

April 3, 2023

PER EMAIL

Mr. William Johnston
Chief Investment Officer
City of Gainesville

RE: GASB Statement No.67 and No.68 – City of Gainesville Consolidated Police Officers’ and Firefighters’ Retirement Plan

Dear William:

We are pleased to present a GASB Statement No.67 and No.68 measured as of September 30, 2022 for the City of Gainesville Consolidated Police Officers’ and Firefighters’ Retirement Plan.

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

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2021. The total pension liability was rolled-forward from the valuation date to the plan’s fiscal year ending September 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.

A handwritten signature in blue ink, appearing to read "JG / JFG", is positioned above the typed name.

By:

Joe Griffin, ASA, EA, MAAA
Enrolled Actuary #20-6938

Enclosures

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Cash and Cash Equivalents	1,689,875
Equity in Pooled Cash	11,512,870
 Total Cash and Equivalents	 13,202,745
 Receivables:	
Miscellaneous Receivable	1,718,971
Due to/from Other Funds	5,388,145
 Total Receivables	 7,107,116
 Total Investments	 257,950,429
 Total Assets	 278,260,290
 <u>LIABILITIES</u>	
Payables:	
Accounts Payable	409,726
 Total Liabilities	 409,726
 NET POSITION RESTRICTED FOR PENSIONS	 277,850,564

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

ADDITIONS

Contributions:

Employer	1,869,220
Employee	2,332,944
Employee - Through DROP	1,598,906
State - Ins Tax Premiums	2,033,782

Total Contributions		7,834,852
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Investment Income:

Net Increase in Fair Value of Investments	(58,165,891)
Interest & Dividends	5,050,874
Less Investment Expense ¹	(1,000,713)

Net Investment Income		(54,115,730)
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Total Additions		(46,280,878)
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DEDUCTIONS

Distributions to Members:

Benefit Payments	17,249,915
Retiree DROP Payouts and Rollovers	2,897,441
Wages and Fringe Benefits	76,960
Employee Disability	463,337
Retiree DROP Payments	1,598,906
Refund of Contributions	377,611
Share Plan Distributions	1,157,773

Total Distributions		23,821,943
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Administrative Expense		589,725
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Other: Transfers to POB/Other Funds		(325,736)
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Total Deductions		24,085,932
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Net Increase in Net Position		(70,366,810)
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		348,217,158
Adjustment to beginning of year		216

End of the Year		277,850,564
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2022)

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by the Board of Trustees of the Consolidated Plan. The five-member Consolidated Board of Trustees is responsible for the overall administration of the Plan and the investment of Plan assets. The Consolidated Board of Trustees is comprised of two City appointees, one police officer who is a member of the Plan, one firefighter who is a member of the Plan, and a fifth member appointed by the other four Trustees. The Police Trustee is a police officer elected by active Police members and the Fire Trustee is a firefighter elected by active Fire members. Employees in the DROP or reverse DROP are not eligible to vote for the Trustee from their area, but are eligible to be elected as a Trustee of the Plan. The fifth member is selected by the other four Trustees and is then, through a ministerial function, confirmed by the City Commission. The Chair of the Board is the designated agent for the service of legal process.

Plan Membership as of October 1, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	473
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	42
Active Plan Members	389
	904

Benefits Provided

The Plan provides retirement, disability, termination and death benefits. A summary of the benefit provisions can be found in the October 1, 2021 Actuarial Valuation Report for the City of Gainesville Consolidated Police Officers and Firefighters Retirement Plan prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions:

Members are required to contribute 7.5% of gross pay. Effective with the first full pay period following January 1, 2014, firefighters contribute 9.0% of gross pay.

State Contributions:

State premium tax revenue under Chapter 175/185 received annually is used to offset required contributions. Chapter 185 premium tax revenue up to \$558,361.13 will be used to offset annual required contributions with excess amounts going to the Supplemental Retirement Program. Chapter 175 premium tax revenue up to \$580,918.87 will be used to offset annual required contributions with excess amounts reserved for extra benefits.

Investment Policy:

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

Asset Class	Target Allocation
Large Cap Equity	35.00%
Small Cap Equity	15.00%
International Equity	20.00%
Securitized Credit	5.00%
High Yield	7.50%
Real Estate	17.50%
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, 2022, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was -15.40 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 ("DROP"):

Eligibility: A Member who has earned at least 25 years of service or age plus service equal 70.

Participation: Members may participate for a maximum of 60 months.

Rate of Return: DROP benefits accumulate with interest at 4.5% per year for police officers and 5.5% per year for firefighters.

Distribution: Lump sum and/or rollover to qualified retirement plan(s) at termination of employment.

Reverse DROP: Members can select a date in the past for participation in the DROP.

The DROP balance as September 30, 2022 is \$3,140,135.

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	\$ 325,278,628
Plan Fiduciary Net Position	<u>\$ (277,850,564)</u>
Sponsor's Net Pension Liability	<u>\$ 47,428,064</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	85.42%

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	7.75%
Investment Rate of Return	7.75%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.
 Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
 50% of all deaths are assumed to be in the line of duty.

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: PubS.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. This assumption sufficiently accomodates future mortality improvements.

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2021 FRS actuarial 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 conducted by the prior actuary Conduent in 2017.

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

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

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

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

Asset Class	Long Term Expected Real Rate of Return ¹
Large Cap Equity	7.1%
Small Cap Equity	7.0%
International Equity	7.6%
Securitized Credit	5.0%
High Yield	5.7%
Real Estate	6.2%

¹ Source: Willis Towers Watson.

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.75 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 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Sponsor's Net Pension Liability	\$ 85,646,856	\$ 47,428,064	\$ 15,698,079

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	4,443,944	4,235,165
Interest	23,638,461	23,425,956
Share Plan Allocation	447,251	398,142
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	7,955,203	159,551
Changes of assumptions	5,128,200	(4,514,316)
Benefit Payments, including Refunds of Employee Contributions	(22,223,037)	(20,223,626)
Net Change in Total Pension Liability	19,390,022	3,480,872
Total Pension Liability - Beginning	305,888,606	302,407,734
Total Pension Liability - Ending (a)	<u>\$ 325,278,628</u>	<u>\$ 305,888,606</u>
Plan Fiduciary Net Position		
Contributions - Employer	1,869,220	2,048,850
Contributions - State	2,033,782	1,537,422
Contributions - Employee	2,332,944	2,314,580
Net Investment Income	(54,115,730)	66,246,836
Benefit Payments, including Refunds of Employee Contributions	(22,223,037)	(20,223,626)
Administrative Expense	(589,725)	(622,712)
Other	325,736	(2,754)
Net Change in Plan Fiduciary Net Position	(70,366,810)	51,298,596
Plan Fiduciary Net Position - Beginning	348,217,158	296,918,562
Adjustment to beginning of year	216	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ 277,850,564</u>	<u>\$ 348,217,158</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 47,428,064</u>	<u>\$ (42,328,552)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	85.42%	113.84%
Covered Payroll	\$ 28,686,181	\$ 28,654,045
Net Pension Liability as a percentage of Covered Payroll	165.33%	-147.72%

Notes to Schedule:*Changes of assumptions:*

For measurement date 09/30/2022, amounts reported as changes of assumptions resulted from lowering the rate of return assumption from 7.90% to 7.75% per year compounded annually, net of investment related expenses.

For measurement date 09/30/2021, 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.

SCHEDULE OF CITY CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined City Contribution	City Contributions in relation to the Actuarially Determined City Contributions	Contribution Deficiency (Excess)	Covered Payroll	City Contributions as a percentage of Covered Payroll
09/30/2022	\$ 1,869,220	\$ 1,869,220	\$ -	\$ 28,686,181	6.52%
09/30/2021	\$ 2,048,850	\$ 2,048,850	\$ -	\$ 28,654,045	7.15%

Notes to Schedule:

Valuation Date: 10/01/2020

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2020 Actuarial Valuation for the City of Gainesville Consolidated Police Officers and Firefighters Retirement Plan prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS
Last 2 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2022	-15.40%
09/30/2021	17.80%

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 Board of Trustees of the Consolidated Plan. The five-member Consolidated Board of Trustees is responsible for the overall administration of the Plan and the investment of Plan assets. The Consolidated Board of Trustees is comprised of two City appointees, one police officer who is a member of the Plan, one firefighter who is a member of the Plan, and a fifth member appointed by the other four Trustees. The Police Trustee is a police officer elected by active Police members and the Fire Trustee is a firefighter elected by active Fire members. Employees in the DROP or reverse DROP are not eligible to vote for the Trustee from their area, but are eligible to be elected as a Trustee of the Plan. The fifth member is selected by the other four Trustees and is then, through a ministerial function, confirmed by the City Commission. The Chair of the Board is the designated agent for the service of legal process.

Eligible is any full-time regular employee who is certified as a firefighter as a condition of employment in accordance with the provisions of F.S. § 633.35, and whose duty it is to extinguish fires, to protect life, and to protect property, or any full-time regular employee who is certified or required to be certified as a law enforcement officer in compliance with F.S. § 943.14, who is vested with authority to bear arms and make arrests, and whose primary responsibility is the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of the state.

Plan Membership as of October 1, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	473
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	42
Active Plan Members	389
	904
	904

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2021 Actuarial Valuation Report for the City of Gainesville Consolidated Police Officers and Firefighters Retirement Plan prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions:

Members are required to contribute 7.5% of gross pay. Effective with the first full pay period following January 1, 2014, firefighters contribute 9.0% of gross pay.

