

January 31, 2023

**VIA EMAIL**

Board of Trustees  
City of Ocala  
General Employees' Pension Plan

RE: GASB Statements No.67 and No.68 – City of Ocala General Employees' Pension Plan

Dear Board:

We are pleased to present to the Board a GASB Statements No.67 and No.68 measured as of September 30, 2022, for the City of Ocala General Employees' Pension Plan.

The calculation of the liability associated with the benefits referenced in this report was performed for the purpose of satisfying the requirements of GASB No.67 and No.68 and is not applicable for other purposes, such as determining the plan's funding requirements. A calculation of the plan's liability for other purposes may produce significantly different results.

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<sup>th</sup>, 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.

Certain schedules should include a 10-year history of information. As provided for in GASB No.67 and No.68, this historical information is only presented for the last 2 years in which the information was measured in conformity with the requirements of GASB No.67 and No.68.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. 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 valuation, we did not perform an analysis of the potential range of such future measurements.

In performing the analysis, 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 to generate the costs. All internally developed models are reviewed as part of the 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.

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

Respectfully submitted,

Foster & Foster, Inc.

By: \_\_\_\_\_

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

Enclosures

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 <sup>1</sup>	(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

<sup>1</sup>Investment 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 <sup>1</sup>
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%

<sup>1</sup> 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:*

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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 <sup>1</sup>
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%	

<sup>1</sup> 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 Measurement Date	09/30/2023 09/30/2022	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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -