

CITY OF OCALA
GENERAL EMPLOYEES' PENSION PLAN
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

March 17, 2023

Board of Trustees
City of Ocala
General Employees' Pension Board

Re: City of Ocala General Employees' Pension Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Ocala General Employees' Pension Plan. 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 Chapter 112, 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 Ocala, 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 Ocala, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the General Employees' Pension Plan. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.


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

Respectfully submitted,

Foster & Foster, Inc.

By: 

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

By: 

Kevin H. Peng, ASA, EA, MAAA
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Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Ocala General Employees' Pension Plan, 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 October 1, 2021 actuarial valuation report, are as follows:

Valuation Date	10/1/2022	10/1/2021
Applicable to Fiscal Year Ending	<u>9/30/2024</u>	<u>9/30/2023</u>
Minimum Required Contribution	\$7,987,156	\$8,347,959
Member Contributions (Est.)	450,431	473,311
City Required Contribution ¹	\$7,536,725	\$7,874,648

¹ Please note that the City has access to a prepaid contribution of \$1,726,950.61 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2023.

As you can see, the Minimum Required Contribution shows a decrease when compared to the results set forth in the October 1, 2021 actuarial valuation report. The decrease is attributable to full recognition of the 2012 actuarial loss. The decrease was offset in part by a reduction in the investment return from 6.90% to 6.80% and unfavorable actuarial experience as described in the next paragraph.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial loss was an investment return of 3.96% (Actuarial Asset Basis) which fell short of the 6.90% assumption. There were no significant sources of actuarial gain.

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

Investment return reduced from 6.90% to 6.80%, net of investment related expense.

There have been no method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2022</u>	Old Assump <u>10/1/2022</u>	<u>10/1/2021</u>
A. Participant Data			
Actives	119	119	135
Service Retirees	688	688	679
DROP Retirees	17	17	19
Beneficiaries	103	103	103
Disability Retirees	3	3	3
Terminated Vested	<u>249</u>	<u>249</u>	<u>264</u>
Total	1,179	1,179	1,203
Payroll Under Assumed Ret. Age	8,666,299	8,666,299	9,104,754
Annual Rate of Payments to:			
Service Retirees	13,449,075	13,449,075	12,996,813
DROP Retirees	578,065	578,065	717,442
Beneficiaries	1,063,738	1,063,738	1,075,851
Disability Retirees	25,910	25,910	25,267
Terminated Vested	1,879,974	1,879,974	2,043,029
B. Assets			
Actuarial Value (AVA) ¹	187,336,004	187,336,004	185,477,959
Market Value (MVA) ¹	164,488,736	164,488,736	198,596,395
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	27,042,341	26,637,266	26,973,824
Disability Benefits	849,157	839,463	941,412
Death Benefits	122,826	122,042	143,118
Vested Benefits	1,641,953	1,607,758	1,827,505
Refund of Contributions	0	0	0
Service Retirees	173,798,023	172,108,381	164,835,770
DROP Retirees ¹	12,215,151	12,096,726	15,222,315
Beneficiaries	9,817,994	9,742,235	10,306,562
Disability Retirees	430,819	425,670	420,177
Terminated Vested	<u>18,373,598</u>	<u>18,069,606</u>	<u>19,524,492</u>
Total	244,291,862	241,649,147	240,195,175

C. Liabilities - (Continued)	New Assump <u>10/1/2022</u>	Old Assump <u>10/1/2022</u>	<u>10/1/2021</u>
Present Value of Future Salaries	48,022,196	47,846,663	53,374,387
Present Value of Future Member Contributions	2,401,110	2,392,333	2,668,719
Normal Cost (Retirement)	364,333	354,265	404,488
Normal Cost (Disability)	31,596	31,051	36,559
Normal Cost (Death)	5,466	5,381	6,389
Normal Cost (Vesting)	138,724	134,603	137,680
Normal Cost (Refunds)	<u>0</u>	<u>0</u>	<u>0</u>
Total Normal Cost	540,119	525,300	585,116
Present Value of Future Normal Costs	2,488,141	2,411,430	2,877,353
Accrued Liability (Retirement)	25,293,433	24,943,000	24,968,970
Accrued Liability (Disability)	690,438	684,084	753,381
Accrued Liability (Death)	98,882	98,536	113,712
Accrued Liability (Vesting)	1,085,383	1,069,479	1,172,443
Accrued Liability (Refunds)	0	0	0
Accrued Liability (Inactives) ¹	<u>214,635,585</u>	<u>212,442,618</u>	<u>210,309,316</u>
Total Actuarial Accrued Liability (EAN AL)	241,803,721	239,237,717	237,317,822
Unfunded Actuarial Accrued Liability (UAAL)	54,467,717	51,901,713	51,839,863
Funded Ratio (AVA / EAN AL)	77.5%	78.3%	78.2%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2022</u>	Old Assump <u>10/1/2022</u>	<u>10/1/2021</u>
Vested Accrued Benefits			
Inactives ¹	214,635,585	212,442,618	210,309,316
Actives	26,125,006	25,663,929	27,282,531
Member Contributions	<u>4,981,792</u>	<u>4,981,792</u>	<u>5,130,870</u>
Total	245,742,383	243,088,339	242,722,717
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>	<u>0</u>
Total Present Value Accrued Benefits (PVAB)	245,742,383	243,088,339	242,722,717
Funded Ratio (MVA / PVAB)	66.9%	67.7%	81.8%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	2,654,044	0	
Plan Experience	0	(668,175)	
Benefits Paid	0	(15,190,015)	
Interest	0	16,223,812	
Other	<u>0</u>	<u>0</u>	
Total	2,654,044	365,622	

	New Assump	Old Assump	
Valuation Date	10/1/2022	10/1/2022	10/1/2021
Applicable to Fiscal Year Ending	<u>9/30/2024</u>	<u>9/30/2024</u>	<u>9/30/2023</u>

E. Pension Cost

Normal Cost ²	\$561,454	\$546,049	\$608,345
Administrative Expenses ²	204,171	204,171	205,949
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2022) ²	7,221,531	6,896,311	7,533,665
Minimum Required Contribution	7,987,156	7,646,531	8,347,959
Expected Member Contributions ²	450,431	450,431	473,311
Expected City Contribution	7,536,725	7,196,100	7,874,648

F. Past Contributions

Plan Years Ending:	<u>9/30/2022</u>
City Requirement	9,497,997
Actual Contributions Made:	
City	<u>9,497,997</u>

G. Net Actuarial (Gain)/Loss	6,294,500
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¹ The asset values and liabilities include accumulated DROP 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	54,467,717
2023	50,751,997
2024	46,491,861
2027	30,824,307
2031	14,362,296
2034	4,537,122
2037	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2022	8.94%	3.95%
Year Ended 9/30/2021	4.15%	3.97%
Year Ended 9/30/2020	4.71%	3.99%
Year Ended 9/30/2019	5.02%	4.00%
Year Ended 9/30/2018	0.65%	4.06%

(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	-14.20%	3.96%	6.90%
Year Ended 9/30/2021	17.61%	8.61%	7.00%
Year Ended 9/30/2020	8.03%	6.58%	7.00%
Year Ended 9/30/2019	2.59%	5.07%	7.00%
Year Ended 9/30/2018	4.41%	6.40%	7.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2022	\$8,666,299
	10/1/2012	27,343,524
(b) Total Increase		-68.31%
(c) Number of Years		10.00
(d) Average Annual Rate		-10.85%

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.



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

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2021	\$51,839,863
(2)	Sponsor Normal Cost developed as of October 1, 2021	129,878
(3)	Expected administrative expenses for the year ended September 30, 2022	198,085
(4)	Expected interest on (1), (2) and (3)	3,592,746
(5)	Sponsor contributions to the System during the year ended September 30, 2022	9,497,997
(6)	Expected interest on (5)	655,362
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2022 (1)+(2)+(3)+(4)-(5)-(6)	45,607,213
(8)	Change to UAAL due to Assumption Change	2,566,004
(9)	Change to UAAL due to Actuarial (Gain)/Loss	6,294,500
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2022	54,467,717

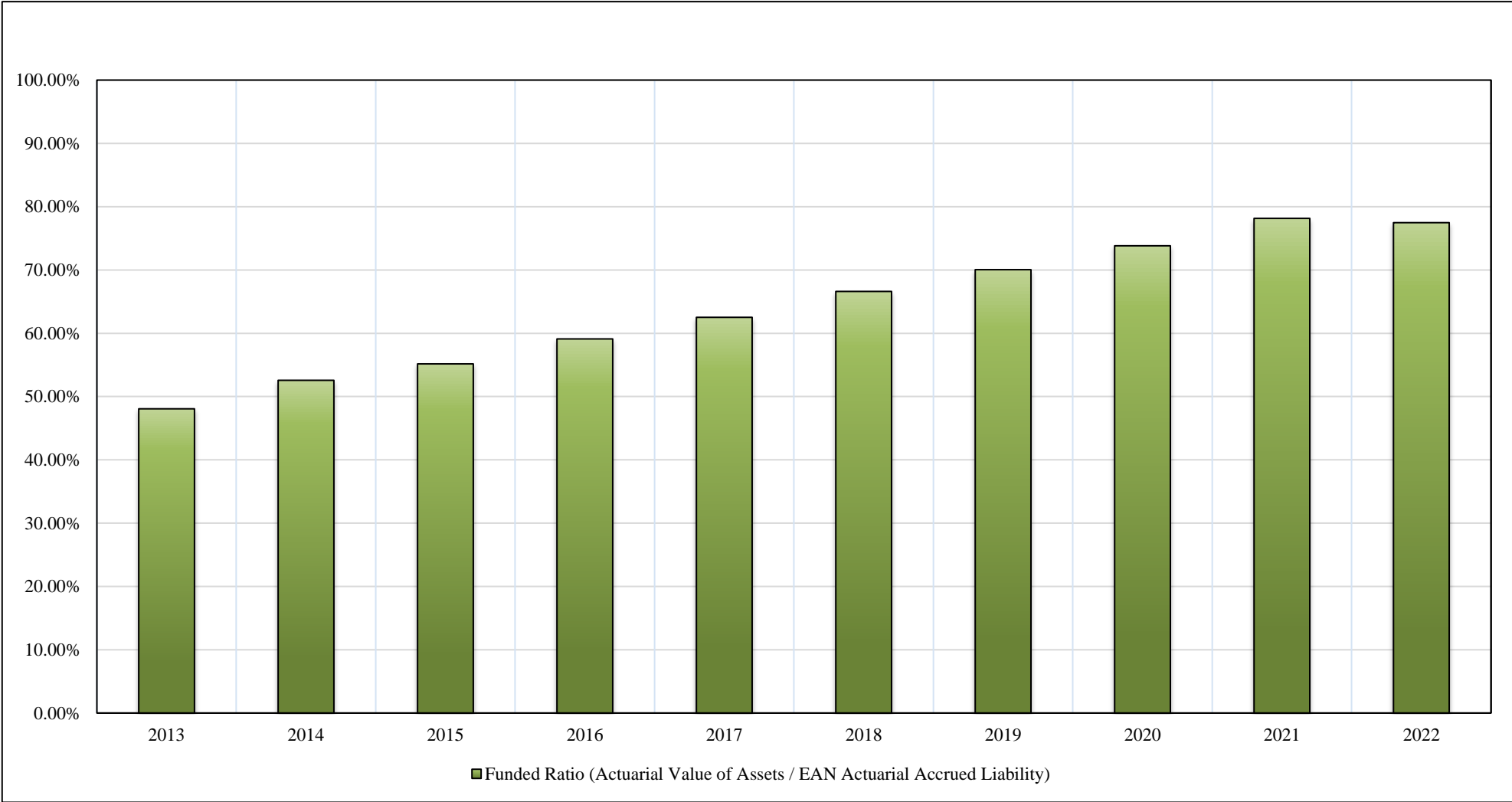
Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2022 <u>Amount</u>	Amortization <u>Amount</u>
	10/1/1996	4	684,531	188,372
	10/1/1998	6	89,820	17,535
	10/1/1999	7	3,631,445	626,531
	10/1/2000	8	(755,727)	(117,585)
Benefit Change	10/1/2004	12	8,556,358	997,948
Method Change	10/1/2004	12	4,421,755	515,720
Prior Losses	10/1/2004	6	2,954,216	576,742
Actuarial Loss	10/1/2005	6	1,659,567	323,992
Actuarial Gain	10/1/2006	6	(82,767)	(16,158)
Actuarial Gain	10/1/2007	6	(121,342)	(23,689)
Assum. Change	10/1/2007	15	(533,644)	(54,170)
Benefit Changes	10/1/2007	15	16,422,705	1,667,054
Method Change	10/1/2008	6	426,826	83,328
Assum. Change	10/1/2011	9	2,105,026	299,953
Assum. Change	10/1/2012	10	2,300,885	303,907
Assum/Method Change	10/1/2012	10	18,860,009	2,491,077
Benefit Change	10/1/2012	10	(16,070,427)	(2,122,622)
Actuarial Gain	10/1/2013	1	(114,473)	(114,473)
Multiplier Change	10/1/2013	1	(158,700)	(158,700)
Actuarial Gain	10/1/2014	2	(1,069,876)	(552,528)
Actuarial Loss	10/1/2015	3	736,036	261,651

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2022 <u>Amount</u>	Amortization <u>Amount</u>
Benefit Change	10/1/2015	3	(547,688)	(194,696)
Assum Change	10/1/2016	4	2,206,614	607,224
Actuarial Gain	10/1/2016	4	(588,768)	(162,019)
Actuarial Loss	10/1/2017	5	809,108	183,781
Assum Change	10/1/2017	5	898,737	204,140
Actuarial Loss	10/1/2018	6	815,669	159,240
Actuarial Loss	10/1/2019	7	1,784,040	307,799
Actuarial Loss	10/1/2020	8	889,487	138,397
Assump Change	10/1/2020	8	(394,105)	(61,320)
Actuarial Gain	10/1/2021	9	(6,461,998)	(920,794)
Assump Change	10/1/2021	9	2,253,894	321,166
Actuarial Loss	10/1/2022	10	6,294,500	831,393
Assump Change	10/1/2022	10	<u>2,566,004</u>	<u>338,924</u>
			54,467,717	6,947,120

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2021	\$51,839,863
(2) Expected UAAL as of October 1, 2022	45,607,213
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	5,408,863
Salary Increases	299,478
Active Decrements	310,194
Inactive Mortality	466,287
Other	<u>(190,322)</u>
Increase in UAAL due to (Gain)/Loss	6,294,500
Assumption Changes	2,566,004
(4) Actual UAAL as of October 1, 2022	\$54,467,717

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: PubG.H-2010 (Above Median) for Employees.

Male: PubG.H-2010 for Employees, set back one year.

Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Beneficiary Lives:

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

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

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 non-special-risk employees, with appropriate adjustments made based on plan demographics.

Interest Rate

6.80% (prior year 6.90%) per year compounded annually, net of investment related expenses. This assumption is mandated by City Ordinances.

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.

Salary Increases

<u>Salary Scale</u>	
<u>Service</u>	<u>Rate</u>
0	14.00%
1-2	6.50%
3-4	5.50%
5-14	4.50%
15-24	3.50%
25+	4.50%

This assumption was adopted based on the May 5, 2017 actuarial experience study.

Administrative Expenses

\$196,413 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 10 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.

Disability Rates

<u>Age</u>	<u>% Becoming Disabled During the Year</u>
20	0.051%
30	0.058
40	0.121
50	0.429
60	1.611

Termination Rates

<u>Service</u>	<u>Termination Rate</u>
0	20.00%
1-4	15.00
5-9	7.50
10-19	4.00
20+	6.50

These rates were adopted based on the May 5, 2017 actuarial experience study.

Normal Retirement

<u>Age</u>	<u>Probability of Retirement</u>
65	50%
66	33%
67	33%
68	100%

Members with at least 30 years of Credited Service are assumed to retire immediately. This assumption was adopted based on the May 5, 2017 actuarial valuation report.

Early Retirement

25 or more Years of Credited Service

<u>Credited Service</u>	<u>Assumption</u>
25	10.50%
26	5.50%
27	11.50%
28	7.50%
29	4.00%

Less than 25 Years of Credited Service

<u>Age</u>	<u>Assumption</u>
55-60	5.75%
61	6.50%
62	12.00%
63	5.00%
64	3.00%

This assumption was adopted based on the May 5, 2017 actuarial experience study.

Funding Method

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

Interest - None, based on a beginning of year funding methodology.

Salary - A full year, based on current 3.95% assumption.

Asset Smoothing Methodology

The Actuarial Value of Assets is based upon 5- year straight line recognition of the difference between expected earnings on the net market value of assets and actual earnings on the net market value of assets. The net market value of assets shall be the total fiduciary net position as defined by GASB 67/68, excluding any reserves held which are not designated for currently adopted plan benefits valued as part of the plan liabilities. The resulting value shall be adjusted if it does not fall between 120% and 80% of the market value of assets. This change shall be made assuming that this 5-year recognition method applies to differences between the expected and actual investment returns for the years ending September 30, 2009 and later. This method is mandated by Ordinance 2013-48.

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 56.7% on October 1, 2012 to 11.3% 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 88.8%. 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 45.1% on October 1, 2012 to 77.5% 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 0.7% on October 1, 2012 to -3.3% on October 1, 2022. The current Net Cash Flow Ratio of -3.3% 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

	<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	119	135	214	462
Total Inactives ¹	1,050	1,054	1,035	815
Actives / Inactives ¹	11.3%	12.8%	20.7%	56.7%

Asset Volatility Ratio

Market Value of Assets (MVA)	164,488,736	198,596,395	143,834,198	92,584,314
Total Annual Payroll	8,893,848	9,224,914	12,809,016	27,343,524
MVA / Total Annual Payroll	1,849.5%	2,152.8%	1,122.9%	338.6%

Accrued Liability (AL) Ratio

Inactive Accrued Liability	214,635,585	210,309,316	185,714,332	128,127,552
Total Accrued Liability (EAN)	241,803,721	237,317,822	228,069,583	198,192,884
Inactive AL / Total AL	88.8%	88.6%	81.4%	64.6%

Funded Ratio

Actuarial Value of Assets (AVA)	187,336,004	185,477,959	142,583,283	89,289,617
Total Accrued Liability (EAN)	241,803,721	237,317,822	228,069,583	198,192,884
AVA / Total Accrued Liability (EAN)	77.5%	78.2%	62.5%	45.1%

Net Cash Flow Ratio

Net Cash Flow ²	(5,444,845)	(5,003,764)	1,850,031	659,087
Market Value of Assets (MVA)	164,488,736	198,596,395	143,834,198	92,584,314
Ratio	-3.3%	-2.5%	1.3%	0.7%

¹ Excludes terminated participants awaiting a refund of member contributions.

² Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Checking Account	776,414.15	776,414.15
Prepaid Expenses	1,288.00	1,288.00
Money Market	1,381,515.40	1,381,515.40
Cash	17,541.67	17,541.67
Total Cash and Equivalents	2,176,759.22	2,176,759.22
Receivables:		
Member Contributions in Transit	243.90	243.90
City Contributions in Transit	1,434.12	1,434.12
Investment Income	25,209.44	25,209.44
Total Receivable	26,887.46	26,887.46
Investments:		
Stocks	23,447,242.33	23,839,062.32
Mutual Funds:		
Fixed Income	23,524,655.76	19,539,787.21
Equity	41,204,499.36	44,227,438.52
Pooled/Common/Commingled Funds:		
Hedge	26,011,705.05	39,969,192.06
Equity	16,581,856.18	19,207,452.04
Real Estate	15,230,678.95	17,371,214.56
Total Investments	146,000,637.63	164,154,146.71
Total Assets	148,204,284.31	166,357,793.39
<u>LIABILITIES</u>		
Payables:		
Investment Expenses	100,607.37	100,607.37
Administrative Expenses	1,925.00	1,925.00
To Broker for Investments Purchased	39,574.40	39,574.40
Prepaid City Contribution	1,726,950.61	1,726,950.61
Total Liabilities	1,869,057.38	1,869,057.38
NET POSITION RESTRICTED FOR PENSIONS	146,335,226.93	164,488,736.01

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

ADDITIONS

Contributions:

Member	452,785.79
City	9,497,997.00

Total Contributions	9,950,782.79
---------------------	--------------

Investment Income:

Miscellaneous Income	21,208.66
Net Realized Gain (Loss)	5,193,433.31
Unrealized Gain (Loss)	(35,792,605.71)
Net Increase in Fair Value of Investments	(30,577,963.74)
Interest & Dividends	2,763,039.26
Less Investment Expense ¹	(847,889.27)

Net Investment Income	(28,662,813.75)
-----------------------	-----------------

Total Additions	(18,712,030.96)
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DEDUCTIONS

Distributions to Members:

Benefit Payments	13,827,391.07
Lump Sum DROP Distributions	1,125,606.00
Lump Sum PLOP Distributions	237,018.02
Refunds of Member Contributions	0.00

Total Distributions	15,190,015.09
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Administrative Expense	205,613.21
------------------------	------------

Total Deductions	15,395,628.30
------------------	---------------

Net Increase in Net Position	(34,107,659.26)
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	198,596,395.27
-----------------------	----------------

End of the Year	164,488,736.01
-----------------	----------------

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
09/30/2018	(3,867,566)	0	0	0	0	0
09/30/2019	(6,655,407)	(1,331,083)	0	0	0	0
09/30/2020	2,159,588	863,834	431,916	0	0	0
09/30/2021	19,072,952	11,443,772	7,629,182	3,814,592	0	0
09/30/2022	(42,279,739)	(33,823,791)	(25,367,843)	(16,911,895)	(8,455,947)	0
Total		(22,847,268)	(17,306,745)	(13,097,303)	(8,455,947)	0

<u>Development of Investment Gain/Loss</u>	
Market Value of Assets, including Prepaid Contributions, 09/30/2021	199,814,988
Contributions Less Benefit Payments & Admin Expenses	(4,936,488)
Expected Investment Earnings*	13,616,925
Actual Net Investment Earnings	(28,662,814)
2022 Actuarial Investment Gain/(Loss)	<u>(42,279,739)</u>

*Expected Investment Earnings = $0.069 * [199,814,988 + 0.5 * (4,936,488)]$

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2022	164,488,736
(2) Gains/(Losses) Not Yet Recognized	<u>(22,847,268)</u>
(3) Actuarial Value of Assets, 09/30/2022, (1) - (2)	187,336,004
(A) 09/30/2021 Actuarial Assets, including Prepaid Contributions:	186,696,552
(I) Net Investment Income:	
1. Interest and Dividends	2,784,248
2. Realized Gain (Loss)	5,193,433
3. Unrealized Gain (Loss)	(35,792,606)
4. Change in Actuarial Value	35,965,704
5. Investment Expenses	<u>(847,889)</u>
Total	7,302,890
(B) 09/30/2022 Actuarial Assets, including Prepaid Contributions:	189,062,955
Actuarial Assets Rate of Return = $2I/(A+B-I)$:	3.96%
Market Value of Assets Rate of Return:	-14.20%
10/01/2022 Limited Actuarial Assets (not including Prepaid):	187,336,004
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(5,408,863)

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

REVENUES

Contributions:		
Member	452,785.79	
City	9,497,997.00	
Total Contributions		9,950,782.79
Earnings from Investments:		
Interest & Dividends	2,763,039.26	
Miscellaneous Income	21,208.66	
Net Realized Gain (Loss)	5,193,433.31	
Unrealized Gain (Loss)	(35,792,605.71)	
Change in Actuarial Value	35,965,704.00	
Total Earnings and Investment Gains		8,150,779.52

EXPENDITURES

Distributions to Members:		
Benefit Payments	13,827,391.07	
Lump Sum DROP Distributions	1,125,606.00	
Lump Sum PLOP Distributions	237,018.02	
Refunds of Member Contributions	0.00	
Total Distributions		15,190,015.09
Expenses:		
Investment related ¹	847,889.27	
Administrative	205,613.21	
Total Expenses		1,053,502.48
Change in Net Assets for the Year		1,858,044.74
Net Assets Beginning of the Year		185,477,959.27
Net Assets End of the Year ²		187,336,004.01

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

²Net Assets may be limited for actuarial consideration.

