

CITY OF NORTH PORT
POLICE OFFICERS' PENSION - LOCAL OPTION TRUST FUND
ACTUARIAL VALUATION
AS OF OCTOBER 1, 2021
CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2023
GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2021



December 10, 2021

Board of Trustees
City of North Port
Police Officers' Pension Board

Re: City of North Port Police Officers' Pension - Local Option Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of North Port Police Officers' Pension - Local Option Trust Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapters 112 and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

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

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

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

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2021 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.


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

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of North Port, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Police Officers' Pension - Local Option Trust Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

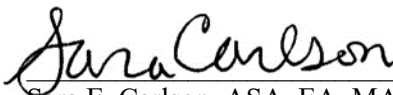
If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 

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

By: 

Sara E. Carlson, ASA, EA, MAAA
Enrolled Actuary #20-8546

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Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of North Port Police Officers' Pension - Local Option Trust Fund, performed as of October 1, 2021, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2023.

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

Valuation Date Applicable to Fiscal Year Ending	10/1/2021 <u>9/30/2023</u>	10/1/2020 <u>9/30/2022</u>
Minimum Required Contribution	\$2,182,087	\$2,238,929
Member Contributions (Est.)	461,396	472,266
City And State Required Contribution	1,720,691	1,766,663
State Contribution (Est.) ¹	280,000	280,000
City Required Contribution ²	\$1,440,691	\$1,486,663

¹ As per a Mutual Consent Agreement between the Membership and City, the City may use up to \$280,000 annually for Plan funding. Excess Chapter 185 monies are allocated to the Membership Share Plan.

² Please note that the City has access to a prepaid contribution of \$629,677.39 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2022.

As you can see, the Minimum Required Contribution shows a decrease when compared to the results determined in the October 1, 2020 actuarial valuation report. The decrease is attributable to net favorable experience described in the following paragraph. The decrease was offset in part by a change in assumptions as the result of an actuarial experience study.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included an investment return of 10.92% (Actuarial Asset Basis) which exceeded the 7.35% assumption, inactive mortality experience, and an average salary increase of 4.66% which fell short of the 6.52% assumption. These gains were offset in part by a loss associated with less turnover than expected.

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

As approved at the September 13, 2021 Board meeting, the following changes were made to the assumptions as a result of the experience study dated September 9, 2021:

- 1) Investment return assumption was reduced from 7.35% to 7.00%, net of investment related expenses.
- 2) The salary increase rates were decreased for members with 20 or less years of service and increased for members with more than 20 years of service.
- 3) Adjusted the normal and early retirement rates to first eligibility for Normal Retirement and increased the Early Retirement assumption from 10% to 15% for all years of eligibility.
- 4) Adjusted the assumed rates of withdrawal, resulting in generally more withdrawals for members with less than 15 years of service, followed by a 0% assumption for members with 15 or more years of service.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2021</u>	Old Assump <u>10/1/2021</u>	<u>10/1/2020</u>
A. Participant Data			
Actives	58	58	58
Service Retirees	34	34	34
DROP Retirees	1	1	1
Beneficiaries	5	5	4
Disability Retirees	11	11	11
Terminated Vested	<u>21</u>	<u>21</u>	<u>22</u>
 Total	 130	 130	 130
 Total Annual Payroll	 \$5,622,824	 \$5,691,868	 \$5,442,283
Payroll Under Assumed Ret. Age	5,295,969	5,464,966	5,341,529
 Annual Rate of Payments to:			
Service Retirees	1,780,191	1,780,191	1,798,217
DROP Retirees	85,182	85,182	85,182
Beneficiaries	231,827	231,827	187,012
Disability Retirees	345,833	345,833	345,833
Terminated Vested	61,067	61,067	87,858
 B. Assets			
Actuarial Value (AVA) ¹	56,114,576	56,114,576	50,498,450
Market Value (MVA) ¹	62,785,581	62,785,581	51,373,369
 C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	36,887,590	35,646,864	32,712,828
Disability Benefits	1,423,366	1,790,259	1,762,520
Death Benefits	242,682	285,012	289,382
Vested Benefits	665,785	1,858,108	1,881,414
Refund of Contributions	66,861	50,640	69,530
Service Retirees	21,445,147	20,749,153	21,200,599
DROP Retirees ¹	1,214,264	1,177,965	1,095,411
Beneficiaries	2,686,290	2,602,424	2,086,008
Disability Retirees	3,939,983	3,811,648	3,848,119
Terminated Vested	436,837	412,421	522,893
Share Plan Balances ¹	<u>1,296,262</u>	<u>1,296,262</u>	<u>935,995</u>
Total	70,305,067	69,680,756	66,404,699

C. Liabilities - (Continued)	New Assump <u>10/1/2021</u>	Old Assump <u>10/1/2021</u>	<u>10/1/2020</u>
Present Value of Future Salaries	37,362,245	44,093,880	45,392,528
Present Value of Future Member Contributions	2,988,980	3,527,510	3,631,402
Normal Cost (Retirement)	1,230,177	1,325,576	1,297,318
Normal Cost (Disability)	105,671	128,294	124,972
Normal Cost (Death)	23,253	26,527	25,927
Normal Cost (Vesting)	51,834	116,513	115,394
Normal Cost (Refunds)	<u>23,342</u>	<u>18,435</u>	<u>21,537</u>
Total Normal Cost	1,434,277	1,615,345	1,585,148
Present Value of Future Normal Costs	9,695,625	12,284,082	12,717,963
Accrued Liability (Retirement)	28,315,851	25,303,921	22,038,857
Accrued Liability (Disability)	717,570	822,523	769,094
Accrued Liability (Death)	82,609	80,032	78,991
Accrued Liability (Vesting)	463,662	1,134,682	1,103,063
Accrued Liability (Refunds)	10,967	5,643	7,706
Accrued Liability (Inactives) ¹	29,722,521	28,753,611	28,753,030
Share Plan Balances ¹	<u>1,296,262</u>	<u>1,296,262</u>	<u>935,995</u>
Total Actuarial Accrued Liability (EAN AL)	60,609,442	57,396,674	53,686,736
Unfunded Actuarial Accrued Liability (UAAL)	4,494,866	1,282,098	3,188,286
Funded Ratio (AVA / EAN AL)	92.6%	97.8%	94.1%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2021</u>	Old Assump <u>10/1/2021</u>	<u>10/1/2020</u>
Vested Accrued Benefits			
Inactives + Share Plan Balances ¹	31,018,783	30,049,873	29,689,025
Actives	15,840,498	14,269,701	11,534,312
Member Contributions	<u>4,401,354</u>	<u>4,401,354</u>	<u>3,914,620</u>
Total	51,260,635	48,720,928	45,137,957
Non-vested Accrued Benefits	<u>2,253,437</u>	<u>1,926,554</u>	<u>2,016,739</u>
Total Present Value			
Accrued Benefits (PVAB)	53,514,072	50,647,482	47,154,696
Funded Ratio (MVA / PVAB)	117.3%	124.0%	108.9%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	2,866,590	0	
Plan Experience	0	2,631,793	
Benefits Paid	0	(2,512,541)	
Interest	0	3,373,534	
Other	<u>0</u>	<u>0</u>	
Total	2,866,590	3,492,786	

	New Assump	Old Assump	
Valuation Date	10/1/2021	10/1/2021	10/1/2020
Applicable to Fiscal Year Ending	<u>9/30/2023</u>	<u>9/30/2023</u>	<u>9/30/2022</u>
E. Pension Cost			
Normal Cost ²	\$1,561,966	\$1,783,900	\$1,751,867
Administrative Expenses ²	105,147	106,626	118,668
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2021) ²	514,974	160,774	368,394
Minimum Required Contribution	2,182,087	2,051,300	2,238,929
Expected Member Contributions ²	461,396	482,817	472,266
Expected City and State Contribution	1,720,691	1,568,483	1,766,663
F. Past Contributions			
Plan Years Ending:	<u>9/30/2021</u>		
City and State Requirement	1,951,015		
Actual Contributions Made:			
City	1,671,015		
State	<u>280,000</u>		
Total	1,951,015		
G. Net Actuarial (Gain)/Loss	(1,457,179)		

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

² Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase and interest 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>
2021	4,494,866
2022	4,303,530
2023	4,098,800
2026	3,394,543
2030	2,203,047
2033	1,072,165
2036	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2021	4.66%	6.52%
Year Ended 9/30/2020	2.57%	6.61%
Year Ended 9/30/2019	2.87%	7.59%
Year Ended 9/30/2018	11.59%	7.61%
Year Ended 9/30/2017	7.65%	7.96%

(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 9/30/2021	21.93%	10.92%	7.35%
Year Ended 9/30/2020	10.94%	8.77%	7.45%
Year Ended 9/30/2019	2.55%	7.89%	7.55%
Year Ended 9/30/2018	9.13%	7.05%	7.65%
Year Ended 9/30/2017	12.74%	6.80%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2021	\$5,295,969
	10/1/2011	6,201,790
(b) Total Increase		-14.61%
(c) Number of Years		10.00
(d) Average Annual Rate		-1.57%

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.



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 copies of the report to the following offices to comply with Chapter 112, Florida Statutes:

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

Mr. Steve Bardin
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

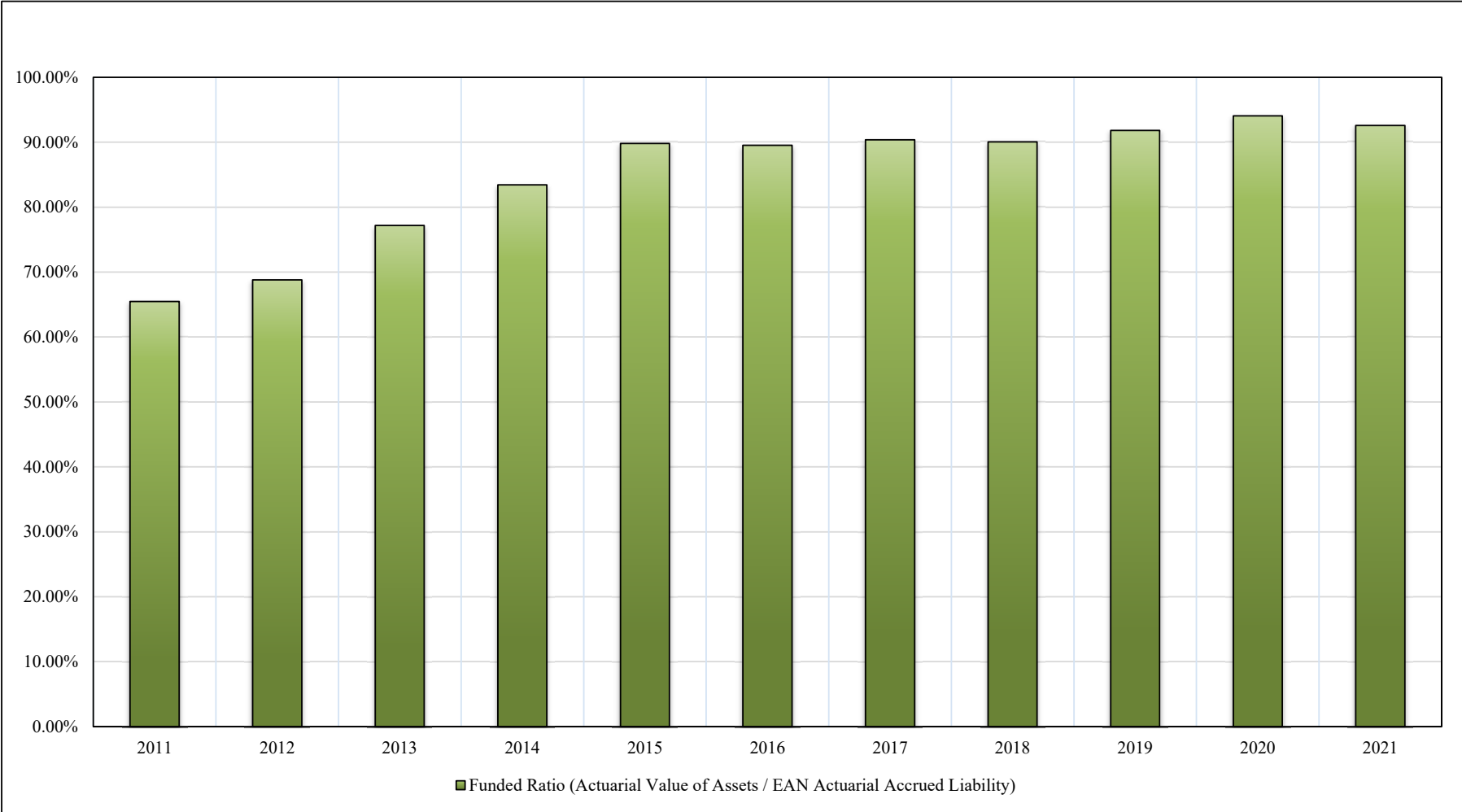
(1) Unfunded Actuarial Accrued Liability as of October 1, 2020	\$3,188,286
(2) Sponsor Normal Cost developed as of October 1, 2020	1,157,826
(3) Expected administrative expenses for the year ended September 30, 2021	107,375
(4) Expected interest on (1), (2) and (3)	323,385
(5) Sponsor contributions to the System during the year ended September 30, 2021	1,951,015
(6) Expected interest on (5)	86,580
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2021 (1)+(2)+(3)+(4)-(5)-(6)	2,739,277
(8) Change to UAAL due to Assumption Change	3,212,768
(9) Change to UAAL due to Actuarial (Gain)/Loss	(1,457,179)
(10) Unfunded Actuarial Accrued Liability as of October 1, 2021	4,494,866

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2021 Amount</u>	<u>Amortization Amount</u>
Consolidation Base	10/1/2020	14	2,229,758	238,282
Assump Change	10/1/2020	14	509,519	54,449
Actuarial Gain	10/1/2021	15	(1,457,179)	(149,524)
Assump Change	10/1/2021	15	3,212,768	329,668
			4,494,866	472,875

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2020	\$3,188,286
(2) Expected UAAL as of October 1, 2021	2,739,277
 (3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(1,804,907)
Salary Increases	(397,898)
Active Decrements	207,122
Inactive Mortality	96,182
Earnings on Share Balances in excess of 7.35% Assumption	123,822
Benefit Revision for Reed	76,536
Retirement of Prior Vested Terminated Member with Subsidized Reduction	106,927
Other	<u>135,037</u>
Increase in UAAL due to (Gain)/Loss	(1,457,179)
Assumption Changes	<u>3,212,768</u>
(4) Actual UAAL as of October 1, 2021	\$4,494,866

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

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

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

Healthy Retiree Lives:

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

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

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Disabled Lives:

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

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

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2020 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

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

Interest Rate

7.00% (prior year 7.35%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

Salary Scale		Salary Scale	
Service	New Rate	Service	Old Rate
<5	10.00%	<2	17.00%
5-9	6.50%	2-10	8.50%
10+	4.50%	11-20	6.00%
		20+	2.00%

The new rates were adopted in conjunction with the September 9, 2021 Experience Study.

Final Year Salary Load

Projected salary at retirement is increased 20% to account for non-regular compensation (no load for Members hired after January 1, 2012).

Payroll Growth

0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability.

Administrative Expenses

\$96,551 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 15 years.

Normal Retirement

Immediately upon first eligibility; previously according to the below table. The revised rates are based on the September 9, 2021 Experience Study.

% Retiring During the Year	
Years Eligible for Normal Retirement	Prior Rate
0	66.7%
1	0.0%
2+	100.0%

Early Retirement

Commencing with attainment of Early Retirement Status (age 45 with 10 years of service), Members are assumed to retire with an immediate subsidized benefit at the rate of 15% (previously 10%) per year. This assumption is based on the September 9, 2021 Experience Study.

Marital Assumption

80% are assumed Married with husbands three years older than their wives.

Asset Smoothing Methodology

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a negligible bias that is above or below the Market Value of Assets.

Disability Rates

Sample rates are shown in the table below. These rates were confirmed with the September 9, 2021 Experience Study.

% Becoming Disabled
During the Year

Age	Rate
20	0.14%
25	0.15%
30	0.18%
35	0.23%
40	0.30%
45	0.51%
50	1.00%
55	1.55%
59+	2.09%

75% of Disability Retirements are assumed to be service-incurred.

Termination Rates

% Terminating
During the Year

Service	Old Rate	New Rate
<1	24.0%	24.0%
1	6.0%	21.0%
2	6.0%	7.0%
3	6.0%	5.5%
4	6.0%	5.5%
5-9	3.0%	4.0%
10-14	3.0%	3.5%
15-19	3.0%	0.0%
20+	0.0%	0.0%

The above rates were adopted in conjunction with the September 9, 2021 Experience Study.

Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor funding requirement:

Interest – A half year, based on the current 7.00% assumption.

Salary – A full year, based on the current 5.22% assumption.

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 533.3% on October 1, 2011 to 109.4% on October 1, 2021, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 49.0%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in lower volatility in contribution requirements when compared to a more 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 65.5% on October 1, 2011 to 92.6% on October 1, 2021.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from 9.3% on October 1, 2011 to 0.2% on October 1, 2021. The current Net Cash Flow Ratio of 0.2% indicates that contributions are generally covering the plan's benefit payments and administrative expenses.

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

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2011</u>	<u>10/1/2016</u>	<u>10/1/2020</u>	<u>10/1/2021</u>
<u>Support Ratio</u>				
Total Actives	96	87	58	58
Total Inactives ¹	18	38	53	53
Actives / Inactives ¹	533.3%	228.9%	109.4%	109.4%
 <u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	17,387,978	34,995,161	51,373,369	62,785,581
Total Annual Payroll	6,201,790	6,579,405	5,442,283	5,622,824
MVA / Total Annual Payroll	280.4%	531.9%	944.0%	1,116.6%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	8,088,203	18,864,068	28,753,030	29,722,521
Total Accrued Liability (EAN)	28,638,814	40,082,030	53,686,736	60,609,442
Inactive AL / Total AL	28.2%	47.1%	53.6%	49.0%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	18,751,847	35,884,478	50,498,450	56,114,576
Total Accrued Liability (EAN)	28,638,814	40,082,030	53,686,736	60,609,442
AVA / Total Accrued Liability (EAN)	65.5%	89.5%	94.1%	92.6%
 <u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	1,609,502	637,837	493,622	95,233
Market Value of Assets (MVA)	17,387,978	34,995,161	51,373,369	62,785,581
Ratio	9.3%	1.8%	1.0%	0.2%

¹ Excludes terminated participants awaiting a refund of member contributions.

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1999	51,574.48	_____%
2000	51,511.40	-0.1%
2001	56,480.66	9.6%
2002	76,778.55	35.9%
2003	88,977.27	15.9%
2004	132,825.30	49.3%
2005	163,669.80	23.2%
2006	191,599.50	17.1%
2007	232,905.15	21.6%
2008	221,662.73	-4.8%
2009	275,946.30	24.5%
2010	278,182.12	0.8%
2011	257,676.16	-7.4%
2012	282,742.64	9.7%
2013	297,989.02	5.4%
2014	306,641.87	2.9%
2015	341,431.51	11.3%
2016	378,332.56	10.8%
2017	405,720.10	7.2%
2018	453,917.98	11.9%
2019	495,381.00	9.1%
2020	523,055.05	5.6%
2021	540,760.15	3.4%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	1,279,626.30	1,279,626.30
Total Cash and Equivalents	1,279,626.30	1,279,626.30
Receivables:		
Investment Income	42,172.08	42,172.08
Total Receivable	42,172.08	42,172.08
Investments:		
Stocks	10,879,220.31	13,056,931.50
Mutual Funds:		
Fixed Income	16,966,996.42	17,052,743.58
Equity	14,979,262.06	27,549,166.83
Pooled/Common/Commingled Funds:		
Real Estate	3,500,000.00	4,478,422.22
Total Investments	46,325,478.79	62,137,264.13
Total Assets	47,647,277.17	63,459,062.51
<u>LIABILITIES</u>		
Payables:		
Share Distributions	13,978.18	13,978.18
Investment Expenses	27,534.48	27,534.48
Administrative Expenses	2,290.97	2,290.97
Prepaid City Contribution	629,677.39	629,677.39
Total Liabilities	673,481.02	673,481.02
NET POSITION RESTRICTED FOR PENSIONS	46,973,796.15	62,785,581.49

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

ADDITIONS

Contributions:			
Member		423,423.36	
Buy-Back		63,311.00	
City		1,671,015.00	
State		540,760.15	
Total Contributions			2,698,509.51
Investment Income:			
Net Realized Gain (Loss)	2,954,026.33		
Unrealized Gain (Loss)	7,221,688.44		
Net Increase in Fair Value of Investments		10,175,714.77	
Interest & Dividends		1,276,638.13	
Less Investment Expense ¹		(135,373.20)	
Net Investment Income			11,316,979.70
Total Additions			14,015,489.21

DEDUCTIONS

Distributions to Members:			
Benefit Payments		2,352,578.18	
Lump Sum DROP Distributions		0.00	
Lump Sum Share Distributions		85,875.04	
Lump Sum PLOP Distributions		74,087.87	
Refunds of Member Contributions		0.00	
Total Distributions			2,512,541.09
Administrative Expense			90,735.62
Total Deductions			2,603,276.71
Net Increase in Net Position			11,412,212.50
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of the Year			51,373,368.99
End of the Year			62,785,581.49

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

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2021

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return ¹	
09/30/2018	9.13%	
09/30/2019	2.55%	
09/30/2020	10.94%	
09/30/2021	21.93%	
Annualized Rate of Return for prior four (4) years:		10.92%
(A) 10/01/2020 Actuarial Assets:		\$50,498,450.08
(I) Net Investment Income:		
1. Interest and Dividends	1,276,638.13	
2. Realized Gain (Loss)	2,954,026.33	
3. Unrealized Gain (Loss)	7,221,688.44	
4. Change in Actuarial Value	(5,796,086.94)	
5. Investment Related Expenses	(135,373.20)	
Total		5,520,892.76
(B) 10/01/2021 Actuarial Assets:		\$56,114,575.64
Actuarial Asset Rate of Return = 2I/(A+B-I):		10.92%
10/01/2021 Limited Actuarial Assets:		\$56,114,575.64
10/01/2021 Market Value of Assets:		\$62,785,581.49
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$1,804,907.25

¹Market Value Basis, net of investment related expenses.

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

REVENUES

Contributions:		
Member	423,423.36	
Buy-Back	63,311.00	
City	1,671,015.00	
State	540,760.15	
 Total Contributions		 2,698,509.51
Earnings from Investments:		
Interest & Dividends	1,276,638.13	
Net Realized Gain (Loss)	2,954,026.33	
Unrealized Gain (Loss)	7,221,688.44	
Change in Actuarial Value	(5,796,086.94)	
 Total Earnings and Investment Gains		 5,656,265.96

EXPENDITURES

Distributions to Members:		
Benefit Payments	2,352,578.18	
Lump Sum DROP Distributions	0.00	
Lump Sum Share Distributions	85,875.04	
Lump Sum PLOP Distributions	74,087.87	
Refunds of Member Contributions	0.00	
 Total Distributions		 2,512,541.09
Expenses:		
Investment related ¹	135,373.20	
Administrative	90,735.62	
 Total Expenses		 226,108.82
 Change in Net Assets for the Year		 5,616,125.56
 Net Assets Beginning of the Year		 50,498,450.08
 Net Assets End of the Year ²		 56,114,575.64

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, 2020 to September 30, 2021

Beginning of the Year Balance	50,121.82
Plus Additions	85,182.00
Investment Return Earned	6,228.20
Less Distributions	0.00
End of the Year Balance	141,532.02

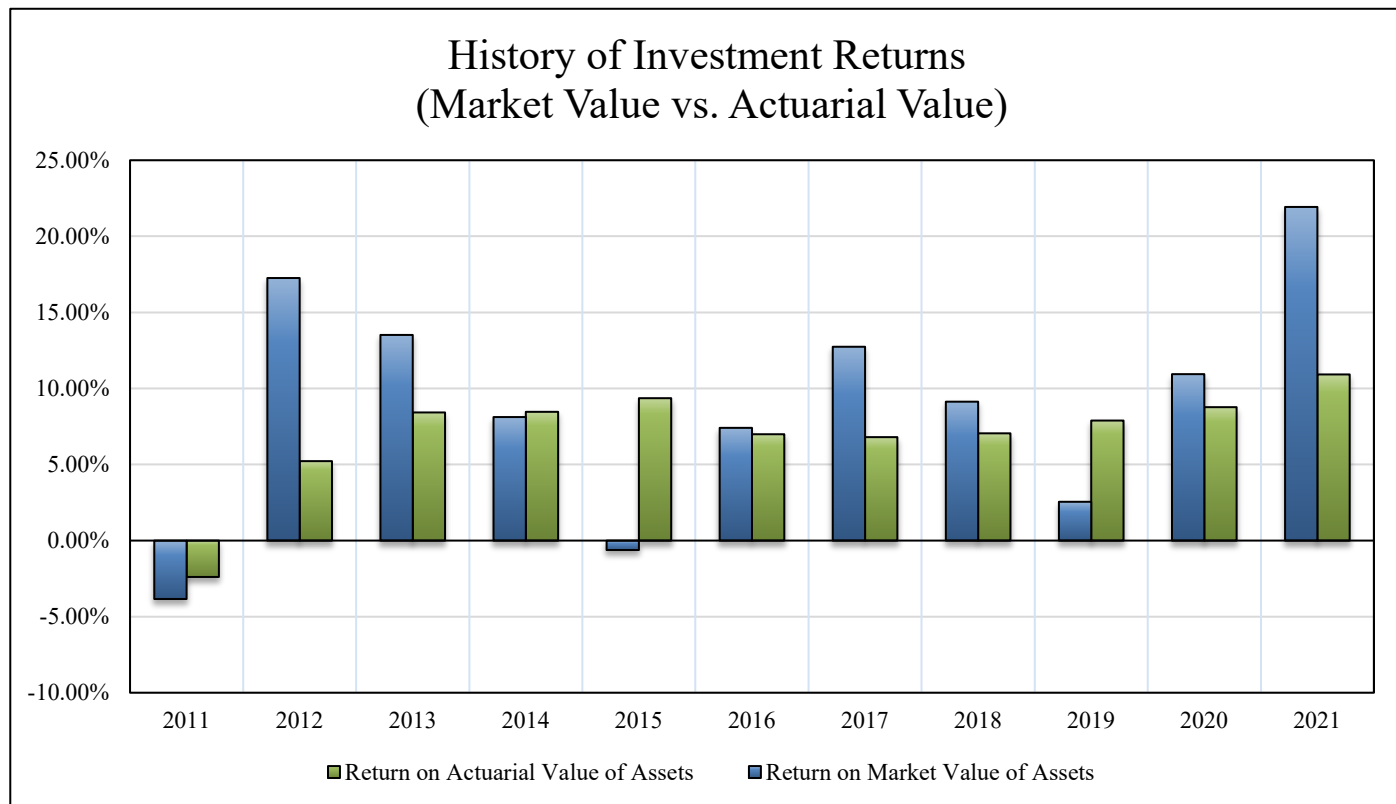
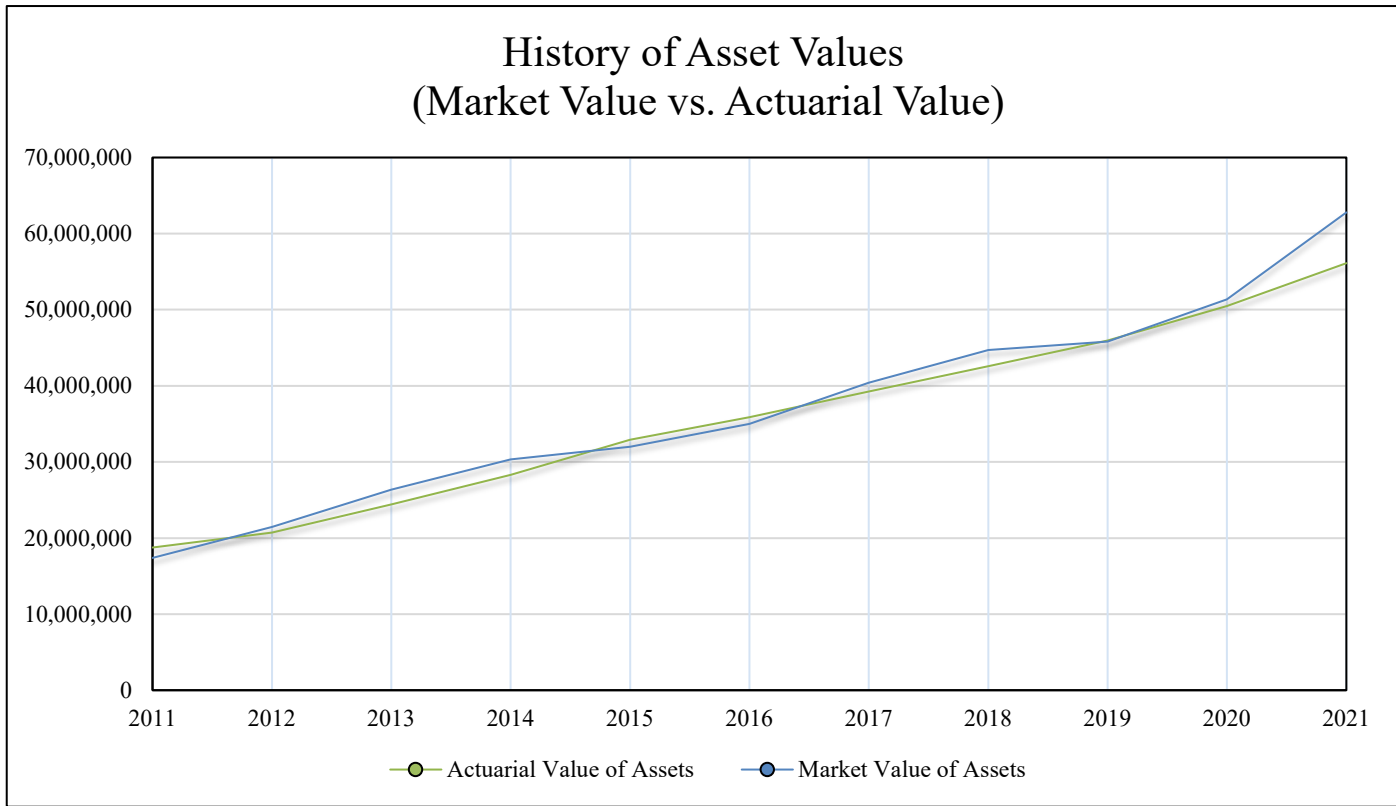
SUPPLEMENTAL CHAPTER 185 SHARE PLAN ACTIVITY
October 1, 2020 through September 30, 2021

9/30/2020 Balance (est.)	935,995.22
Prior Year Adjustment	(860.95)
Plus Additions	260,760.15
Investment Return Earned (est.)	186,242.55
Administrative Fees	0.00
Less Distributions	<u>(85,875.04)</u>
9/30/2021 Balance (est.)	1,296,261.93

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

(1) Required City and State Contributions	\$1,951,015.00
(2) Less Allowable State Contribution	<u>(280,000.00)</u>
(3) Required City Contribution for Fiscal 2021	1,671,015.00
(4) Less 2020 Prepaid Contribution	(629,677.39)
(5) Less Actual City Contributions	<u>(1,671,015.00)</u>
(6) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2021	(\$629,677.39)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA

	<u>10/1/2018</u>	<u>10/1/2019</u>	<u>10/1/2020</u>	<u>10/1/2021</u>
<u>Actives</u>				
Number	65	61	58	58
Average Current Age	39.7	40.3	40.8	41.8
Average Age at Employment	28.2	28.2	28.1	28.1
Average Past Service	11.5	12.1	12.7	13.7
Average Annual Salary	\$90,977	\$92,787	\$93,832	\$96,915
<u>Service Retirees</u>				
Number	29	33	34	34
Average Current Age	58.7	58.3	57.9	58.2
Average Annual Benefit	\$50,984	\$51,305	\$52,889	\$52,359
<u>DROP Retirees</u>				
Number	1	0	1	1
Average Current Age	60.4	N/A	50.5	51.5
Average Annual Benefit	\$82,852	N/A	\$85,182	\$85,182
<u>Beneficiaries</u>				
Number	3	4	4	5
Average Current Age	52.1	56.7	57.7	58.1
Average Annual Benefit	\$36,965	\$46,753	\$46,753	\$46,365
<u>Disability Retirees</u>				
Number	11	11	11	11
Average Current Age	57.4	58.4	59.4	60.4
Average Annual Benefit	\$31,439	\$31,439	\$31,439	\$31,439
<u>Terminated Vested</u>				
Number	25	23	22	21
Average Current Age ¹	40.4	39.9	40.9	40.2
Average Annual Benefit ¹	\$37,846	\$29,286	\$29,286	\$30,534

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

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24												0
25 - 29						2						2
30 - 34						6	2					8
35 - 39						6	8	1				15
40 - 44						1	4	4	1			10
45 - 49						1	6	7				14
50 - 54							2	3	1			6
55 - 59								1	2			3
60 - 64												0
65+												0
Total	0	0	0	0	0	16	22	16	4	0	0	58

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2020	58
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	58
h. New entrants	<u>0</u>
i. Total active life participants in valuation	58

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	34	1	4	11	3	19	72
Retired	1	0	0	0	(1)	0	0
DROP	0	0	0	0	0	0	0
Vested (Deferred Annuity)	0	0	0	0	0	0	0
Vested (Due Refund)	0	0	0	0	0	0	0
Hired/Terminated in Same Year	0	0	0	0	0	0	0
Death, With Survivor	(1)	0	1	0	0	0	0
Death, No Survivor	0	0	0	0	0	0	0
Disabled	0	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0	0
Rehires	0	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0	0
b. Number current valuation	34	1	5	11	2	19	72

SUMMARY OF CURRENT PLAN
(Through Ordinance 2018-53)

<u>Original Plan Effective Date</u>	December 14, 1979
<u>Latest Amendment</u>	September 25, 2018
<u>Credited Service</u>	<p>a.) Total aggregate period of service, including military leave if reemployed by City within 1 year of discharge under honorable conditions.</p> <p>b.) Upon termination, prior Credited Service will be forfeited if refund of contributions elected, or if not reemployed within (5) years, and not vested at termination.</p> <p>The Plan is closed to Police Officers hired after December 31, 2015.</p>
<u>Average Final Compensation</u>	Average total W-2 earnings, plus tax deferred and tax exempt income, during the best 5 years of the last 10 years of service.
<u>Normal Retirement</u>	
Eligibility	The earlier of 1) age 55 and the completion of 10 Years of Service or 2) the completion of 25 Years of Service, regardless of age. For Members hired after May 27, 2014, there is an age 52 requirement, in addition to the completion of 25 years of Credited Service.
<u>Benefit Amount</u>	3.50% of Average Final Compensation for each year of Credited Service. For Member hired after May 27, 2014, the benefit accrual rate is 3.15% for each year of Credited Service.
Form of Benefit	Ten Year Certain and Life Annuity (options available).

Early Retirement

Eligibility	Age 45 and 10 Years of Service.
Benefit Amount	Accrued benefit, reduced by 3% per year for each year prior to the Normal Retirement Date if the Member has less than 15 years of service, 2% per year if the Member has at least 15 but less than 20 years of service or 1% per year of the Member has 20 or more years of service at the time of retirement. The Normal Retirement date is the earlier of 55 and 10 or when the Member would have reached 25 years of service. For Members hired after May 27, 2014, the reduction is a flat 3% per year for each year prior to the Normal Retirement Date (determined as if employment had continued).

Disability

Service Connected

Eligibility	a.) Years of Service: None b.) Total and permanent disability prior to Normal Retirement Date.
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Benefit Amount	Greater of 1) 2% times Average Final Compensation times Credited Service, or 2) 60% of earnings in effect at time of disability (80% AFC minimum for intentional violence); 10 year certain and life annuity form of benefit (optional forms available).
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Non-Service Connected

Eligibility	a.) 10 Years of Service. b.) Total and permanent disability prior to Normal Retirement.
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Benefit Amount	Same as Service Connected except minimum 50% of earnings.
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Supplemental Benefit

\$165 per month for all service retirees, disability retirees, vested terminated Members, and beneficiaries. The supplemental benefit is not payable for Members hired after May 27, 2014.

Pre-Retirement Death

Coverage from date of hire (service-incurred) or after 5 Years of Service (non-service). Benefit is 60% (Service incurred) or 50% (non-service) of compensation in effect at time of death payable to spouse for life (service incurred) or for life or until remarriage (non-service). If no spouse, children receive benefit in equal shares until age 18 (or age 23 if full-time student). Minimum benefit for vested Members is accrued benefit, less any benefits paid pursuant to other death benefit provisions.

Vesting (Termination)

Less than 10 years of Service

Refund of Member Contributions Contributing without interest.

10 years or more

Accrued benefit payable at age 45 or later, on reduced basis if to commence prior to age 55, or Refund of Member Contributions.

Contributions

Employee

8.0% of total compensation.

Premium Tax

0.85% tax on premiums for casualty insurance.

City

Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes. In no event will City contributions be less than 18% of the Members' total pay.

Board of Trustees

a.) Two City residents appointed by the City Commission,

b.) Two Police Officers elected by a majority of Police Officers, and

c.) Fifth Member elected by the Board and appointed (as a ministerial duty) by the City Commission.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements (earlier of 1) Age 55 and 10 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age).
Participation	Not to exceed 36 months.
Rate of Return	Actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs) credited each fiscal quarter.
Form of Distribution	Cash lump sum (options available) at termination of employment.

Share Plan

Chapter 185 State Monies received by the City each year in excess of the \$280,000 applicable frozen amount shall be allocated to each Members share account.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	1,279,626
Total Cash and Equivalents	1,279,626
Receivables:	
Investment Income	42,172
Total Receivable	42,172
Investments:	
Stocks	13,056,932
Mutual Funds:	
Fixed Income	17,052,744
Equity	27,549,167
Pooled/Common/Commingled Funds:	
Real Estate	4,478,422
Total Investments	62,137,265
Total Assets	63,459,063
<u>LIABILITIES</u>	
Payables:	
Share Distributions	13,978
Investment Expenses	27,535
Administrative Expenses	2,291
Total Liabilities	43,804
NET POSITION RESTRICTED FOR PENSIONS	63,415,259

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

ADDITIONS

Contributions:

Member	423,423
Buy-Back	63,311
City	1,671,015
State	540,760

Total Contributions	2,698,509
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Investment Income:

Net Increase in Fair Value of Investments	10,175,715
Interest & Dividends	1,276,638
Less Investment Expense ¹	(135,373)

Net Investment Income	11,316,980
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Total Additions	14,015,489
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DEDUCTIONS

Distributions to Members:

Benefit Payments	2,352,578
Lump Sum DROP Distributions	0
Lump Sum Share Distributions	85,875
Lump Sum PLOP Distributions	74,088
Refunds of Member Contributions	0

Total Distributions	2,512,541
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Administrative Expense	90,735
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Total Deductions	2,603,276
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Net Increase in Net Position	11,412,213
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	52,003,046
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End of the Year	63,415,259
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

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

Plan Administration

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

- a. Two City residents appointed by the City Commission,
- b. Two Police Officers elected by a majority of Police Officers, and
- c. Fifth Member elected by the Board and appointed (as a ministerial duty) by the City Commission.

Each person employed by the City Police Department as a full-time Police Officer before March 1, 2016 elected to continue to be a Member of the plan or to participate in the Florida Retirement System (FRS). All Police Officers hired on or after March 1, 2016 shall be compulsory members of the FRS and shall not be eligible for membership in this system. This system shall be closed to new members effective March 1, 2016. All remaining eligible Police Officers are therefore eligible for all plan benefits as provided for in the plan document and by applicable law.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	50
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	22
Active Plan Members	58
	130
	130

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the City of North Port Police Officers' Pension - Local Option Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Contributions

Employee: 8.0% of total compensation.

Premium Tax: 0.85% tax on premiums for casualty insurance.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes. In no event will City contributions be less than 18% of the Members' total pay.

Investment Policy:

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

Asset Class	Target Allocation
Domestic Equity	45.0%
International Equity	15.0%
Intermediate Fixed Income	20.0%
Global Bond	5.0%
Real Estate	10.0%
GTAA	5.00%
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.

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Rate of Return:

For the year ended September 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 21.93 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 55 and 10 years of Credited Service, or (2) the completion of 25 years of Credited Service, regardless of age).

Participation: Not to exceed 36 months.

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

The DROP balance as September 30, 2021 is \$141,532.

NET PENSION LIABILITY OF THE SPONSOR

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

Total Pension Liability	\$ 59,189,794
Plan Fiduciary Net Position	<u>\$ (63,415,259)</u>
Sponsor's Net Pension Liability	<u>\$ (4,225,465)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	107.14%

Actuarial Assumptions:

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

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

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

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

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Mortality Rate Disabled Lives:

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

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

The above 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, 2019 FRS valuation report for special risk employees.

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

The most recent actuarial experience study used to review the other significant assumptions was dated September 9, 2021.

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

For 2021 the inflation rate assumption of the investment advisor was 2.50%.

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

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

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

¹ Source: AndCo Consulting

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 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
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Sponsor's Net Pension Liability	\$ 3,118,713	\$ (4,225,465)	\$ (10,305,898)

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

	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	1,610,388	1,680,272
Interest	3,950,133	3,764,787
Share Plan Allocation	260,760	243,055
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(367,528)	(607,594)
Changes of assumptions	2,796,088	602,053
Contributions - Buy Back	63,311	-
Benefit Payments, including Refunds of Employee Contributions	(2,512,541)	(2,294,330)
Net Change in Total Pension Liability	5,800,611	3,388,243
Total Pension Liability - Beginning	53,389,183	50,000,940
Total Pension Liability - Ending (a)	\$ 59,189,794	\$ 53,389,183
Plan Fiduciary Net Position		
Contributions - Employer	1,671,015	1,943,746
Contributions - State	540,760	523,055
Contributions - Employee	423,423	423,515
Contributions - Buy Back	63,311	-
Net Investment Income	11,316,980	5,048,457
Benefit Payments, including Refunds of Employee Contributions	(2,512,541)	(2,294,330)
Administrative Expense	(90,735)	(102,365)
Net Change in Plan Fiduciary Net Position	11,412,213	5,542,078
Plan Fiduciary Net Position - Beginning	52,003,046	46,460,968
Plan Fiduciary Net Position - Ending (b)	\$ 63,415,259	\$ 52,003,046
Net Pension Liability - Ending (a) - (b)	\$ (4,225,465)	\$ 1,386,137
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	107.14%	97.40%
Covered Payroll	\$ 5,292,794	\$ 5,301,467
Net Pension Liability as a percentage of Covered Payroll	-79.83%	26.15%

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/2021, the following changes were made to the assumptions as a result of the experience study dated September 9, 2021:

- 1) Investment return assumption was reduced from 7.35% to 7.00%, net of investment related expenses.
- 2) The salary increase rates were decreased for members with 20 or less years of service and increased for members with more than 20 year of service.
- 3) Adjusted the normal and early retirement rates to first eligibility for Normal Retirement and increased the Early Retirement assumption from 10% to 15% for all years of eligibility.
- 4) Adjusted the assumed rates of withdrawal, resulting in generally more withdrawals for members with less than 15 years of service, followed by a 0% assumption for members with 15 or more years of service.

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

Additionally, the investment return assumption has been reduced from 7.45% to 7.35% 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
09/30/2021	\$ 1,951,015	\$ 1,951,015	\$ -	\$ 5,292,794	36.86%
09/30/2020	\$ 2,223,746	\$ 2,223,746	\$ -	\$ 5,301,467	41.95%

Notes to Schedule

Valuation Date: 10/01/2019

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of North Port Police Officers' Pension - Local Option Trust Fund 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
09/30/2021	21.93%
09/30/2020	10.94%

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

Plan Description

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

- a. Two City residents appointed by the City Commission,
- b. Two Police Officers elected by a majority of Police Officers, and
- c. Fifth Member elected by the Board and appointed (as a ministerial duty) by the City Commission.

Each person employed by the City Police Department as a full-time Police Officer before March 1, 2016 elected to continue to be a Member of the plan or to participate in the Florida Retirement System (FRS). All Police Officers hired on or after March 1, 2016 shall be compulsory members of the FRS and shall not be eligible for membership in this system. This system shall be closed to new members effective March 1, 2016. All remaining eligible Police Officers are therefore eligible for all plan benefits as provided for in the plan document and by applicable law.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	50
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	22
Active Plan Members	58
	130

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the City of North Port Police Officers' Pension - Local Option Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Contributions

Employee: 8.0% of total compensation.

Premium Tax: 0.85% tax on premiums for casualty insurance.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes. In no event will City contributions be less than 18% of the Members' total pay.

Net Pension Liability

The measurement date is September 30, 2021.

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

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

The Sponsor's Net Pension Liability was measured as of September 30, 2021.

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

Actuarial Assumptions:

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

Inflation	2.50%	
Salary Increases	Service based	
Discount Rate	7.00%	
Investment Rate of Return	7.00%	

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

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

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

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Mortality Rate Disabled Lives:

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

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

The above 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, 2019 FRS valuation report for special risk employees.

The most recent actuarial experience study used to review the other significant assumptions was dated September 9, 2021.

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

For 2021 the inflation rate assumption of the investment advisor was 2.50%.

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

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
Domestic Equity	45.0%	7.50%
International Equity	15.0%	8.50%
Intermediate Fixed Income	20.0%	2.50%
Global Bond	5.0%	3.50%
Real Estate	10.0%	4.50%
GTAA	5.0%	3.50%
Total	100.0%	

¹ Source: AndCo Consulting

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 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, 2021	\$ 53,389,183	\$ 52,003,046	\$ 1,386,137
Changes for a Year:			
Service Cost	1,610,388	-	1,610,388
Interest	3,950,133	-	3,950,133
Share Plan Allocation	260,760	-	260,760
Differences between Expected and Actual Experience	(367,528)	-	(367,528)
Changes of assumptions	2,796,088	-	2,796,088
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,671,015	(1,671,015)
Contributions - State	-	540,760	(540,760)
Contributions - Employee	-	423,423	(423,423)
Contributions - Buy Back	63,311	63,311	-
Net Investment Income	-	11,316,980	(11,316,980)
Benefit Payments, including Refunds of Employee Contributions	(2,512,541)	(2,512,541)	-
Administrative Expense	-	(90,735)	90,735
Net Changes	5,800,611	11,412,213	(5,611,602)
Reporting Period Ending September 30, 2022	\$ 59,189,794	\$ 63,415,259	\$ (4,225,465)

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 3,118,713	\$ (4,225,465)	\$ (10,305,898)

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, 2021

For the year ended September 30, 2021, the Sponsor has recognized a Pension Expense of \$1,805,328.

On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	450,736	989,979
Changes of assumptions	1,322,282	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	458,517
Employer and State contributions subsequent to the measurement date	2,211,775	-
Total	\$ 3,984,793	\$ 1,448,496

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2021.

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:		
2022	\$	(114,567)
2023	\$	402,418
2024	\$	350,417
2025	\$	(313,746)
2026	\$	-
Thereafter	\$	-

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2022**

For the year ended September 30, 2022, the Sponsor will recognize a Pension Expense of \$657,190.

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	274,255	695,942
Changes of assumptions	2,824,778	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	6,135,586
Employer and State contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 6,831,528

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date will be 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	\$ (488,693)
2024	\$ (540,694)
2025	\$ (1,204,857)
2026	\$ (1,498,251)
2027	\$ -
Thereafter	\$ -

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

Reporting Period Ending Measurement Date	09/30/2022 09/30/2021	09/30/2021 09/30/2020
Total Pension Liability		
Service Cost	1,610,388	1,680,272
Interest	3,950,133	3,764,787
Share Plan Allocation	260,760	243,055
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(367,528)	(607,594)
Changes of assumptions	2,796,088	602,053
Contributions - Buy Back	63,311	-
Benefit Payments, including Refunds of Employee Contributions	(2,512,541)	(2,294,330)
Net Change in Total Pension Liability	5,800,611	3,388,243
Total Pension Liability - Beginning	53,389,183	50,000,940
Total Pension Liability - Ending (a)	<u>\$ 59,189,794</u>	<u>\$ 53,389,183</u>
Plan Fiduciary Net Position		
Contributions - Employer	1,671,015	1,943,746
Contributions - State	540,760	523,055
Contributions - Employee	423,423	423,515
Contributions - Buy Back	63,311	-
Net Investment Income	11,316,980	5,048,457
Benefit Payments, including Refunds of Employee Contributions	(2,512,541)	(2,294,330)
Administrative Expense	(90,735)	(102,365)
Net Change in Plan Fiduciary Net Position	11,412,213	5,542,078
Plan Fiduciary Net Position - Beginning	52,003,046	46,460,968
Plan Fiduciary Net Position - Ending (b)	<u>\$ 63,415,259</u>	<u>\$ 52,003,046</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (4,225,465)</u>	<u>\$ 1,386,137</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	107.14%	97.40%
Covered Payroll	\$ 5,292,794	\$ 5,301,467
Net Pension Liability as a percentage of Covered Payroll	-79.83%	26.15%

Notes to Schedule:*Changes of assumptions:*

For measurement date 09/30/2021, the following changes were made to the assumptions as a result of the experience study dated

- 1) Investment return assumption was reduced from 7.35% to 7.00%, net of investment related expenses.
- 2) The salary increase rates were decreased for members with 20 or less years of service and increased for members with more than 20 year of service.
- 3) Adjusted the normal and early retirement rates to first eligibility for Normal Retirement and increased the Early Retirement assumption from 10% to 15% for all years of eligibility.
- 4) Adjusted the assumed rates of withdrawal, resulting in generally more withdrawals for members with less than 15 years of service, followed by a 0% assumption for members with 15 or more years of service.

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

Additionally, the investment return assumption has been reduced from 7.45% to 7.35% 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
09/30/2021	\$ 1,951,015	\$ 1,951,015	\$ -	\$ 5,292,794	36.86%
09/30/2020	\$ 2,223,746	\$ 2,223,746	\$ -	\$ 5,301,467	41.95%

Notes to Schedule

Valuation Date: 10/01/2019

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of North Port Police Officers' Pension - Local Option Trust Fund prepared by Foster & Foster Actuaries and Consultants.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

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

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 3,539,972	\$ 1,976,748	\$ 6,260,433	\$ -
Employer and State Contributions made after 09/30/2020	-	-	2,211,775	-
Total Pension Liability Factors:				
Service Cost	1,680,272	-	-	1,680,272
Interest	3,764,787	-	-	3,764,787
Share Plan Allocation	243,055	-	-	243,055
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(607,594)	607,594	-	-
Current year amortization of experience difference	-	(569,681)	(176,481)	(393,200)
Change in assumptions about future economic or demographic factors or other inputs	602,053	-	602,053	-
Current year amortization of change in assumptions	-	-	(594,571)	594,571
Benefit Payments, including Refunds of Employee Contributions	(2,294,330)	-	-	-
Net change	<u>3,388,243</u>	<u>37,913</u>	<u>2,042,776</u>	<u>5,889,485</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,943,746	-	(1,943,746)	-
Contributions - State	523,055	-	(523,055)	-
Contributions - Employee	423,515	-	-	(423,515)
Projected Net Investment Income	3,479,729	-	-	(3,479,729)
Difference between projected and actual earnings on Pension Plan investments	1,568,728	1,568,728	-	-
Current year amortization	-	(770,673)	(487,395)	(283,278)
Benefit Payments, including Refunds of Employee Contributions	(2,294,330)	-	-	-
Administrative Expenses	(102,365)	-	-	102,365
Net change	<u>5,542,078</u>	<u>798,055</u>	<u>(2,954,196)</u>	<u>(4,084,157)</u>
Ending Balance	<u>\$ 1,386,137</u>	<u>\$ 2,812,716</u>	<u>\$ 5,349,013</u>	<u>\$ 1,805,328</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 1,386,137	\$ 2,812,716	\$ 5,349,013	\$ -
Employer and State Contributions made after 09/30/2021	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	1,610,388	-	-	1,610,388
Interest	3,950,133	-	-	3,950,133
Share Plan Allocation	260,760	-	-	260,760
Changes in benefit terms	-	-	-	-
Contributions - Buy Back	63,311	-	-	63,311
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(367,528)	367,528	-	-
Current year amortization of experience difference	-	(661,565)	(176,481)	(485,084)
Change in assumptions about future economic or demographic factors or other inputs	2,796,088	-	2,796,088	-
Current year amortization of change in assumptions	-	-	(1,293,592)	1,293,592
Benefit Payments, including Refunds of Employee Contributions	(2,512,541)	-	-	-
Net change	<u>5,800,611</u>	<u>(294,037)</u>	<u>1,326,015</u>	<u>6,693,100</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,671,015	-	(1,671,015)	-
Contributions - State	540,760	-	(540,760)	-
Contributions - Employee	423,423	-	-	(423,423)
Contributions - Buy Back	63,311	-	-	(63,311)
Projected Net Investment Income	3,825,724	-	-	(3,825,724)
Difference between projected and actual earnings on Pension Plan investments	7,491,256	7,491,256	-	-
Current year amortization	-	(2,268,927)	(454,740)	(1,814,187)
Benefit Payments, including Refunds of Employee Contributions	(2,512,541)	-	-	-
Administrative Expenses	(90,735)	-	-	90,735
Net change	<u>11,412,213</u>	<u>5,222,329</u>	<u>(2,666,515)</u>	<u>(6,035,910)</u>
Ending Balance	<u>\$ (4,225,465)</u>	<u>\$ 7,741,008</u>	<u>TBD</u>	<u>\$ 657,190</u>

* Employer and State Contributions subsequent to the measurement date made after September 30, 2021 but made on or before September 30, 2022 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)	2021	2022	2023	2024	2025	2026	2027	2028	2029
2021	\$ (7,491,256)	5	\$ -	\$ (1,498,252)	\$ (1,498,251)	\$ (1,498,251)	\$ (1,498,251)	\$ (1,498,251)	\$ -	\$ -	\$ -
2020	\$ (1,568,728)	5	\$ (313,744)	\$ (313,746)	\$ (313,746)	\$ (313,746)	\$ (313,746)	\$ -	\$ -	\$ -	\$ -
2019	\$ 2,273,700	5	\$ 454,740	\$ 454,740	\$ 454,740	\$ 454,740	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (554,122)	5	\$ (110,824)	\$ (110,824)	\$ (110,824)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (1,730,524)	5	\$ (346,105)	\$ (346,105)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 163,274	5	\$ 32,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (283,278)	\$ (1,814,187)	\$ (1,468,081)	\$ (1,357,257)	\$ (1,811,997)	\$ (1,498,251)	\$ -	\$ -	\$ -

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)	2021	2022	2023	2024	2025	2026	2027	2028	2029
2021	\$ 2,796,088	4	\$ -	\$ 699,022	\$ 699,022	\$ 699,022	\$ 699,022	\$ -	\$ -	\$ -	\$ -
2020	\$ 602,053	4	\$ 150,514	\$ 150,513	\$ 150,513	\$ 150,513	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 565,173	5	\$ 113,035	\$ 113,035	\$ 113,035	\$ 113,035	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 528,699	5	\$ 105,740	\$ 105,740	\$ 105,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ 569,256	6	\$ 94,876	\$ 94,876	\$ 94,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 782,433	6	\$ 130,406	\$ 130,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 594,571	\$ 1,293,592	\$ 1,163,186	\$ 962,570	\$ 699,022	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

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

Plan Year	Differences Between	Recognition	2021	2022	2023	2024	2025	2026	2027	2028	2029
Ending	Expected and Actual	Period (Years)									
	Experience										
2021	\$ (367,528)	4	\$ -	\$ (91,882)	\$ (91,882)	\$ (91,882)	\$ (91,882)	\$ -	\$ -	\$ -	\$ -
2020	\$ (607,594)	4	\$ (151,897)	\$ (151,899)	\$ (151,899)	\$ (151,899)	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 488,870	5	\$ 97,774	\$ 97,774	\$ 97,774	\$ 97,774	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (582,492)	5	\$ (116,498)	\$ (116,498)	\$ (116,498)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ 472,241	6	\$ 78,707	\$ 78,707	\$ 78,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (860,314)	6	\$ (143,386)	\$ (143,386)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ (1,105,298)	7	\$ (157,900)	\$ (157,900)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (393,200)	\$ (485,084)	\$ (183,798)	\$ (146,007)	\$ (91,882)	\$ -	\$ -	\$ -	\$ -