State Contributions:

State premium tax revenue under Chapter 175/185 received annually is used to offset required contributions. Chapter 185 premium tax revenue up to \$558,361.13 will be used to offset annual required contributions with excess amounts going to the Supplemental Retirement Program. Chapter 175 premium tax revenue up to \$580,918.87 will be used to offset annual required contributions with excess amounts reserved for extra benefits.

Net Pension Liability

The measurement date is September 30, 2022.

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

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

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

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

Actuarial Assumptions:

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

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.75%
Investment Rate of Return	7.75%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.

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

50% of all deaths are assumed to be in the line of duty.

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: PubS.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.

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2021 FRS actuarial 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 conducted by the prior actuary Conduent in 2017.

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
Large Cap Equity	35.00%	7.10%
Small Cap Equity	15.00%	7.00%
International Equity	20.00%	7.60%
Securitized Credit	5.00%	5.00%
High Yield	7.50%	5.70%
Real Estate	17.50%	6.20%
Total	100.00%	

¹ Source: Willis Towers Watson.

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Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.75 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)
Balances as of September 30, 2021	\$ 305,888,606	\$ 348,217,158	\$ (42,328,552)
Adjustment to beginning of year		216	(216)
Changes for a Year:			
Service Cost	4,443,944	-	4,443,944
Interest	23,638,461	-	23,638,461
Share Plan Allocation	447,251	-	447,251
Differences between Expected and Actual Experience	7,955,203	-	7,955,203
Changes of assumptions	5,128,200	-	5,128,200
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,869,220	(1,869,220)
Contributions - State	-	2,033,782	(2,033,782)
Contributions - Employee	-	2,332,944	(2,332,944)
Contributions - Buy Back	-	-	-
Net Investment Income	-	(54,115,730)	54,115,730
Benefit Payments, including Refunds of Employee Contributions	(22,223,037)	(22,223,037)	-
Administrative Expense	-	(589,725)	589,725
Other Changes	-	325,736	(325,736)
Net Changes	19,390,022	(70,366,810)	89,756,832
Balances as of September 30, 2022	\$ 325,278,628	\$ 277,850,564	\$ 47,428,064

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.75%	7.75%	8.75%
Sponsor's Net Pension Liability	\$ 85,646,856	\$ 47,428,064	\$ 15,698,079

Pension Plan Fiduciary Net Position.

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

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

For the year ended September 30, 2022, the Sponsor will recognize a Pension Expense of \$10,679,735.

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	6,721,371	348,764
Changes of assumptions	4,949,189	3,009,544
Net difference between Projected and Actual Earnings on Pension Plan investments	42,582,151	-
Total	<u>\$ 54,252,711</u>	<u>\$ 3,358,308</u>

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	\$ 13,489,849
2024	9,827,250
2025	9,492,397
2026	18,084,907
2027	-
Thereafter	-

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

Measurement Date	09/30/2022	09/30/2021
Total Pension Liability		
Service Cost	4,443,944	4,235,165
Interest	23,638,461	23,425,956
Share Plan Allocation	447,251	398,142
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	7,955,203	159,551
Changes of assumptions	5,128,200	(4,514,316)
Benefit Payments, including Refunds of Employee Contributions	(22,223,037)	(20,223,626)
Net Change in Total Pension Liability	19,390,022	3,480,872
Total Pension Liability - Beginning	305,888,606	302,407,734
Total Pension Liability - Ending (a)	<u>\$ 325,278,628</u>	<u>\$ 305,888,606</u>
Plan Fiduciary Net Position		
Contributions - Employer	1,869,220	2,048,850
Contributions - State	2,033,782	1,537,422
Contributions - Employee	2,332,944	2,314,580
Net Investment Income	(54,115,730)	66,246,836
Benefit Payments, including Refunds of Employee Contributions	(22,223,037)	(20,223,626)
Administrative Expense	(589,725)	(622,712)
Other	325,736	(2,754)
Net Change in Plan Fiduciary Net Position	(70,366,810)	51,298,596
Plan Fiduciary Net Position - Beginning	348,217,158	296,918,562
Adjustment to beginning of year	216	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ 277,850,564</u>	<u>\$ 348,217,158</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 47,428,064</u>	<u>\$ (42,328,552)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	85.42%	113.84%
Covered Payroll	\$ 28,686,181	\$ 28,654,045
Net Pension Liability as a percentage of Covered Payroll	165.33%	-147.72%

Notes to Schedule:*Changes of assumptions:*

For measurement date 09/30/2022, amounts reported as changes of assumptions resulted from lowering the rate of return assumption from 7.90% to 7.75% per year compounded annually, net of investment related expenses.

For measurement date 09/30/2021, 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.

SCHEDULE OF CITY CONTRIBUTIONS

Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined City Contribution	City Contributions in relation to the Actuarially Determined City Contributions	Contribution Deficiency (Excess)	Covered Payroll	City Contributions as a percentage of Covered Payroll
09/30/2022	\$ 1,869,220	\$ 1,869,220	\$ -	\$ 28,686,181	6.52%
09/30/2021	\$ 2,048,850	\$ 2,048,850	\$ -	\$ 28,654,045	7.15%

Notes to Schedule:

Valuation Date: 10/01/2020

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2020 Actuarial Valuation for the City of Gainesville Consolidated Police Officers and Firefighters Retirement Plan prepared by Foster & Foster Actuaries and Consultants.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

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

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (42,328,552)	\$ 40,485,757	\$ 10,434,059	\$ -
Total Pension Liability Factors:				
Service Cost	4,443,944	-	-	4,443,944
Interest	23,638,461	-	-	23,638,461
Share Plan Allocation	447,251	-	-	447,251
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	7,955,203	-	7,955,203	-
Current year amortization of experience difference	-	(697,798)	(1,832,096)	1,134,298
Change in assumptions about future economic or demographic factors or other inputs	5,128,200	-	5,128,200	-
Current year amortization of change in assumptions	-	(752,386)	(2,643,185)	1,890,799
Benefit Payments, including Refunds of Employee Contributions	(22,223,037)	-	-	-
Net change	<u>19,390,022</u>	<u>(1,450,184)</u>	<u>8,608,122</u>	<u>31,554,753</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,869,220	-	-	-
Contributions - State	2,033,782	-	-	(2,033,782)
Contributions - Employee	2,332,944	-	-	(2,332,944)
Contributions - Buy Back	-	-	-	-
Projected Net Investment Income	26,854,371	-	-	(26,854,371)
Difference between projected and actual earnings on Pension Plan investments	(80,970,101)	-	80,970,101	-
Current year amortization	-	(9,648,896)	(19,731,202)	10,082,306
Benefit Payments, including Refunds of Employee Contributions	(22,223,037)	-	-	-
Administrative Expenses	(589,725)	-	-	589,725
Other	325,736	-	-	(325,736)
Net change	<u>(70,366,810)</u>	<u>(9,648,896)</u>	<u>61,238,899</u>	<u>(20,874,802)</u>
Adjustment to beginning of year	216	-	-	(216)
Ending Balance	<u><u>\$ 47,428,064</u></u>	<u><u>\$ 29,386,677</u></u>	<u><u>\$ 80,281,080</u></u>	<u><u>\$ 10,679,735</u></u>

AMORTIZATION SCHEDULE - INVESTMENTS

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

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2022	\$ 80,970,101	5	\$ 16,194,021	\$ 16,194,020	\$ 16,194,020	\$ 16,194,020	\$ 16,194,020	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ (43,380,616)	5	\$ (8,676,123)	\$ (8,676,123)	\$ (8,676,123)	\$ (8,676,123)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 1,486,293	5	\$ 297,259	\$ 297,259	\$ 297,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 16,199,612	5	\$ 3,239,922	\$ 3,239,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (4,863,873)	5	\$ (972,773)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 10,082,306	\$ 11,055,078	\$ 7,815,156	\$ 7,517,897	\$ 16,194,020	\$ -	\$ -	\$ -	\$ -	\$ -

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	\$ 5,128,200	5.0	\$ 1,025,640	\$ 1,025,640	\$ 1,025,640	\$ 1,025,640	\$ 1,025,640	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ (4,514,316)	6.0	\$ (752,386)	\$ (752,386)	\$ (752,386)	\$ (752,386)	\$ (752,386)	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 3,102,805	5.1	\$ 608,393	\$ 608,393	\$ 60,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 4,612,282	5.2	\$ 886,977	\$ 177,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ 2,158,450	5.3	\$ 122,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 1,890,799	\$ 1,059,044	\$ 334,093	\$ 273,254	\$ 273,254	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

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

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2022	\$ 7,955,203	5.0	\$ 1,591,039	\$ 1,591,041	\$ 1,591,041	\$ 1,591,041	\$ 1,591,041	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ 159,551	6.0	\$ 26,592	\$ 26,592	\$ 26,592	\$ 26,592	\$ 26,592	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 501,678	6.0	\$ 83,613	\$ 83,613	\$ 83,613	\$ 83,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ (1,185,483)	5.1	\$ (232,448)	\$ (232,448)	\$ (23,245)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (2,419,821)	5.2	\$ (465,350)	\$ (93,071)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ 2,311,687	5.3	\$ 130,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 1,134,298	\$ 1,375,727	\$ 1,678,001	\$ 1,701,246	\$ 1,617,633	\$ -	\$ -	\$ -	\$ -	\$ -