the plan provisions.

Asset Valuation 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

<u>% Terminating During the Year</u>		<u>% Becoming Disabled During the Year</u>		<u>Current Salary as % of Salary at age 55</u>		<u>% Retiring During the Year Years After</u>	
<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>First Eligible</u>	<u>Rate</u>
20	6.0%	20	0.03%	20	13.0%	<1	70.0%
30	5.0%	30	0.04%	30	23.3%	1-2	50.0%
40	2.6%	40	0.07%	40	41.7%	3+	100.0%
50	0.8%	50	0.18%	50	74.7%		

GLOSSARY

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

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

(a) The normal cost accrual rate equals:

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

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

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

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

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

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

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

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

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

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

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

DISCUSSION OF RISK

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

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

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

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: 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.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

Impact of Plan Maturity on Risk

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

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

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 138.9% on October 1, 2012 to 112.0% on October 1, 2022, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 47.3%. 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 65.7% on October 1, 2012 to 94.1% on October 1, 2022.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from 4.7% on October 1, 2012 to 0.4% on October 1, 2022. The current Net Cash Flow Ratio of 0.4% indicates that contributions are generally 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

	<u>10/1/2022</u>	<u>10/1/2021</u>	<u>10/1/2017</u>	<u>10/1/2012</u>
<u>Support Ratio</u>				
Total Actives	28	26	25	25
Total Inactives ¹	25	24	22	18
Actives / Inactives ¹	112.0%	108.3%	113.6%	138.9%
<u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	18,856,075	22,028,033	13,321,103	7,792,009
Total Annual Payroll	2,532,893	2,349,833	1,774,117	1,619,708
MVA / Total Annual Payroll	744.4%	937.4%	750.9%	481.1%
<u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	10,569,570	10,314,588	7,479,654	4,217,956
Total Accrued Liability (EAN)	22,357,143	21,236,729	14,769,573	11,555,811
Inactive AL / Total AL	47.3%	48.6%	50.6%	36.5%
<u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	21,043,142	19,725,619	12,801,468	7,593,369
Total Accrued Liability (EAN)	22,357,143	21,236,729	14,769,573	11,555,811
AVA / Total Accrued Liability (EAN)	94.1%	92.9%	86.7%	65.7%
<u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	76,452	113,884	(218,864)	367,335
Market Value of Assets (MVA)	18,856,075	22,028,033	13,321,103	7,792,009
Ratio	0.4%	0.5%	-1.6%	4.7%

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 <u>Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	128,741.85	_____%
1999	101,023.50	-21.5%
2000	114,274.60	13.1%
2001	110,674.51	-3.2%
2002	125,656.36	13.5%
2003	146,662.83	16.7%
2004	158,815.24	8.3%
2005	177,708.11	11.9%
2006	204,756.03	15.2%
2007	248,220.06	21.2%
2008	337,691.75	36.0%
2009	322,614.68	-4.5%
2010	240,741.16	-25.4%
2011	220,454.06	-8.4%
2012	220,125.51	-0.1%
2013	235,936.60	7.2%
2014	247,645.74	5.0%
2015	247,181.15	-0.2%
2016	224,406.88	-9.2%
2017	197,070.15	-12.2%
2018	158,593.56	-19.5%
2019	198,398.80	25.1%
2020	215,770.38	8.8%
2021	247,184.03	14.6%
2022	246,323.00	-0.3%

EXCESS STATE MONIES RESERVE

	Regular Distribution			Special Distribution		
	Actual State Contribution	Applicable "Frozen" Amount	Excess State Monies Reserve	Actual State Contribution	Applicable "Frozen" Amount	Excess State Monies Reserve
1999	\$70,819.16	\$67,383.60	\$3,435.56	\$30,204.34	\$30,204.34	\$0.00
2000	75,607.45	75,607.45	0.00	38,667.15	34,869.49	3,797.66
2001	67,533.87	130,674.30	0.00	43,140.64	43,140.64	0.00
2002	90,169.27	130,674.30	0.00	35,487.09	43,140.64	0.00
2003	96,677.44	110,674.30	0.00	49,985.39	68,508.64	0.00
2004	104,947.05	110,674.30	0.00	53,868.19	70,507.64	0.00
2005	114,680.97	138,898.30	0.00	63,027.14	70,507.64	0.00
2006	138,522.22	140,621.22	0.00	66,233.81	68,784.72	0.00
2007	165,096.45	165,096.45	0.00	83,123.61	44,309.49	38,814.12
2008	197,083.07	197,083.07	0.00	140,608.68	12,322.87	128,285.81
2009	167,921.20	167,921.20	0.00	154,693.48	41,484.74	113,208.74
2010	151,299.78	151,299.78	0.00	89,441.38	58,106.16	31,335.22
2011	145,914.51	145,914.51	0.00	74,539.55	63,491.43	11,048.12
2012	150,298.46	150,298.46	0.00	69,827.05	59,107.48	10,719.57
2013	154,326.03	154,326.03	0.00	81,610.57	55,079.97	26,530.60
2014	164,159.85	164,159.85	0.00	83,485.89	45,246.15	38,239.74
2015	156,394.77	156,394.77	0.00	90,786.38	53,011.23	37,775.15
2016	156,261.84	156,261.84	0.00	68,145.04	53,144.16	15,000.88
2017	157,707.41	157,707.41	0.00	39,362.74	51,698.59	0.00
2018	150,013.08	150,013.08	0.00	8,580.48	8,580.48	0.00
2019	192,206.04	192,206.04	0.00	6,192.76	6,192.76	0.00
2020	215,770.38	209,406.00	6,364.38	0.00	0.00	0.00
2021	245,711.67	207,933.64	37,778.03	1,472.36	1,472.36	0.00
2022	246,323.00	209,406.00	36,917.00	0.00	0.00	0.00
			<u>84,494.97</u>			<u>454,755.61</u>
			84,494.97			
			<u>454,755.61</u>			
			539,250.58			
			(7,233.22)			
			(114,500.00)			
			(206,199.00)			
			(26,530.60)			
			(38,239.74)			
			(37,775.15)			
			(15,000.88)			
			(6,364.38)			
			(37,778.03)			
			<u>(36,917.00)</u>			
			\$12,712.58			

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	194,873.70	194,873.70
Total Cash and Equivalents	194,873.70	194,873.70
Receivables:		
Total Receivable	0.00	0.00
Investments:		
Mutual Funds:		
Fixed Income	3,776,838.10	3,182,201.76
Equity	10,904,850.89	10,709,578.32
Pooled/Common/Commingled Funds:		
Real Estate	3,167,560.32	4,774,296.00
Total Investments	17,849,249.31	18,666,076.08
Total Assets	18,044,123.01	18,860,949.78
 <u>LIABILITIES</u>		
Payables:		
Investment Expenses	4,875.00	4,875.00
Total Liabilities	4,875.00	4,875.00
NET POSITION RESTRICTED FOR PENSIONS	18,039,248.01	18,856,074.78

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

ADDITIONS

Contributions:

Member	222,098.64
Buy-Back	41,431.00
City	338,516.00
State	246,323.00

Total Contributions 848,368.64

Investment Income:

Net Realized Gain (Loss)	(247.70)
Unrealized Gain (Loss)	(4,394,653.15)
Net Increase in Fair Value of Investments	(4,394,900.85)
Interest & Dividends	1,175,007.61
Less Investment Expense ¹	(28,516.79)

Net Investment Income (3,248,410.03)

Total Additions (2,400,041.39)

DEDUCTIONS

Distributions to Members:

Benefit Payments	682,825.68
Lump Sum DROP Distributions	0.00
Lump Sum Share Distributions	35,072.51
Refunds of Member Contributions	0.00

Total Distributions 717,898.19

Administrative Expense 54,019.09

Total Deductions 771,917.28

Net Increase in Net Position (3,171,958.67)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 22,028,033.45

End of the Year 18,856,074.78

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

ACTUARIAL ASSET VALUATION
September 30, 2022

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.

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2022	2023	2024	2025	2026
09/30/2021	2,878,018	1,726,810	1,151,206	575,602	0	0
09/30/2022	(4,892,346)	(3,913,877)	(2,935,408)	(1,956,939)	(978,470)	0
Total		(2,187,067)	(1,784,202)	(1,381,337)	(978,470)	0

Development of Investment Gain/Loss

Market Value of Assets, 09/30/2021	22,028,033
Contributions Less Benefit Payments & Admin Expenses	76,451
Expected Investment Earnings*	1,643,936
Actual Net Investment Earnings	(3,248,410)
2022 Actuarial Investment Gain/(Loss)	<u>(4,892,346)</u>

*Expected Investment Earnings = 0.0745 * (22,028,033 + 0.5 * 76,451)

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2022	18,856,075
(2) Gains/(Losses) Not Yet Recognized	<u>(2,187,067)</u>
(3) Actuarial Value of Assets, 09/30/2022, (1) - (2)	21,043,142
(A) 09/30/2021 Actuarial Assets:	19,725,619
(I) Net Investment Income:	
1. Interest and Dividends	1,175,008
2. Realized Gain (Loss)	(248)
3. Unrealized Gain (Loss)	(4,394,653)
4. Change in Actuarial Value	4,489,481
5. Investment Expenses	<u>(28,517)</u>
Total	1,241,071
(B) 09/30/2022 Actuarial Assets::	21,043,142
Actuarial Assets Rate of Return = 2I/(A+B-I):	6.28%
Market Value of Assets Rate of Return:	-14.66%
10/01/2022 Limited Actuarial Assets:	21,043,142
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(231,335)

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

REVENUES

Contributions:		
Member	222,098.64	
Buy-Back	41,431.00	
City	338,516.00	
State	246,323.00	
 Total Contributions		 848,368.64
Earnings from Investments:		
Interest & Dividends	1,175,007.61	
Net Realized Gain (Loss)	(247.70)	
Unrealized Gain (Loss)	(4,394,653.15)	
Change in Actuarial Value	4,489,481.00	
 Total Earnings and Investment Gains		 1,269,587.76

EXPENDITURES

Distributions to Members:		
Benefit Payments	682,825.68	
Lump Sum DROP Distributions	0.00	
Lump Sum Share Distributions	35,072.51	
Refunds of Member Contributions	0.00	
 Total Distributions		 717,898.19
Expenses:		
Investment related ¹	28,516.79	
Administrative	54,019.09	
 Total Expenses		 82,535.88
 Change in Net Assets for the Year		 1,317,522.33
 Net Assets Beginning of the Year		 19,725,619.45
 Net Assets End of the Year ²		 21,043,141.78

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

²Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2021 to September 30, 2022

Beginning of the Year Balance	1,100,447.26
Plus Additions	159,989.64
Investment Return Earned	(96,441.11)
Less Distributions	0.00
End of the Year Balance	1,163,995.79

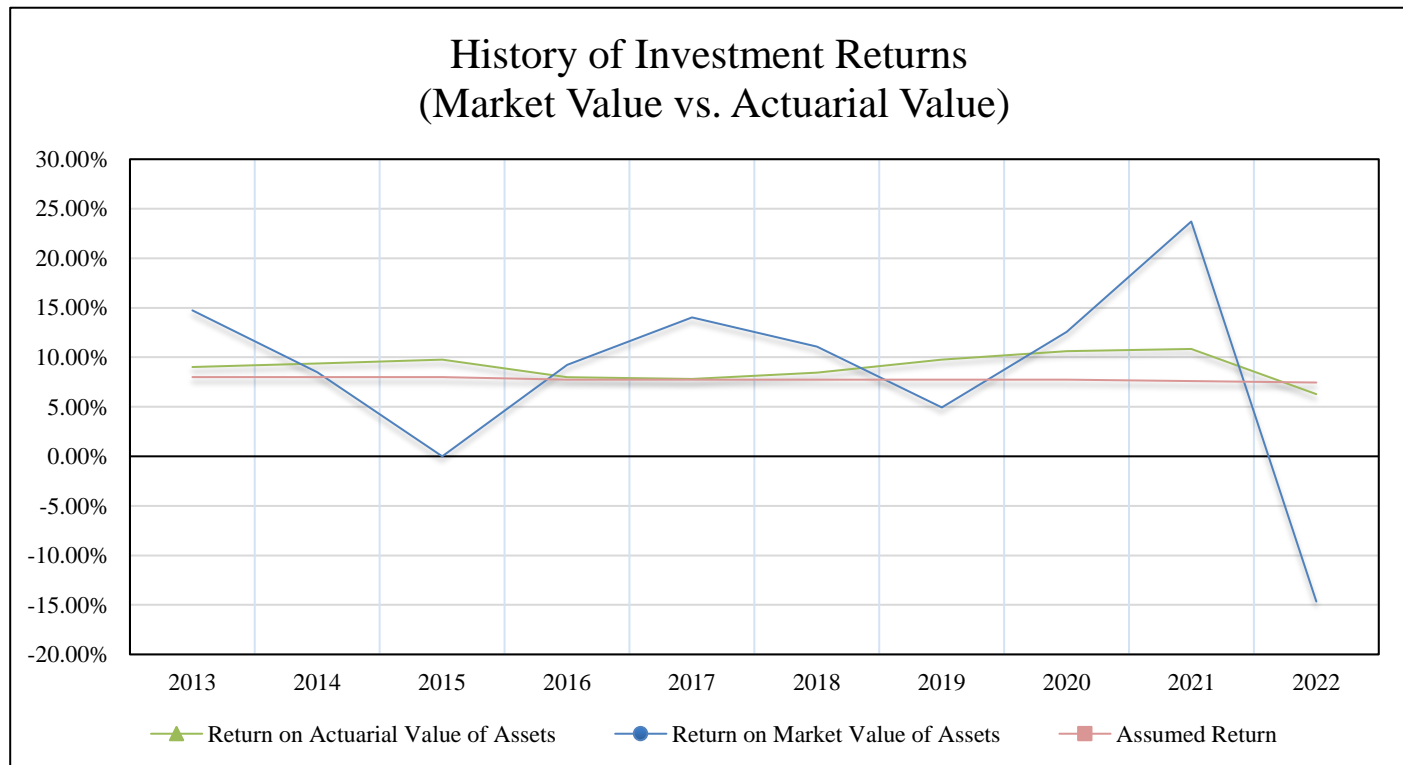
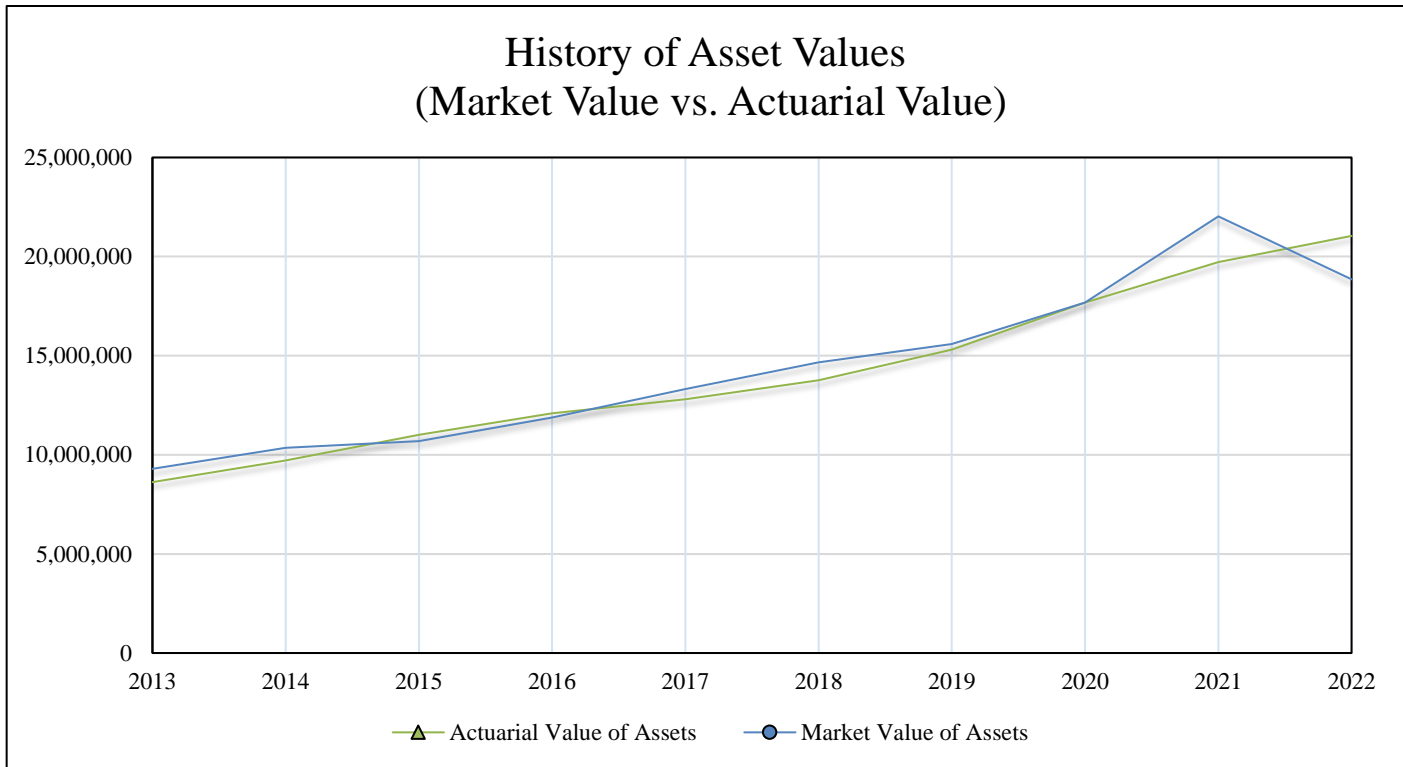
SUPPLEMENTAL CHAPTER 175 SHARE PLAN ACTIVITY
October 1, 2021 through September 30, 2022

9/30/2021 Balance	572,068.46
Prior Year Adjustment	0.02
Plus Additions	36,917.00
Investment Return Earned (Est.)	(78,724.00)
Administrative Fees (Est.)	0.00
Less Distributions	(35,072.51)
9/30/2022 Balance (Est.)	495,188.97

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

(1) Required City and State Contributions	\$547,922.00
(2) Less Allowable State Contribution	<u>(209,406.00)</u>
(3) Required City Contribution for Fiscal 2022	338,516.00
(4) Less 2021 Prepaid Contribution	0.00
(5) Less Actual City Contributions	<u>(338,516.00)</u>
(6) City Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2022	\$0.00

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA

	<u>10/1/2022</u>	<u>10/1/2021</u>	<u>10/1/2020</u>	<u>10/1/2019</u>
<u>Actives - Members Hired Before 10/1/12</u>				
Number	15	16	17	17
Average Current Age	44.5	43.0	42.5	41.5
Average Age at Employment	28.3	27.8	27.7	27.7
Average Past Service	16.2	15.2	14.8	13.8
Average Annual Salary	\$108,425	\$102,694	\$97,579	\$87,358

<u>Actives - Members hired After 10/1/12</u>				
Number	13	10	9	8
Average Current Age	35.6	36.1	35.4	35.8
Average Age at Employment	31.0	31.5	30.8	31.7
Average Past Service	4.6	4.6	4.6	4.1
Average Annual Salary	\$69,732	\$70,673	\$66,143	\$62,092

<u>Service Retirees</u>				
Number	15	14	13	13
Average Current Age	63.5	63.2	64.5	63.5
Average Annual Benefit	\$38,627	\$34,500	\$33,592	\$33,592

<u>DROP Retirees</u>				
Number	1	2	2	2
Average Current Age	56.5	54.1	53.1	52.1
Average Annual Benefit	\$95,716	\$96,063	\$96,063	\$96,063

<u>Beneficiaries</u>				
Number	1	1	0	0
Average Current Age	80.1	79.1	N/A	N/A
Average Annual Benefit	\$41,355	\$41,355	N/A	N/A

<u>Disability Retirees</u>				
Number	5	5	5	5
Average Current Age	59.8	58.8	57.8	56.8
Average Annual Benefit	\$25,268	\$25,268	\$25,268	\$25,268

<u>Terminated Vested</u>				
Number	4	3	4	4
Average Current Age ¹	37.3	36.3	40.9	39.9
Average Annual Benefit ¹	\$25,945	\$16,902	\$13,729	\$13,729

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	2		1			1						4
30 - 34					1		1					2
35 - 39	1					2	1	2				6
40 - 44		1					1	2	1			5
45 - 49						3	2		2			7
50 - 54								3				3
55 - 59												0
60 - 64												0
65+												0
Total	3	2	1	0	1	6	5	7	3	0	0	28

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2021	26
b. Terminations	
i. Vested (partial or full) with deferred annuity	(1)
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	25
h. New entrants / Rehires	<u>3</u>
i. Total active life participants in valuation	28

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	14	2	1	5	2	1	25
Retired	1	(1)	0	0	0	0	0
DROP	0	0	0	0	0	0	0
Vested (Deferred Annuity)	0	0	0	0	1	0	1
Vested (Due Refund)	0	0	0	0	0	0	0
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	15	1	1	5	3	1	26

SUMMARY OF CURRENT PLAN
(Through Ordinance No. 1987-2022)

<u>ORIGINAL EFFECTIVE DATE</u>	2/16/1977
<u>LATEST AMENDMENT</u>	5/18/2022
<u>CREDITED SERVICE</u>	Years and fractional parts of years of service with the City as a Firefighter.
<u>AVERAGE FINAL COMPENSATION (AFC)</u>	1/12 th of the average total cash compensation paid during the three (3) highest years of the last fifteen (15) years of Credited Service.
<u>NORMAL RETIREMENT</u>	
Eligibility	Earlier of age 55 or the completion of 25 years of Credited Service.
Benefit Amount	3.50% of Average Final Compensation times Credited Service for Members hired before 10/1/2012. 3.00% (3.5% for service earned after 9/30/2021) of Average Final Compensation times Credited Service for Members hired on and after 10/1/2012.
Form of Benefit	10 year certain and life thereafter (options available)
<u>EARLY RETIREMENT</u>	
Eligibility	Age 45 and 10 years of Credited Service.
Benefit Amount	Accrued benefit, reduced 3% per year early.
<u>DISABILITY</u>	
Eligibility	a) 10 years of service for non-service related; coverage from date of hire for service-incurred. b) Total and permanent disability prior to Normal Retirement Date.

Benefit Amount

3.50% (3.00% for service earned prior to 10/1/2021, if hired on or after 10/1/2012) of Average Final Compensation times Credited Service, but not less than 60% of AFC for service related disabilities, or 25% of AFC for non-service related disabilities.

DEATH

Pre-Retirement
Service-Incurred

With Spouse or
Dependent Child

To Spouse:
60% of Member's Average Final
Compensation.

To each Child (if no Spouse):
15% of Member's AFC. Overall maximum
benefit to children is 60% of AFC.

Pre-Retirement
Non-Service-Incurred
or no Spouse or Children

Value of accrued pension benefit paid
to designated beneficiary.

VESTING (TERMINATION)

Less than 5 years of
Credited Service

Refund of Member Contributions.

5 years or more

Accrued benefit payable at age 45 or
later, on an actuarially reduced basis
if to commence prior to Normal Retirement
Date.

Or

Refund of Member Contributions.

CONTRIBUTIONS

Employee

For Members hired on or after 10/1/2012:
8.0% of total pay for the fiscal year ending
9/30/2021.
9.5% for each fiscal year thereafter.

For Members hired prior to 10/1/2012:
9.0% for the fiscal year ending 9/30/2014
9.5% for each fiscal year thereafter.

City	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes. Notwithstanding the previous sentence, the City's total annual contribution shall be at least 12% of the covered payroll.
Premium Tax	1.85% tax on premiums for insurance policies.
<u>BOARD OF TRUSTEES</u>	<ul style="list-style-type: none"> a) Two City Council appointees, b) Two Members of the System elected by a majority of the other covered Firefighters, and c) A fifth Member elected by the other 4 and appointed by Council.
<u>DEFERRED RETIREMENT OPTION PLAN</u>	
Eligibility	25 years of Credited Service with the City or Normal Retirement Age.
Participation	Not to exceed 60 months
Rate of Return	Actual net rate of investment return credited each fiscal quarter.
Distribution	Lump sum (options available) at termination of employment.
<u>CHAPTER 175 SHARE PLAN</u>	
Allocation	Each year premium tax monies received pursuant to Chapter 175, Florida Statutes in excess of \$209,406 will be allocated to individual Member Share accounts based on full years of credited service with the City.
Investment Earnings	Net rate of investment return, for each firefighter employed on the preceding September 30.
Distribution	Lump sum payment at retirement, termination, disability, or death.
Vesting Service Requirement	Same as for other benefits (see above).

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	194,874
Total Cash and Equivalents	194,874
Total Receivable	0
Investments:	
Mutual Funds:	
Fixed Income	3,182,202
Equity	10,709,578
Real Estate	4,774,296
Total Investments	18,666,076
Total Assets	18,860,950
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	4,875
Total Liabilities	4,875
NET POSITION RESTRICTED FOR PENSIONS	18,856,075

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

ADDITIONS

Contributions:

Member	222,099
Buy-Back	41,431
City	338,516
State	246,323

Total Contributions	848,369
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Investment Income:

Net Increase in Fair Value of Investments	(4,394,901)
Interest & Dividends	1,175,008
Less Investment Expense ¹	(28,517)

Net Investment Income	(3,248,410)
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Total Additions	(2,400,041)
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DEDUCTIONS

Distributions to Members:

Benefit Payments	682,826
Lump Sum DROP Distributions	0
Lump Sum Share Distributions	35,072
Refunds of Member Contributions	0

Total Distributions	717,898
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Administrative Expense	54,019
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Total Deductions	771,917
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Net Increase in Net Position	(3,171,958)
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	22,028,033
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End of the Year	18,856,075
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

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

Plan Administration

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

- a) Two City Council appointees,
- b) Two Members of the System elected by a majority of the other covered Firefighters, and a
- c) Fifth Member elected by the other four and appointed by Council.

Plan Membership as of October 1, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	22
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	3
Active Plan Members	26
	51

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2021 Actuarial Valuation Report for the City of Punta Gorda Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

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

Contributions

Employee: For Members hired on or after 10/1/2012: 8.0% of total pay for the fiscal year ending 9/30/2021. 9.5% for each fiscal year thereafter. For Members hired prior to 10/1/2012: 9.0% for the fiscal year ending 9/30/2014. 9.5% for each fiscal year thereafter.

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

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes. Notwithstanding the previous sentence, the City's total annual contribution shall be at least 12% of the covered payroll.

Investment Policy:

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

Asset Class	Target Allocation
Domestic Equity	50.00%
International Equity	15.00%
Domestic Fixed Income	20.00%
Global Fixed Income	5.00%
Real Estate	10.00%
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, 2022, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was -14.66 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: 25 years of Credited Service with the City or Normal Retirement Age.

Participation: Not to exceed 60 months.

The DROP balance as September 30, 2022 is \$1,163,996.

NET PENSION LIABILITY OF THE SPONSOR

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

Total Pension Liability	\$ 22,625,216
Plan Fiduciary Net Position	<u>\$ (18,856,075)</u>
Sponsor's Net Pension Liability	<u>\$ 3,769,141</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	83.34%

Actuarial Assumptions:

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

Inflation	2.50%
Salary Increases	6.00%
Discount Rate	7.45%
Investment Rate of Return	7.45%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 for Employees, set forward one year.

Mortality Rate Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

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

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

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

Mortality Rate Disabled Lives:

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

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

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

90% of active deaths are assumed to be service-incurred.

The most recent actuarial experience study used to review the other significant assumptions was dated September 10, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2022 the inflation rate assumption of the investment advisor was 2.50%.

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

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return¹</u>
Domestic Equity	7.50%
International Equity	8.50%
Domestic Fixed Income	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%

¹ Source: AndCo Consulting

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.45 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	Current Discount Rate	1% Increase
	6.45%	7.45%	8.45%
Sponsor's Net Pension Liability	\$ 6,336,746	\$ 3,769,141	\$ 1,619,200

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 2 Fiscal Years

	09/30/2022	09/30/2021
Total Pension Liability		
Service Cost	639,667	595,529
Interest	1,573,539	1,409,144
Share Plan Allocation	36,917	37,778
Changes of benefit terms	105,054	-
Differences between Expected and Actual Experience	266,346	649,965
Changes of assumptions	348,760	-
Contributions - Buy Back	41,431	-
Benefit Payments, including Refunds of Employee Contributions	(717,898)	(639,127)
Net Change in Total Pension Liability	2,293,816	2,053,289
Total Pension Liability - Beginning	20,331,400	18,278,111
Total Pension Liability - Ending (a)	<u>\$ 22,625,216</u>	<u>\$ 20,331,400</u>
Plan Fiduciary Net Position		
Contributions - Employer	338,516	335,930
Contributions - State	246,323	247,184
Contributions - Employee	222,099	204,934
Contributions - Buy Back	41,431	-
Net Investment Income	(3,248,410)	4,226,599
Benefit Payments, including Refunds of Employee Contributions	(717,898)	(639,127)
Administrative Expense	(54,019)	(35,038)
Net Change in Plan Fiduciary Net Position	(3,171,958)	4,340,482
Plan Fiduciary Net Position - Beginning	22,028,033	17,687,551
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,856,075</u>	<u>\$ 22,028,033</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,769,141</u>	<u>\$ (1,696,633)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.34%	108.34%
Covered Payroll	\$ 2,337,879	\$ 2,257,924
Net Pension Liability as a percentage of Covered Payroll	161.22%	-75.14%

Notes to Schedule:*Changes in benefit terms:*

For measurement date 09/30/2022, amounts reported as changes of benefits resulted from Ordinance No. 1987-2022, which provided the following benefit changes:

1. Benefit Accrual Rate: accrual rate for service earned after October 1, 2021 will be 3.5% for all Members (increased from the current rate of 3.0% for Members hired on and after October 1, 2012).
2. Member Contribution Rate: member contributions will increase from 8.0% of salary to 9.5% of salary effective October 1, 2021 for all Members hired on or after October 1, 2012.
3. Actuarially equivalent Pop-up optional form of payment will be offered at retirement.
4. Post Retirement Investment Account (PRIA) is now provided to members participating in DROP.

Changes of assumptions:

For measurement date 09/30/2022, the investment rate of return was lowered from 7.60% to 7.45% per year, net of investment related expenses.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2022	\$ 547,922	\$ 547,922	\$ -	\$ 2,337,879	23.44%
09/30/2021	\$ 528,136	\$ 545,336	\$ (17,200)	\$ 2,257,924	24.15%

Notes to Schedule

Valuation Date: 10/01/2020

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

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

SCHEDULE OF INVESTMENT RETURNS
Last 2 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2022	-14.66%
09/30/2021	23.71%

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

Plan Description

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

- a) Two City Council appointees,
- b) Two Members of the System elected by a majority of the other covered Firefighters, and a
- c) Fifth Member elected by the other four and appointed by Council.

All Firefighters as of the Effective Date, and all future new Firefighters, shall become Members of this System as a condition of employment.

Plan Membership as of October 1, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	22
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	3
Active Plan Members	26
	51
	51

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2021 Actuarial Valuation Report for the City of Punta Gorda Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

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

Contributions

Employee: For Members hired on or after 10/1/2012: 8.0% of total pay for the fiscal year ending 9/30/2021. 9.5% for each fiscal year thereafter. For Members hired prior to 10/1/2012: 9.0% for the fiscal year ending 9/30/2014. 9.5% for each fiscal year
Premium Tax: 1.85% tax on premiums for insurance policies.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes. Notwithstanding the previous sentence, the City's total annual contribution shall be at least 12% of the covered payroll.

Net Pension Liability

The measurement date is September 30, 2022.

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

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

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

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

Actuarial Assumptions:

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

Inflation	2.50%
Salary Increases	6.00%
Discount Rate	7.45%
Investment Rate of Return	7.45%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 for Employees, set forward one year.

Mortality Rate Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

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

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

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

Mortality Rate Disabled Lives:

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

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

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

90% of active deaths are assumed to be service-incurred.

The most recent actuarial experience study used to review the other significant assumptions was dated September 10, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2022 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
Domestic Equity	50.00%	7.50%
International Equity	15.00%	8.50%
Domestic Fixed Income	20.00%	2.50%
Global Fixed Income	5.00%	3.50%
Real Estate	10.00%	4.50%
Total	100.00%	

¹ Source: AndCo Consulting

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.45 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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of September 30, 2021	\$ 20,331,400	\$ 22,028,033	\$ (1,696,633)
Changes for a Year:			
Service Cost	639,667	-	639,667
Interest	1,573,539	-	1,573,539
Share Plan Allocation	36,917	-	36,917
Differences between Expected and Actual Experience	266,346	-	266,346
Changes of assumptions	348,760	-	348,760
Changes of benefit terms	105,054	-	105,054
Contributions - Employer	-	338,516	(338,516)
Contributions - State	-	246,323	(246,323)
Contributions - Employee	-	222,099	(222,099)
Contributions - Buy Back	41,431	41,431	-
Net Investment Income	-	(3,248,410)	3,248,410
Benefit Payments, including Refunds of Employee Contributions	(717,898)	(717,898)	-
Administrative Expense	-	(54,019)	54,019
Net Changes	2,293,816	(3,171,958)	5,465,774
Balances as of September 30, 2022	\$ 22,625,216	\$ 18,856,075	\$ 3,769,141

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

	Current		
	1% Decrease	Discount Rate	1% Increase
	6.45%	7.45%	8.45%
Sponsor's Net Pension Liability	\$ 6,336,746	\$ 3,769,141	\$ 1,619,200

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
FISCAL YEAR SEPTEMBER 30, 2022

For the year ended September 30, 2022, the Sponsor will recognize a Pension Expense of \$1,088,287.

On September 30, 2022, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	954,595	-
Changes of assumptions	290,635	41,007
Net difference between Projected and Actual Earnings on Pension Plan investments	1,991,773	-
Total	\$ 3,237,003	\$ 41,007

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

Year ended September 30:		
2023	\$	651,007
2024	\$	549,082
2025	\$	697,454
2026	\$	1,195,935
2027	\$	102,518
Thereafter	\$	-

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 2 Fiscal Years

	09/30/2022	09/30/2021
Total Pension Liability		
Service Cost	639,667	595,529
Interest	1,573,539	1,409,144
Share Plan Allocation	36,917	37,778
Changes of benefit terms	105,054	-
Differences between Expected and Actual Experience	266,346	649,965
Changes of assumptions	348,760	-
Contributions - Buy Back	41,431	-
Benefit Payments, including Refunds of Employee Contributions	(717,898)	(639,127)
Net Change in Total Pension Liability	2,293,816	2,053,289
Total Pension Liability - Beginning	20,331,400	18,278,111
Total Pension Liability - Ending (a)	<u>\$ 22,625,216</u>	<u>\$ 20,331,400</u>
Plan Fiduciary Net Position		
Contributions - Employer	338,516	335,930
Contributions - State	246,323	247,184
Contributions - Employee	222,099	204,934
Contributions - Buy Back	41,431	-
Net Investment Income	(3,248,410)	4,226,599
Benefit Payments, including Refunds of Employee Contributions	(717,898)	(639,127)
Administrative Expense	(54,019)	(35,038)
Net Change in Plan Fiduciary Net Position	(3,171,958)	4,340,482
Plan Fiduciary Net Position - Beginning	22,028,033	17,687,551
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,856,075</u>	<u>\$ 22,028,033</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,769,141</u>	<u>\$ (1,696,633)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.34%	108.34%
Covered Payroll	\$ 2,337,879	\$ 2,257,924
Net Pension Liability as a percentage of Covered Payroll	161.22%	-75.14%

Notes to Schedule:*Changes in benefit terms:*

For measurement date 09/30/2022, amounts reported as changes of benefits resulted from Ordinance No. 1987-2022, which provided the following benefit changes:

1. Benefit Accrual Rate: accrual rate for service earned after October 1, 2021 will be 3.5% for all Members (increased from the current rate of 3.0% for Members hired on and after October 1, 2012).
2. Member Contribution Rate: member contributions will increase from 8.0% of salary to 9.5% of salary effective October 1, 2021 for all Members hired on or after October 1, 2012.
3. Actuarially equivalent Pop-up optional form of payment will be offered at retirement.
4. Post Retirement Investment Account (PRIA) is now provided to members participating in DROP.

Changes of assumptions:

For measurement date 09/30/2022, the investment rate of return was lowered from 7.60% to 7.45% per year, net of investment related expenses.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2022	\$ 547,922	\$ 547,922	\$ -	\$ 2,337,879	23.44%
09/30/2021	\$ 528,136	\$ 545,336	\$ (17,200)	\$ 2,257,924	24.15%

Notes to Schedule

Valuation Date: 10/01/2020

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

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

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, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (1,696,633)	\$ 2,901,951	\$ 1,135,621	\$ -
Total Pension Liability Factors:				
Service Cost	639,667	-	-	639,667
Interest	1,573,539	-	-	1,573,539
Share Plan Allocation	36,917	-	-	36,917
Changes in benefit terms	105,054	-	-	105,054
Contributions - Buy Back	41,431	-	-	41,431
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	266,346	-	266,346	-
Current year amortization of experience difference	-	-	(282,950)	282,950
Change in assumptions about future economic or demographic factors or other inputs	348,760	-	348,760	-
Current year amortization of change in assumptions	-	(13,669)	(58,125)	44,456
Benefit Payments, including Refunds of Employee Contributions	(717,898)	-	-	-
Net change	<u>2,293,816</u>	<u>(13,669)</u>	<u>274,031</u>	<u>2,724,014</u>
Plan Fiduciary Net Position:				
Contributions - Employer	338,516	-	-	-
Contributions - State	246,323	-	-	-
Contributions - Employee	222,099	-	-	(222,099)
Contributions - Buy Back	41,431	-	-	(41,431)
Projected Net Investment Income	1,677,036	-	-	(1,677,036)
Difference between projected and actual earnings on Pension Plan investments	(4,925,446)	-	4,925,446	-
Current year amortization	-	(816,481)	(1,067,301)	250,820
Benefit Payments, including Refunds of Employee Contributions	(717,898)	-	-	-
Administrative Expenses	(54,019)	-	-	54,019
Net change	<u>(3,171,958)</u>	<u>(816,481)</u>	<u>3,858,145</u>	<u>(1,635,727)</u>
Ending Balance	<u>\$ 3,769,141</u>	<u>\$ 2,071,801</u>	<u>\$ 5,267,797</u>	<u>\$ 1,088,287</u>

AMORTIZATION SCHEDULE - INVESTMENTS

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

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2022	\$ 4,925,446	5	\$ 985,090	\$ 985,089	\$ 985,089	\$ 985,089	\$ 985,089	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ (2,878,018)	5	\$ (575,604)	\$ (575,604)	\$ (575,604)	\$ (575,604)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ (759,953)	5	\$ (151,991)	\$ (151,991)	\$ (151,991)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 411,057	5	\$ 82,211	\$ 82,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (444,432)	5	\$ (88,886)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 250,820	\$ 339,705	\$ 257,494	\$ 409,485	\$ 985,089	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2022	\$ 348,760	6	\$ 58,125	\$ 58,127	\$ 58,127	\$ 58,127	\$ 58,127	\$ 58,127	\$ -	\$ -	\$ -	\$ -
2020	\$ (82,015)	6	\$ (13,669)	\$ (13,669)	\$ (13,669)	\$ (13,669)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 44,456	\$ 44,458	\$ 44,458	\$ 44,458	\$ 58,127	\$ 58,127	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2022	\$ 266,346	6	\$ 44,391	\$ 44,391	\$ 44,391	\$ 44,391	\$ 44,391	\$ 44,391	\$ -	\$ -	\$ -	\$ -
2021	\$ 649,965	6	\$ 108,328	\$ 108,328	\$ 108,328	\$ 108,328	\$ 108,328	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 544,754	6	\$ 90,792	\$ 90,792	\$ 90,792	\$ 90,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 21,713	6	\$ 3,619	\$ 3,619	\$ 3,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 118,281	6	\$ 19,714	\$ 19,714	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ 96,635	6	\$ 16,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 282,950	\$ 266,844	\$ 247,130	\$ 243,511	\$ 152,719	\$ 44,391	\$ -	\$ -	\$ -	\$ -