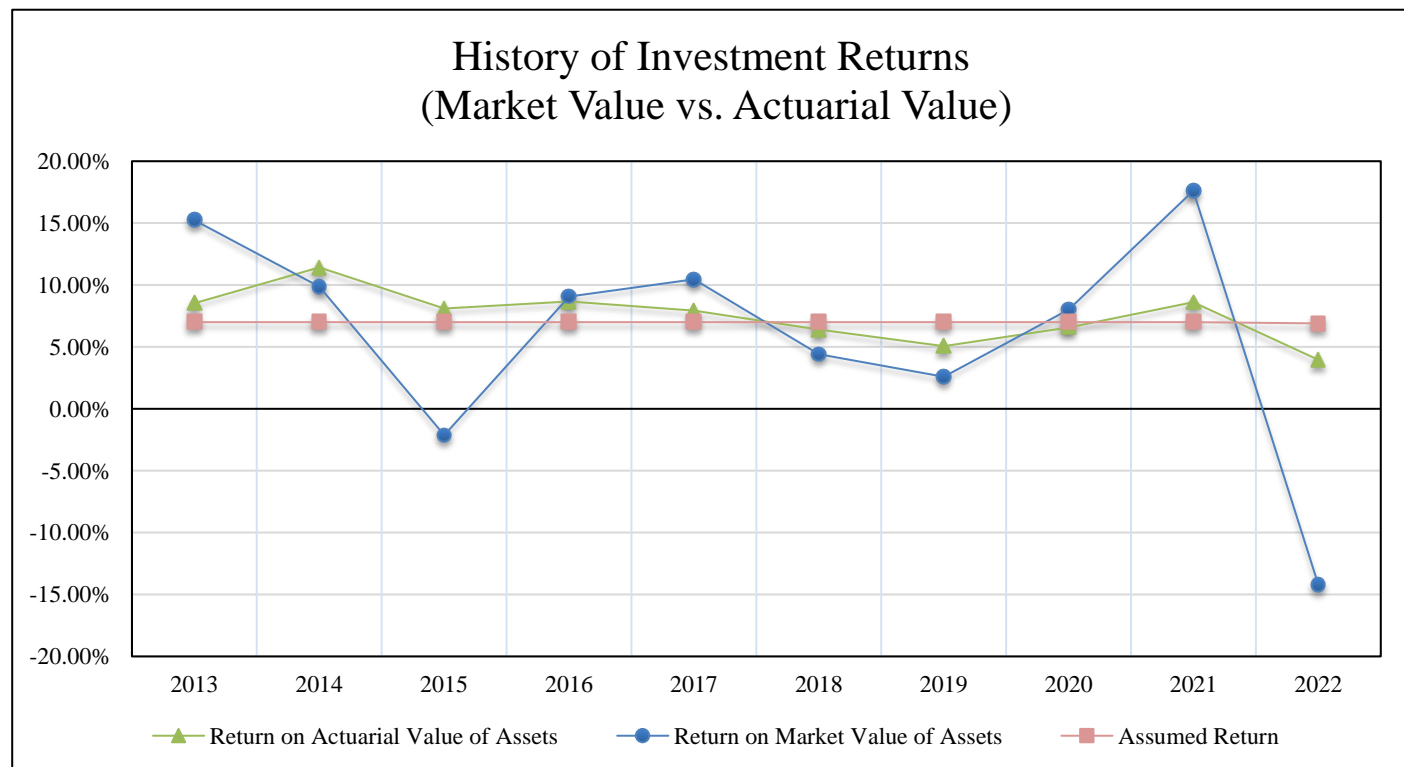
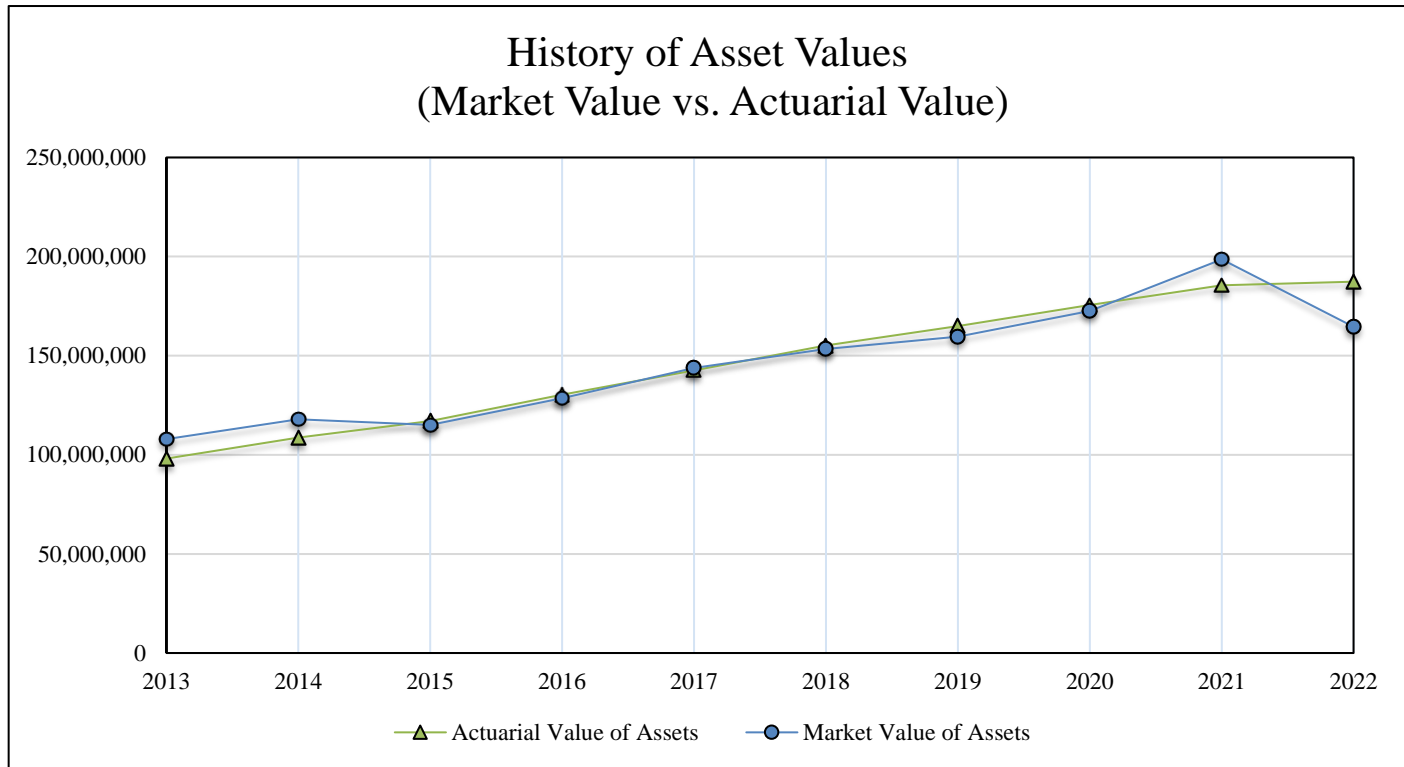
DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2021 to September 30, 2022

Beginning of the Year Balance	2,741,538.39
Plus Additions	653,839.53
Investment Return Earned	67,089.92
Less Distributions	(1,125,606.00)
End of the Year Balance	2,336,861.84

RECONCILIATION OF CITY SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2022

(1) Required City Contributions	\$9,497,997.00
(2) Less 2021 Prepaid Contribution	(1,218,593.17)
(3) Less Actual City Contributions	<u>(10,006,354.44)</u>
(4) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2022	(\$1,726,950.61)

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</u>				
Number	119	135	157	171
Average Current Age	52.3	51.6	50.9	50.5
Average Age at Employment	32.0	32.6	32.9	33.0
Average Past Service	20.3	19.0	18.0	17.5
Average Annual Salary	\$74,738	\$68,333	\$65,428	\$62,230
<u>Service Retirees</u>				
Number	688	679	679	670
Average Current Age	68.9	68.6	68.5	68.1
Average Annual Benefit	\$19,548	\$19,141	\$19,340	\$18,812
<u>DROP Retirees</u>				
Number	17	19	22	22
Average Current Age	61.1	61.6	61.0	59.8
Average Annual Benefit	\$34,004	\$37,760	\$41,421	\$46,771
<u>Beneficiaries</u>				
Number	103	103	95	92
Average Current Age	72.6	72.4	72.9	72.6
Average Annual Benefit	\$10,328	\$10,445	\$10,001	\$8,708
<u>Disability Retirees</u>				
Number	3	3	4	4
Average Current Age	62.9	61.9	68.4	67.4
Average Annual Benefit	\$8,637	\$8,422	\$7,387	\$7,233

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												0
25 - 29												0
30 - 34						1						1
35 - 39							6	2				8
40 - 44						2	1	9	8			20
45 - 49							2	6	5	4		17
50 - 54						1		7	8	2	1	19
55 - 59						1	2	4	8	12		27
60 - 64						1	1	6	4	8		20
65+							1	1	3	2		7
Total	0	0	0	0	0	6	13	35	36	28	1	119

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2021	135
b. Terminations	
i. Vested (partial or full) with deferred annuity	(5)
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	(1)
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(5)
f. DROP	(5)
g. Continuing participants	119
h. New entrants / Rehires	0
i. Total active life participants in valuation	<u>119</u>

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) <u>Annuit</u>	Vested (Due Refund) <u>Refund</u>	<u>Total</u>
a. Number prior valuation	679	19	103	3	250	14	1,068
Retired	28	(7)	0	0	(16)	0	5
DROP	0	5	0	0	0	0	5
Vested (Deferred Annuity)	0	0	0	0	5	0	5
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	(5)	0	7	0	0	0	2
Death, No Survivor	(15)	0	(4)	0	0	0	(19)
Disabled	0	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	(4)	(4)
Rehires	0	0	0	0	0	0	0
Expired Annuities	0	0	(3)	0	0	0	(3)
Data Corrections	1	0	0	0	0	0	1
b. Number current valuation	688	17	103	3	239	10	1,060

SUMMARY OF CURRENT PLAN
(Through Ordinance 2022-20)

Variable Benefit and Contribution Program

All Members who are employed and not participating in the DROP on September 30, 2013 and do not fall in the Grandfathered group (see below) shall earn benefits for credited service on and after October 1, 2013 in accordance with the variable benefit and contribution program.

Average Final Compensation	Average final salary of the 8 highest years of the last 10 years prior to termination.
Salary	Effective October 1, 2013 salary means base wages and overtime payments up to 300 hours per calendar year, including all tax deferred, tax sheltered or tax-exempt items of income derived from elective employee payroll deductions or salary reductions, but excluding management deferred compensation and all other compensation.
Normal Form	Life Annuity
Member Contribution Rate	Minimum: 3% Maximum 5% Current: 5%
Multiplier	Minimum: 1.0% Maximum 2.55% Current: 1.0%
Normal Retirement Date	Same as old plan.
Early Retirement Date	Same as old plan.
Vesting	5 Year Cliff.
Cost of Living Adjustment	None for benefits earned on and after October 1, 2013.

The Member Contribution Rate and Multiplier will be adjusted as necessary so that the Target Total Employer Contribution Percentage is within the mandated corridors.

Provisions in Effect for Grandfathered Members within 5 years of Retirement as of September 30, 2013. All other Members have benefits frozen as of that date.

Credited Service	Years and fractional parts of years of continuous uninterrupted service with the City as a General Employee.
Salary	Total compensation reported on the W-2, but excluding accumulated sick leave and vacation pay and special bonuses, plus all tax deferred, tax sheltered, or tax exempt items of income.
Average Final Compensation	Average of Salary paid during the highest three (3) years of the last five (5).
Normal Retirement	
Date	First of the month following the earlier of: 1) age 65 and the completion of 5 years of Credited Service, or 2) 30 years of Credited Service, regardless of age.
Benefit	2.55% of Average Final Compensation (AFC) times Credited Service plus \$100 supplement.
Form of Benefit	10 Year Certain and Life Annuity (options available).
Early Retirement	
Date	Earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.
Benefit	Same as for Normal Retirement but reduced 3% for each year that Early Retirement precedes Normal Retirement.
Vesting (Termination of Employment)	
Less than 5 years	Refund of Member Contributions without interest.
5 years of more	Vested accrued benefit (determined as for Normal Retirement) paid beginning at the otherwise Normal Retirement Date, or a refund of Member Contributions without interest.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Checking Account	776,414
Prepaid Expenses	1,288
Money Market	1,381,515
Cash	17,542
Total Cash and Equivalents	2,176,759
Receivables:	
Member Contributions in Transit	244
City Contributions in Transit	1,434
Investment Income	25,209
Total Receivable	26,887
Investments:	
Stocks	23,839,062
Mutual Funds:	
Fixed Income	19,539,787
Equity	44,227,439
Pooled/Common/Commingled Funds:	
Hedge	39,969,192
Equity	19,207,452
Real Estate	17,371,215
Total Investments	164,154,147
Total Assets	166,357,793
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	100,607
Administrative Expenses	1,925
To Broker for Investments Purchased	39,574
Total Liabilities	142,106
NET POSITION RESTRICTED FOR PENSIONS	166,215,687

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

ADDITIONS

Contributions:

Member	452,786	
City	10,006,355	
Total Contributions		10,459,141
Investment Income:		
Net Increase in Fair Value of Investments	(30,577,965)	
Interest & Dividends	2,763,040	
Less Investment Expense ¹	(847,889)	
Net Investment Income		(28,662,814)
Total Additions		(18,203,673)

DEDUCTIONS

Distributions to Members:

Benefit Payments	13,827,391	
Lump Sum DROP Distributions	1,125,606	
Lump Sum PLOP Distributions	237,018	
Refunds of Member Contributions	0	
Total Distributions		15,190,015
Administrative Expense		205,613
Total Deductions		15,395,628
Net Increase in Net Position		(33,599,301)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		199,814,988
End of the Year		166,215,687

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. The Board shall consist of five (5) Trustees, three (3) of whom, unless otherwise prohibited by law, shall be appointed by the Ocala City Council, and two (2) of whom shall be Members of the System, who shall be elected by a majority of General Employees who are Members of the System.

Plan Membership as of October 1, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	804
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	264
Active Plan Members	135
	1,203

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 City of Ocala General Employees' Pension Plan prepared by Foster & Foster Actuaries and Consultants.

Contributions

Members: 8.18% of Salary, beginning October 1, 2008.

City: Remaining amount necessary to pay the Normal Cost and fund the accrued, past service liability as provided in Part VII of Chapter 112, Florida Statutes.

Investment Policy:

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

Asset Class	Target Allocation
US Equity	24.00%
Developed Non US Equity	8.00%
Emerging Non US Equity	10.00%
Fixed Income	25.00%
Hedge Fund of Funds	6.00%
Private Equity	5.00%
Private Debt	5.00%
Opportunistic	5.00%
Real Estate	12.00%
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 -14.20 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: Satisfaction of Normal Retirement requirements (earlier of (1) Age 65 and 5 years of Credited Service, or (2) 30 years of Credited Service, regardless of age).

Participation: Not to exceed 96 months (60 months for Members entering DROP after January 31, 2011).

Rate of Return: 6.5% or actual net rate of investment return (total return net of brokerage commissions and transaction costs) credited each fiscal quarter.

The DROP balance as September 30, 2022 is \$2,336,862.

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	\$ 239,986,252
Plan Fiduciary Net Position	\$ (166,215,687)
Sponsor's Net Pension Liability	<u>\$ 73,770,565</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	<u>69.26%</u>

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	2.00%
Salary Increases	Service based
Discount Rate	6.80%
Investment Rate of Return	6.80%

Mortality Rate Healthy Active Lives:

Female: PubG.H-2010 (Above Median) for Employees.

Male: PubG.H-2010 for Employees, set back one year.

Mortality Rate Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Beneficiary Lives:

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

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

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 non-special-risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated August 4, 2022.

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 2.30%.

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, 2022 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return ¹
US Equity	6.11%
Developed Non US Equity	6.49%
Emerging Non US Equity	8.12%
Fixed Income	0.38%
Hedge Fund of Funds	2.63%
Private Equity	9.93%
Private Debt	5.06%
Opportunistic	6.40%
Real Estate	3.50%

¹ Source: Segal Marco Advisors

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 6.80 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
	5.80%	6.80%	7.80%
Sponsor's Net Pension Liability	\$ 101,732,253	\$ 73,770,565	\$ 50,482,857

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

	<u>09/30/2022</u>	<u>09/30/2021</u>
Total Pension Liability		
Service Cost	831,827	901,990
Interest	16,152,980	16,089,455
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(5,188,968)	(112,857)
Changes of assumptions	2,516,081	2,543,358
Benefit Payments, including Refunds of Employee Contributions	<u>(15,190,015)</u>	<u>(15,009,928)</u>
Net Change in Total Pension Liability	(878,095)	4,412,018
Total Pension Liability - Beginning	<u>240,864,347</u>	<u>236,452,329</u>
Total Pension Liability - Ending (a)	<u><u>\$239,986,252</u></u>	<u><u>\$ 240,864,347</u></u>
Plan Fiduciary Net Position		
Contributions - Employer	10,006,355	10,222,493
Contributions - Employee	452,786	477,170
Net Investment Income	(28,662,814)	31,044,311
Benefit Payments, including Refunds of Employee Contributions	(15,190,015)	(15,009,928)
Administrative Expense	<u>(205,613)</u>	<u>(187,212)</u>
Net Change in Plan Fiduciary Net Position	(33,599,301)	26,546,834
Plan Fiduciary Net Position - Beginning	<u>199,814,988</u>	<u>173,268,154</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$166,215,687</u></u>	<u><u>\$ 199,814,988</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 73,770,565</u></u>	<u><u>\$ 41,049,359</u></u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	69.26%	82.96%
Covered Payroll	\$ 9,055,666	\$ 9,543,908
Net Pension Liability as a percentage of Covered Payroll	814.63%	430.11%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Changes of assumptions:

For measurement date 09/30/2022, amounts reported as changes of assumptions resulted from lowering the interest rate from 6.90% to 6.80% per year compounded annually, net of investment related expenses.

For measurement date 09/30/2021, amounts reported as changes of assumptions resulted from lowering the interest rate from 7.00% to 6.90% per year compounded annually, 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	\$ 9,497,997	\$ 10,006,355	\$ (508,358)	\$ 9,055,666	110.50%
09/30/2021	\$ 9,716,181	\$ 10,222,493	\$ (506,312)	\$ 9,543,908	107.11%

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 Ocala General Employees' Pension Plan 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	-14.20%
09/30/2021	17.61%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2023)

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees. The Board shall consist of five (5) Trustees, three (3) of whom, unless otherwise prohibited by law, shall be appointed by the Ocala City Council, and two (2) of whom shall be Members of the System, who shall be elected by a majority of General Employees who are Members of the System. All General Employees as of the Effective Date, and all future new General Employees, shall become Members of this System as a condition of employment. All Members who are employed and not participating in the DROP on September 30, 2013 and do not fall in the Grandfathered group (see below) shall earn benefits for credited service on and after October 1, 2013 in accordance with the variable benefit and contribution program.

Plan Membership as of October 1, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	804
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	264
Active Plan Members	135
	<u>1,203</u>

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 City of Ocala General Employees' Pension Plan prepared by Foster & Foster Actuaries and Consultants.

Contributions

Members: 8.18% of Salary, beginning October 1, 2008.

City: Remaining amount necessary to pay the Normal Cost and fund the accrued, past service liability as provided in Part VII of Chapter 112, Florida Statutes.

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, 2022 through September 30, 2023.

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	2.00%
Salary Increases	Service based
Discount Rate	6.80%
Investment Rate of Return	6.80%

Mortality Rate Healthy Active Lives:

Female: PubG.H-2010 (Above Median) for Employees.

Male: PubG.H-2010 for Employees, set back one year.

Mortality Rate Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Beneficiary Lives:

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

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

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 non-special-risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated August 4, 2022.

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 2.30%.

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
US Equity	24.00%	6.11%
Developed Non US Equity	8.00%	6.49%
Emerging Non US Equity	10.00%	8.12%
Fixed Income	25.00%	0.38%
Hedge Fund of Funds	6.00%	2.63%
Private Equity	5.00%	9.93%
Private Debt	5.00%	5.06%
Opportunistic	5.00%	6.40%
Real Estate	12.00%	3.50%
Total	100.00%	

¹ Source: Segal Marco Advisors

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 6.80 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)
Reporting Period Ending September 30, 2022	\$ 240,864,347	\$ 199,814,988	\$ 41,049,359
Changes for a Year:			
Service Cost	831,827	-	831,827
Interest	16,152,980	-	16,152,980
Differences between Expected and Actual Experience	(5,188,968)	-	(5,188,968)
Changes of assumptions	2,516,081	-	2,516,081
Changes of benefit terms	-	-	-
Contributions - Employer	-	10,006,355	(10,006,355)
Contributions - Employee	-	452,786	(452,786)
Net Investment Income	-	(28,662,814)	28,662,814
Benefit Payments, including Refunds of Employee Contributions	(15,190,015)	(15,190,015)	-
Administrative Expense	-	(205,613)	205,613
Net Changes	(878,095)	(33,599,301)	32,721,206
Reporting Period Ending September 30, 2023	\$ 239,986,252	\$ 166,215,687	\$ 73,770,565

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

	1% Decrease	Current Discount Rate	1% Increase
	5.80%	6.80%	7.80%
Sponsor's Net Pension Liability	\$ 101,732,253	\$ 73,770,565	\$ 50,482,857

Pension Plan Fiduciary Net Position.

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

**FINAL 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 has recognized a Pension Expense of \$4,145,854.

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	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	13,118,437
Employer contributions subsequent to the measurement date	10,006,355	-
Total	<u>\$ 10,006,355</u>	<u>\$ 13,118,437</u>

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date was recognized as a reduction of the Net Pension Liability in the year ended September 30, 2022.

Other 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	\$ (2,141,913)
2024	\$ (2,915,426)
2025	\$ (4,246,508)
2026	\$ (3,814,590)
2027	\$ -
Thereafter	\$ -

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2023**

For the year ended September 30, 2023, the Sponsor will recognize a Pension Expense of \$6,761,856.

On September 30, 2023, 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	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	22,847,268	-
Employer contributions subsequent to the measurement date	TBD	-
Total	<u>TBD</u>	<u>\$ -</u>

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2023.

Other 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:	
2024	\$ 5,540,522
2025	\$ 4,209,440
2026	\$ 4,641,358
2027	\$ 8,455,948
2028	\$ -
Thereafter	\$ -

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

Reporting Period Ending	09/30/2023	09/30/2022
Measurement Date	09/30/2022	09/30/2021
Total Pension Liability		
Service Cost	831,827	901,990
Interest	16,152,980	16,089,455
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(5,188,968)	(112,857)
Changes of assumptions	2,516,081	2,543,358
Benefit Payments, including Refunds of Employee Contributions	(15,190,015)	(15,009,928)
Net Change in Total Pension Liability	(878,095)	4,412,018
Total Pension Liability - Beginning	240,864,347	236,452,329
Total Pension Liability - Ending (a)	<u>\$239,986,252</u>	<u>\$240,864,347</u>
Plan Fiduciary Net Position		
Contributions - Employer	10,006,355	10,222,493
Contributions - Employee	452,786	477,170
Contributions - Buy Back	-	-
Net Investment Income	(28,662,814)	31,044,311
Benefit Payments, including Refunds of Employee Contributions	(15,190,015)	(15,009,928)
Administrative Expense	(205,613)	(187,212)
Net Change in Plan Fiduciary Net Position	(33,599,301)	26,546,834
Plan Fiduciary Net Position - Beginning	199,814,988	173,268,154
Plan Fiduciary Net Position - Ending (b)	<u>\$166,215,687</u>	<u>\$199,814,988</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 73,770,565</u>	<u>\$ 41,049,359</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	69.26%	82.96%
Covered Payroll	\$ 9,055,666	\$ 9,543,908
Net Pension Liability as a percentage of Covered Payroll	814.63%	430.11%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Changes of assumptions:

For measurement date 09/30/2022, amounts reported as changes of assumptions resulted from lowering the interest rate from 6.90% to 6.80% per year compounded annually, net of investment related expenses.

For measurement date 09/30/2021, amounts reported as changes of assumptions resulted from lowering the interest rate from 7.00% to 6.90% per year compounded annually, 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	\$ 9,497,997	\$ 10,006,355	\$ (508,358)	\$ 9,055,666	110.50%
09/30/2021	\$ 9,716,181	\$ 10,222,493	\$ (506,312)	\$ 9,543,908	107.11%

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 Ocala General Employees' Pension Plan prepared by Foster & Foster Actuaries and Consultants.

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ 63,184,175	\$ 2,600,532	\$ 15,762,765	\$ -
Employer contributions made after 09/30/2021	-	-	10,006,355	-
Total Pension Liability Factors:				
Service Cost	901,990	-	-	901,990
Interest	16,089,455	-	-	16,089,455
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(112,857)	112,857	-	-
Current year amortization of experience difference	-	(112,857)	-	(112,857)
Change in assumptions about future economic or demographic factors or other inputs	2,543,358	-	2,543,358	-
Current year amortization of change in assumptions	-	-	(2,543,358)	2,543,358
Benefit Payments, including Refunds of Employee Contributions	(15,009,928)	-	-	-
Net change	<u>4,412,018</u>	<u>-</u>	<u>10,006,355</u>	<u>19,421,946</u>
Plan Fiduciary Net Position:				
Contributions - Employer	10,222,493	-	(10,222,493)	-
Contributions - Employee	477,170	-	-	(477,170)
Projected Net Investment Income	11,971,359	-	-	(11,971,359)
Difference between projected and actual earnings on Pension Plan investments	19,072,952	19,072,952	-	-
Current year amortization	-	(5,119,370)	(2,104,595)	(3,014,775)
Benefit Payments, including Refunds of Employee Contributions	(15,009,928)	-	-	-
Administrative Expenses	(187,212)	-	-	187,212
Net change	<u>26,546,834</u>	<u>13,953,582</u>	<u>(12,327,088)</u>	<u>(15,276,092)</u>
Ending Balance	<u>\$ 41,049,359</u>	<u>\$ 16,554,114</u>	<u>\$ 13,442,032</u>	<u>\$ 4,145,854</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2023

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 41,049,359	\$ 16,554,114	\$ 13,442,032	\$ -
Employer Contributions made after 09/30/2022	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	831,827	-	-	831,827
Interest	16,152,980	-	-	16,152,980
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(5,188,968)	5,188,968	-	-
Current year amortization of experience difference	-	(5,188,968)	-	(5,188,968)
Change in assumptions about future economic or demographic factors or other inputs	2,516,081	-	2,516,081	-
Current year amortization of change in assumptions	-	-	(2,516,081)	2,516,081
Benefit Payments, including Refunds of Employee Contributions	(15,190,015)	-	-	-
Net change	(878,095)	-	-	14,311,920
Plan Fiduciary Net Position:				
Contributions - Employer	10,006,355	-	(10,006,355)	-
Contributions - Employee	452,786	-	-	(452,786)
Projected Net Investment Income	13,616,925	-	-	(13,616,925)
Difference between projected and actual earnings on Pension Plan investments	(42,279,739)	-	42,279,739	-
Current year amortization	-	(4,246,508)	(10,560,542)	6,314,034
Benefit Payments, including Refunds of Employee Contributions	(15,190,015)	-	-	-
Administrative Expenses	(205,613)	-	-	205,613
Net change	(33,599,301)	(4,246,508)	21,712,842	(7,550,064)
Ending Balance	\$ 73,770,565	\$ 12,307,606	TBD	\$ 6,761,856

* Employer Contributions subsequent to the measurement date made after September 30, 2022 but made on or before September 30, 2023 need to be added.

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
2022	\$ 42,279,739	5	\$ -	\$ 8,455,947	\$ 8,455,948	\$ 8,455,948	\$ 8,455,948	\$ 8,455,948	\$ -	\$ -	\$ -
2021	\$ (19,072,952)	5	\$ (3,814,592)	\$ (3,814,590)	\$ (3,814,590)	\$ (3,814,590)	\$ (3,814,590)	\$ -	\$ -	\$ -	\$ -
2020	\$ (2,159,589)	5	\$ (431,918)	\$ (431,918)	\$ (431,918)	\$ (431,918)	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 6,655,408	5	\$ 1,331,082	\$ 1,331,082	\$ 1,331,082	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 3,867,566	5	\$ 773,513	\$ 773,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (4,364,298)	5	\$ (872,860)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (3,014,775)	\$ 6,314,034	\$ 5,540,522	\$ 4,209,440	\$ 4,641,358	\$ 8,455,948	\$ -	\$ -	\$ -

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
2022	\$ 2,516,081	1	\$ -	\$ 2,516,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ 2,543,358	1	\$ 2,543,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 2,543,358	\$ 2,516,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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
2022	\$ (5,188,968)	1	\$ -	\$ (5,188,968)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ (112,857)	1	\$ (112,857)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (112,857)	\$ (5,188,968)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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
2022	\$ (5,188,968)	1	\$ -	\$ (5,188,968)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ (112,857)	1	\$ (112,857)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (112,857)	\$ (5,188,968)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -