

December 1, 2022

VIA EMAIL

Board of Trustees
City of North Port
Firefighters' Pension Board

RE: GASB Statement No.67 and No.68 – City of North Port Firefighters’ Pension – Local Option Trust Fund

Dear Board:

We are pleased to present to the Board a GASB Statement No.67 and No. 68 measured as of September 30, 2022 for City of North Port Firefighters’ Pension – Local Option Trust Fund.

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 30th, 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:	
Short Term Investments	634,433
Total Cash and Equivalents	634,433
Receivables:	
Member Contributions in Transit	17,843
City Contributions in Transit	198,221
Total Receivable	216,064
Investments:	
Mutual Funds:	
Fixed Income	16,596,816
Equity	29,395,470
Real Estate	7,530,517
Total Investments	53,522,803
Total Assets	54,373,300
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	12,619
Administrative Expenses	5,117
Prior Refund Payable	1,337
Total Liabilities	19,073
NET POSITION RESTRICTED FOR PENSIONS	54,354,227

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

ADDITIONS

Contributions:

Member	428,610	
City	789,693	
State	340,753	
Fund Repayment to State for Overpayment ¹	(432,493)	
Total Contributions		1,126,563
 Investment Income:		
Net Increase in Fair Value of Investments	(11,215,611)	
Interest & Dividends	2,269,840	
Less Investment Expense ²	(128,142)	
Net Investment Income		(9,073,913)
Total Additions		(7,947,350)

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,923,214	
Lump Sum DROP Distributions	725,826	
Lump Sum Share Distributions	369,459	
Refunds of Member Contributions	0	
Total Distributions		3,018,499
 Administrative Expense		 84,813
Total Deductions		3,103,312
Net Increase in Net Position		(11,050,662)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	65,404,889
End of the Year	54,354,227

¹Due to revision of department payroll, as described by the State, for submission on Annual Reports.

²Investment related expenses include investment advisory, custodial and performance monitoring fees.

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

Plan Administration

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

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

Full-time employees who are classified as full-time Firefighters shall participate in the System as a condition of employment. Officers hired after July 1, 2016 shall participate in the Florida Retirement System. Members active on July 1, 2016 had the option of participating prospectively in the Florida Retirement System.

Plan Membership as of October 1, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	35
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	35
Active Plan Members	37
	107
	107

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2021 Actuarial Valuation Report for the City of North Port Firefighters' Pension - Local Option Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 10.6% of Salary.

City and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII of Florida Statutes, Chapter 112. In no event will the City's contribution be less than 18% of the total salary of plan Members.

Investment Policy:

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

Asset Class	Target Allocation
Domestic Equity	47.5%
International Equity	10.0%
Broad Market Fixed Income	22.5%
Global Fixed Income	5.0%
Real Estate	10.0%
GTAA	5.0%
Total	100.0%

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 -14.06 percent.

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

GASB 67

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements (earlier of (1) Age 55 with 10 years of Credited Service, or (2) Age 52 with 25 years of Credited Service).

Participation: Not to exceed 60 months.

Rate of Return: At the Member's election: (1) 1.0% annual rate, or (2) actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), credited each fiscal quarter. One change between the above options is allowed.

The DROP balance as September 30, 2022 is \$2,959.

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	\$ 67,368,778
Plan Fiduciary Net Position	<u>\$ (54,354,227)</u>
Sponsor's Net Pension Liability	<u>\$ 13,014,551</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	80.68%

Actuarial Assumptions:

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

Inflation	2.50%
Salary Increases	Service based
Discount Rate	6.75%
Investment Rate of Return	6.75%

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

The most recent actuarial experience study used to review the other significant assumptions was dated June 13, 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 2.50%.

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.

GASB 67

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

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return¹</u>
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Global Fixed Income	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 6.75 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>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
Sponsor's Net Pension Liability	\$22,302,214	\$ 13,014,551	\$ 5,397,758

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

	09/30/2022	09/30/2021
Total Pension Liability		
Service Cost	1,007,552	998,065
Interest	4,204,163	4,016,731
Share Plan Allocation	-	244,296
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	613,506	(18,990)
Changes of assumptions	4,000,894	-
Benefit Payments, including Refunds of Employee Contributions	(3,018,499)	(2,125,487)
Net Change in Total Pension Liability	6,807,616	3,114,615
Total Pension Liability - Beginning	60,561,162	57,446,547
Total Pension Liability - Ending (a)	<u>\$ 67,368,778</u>	<u>\$ 60,561,162</u>
Plan Fiduciary Net Position		
Contributions - Employer	789,693	709,952
Contributions - State	340,753	494,296
Contributions - Fund Repayment to State for Overpayment	(432,493)	-
Contributions - Employee	428,610	418,083
Net Investment Income	(9,073,913)	10,546,396
Benefit Payments, including Refunds of Employee Contributions	(3,018,499)	(2,125,487)
Administrative Expense	(84,813)	(73,156)
Net Change in Plan Fiduciary Net Position	(11,050,662)	9,970,084
Plan Fiduciary Net Position - Beginning	65,404,889	55,434,805
Plan Fiduciary Net Position - Ending (b)	<u>\$ 54,354,227</u>	<u>\$ 65,404,889</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 13,014,551</u>	<u>\$ (4,843,727)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	80.68%	108.00%
Covered Payroll	\$ 4,043,488	\$ 3,944,177
Net Pension Liability as a percentage of Covered Payroll	321.86%	-122.81%

Notes to Schedule:*Changes of assumptions:*

For measurement date 09/30/2022, the Board approved the following assumption changes based on the June 13, 2022 actuarial experience study:

1. Investment Return - Reduced from 7.00% to 6.75%, net of investment related expenses.
2. Salary Increases - Reduced for members with less than 10 years of service and increased for members with 20 or more years of service.
3. Normal Retirement Rates – Reduced rates at ages 56 and 57.
4. Early Retirement Rates – Reduced to 0% for those with less than 15 years of service and a slight increase for those with 20 or more years of service.
5. Withdrawal Rates – Moved to a strict service-based table, and generally reduced rates for those with more than 10 years of service.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions ¹	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2022	\$ 1,020,404	\$ 1,039,693	\$ (19,289)	\$ 4,043,488	25.71%
09/30/2021	\$ 959,952	\$ 959,952	\$ -	\$ 3,944,177	24.34%

¹ Incl. Trust Fund Reimbursement

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 North Port Firefighters' 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
09/30/2022	-14.06%
09/30/2021	19.22%

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 comprised of:

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

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

Officers hired after July 1, 2016 shall participate in the Florida Retirement System. Members active on July 1, 2016 had the option of participating prospectively in the Florida Retirement System.

Plan Membership as of October 1, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	35
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	35
Active Plan Members	37
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Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2021 Actuarial Valuation Report for the City of North Port Firefighters' Pension - Local Option Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 10.6% of Salary.

City and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII of Florida Statutes, Chapter 112. In no event will the City's contribution be less than 18% of the total salary of plan Members.

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	2.50%	
Salary Increases		Service based
Discount Rate	6.75%	
Investment Rate of Return	6.75%	

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.

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

The most recent actuarial experience study used to review the other significant assumptions was dated June 13, 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 2.50%.

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

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
Domestic Equity	47.5%	7.50%
International Equity	10.0%	8.50%
Broad Market Fixed Income	22.5%	2.50%
Global Fixed Income	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 6.75 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	\$ 60,561,162	\$ 65,404,889	\$ (4,843,727)
Changes for a Year:			
Service Cost	1,007,552	-	1,007,552
Interest	4,204,163	-	4,204,163
Differences between Expected and Actual Experience	613,506	-	613,506
Changes of assumptions	4,000,894	-	4,000,894
Changes of benefit terms	-	-	-
Contributions - Employer	-	789,693	(789,693)
Contributions - State	-	340,753	(340,753)
Contributions - Fund Repayment to State for Overpayment	-	(432,493)	432,493
Contributions - Employee	-	428,610	(428,610)
Net Investment Income	-	(9,073,913)	9,073,913
Benefit Payments, including Refunds of Employee Contributions	(3,018,499)	(3,018,499)	-
Administrative Expense	-	(84,813)	84,813
Net Changes	6,807,616	(11,050,662)	17,858,278
Reporting Period Ending September 30, 2023	\$ 67,368,778	\$ 54,354,227	\$ 13,014,551

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

	Current		
	1% Decrease	Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Sponsor's Net Pension Liability	\$ 22,302,214	\$ 13,014,551	\$ 5,397,758

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 \$1,128,248.

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	206,875	766,788
Changes of assumptions	1,003,625	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	5,321,255
Employer and State Contributions subsequent to the measurement date	697,953	-
Total	\$ 1,908,453	\$ 6,088,043

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State 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	\$ (728,902)
2024	\$ (1,191,811)
2025	\$ (1,619,604)
2026	\$ (1,337,226)
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 \$3,884,607.

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	470,711	509,082
Changes of assumptions	2,973,694	-
Net difference between Projected and Actual Earnings on Pension Plan investments	6,858,758	-
Employer and State Contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 509,082

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, 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	\$	3,062,936
2025	\$	2,635,143
2026	\$	1,379,388
2027	\$	2,716,614
2028	\$	-
Thereafter	\$	-

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

Reporting Period Ending	09/30/2023	09/30/2022
Measurement Date	09/30/2022	09/30/2021
Total Pension Liability		
Service Cost	1,007,552	998,065
Interest	4,204,163	4,016,731
Share Plan Allocation	-	244,296
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	613,506	(18,990)
Changes of assumptions	4,000,894	-
Benefit Payments, including Refunds of Employee Contributions	(3,018,499)	(2,125,487)
Net Change in Total Pension Liability	6,807,616	3,114,615
Total Pension Liability - Beginning	60,561,162	57,446,547
Total Pension Liability - Ending (a)	<u>\$ 67,368,778</u>	<u>\$ 60,561,162</u>
Plan Fiduciary Net Position		
Contributions - Employer	789,693	709,952
Contributions - State	340,753	494,296
Contributions - Fund Repayment to State for Overpayment	(432,493)	-
Contributions - Employee	428,610	418,083
Net Investment Income	(9,073,913)	10,546,396
Benefit Payments, including Refunds of Employee Contributions	(3,018,499)	(2,125,487)
Administrative Expense	(84,813)	(73,156)
Net Change in Plan Fiduciary Net Position	(11,050,662)	9,970,084
Plan Fiduciary Net Position - Beginning	65,404,889	55,434,805
Plan Fiduciary Net Position - Ending (b)	<u>\$ 54,354,227</u>	<u>\$ 65,404,889</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 13,014,551</u>	<u>\$ (4,843,727)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	80.68%	108.00%
Covered Payroll	\$ 4,043,488	\$ 3,944,177
Net Pension Liability as a percentage of Covered Payroll	321.86%	-122.81%

Notes to Schedule:*Changes of assumptions:*

For measurement date 09/30/2022, the Board approved the following assumption changes based on the June 13, 2022 actuarial experience study:

1. Investment Return - Reduced from 7.00% to 6.75%, net of investment related expenses.
2. Salary Increases - Reduced for members with less than 10 years of service and increased for members with 20 or more years of service.
3. Normal Retirement Rates – Reduced rates at ages 56 and 57.
4. Early Retirement Rates – Reduced to 0% for those with less than 15 years of service and a slight increase for those with 20 or more years of service.
5. Withdrawal Rates – Moved to a strict service-based table, and generally reduced rates for those with more than 10 years of service.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions ¹	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2022	\$ 1,020,404	\$ 1,039,693	\$ (19,289)	\$ 4,043,488	25.71%
09/30/2021	\$ 959,952	\$ 959,952	\$ -	\$ 3,944,177	24.34%

¹ Incl. Trust Fund Reimbursement

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 North Port Firefighters' 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, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 2,011,742	\$ 2,301,529	\$ 5,407,703	\$ -
Employer and State Contributions made after 09/30/2021	-	-	697,953	-
Total Pension Liability Factors:				
Service Cost	998,065	-	-	998,065
Interest	4,016,731	-	-	4,016,731
Share Plan Allocation	244,296	-	-	244,296
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(18,990)	18,990	-	-
Current year amortization of experience difference	-	(257,706)	(652,539)	394,833
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(1,223,168)	1,223,168
Benefit Payments, including Refunds of Employee Contributions	(2,125,487)	-	-	-
Net change	<u>3,114,615</u>	<u>(238,716)</u>	<u>(1,177,754)</u>	<u>6,877,093</u>
Plan Fiduciary Net Position:				
Contributions - Employer	709,952	-	(709,952)	-
Contributions - State	494,296	-	(494,296)	-
Contributions - Employee	418,083	-	-	(418,083)
Projected Net Investment Income	3,860,265	-	-	(3,860,265)
Difference between projected and actual earnings on Pension Plan investments	6,686,131	6,686,131	-	-
Current year amortization	-	(1,916,069)	(372,416)	(1,543,653)
Benefit Payments, including Refunds of Employee Contributions	(2,125,487)	-	-	-
Administrative Expenses	(73,156)	-	-	73,156
Net change	<u>9,970,084</u>	<u>4,770,062</u>	<u>(1,576,664)</u>	<u>(5,748,845)</u>
Ending Balance	<u>\$ (4,843,727)</u>	<u>\$ 6,832,875</u>	<u>\$ 2,653,285</u>	<u>\$ 1,128,248</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2023

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (4,843,727)	\$ 6,832,875	\$ 2,653,285	\$ -
Employer and State Contributions made after 09/30/2022	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	1,007,552	-	-	1,007,552
Interest	4,204,163	-	-	4,204,163
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	613,506	-	613,506	-
Current year amortization of experience difference	-	(257,706)	(349,670)	91,964
Change in assumptions about future economic or demographic factors or other inputs	4,000,894	-	4,000,894	-
Current year amortization of change in assumptions	-	-	(2,030,825)	2,030,825
Benefit Payments, including Refunds of Employee Contributions	(3,018,499)	-	-	-
Net change	<u>6,807,616</u>	<u>(257,706)</u>	<u>2,233,905</u>	<u>7,334,504</u>
Plan Fiduciary Net Position:				
Contributions - Employer	789,693	-	(789,693)	-
Contributions - State	340,753	-	(340,753)	-
Contributions - Fund Repayment to State for Overpayment	(432,493)	-	432,493	-
Contributions - Employee	428,610	-	-	(428,610)
Contributions - Buy Back	-	-	-	-
Projected Net Investment Income	4,509,156	-	-	(4,509,156)
Difference between projected and actual earnings on Pension Plan investments	(13,583,069)	-	13,583,069	-
Current year amortization	-	(1,685,973)	(3,089,029)	1,403,056
Benefit Payments, including Refunds of Employee Contributions	(3,018,499)	-	-	-
Administrative Expenses	(84,813)	-	-	84,813
Net change	<u>(11,050,662)</u>	<u>(1,685,973)</u>	<u>9,796,087</u>	<u>(3,449,897)</u>
Ending Balance	<u>\$ 13,014,551</u>	<u>\$ 4,889,196</u>	<u>TBD</u>	<u>\$ 3,884,607</u>

* Employer and State 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	2031
2022	\$ 13,583,069	5	\$ -	\$ 2,716,613	\$ 2,716,614	\$ 2,716,614	\$ 2,716,614	\$ 2,716,614	\$ -	\$ -	\$ -	\$ -
2021	\$ (6,686,131)	5	\$(1,337,227)	\$(1,337,226)	\$(1,337,226)	\$(1,337,226)	\$(1,337,226)	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ (921,091)	5	\$ (184,218)	\$ (184,218)	\$ (184,218)	\$ (184,218)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 1,862,081	5	\$ 372,416	\$ 372,416	\$ 372,416	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (822,644)	5	\$ (164,529)	\$ (164,529)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (1,150,474)	5	\$ (230,095)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			<u>\$(1,543,653)</u>	<u>\$ 1,403,056</u>	<u>\$ 1,567,586</u>	<u>\$ 1,195,170</u>	<u>\$ 1,379,388</u>	<u>\$ 2,716,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

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

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2022	\$ 4,000,894	3	\$ -	\$ 1,333,632	\$ 1,333,631	\$ 1,333,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 1,631,930	3	\$ 543,977	\$ 543,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 1,577,924	3	\$ 525,975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 1,378,943	9	\$ 153,216	\$ 153,216	\$ 153,216	\$ 153,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 1,223,168	\$ 2,030,825	\$ 1,486,847	\$ 1,486,847	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2022	\$ 613,506	3	\$ -	\$ 204,502	\$ 204,502	\$ 204,502	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ (18,990)	3	\$ (6,330)	\$ (6,330)	\$ (6,330)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 250,384	3	\$ 83,461	\$ 83,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 864,392	3	\$ 288,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 876,960	4	\$ 219,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (2,262,386)	9	\$ (251,376)	\$ (251,376)	\$ (251,376)	\$ (251,376)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 555,367	9	\$ 61,707	\$ 61,707	\$ 61,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 394,833	\$ 91,964	\$ 8,503	\$ (46,874)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -