

CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
ACTUARIAL VALUATION
AS OF OCTOBER 1, 2022
CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2024
GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2022



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

April 21, 2023

Board of Trustees
City of Fort Lauderdale
Firefighters and Police Officers' Pension Board

Re: City of Fort Lauderdale Police and Firefighters' Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Fort Lauderdale Police and Firefighters' Retirement System. 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, 175, 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 Fort Lauderdale, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

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

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2021. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2022 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.


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


To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Fort Lauderdale, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Police and Firefighters' Retirement System. 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: 
Bradley R. Heinrichs, FSA, EA, MAAA
Enrolled Actuary #23-6901

By: 
Sara E. Carlson, ASA, EA, MAAA
Enrolled Actuary #23-8546

BRH/lke

Enclosures

TABLE OF CONTENTS

Section	Title	Page
I	Introduction	
	a. Summary of Report	6
	b. Changes Since Prior Valuation	8
	c. Comparative Summary of Principal Valuation Results	9
II	Valuation Information	
	a. Reconciliation of Unfunded Actuarial Accrued Liabilities	15
	b. Detailed Actuarial (Gain)/Loss Analysis	17
	c. History of Funding Progress	19
	d. Actuarial Assumptions and Methods	20
	e. Glossary	24
	f. Discussion of Risk	26
III	Trust Fund	29
IV	Member Statistics	
	a. Statistical Data	36
	b. Age and Service Distribution	39
	c. Valuation Participant Reconciliation	42
V	Summary of Current Plan	43
VI	Governmental Accounting Standards Board Statements No. 67 and No. 68 Disclosure Information	47

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Fort Lauderdale Police and Firefighters' Retirement System, performed as of October 1, 2022, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2024.

The contribution requirements, compared with those set forth in the October 1, 2021 actuarial valuation report, are as follows:

Valuation Date	10/1/2022	10/1/2021
Applicable to Fiscal Year Ending	<u>9/30/2024</u>	<u>9/30/2023</u>
Assumed City Contribution Date	10/1/2023	10/1/2022
Minimum Required Contribution	\$34,482,075	\$34,623,490
Member Contributions (Est.)	8,372,178	8,322,680
City And State Required Contribution	26,109,897	26,300,810
State Contribution (Est.) ¹	5,759,054	5,759,054
City Required Contribution ³	\$20,350,843	\$20,541,756
As % of Covered Payroll ²	26.8%	27.1%
As % of Covered Payroll (Incl. DROP) ²	19.5%	20.1%

¹ Reflects updated per capita amounts based on recent premium tax distributions. It is important to keep in mind that a slight adjustment to the City's bottom line funding requirement may be necessary, based on actual allowable State Monies received.

² Please note the percentage-of-payroll rates included in the table shown above are for illustration purposes only. The City should budget based on the actual dollar contribution requirements.

As you can see, the Minimum Required Contribution shows a decrease when compared to the results set forth in the October 1, 2021 actuarial valuation report. The decrease is mainly attributable to near full recognition of the re-initialized amortization base established on January 1, 2003. The decrease was offset in part by net unfavorable plan experience outlined in the following paragraph and a reduction in the assumed rate of investment return from 7.25% to 7.20%.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial loss was an investment return of 5.21% (Actuarial Asset Basis) which fell short of the 7.25% assumption. This loss was offset in part by gains associated with interest crediting on DROP accounts, and an average salary increase of 4.80% which fell short of the 4.98% assumption.

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

As previously approved by the Board of Trustees, the investment return assumption has been lowered from 7.25% to 7.20% per year, net of investment related expenses.

Additionally, the payroll growth assumption has been decreased from 1.53% to 1.14% in order to comply with Part VII of Chapter 112, Florida Statutes.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2022</u>	Old Assump <u>10/1/2022</u>	<u>10/1/2021</u>
A. Participant Data			
Actives	699	699	708
Service Retirees	804	804	789
DROP Retirees	221	221	210
Beneficiaries	173	173	172
Disability Retirees	35	35	32
Terminated Vested	<u>39</u>	<u>39</u>	<u>34</u>
Total	1,971	1,971	1,945
 Payroll Under Assumed Ret. Age	 76,050,928	 76,050,928	 75,761,768
 Annual Rate of Payments to:			
Service Retirees	42,512,538	42,512,538	40,580,814
DROP Retirees	18,772,290	18,772,290	17,760,755
Beneficiaries	4,509,295	4,509,295	4,473,005
Disability Retirees	1,648,206	1,648,206	1,450,244
Terminated Vested	686,901	686,901	616,539
 B. Assets			
Actuarial Value (AVA)	1,080,310,052	1,080,310,052	1,047,320,409
Market Value (MVA)	977,948,768	977,948,768	1,115,997,508
 C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	462,060,645	457,609,338	467,621,026
Disability Benefits	8,245,082	8,182,796	8,235,807
Death Benefits	3,335,819	3,308,497	3,304,390
Vested Benefits	14,969,873	14,799,224	14,670,383
Refund of Contributions	1,054,038	1,052,544	865,284
Service Retirees	475,293,321	473,182,364	451,371,783
DROP Retirees	329,302,788	327,968,636	307,844,401
Beneficiaries	38,934,282	38,792,426	39,139,373
Disability Retirees	19,698,640	19,601,359	17,082,823
Terminated Vested	<u>6,499,418</u>	<u>6,451,520</u>	<u>6,123,416</u>
 Total	 1,359,393,906	 1,350,948,704	 1,316,258,686

C. Liabilities - (Continued)	New Assump <u>10/1/2022</u>	Old Assump <u>10/1/2022</u>	<u>10/1/2021</u>
Present Value of Future Salaries	706,072,520	704,066,402	686,698,181
Normal Cost (Retirement)	18,905,665	18,694,887	18,895,595
Normal Cost (Disability)	773,457	768,835	764,169
Normal Cost (Death)	280,927	279,175	277,660
Normal Cost (Vesting)	950,573	939,122	938,510
Normal Cost (Refunds)	<u>180,150</u>	<u>180,129</u>	<u>154,844</u>
Total Normal Cost	21,090,772	20,862,148	21,030,778
Present Value of Future Normal Costs	186,761,457	184,236,680	182,650,622
Accrued Liability (Retirement)	292,698,193	290,586,237	301,542,829
Accrued Liability (Disability)	1,933,549	1,924,888	1,985,998
Accrued Liability (Death)	667,337	664,154	719,910
Accrued Liability (Vesting)	7,542,015	7,477,525	7,748,049
Accrued Liability (Refunds)	62,906	62,915	49,482
Accrued Liability (Inactives)	<u>869,728,449</u>	<u>865,996,305</u>	<u>821,561,796</u>
Total Actuarial Accrued Liability (EAN AL)	1,172,632,449	1,166,712,024	1,133,608,064
Unfunded Actuarial Accrued Liability (UAAL)	92,322,397	86,401,972	86,287,655
Funded Ratio (AVA / EAN AL)	92.1%	92.6%	92.4%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2022</u>	Old Assump <u>10/1/2022</u>	<u>10/1/2021</u>
Vested Accrued Benefits			
Inactives	869,728,449	865,996,305	821,561,796
Actives	138,464,111	136,848,235	140,623,870
Member Contributions	<u>57,088,034</u>	<u>57,088,034</u>	<u>57,553,047</u>
Total	1,065,280,594	1,059,932,574	1,019,738,713
Non-vested Accrued Benefits	<u>41,378,022</u>	<u>41,077,091</u>	<u>41,769,410</u>
Total Present Value Accrued Benefits (PVAB)	1,106,658,616	1,101,009,665	1,061,508,123
Funded Ratio (MVA / PVAB)	88.4%	88.8%	105.1%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	5,648,951	0	
Plan Experience	0	28,351,025	
Benefits Paid	0	(63,506,704)	
Interest	0	74,657,221	
Other	<u>0</u>	<u>0</u>	
Total	5,648,951	39,501,542	

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

Assumed City Contribution Date	October 1, 2023	October 1, 2023	October 1, 2022
E. Pension Cost			
Normal Cost ¹	\$22,187,492	\$21,946,980	\$22,103,348
Administrative Expenses ¹	610,160	610,160	627,447
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years ¹	11,684,423	11,001,994	11,892,695
Applicable Interest ¹	0	0	0
Minimum Required Contribution	34,482,075	33,559,134	34,623,490
Expected Member Contributions ¹	8,372,178	8,372,178	8,322,680
Expected City and State Contribution	26,109,897	25,186,956	26,300,810
Less Expected State Contribution ²	5,759,054	5,759,054	5,759,054
Equals Expected City Required Contribution	20,350,843	19,427,902	20,541,756

F. Past Contributions

Plan Years Ending: 9/30/2022

City and State Requirement 25,373,586

Actual Contributions Made:

Members (excluding buyback)	7,836,261
City	20,357,843
State	<u>5,860,328</u>
Total	34,054,432

G. Net Actuarial (Gain)/Loss 6,907,444

¹ Contribution requirements developed above have been adjusted to account for an applicable assumed salary increase component. Additionally, the above stated requirements reflect no interest as a result of the assumed beginning of year City contribution date. If the required contributions are deposited at a later date, additional interest at the assumed 7.20% annual rate must be added.

² Reflects updated per capita amounts based on recent premium tax distributions.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2022	92,322,397
2023	87,063,050
2024	82,402,465
2029	57,383,486
2033	37,854,666
2038	10,177,700
2042	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2022	4.80%	4.98%
Year Ended 9/30/2021	8.43%	4.97%
Year Ended 9/30/2020	3.31%	4.50%
Year Ended 9/30/2019	9.83%	4.51%
Year Ended 9/30/2018	5.10%	4.59%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

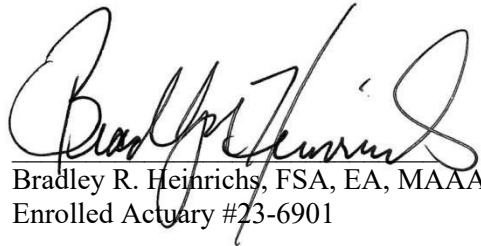
	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2022	-10.03%	5.21%	7.25%
Year Ended 9/30/2021	18.98%	9.08%	7.30%
Year Ended 9/30/2020	5.62%	7.03%	7.30%
Year Ended 9/30/2019	3.94%	7.68%	7.35%
Year Ended 9/30/2018	6.99%	8.60%	7.40%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2022	\$76,050,928
	1/1/2013	68,081,948
(b) Total Increase		11.70%
(c) Number of Years		9.75
(d) Average Annual Rate		1.14%

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.



Bradley R. Heinrichs, FSA, EA, MAAA
Enrolled Actuary #23-6901

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, 2021	\$86,287,655
(2)	Sponsor Normal Cost developed as of October 1, 2021	13,111,958
(3)	Expected administrative expenses for the year ended September 30, 2022	597,000
(4)	Expected interest on (1), (2) and (3)	7,228,113
(5)	Sponsor contributions to the System during the year ended September 30, 2022	26,218,171
(6)	Expected interest on (5)	1,512,027
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2022 (1)+(2)+(3)+(4)-(5)-(6)	79,494,528
(8)	Change to UAAL due to Assumption Change	5,920,425
(9)	Change to UAAL due to Actuarial (Gain)/Loss	6,907,444
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2022	92,322,397

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2022 Amount</u>	<u>Amortization Amount</u>
Re-italized Base	1/1/2003	0.25	497,886	497,886
Actuarial Loss	1/1/2004	1.25	881,485	710,280
Software Change	1/1/2005	2.25	(160,604)	(73,981)
Actuarial Loss	1/1/2005	2.25	1,267,798	584,001
Share Plan Gain	1/1/2006	3.25	(23,617)	(7,748)
Actuarial Loss	1/1/2006	3.25	667,869	219,105
Actuarial Loss	1/1/2007	4.25	294,323	75,938
Actuarial Gain	1/1/2008	5.25	(19,125)	(4,107)
Assump Change	1/1/2008	5.25	329,032	70,657
Asset Smooth Change	1/1/2008	5.25	(2,484,680)	(533,565)
Actuarial Loss	1/1/2009	6.25	8,535,925	1,582,630
Plan Amendment	1/1/2010	7.25	574,514	94,359
Actuarial Loss	1/1/2010	7.25	3,880,924	637,407
Actuarial Gain	1/1/2011	8.25	(132,053)	(19,580)
Actuarial Loss	1/1/2012	9.25	2,328,520	316,239
Assump Change	1/1/2012	9.25	2,965,627	402,765
Actuarial Gain	1/1/2013	10.25	(8,915,065)	(1,121,826)
Assump Change	1/1/2013	10.25	(327,244)	(41,179)
Actuarial Gain	10/1/2013	11	(1,318,349)	(157,641)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2022 <u>Amount</u>	Amortization <u>Amount</u>
Plan Amendment	10/1/2013	11	(21,665)	(2,591)
Actuarial Gain	10/1/2014	12	(7,621,043)	(857,238)
Plan Amendment	10/1/2014	12	1,003,650	112,894
Actuarial Loss	10/1/2015	13	4,353,469	463,744
Assump/Method Changes	10/1/2015	13	28,199,572	3,003,897
Actuarial Gain	10/1/2016	14	(3,005,872)	(304,949)
Assump Change	10/1/2016	14	14,352,983	1,456,124
Actuarial Gain	10/1/2017	15	(8,618,272)	(836,744)
Assump Change	10/1/2017	15	9,443,270	916,843
Plan Amendment	10/1/2017	15	9,877	959
Actuarial Gain	10/1/2018	16	(6,493,751)	(605,900)
Assump Change	10/1/2018	16	4,477,380	417,763
Plan Amendment	10/1/2018	16	98,280	9,170
Actuarial Loss	10/1/2019	17	14,604,770	1,314,364
Assump Change	10/1/2019	17	5,009,834	450,863
Actuarial Gain	10/1/2020	18	(549,617)	(47,861)
Assump Change	10/1/2020	18	10,620,180	924,819
Actuarial Gain	10/1/2021	19	(821,288)	(69,399)
Assump Change	10/1/2021	19	5,609,605	474,010
Actuarial Loss	10/1/2022	20	6,907,444	567,796
Assump Change	10/1/2022	20	5,920,425	486,662
			<u>92,322,397</u>	<u>11,106,866</u>

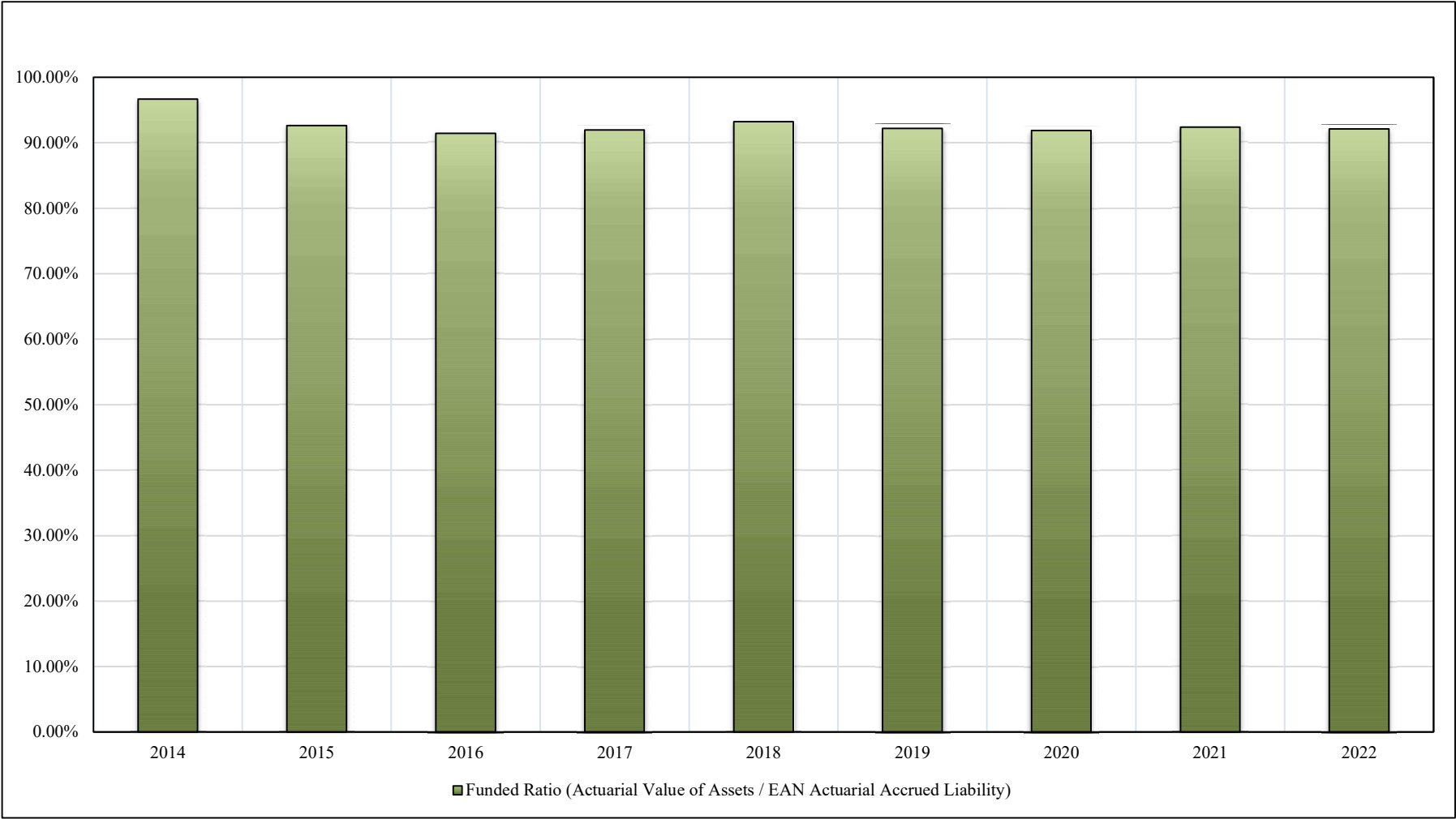
DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2021	\$86,287,655
(2) Expected UAAL as of October 1, 2022	79,494,528
 (3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	21,982,061
Salary Increases	(3,465,645)
Active Decrements	1,767,807
Inactive Mortality	(2,997,751)
Interest Crediting on DROP Balances	(4,058,828)
Other	<u>(6,320,200)</u>
Increase in UAAL due to (Gain)/Loss	6,907,444
Assumption Changes	<u>5,920,425</u>
(4) Actual UAAL as of October 1, 2022	\$92,322,397

DETERMINATION OF CUMULATIVE GAIN/(LOSS) EXPERIENCE POSITION

<u>Valuation Date</u>	<u>Year Ended</u>	<u>Gain/(Loss)</u>	<u>Balance</u>
1/1/1995	12/31/1994	(7,367,475)	(7,367,475)
1/1/1996	12/31/1995	5,757,825	(1,609,650)
1/1/1997	12/31/1996	8,249,398	6,639,748
1/1/1998	12/31/1997	14,303,191	20,942,939
1/1/1999	12/31/1998	26,177,594	47,120,533
1/1/2000	12/31/1999	26,361,263	73,481,796
1/1/2001	12/31/2000	18,708,226	92,190,022
1/1/2002	12/31/2001	(15,137,682)	77,052,340
1/1/2003	12/31/2002	(51,423,738)	25,628,602
1/1/2004	12/31/2003	(28,715,070)	(3,086,468)
1/1/2005	12/31/2004	(23,810,048)	(26,896,516)
1/1/2006	12/31/2005	(8,656,358)	(35,552,874)
1/1/2007	12/31/2006	(3,123,728)	(38,676,602)
1/1/2008	12/31/2007	169,648	(38,506,954)
1/1/2009	12/31/2008	(66,572,825)	(105,079,779)
1/1/2010	12/31/2009	(27,303,032)	(132,382,811)
1/1/2011	12/31/2010	854,077	(131,528,734)
1/1/2012	12/31/2011	(14,047,611)	(145,576,345)
1/1/2013	12/31/2012	12,807,830	(132,768,515)
10/1/2013	9/30/2013	1,811,169	(130,957,346)
10/1/2014	9/30/2014	9,867,338	(121,090,008)
10/1/2015	9/30/2015	(4,973,675)	(126,063,683)
10/1/2016	9/30/2016	3,492,745	(122,570,938)
10/1/2017	9/30/2017	9,924,966	(112,645,972)
10/1/2018	9/30/2018	7,061,664	(105,584,308)
10/1/2019	9/30/2019	(15,252,381)	(120,836,689)
10/1/2020	9/30/2020	571,839	(120,264,850)
10/1/2021	9/30/2021	842,008	(119,422,842)
10/1/2022	9/30/2022	(6,907,444)	(126,330,286)

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

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

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

Healthy Retiree Lives:

Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year.

Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year.

Beneficiary Lives:

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

Male: PubG.H-2010 (Above Median) 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, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

90% of active Firefighter deaths, and 75% of active Police Officer deaths are assumed to be service-incurred.

Interest Rate

7.20% (prior year 7.25%) 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.

Payroll Growth

1.14% (prior year 1.53%) for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Salary Increases

Salary Scale	
Service	Rate
<7	5.11%
7-10	1.46%
11-25	0.97%
26+	0.49%

Expected increase in annual salary in addition to 2.75% inflationary component. The assumed rates of salary increase were approved in conjunction with an actuarial experience study dated June 8, 2020.

Administrative Expenses

\$580,000 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 20 years.

Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.

Retirement Rates

Service	% Retiring During the Year	
	Police	Fire
10-19	5.0%	4.0%
20	30.0%	25.0%
21	30.0%	25.0%
22	20.0%	37.5%
23	33.3%	37.5%
24	66.7%	50.0%
25+	100.0%	100.0%

No Members are expected to take reduced Early Retirement. The assumed rates of retirement were approved in conjunction with an actuarial experience study dated June 8, 2020.

Cost of Living Adjustments

None.

Funding Method

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

Interest - None, based on current 7.20% assumption.

Salary - A full year, based on current 5.20% assumption.

Marital Status

All employed Members and all retired Members are assumed to be married. Females are assumed to be 3 years younger than males. This assumption was approved in conjunction with an actuarial experience study dated July 10, 2015.

Termination Rates

<u>% Terminating During the Year</u>		
<u>Service</u>	<u>Police</u>	<u>Fire</u>
0	14.0%	7.5%
1	7.0%	2.5%
2	3.5%	0.5%
3	3.5%	0.5%
4	3.5%	0.5%
5+	1.5%	0.5%

The assumed rates of termination were approved in conjunction with an actuarial experience study dated June 8, 2020.

Disability Rates

<u>% Becoming Disabled During the Year</u>		
<u>Age</u>	<u>Police</u>	<u>Fire</u>
20	0.04%	0.11%
25	0.04%	0.12%
30	0.05%	0.14%
35	0.06%	0.18%
40	0.08%	0.24%
45	0.13%	0.41%
50	0.25%	0.80%
55+	0.39%	1.24%

It is assumed that 90% of Firefighter disablements, and 75% of Police Officer disablements are service related. The assumed rates of disablement were approved in conjunction with an actuarial experience study dated June 8, 2020.

Actuarial Value of Assets

All assets are valued at market value with an adjustment to uniformly spread investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

DROP Participation

DROP participants are assumed to exit the DROP after 6 years. This assumption was approved in conjunction with an actuarial experience study dated June 8, 2020.

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.
- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll increases less than the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- 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 78.2% on October 1, 2014 to 55.9% on October 1, 2022, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 74.2%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has decreased from 96.7% on October 1, 2014 to 92.1% on October 1, 2022, due mainly to assumption changes made during the period.
- 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 -2.3% on October 1, 2014 to -2.8% on October 1, 2022. The current Net Cash Flow Ratio of -2.8% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

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

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2022</u>	<u>10/1/2021</u>	<u>10/1/2017</u>	<u>10/1/2014</u>
<u>Support Ratio</u>				
Total Actives	699	708	786	798
Total Inactives ¹	1,251	1,221	1,079	1,020
Actives / Inactives ¹	55.9%	58.0%	72.8%	78.2%
<u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	977,948,768	1,115,997,508	857,734,650	760,851,264
Total Annual Payroll	76,299,453	75,995,114	73,231,488	70,953,933
MVA / Total Annual Payroll	1,281.7%	1,468.5%	1,171.3%	1,072.3%
<u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	869,728,449	821,561,796	594,813,784	513,042,598
Total Accrued Liability (EAN)	1,172,632,449	1,133,608,064	896,871,913	780,084,565
Inactive AL / Total AL	74.2%	72.5%	66.3%	65.8%
<u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	1,080,310,052	1,047,320,409	824,951,911	754,116,298
Total Accrued Liability (EAN)	1,172,632,449	1,133,608,064	896,871,913	780,084,565
AVA / Total Accrued Liability (EAN)	92.1%	92.4%	92.0%	96.7%
<u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	(27,250,652)	(17,744,577)	(17,959,448)	(17,601,227)
Market Value of Assets (MVA)	977,948,768	1,115,997,508	857,734,650	760,851,264
Ratio	-2.8%	-1.6%	-2.1%	-2.3%

¹ Excludes terminated participants awaiting a refund of member contributions.

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

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Prepaid Expenses	4,600.00
Money Market	10,794,034.00
Total Cash and Equivalents	10,798,634.00
Receivables:	
From Broker for Investments Sold	545,346.00
Investment Income	2,788,596.00
Total Receivable	3,333,942.00
Investments:	
U. S. Bonds and Bills	130,529,099.00
Federal Agency Guaranteed Securities	2,113,848.00
Corporate Bonds and Other Fixed Income	115,039,818.00
Real Estate	187,990,256.00
Hedge Fund of Funds	12,773,685.00
Equity Securities	127,367,966.00
Private Debt and Equity Funds	46,322,225.00
Index Funds and Other	204,699,349.00
Commingled Equity Funds	180,974,747.00
Total Investments	1,007,810,993.00
Intangible right to use leased assets, net of amortization	76,334.00
Total Assets	1,022,019,903.00
<u>LIABILITIES</u>	
Payables:	
To Broker for Investments Purchased	500,264.00
Accounts Payable and Accrued Liabilities	422,536.00
To City of Fort Lauderdale	4,086,600.00
Current portion of long-term liabilities	55,739.00
Due in more than one year	23,487.00
Total Liabilities	5,088,626.00
Net Assets:	
Active and Retired Members' Equity	977,948,767.93
Share Plan Benefits	38,982,509.07
NET POSITION RESTRICTED FOR PENSIONS	1,016,931,277.00

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

ADDITIONS

Contributions:

Member	7,836,261.10
Member for Buyback	916,647.38
Member Share for Buyback	71,215.26
City	20,357,842.78
State for Share Plan	1,811,708.67
State for Contribution	5,860,328.33

Total Contributions 36,854,003.52

Investment Income:

Net Increase in Fair Value of Investments	(132,023,881.90)
Miscellaneous Income	8,117,563.00
Interest & Dividends	15,686,416.88
Less Investment Expense ¹	(6,728,294.44)

Net Investment Income (114,948,196.46)

Total Additions (78,094,192.94)

DEDUCTIONS

Distributions to Members:

Benefit Payments	48,040,698.16
Lump Sum DROP Distributions	13,437,290.91
Lump Sum Share Distributions	1,648,792.58
Lump Sum Share for Buybacks	71,215.26
Refunds of Member Contributions	308,706.59

Total Distributions 63,506,703.50

Administrative Expense 597,952.23

Administrative Expense for Share 61,775.77

Share Account Net Change (4,211,884.72)

Total Deductions 59,954,546.78

Net Increase in Net Position (138,048,739.72)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 1,115,997,507.65

End of the Year 977,948,767.93

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

ACTUARIAL ASSET VALUATION
September 30, 2022

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/Loss	<u>Gains/(Losses) Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2022	2023	2024	2025	2026
09/30/2018	(3,674,623)	0	0	0	0	0
09/30/2019	(31,801,306)	(6,360,262)	0	0	0	0
09/30/2020	(15,983,927)	(6,393,572)	(3,196,787)	0	0	0
09/30/2021	114,653,628	68,792,176	45,861,450	22,930,724	0	0
09/30/2022	(197,999,533)	(158,399,626)	(118,799,719)	(79,199,812)	(39,599,905)	0
Total		(102,361,284)	(76,135,056)	(56,269,088)	(39,599,905)	0

<u>Development of Investment Gain/(Loss)</u>	
Market Value of Assets, including Share Account, 09/30/2021	1,159,191,901
Contributions Less Benefit Payments & Admin Expenses	(27,312,428)
Expected Investment Earnings*	83,051,337
Actual Net Investment Earnings	(114,948,196)
2022 Actuarial Investment Gain/(Loss)	<u>(197,999,533)</u>

*Expected Investment Earnings = $0.0725 * [1,159,191,901 + 0.5 * (27,312,428)]$

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, net of Share, 09/30/2022	977,948,768
(2) Gains/(Losses) Not Yet Recognized	<u>(102,361,284)</u>
(3) Actuarial Value of Assets, net of Share, 09/30/2022, (1) - (2)	1,080,310,052
(A) 09/30/2021 Actuarial Assets, including Share:	1,090,514,802
(I) Net Investment Income:	
1. Interest, Dividends and Other Income	23,803,980
2. Net Increase in Fair Value of Investments	(132,023,882)
3. Change in Actuarial Value	171,038,383
4. Investment Expenses	<u>(6,728,294)</u>
Total	56,090,187
(B) 09/30/2022 Actuarial Assets, including Share:	1,119,292,561
Actuarial Asset Rate of Return = $2I/(A+B-I)$:	5.21%
Market Value of Assets Rate of Return:	-10.03%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(21,982,061)
10/01/2022 Limited Net Actuarial Assets (not including Share):	1,080,310,052

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

REVENUES

Contributions:		
Member	7,836,261.10	
Member for Buyback	916,647.38	
Member Share for Buyback	71,215.26	
City	20,357,842.78	
State for Share Plan	1,811,708.67	
State for Contribution	5,860,328.33	
 Total Contributions		 36,854,003.52
Earnings from Investments:		
Interest & Dividends	15,686,416.88	
Miscellaneous Income	8,117,563.00	
Net Increase in Fair Value of Investments	(132,023,881.90)	
Change in Actuarial Value	171,038,383.00	
 Total Earnings and Investment Gains		 62,818,480.98

EXPENDITURES

Distributions to Members:		
Benefit Payments	48,040,698.16	
Lump Sum DROP Distributions	13,437,290.91	
Lump Sum Share Distributions	1,648,792.58	
Lump Sum Share for Buybacks	71,215.26	
Refunds of Member Contributions	308,706.59	
 Total Distributions		 63,506,703.50
Expenses:		
Investment related ¹	6,728,294.44	
Administrative	597,952.23	
Administrative for Share	61,775.77	
 Total Expenses		 7,388,022.44
Share Account Net Change		(4,211,884.72)
Change in Net Assets for the Year		32,989,643.28
Net Assets Beginning of the Year		1,047,320,408.65
Net Assets End of the Year ²		1,080,310,051.93

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

²Net Assets may be limited for actuarial consideration.

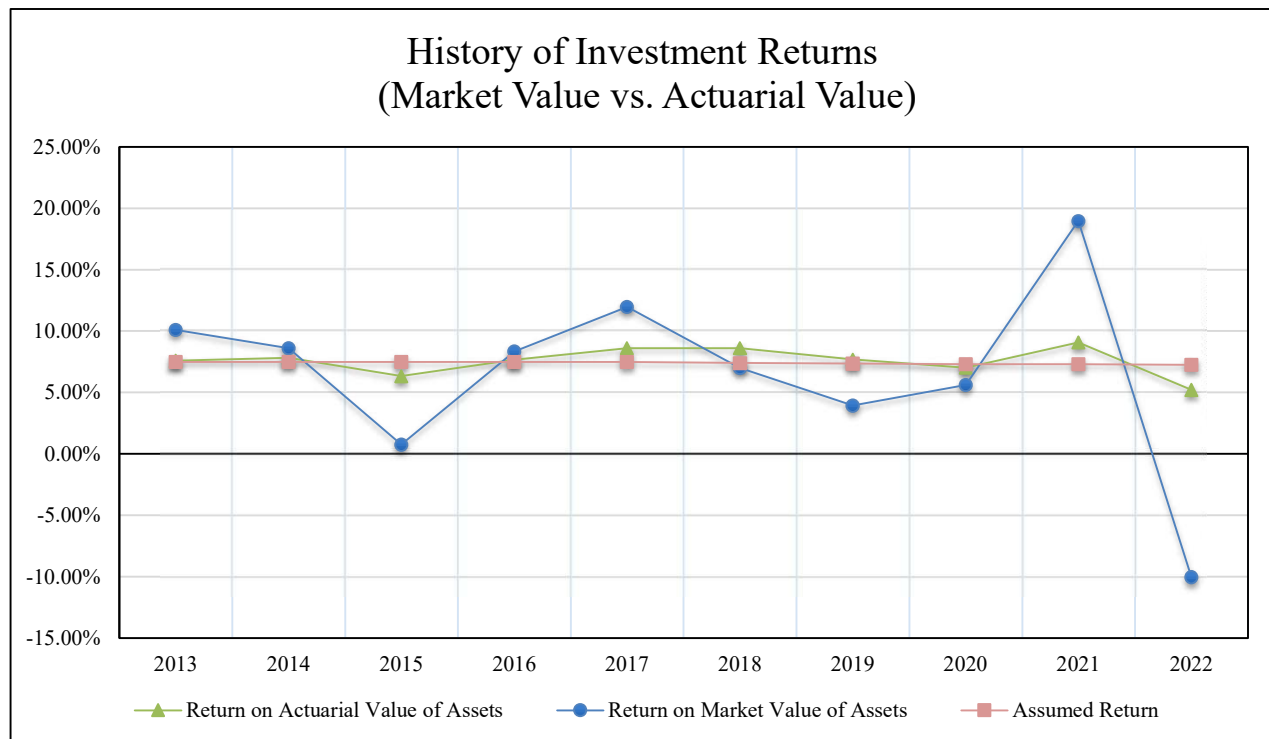
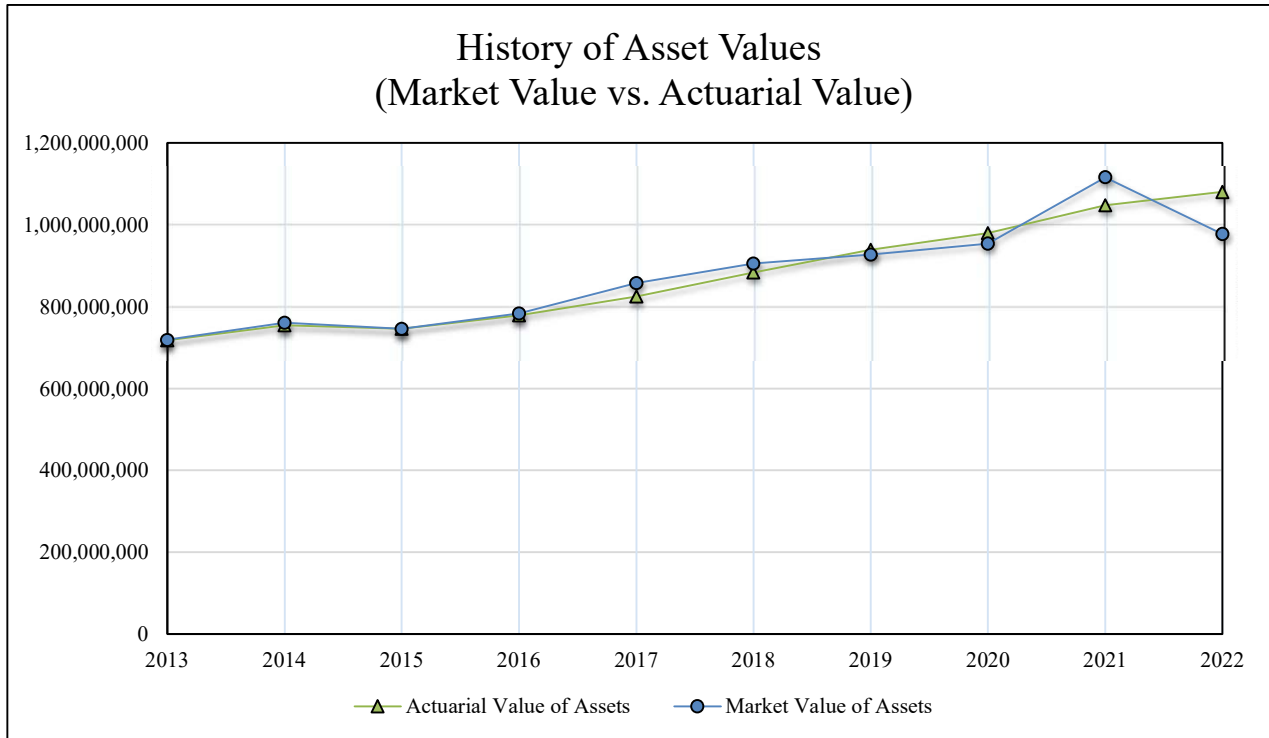
DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2021 to September 30, 2022

Beginning of the Year Balance	74,781,759.47
Plus Additions	18,304,135.60
Investment Return Earned	1,539,272.55
Less Distributions	(13,437,290.91)
End of the Year Balance	81,187,876.71

CITY CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2022

(1) Required City and State Contributions	\$25,373,586.00
(2) Less Allowable State Contribution	<u>(5,860,328.33)</u>
(3) Required City Contribution for Fiscal 2022	19,513,257.67
(4) Plus 2021 Shortfall Contribution	409,021.22
(5) Less Actual City Contributions	<u>(20,766,864.00)</u>
(6) City Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2022	(\$844,585.11)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA

	<u>10/1/2022</u>	<u>10/1/2021</u>	<u>10/1/2020</u>	<u>10/1/2019</u>
<u>Actives - Hired before 10/1/2014</u>				
Number	418	472	526	588
Average Current Age	42.3	42.1	41.8	41.5
Average Age at Employment	27.4	27.7	27.9	27.9
Average Past Service	14.9	14.4	13.9	13.6
Average Annual Salary	\$121,424	\$118,725	\$111,748	\$110,107
<u>Actives - Hired on or after 10/1/2014</u>				
Number	281	236	193	175
Average Current Age	32.3	31.7	30.9	30.4
Average Age at Employment	28.6	28.4	28.0	28.2
Average Past Service	3.7	3.3	2.9	2.2
Average Annual Salary	\$90,905	\$84,564	\$79,825	\$74,851
<u>Service Retirees</u>				
Number	804	789	786	761
Average Current Age	67.4	67.4	67.5	67.3
Average Annual Benefit	\$52,876	\$51,433	\$50,263	\$49,256
<u>DROP Retirees</u>				
Number	221	210	193	172
Average Current Age	52.2	52.4	52.1	52.5
Average Annual Benefit	\$84,942	\$84,575	\$81,280	\$78,059
<u>Beneficiaries</u>				
Number	173	172	165	172
Average Current Age	74.7	74.5	74.6	74.1
Average Annual Benefit	\$26,065	\$26,006	\$25,490	\$25,398
<u>Disability Retirees</u>				
Number	35	32	30	28
Average Current Age	55.8	55.7	55.7	55.3
Average Annual Benefit	\$47,092	\$45,320	\$43,887	\$43,291

STATISTICAL DATA
(Police Only)

	<u>10/1/2022</u>	<u>10/1/2021</u>	<u>10/1/2020</u>	<u>10/1/2019</u>
<u>Actives - Hired before 10/1/2014</u>				
Number	250	285	319	340
Average Current Age	42.3	42.2	41.9	41.3
Average Age at Employment	27.3	27.7	28.2	28.3
Average Past Service	15.0	14.4	13.7	13.0
Average Annual Salary	\$122,855	\$118,285	\$109,212	\$105,176
<u>Actives - Hired on or after 10/1/2014</u>				
Number	174	134	116	103
Average Current Age	32.0	31.5	30.1	29.8
Average Age at Employment	28.6	28.3	27.4	27.8
Average Past Service	3.4	3.2	2.7	2.0
Average Annual Salary	\$91,182	\$83,754	\$77,685	\$71,298

STATISTICAL DATA
(Fire Only)

	<u>10/1/2022</u>	<u>10/1/2021</u>	<u>10/1/2020</u>	<u>10/1/2019</u>
<u>Actives - Hired before 10/1/2014</u>				
Number	168	187	207	248
Average Current Age	42.3	42.0	41.7	41.8
Average Age at Employment	27.6	27.5	27.4	27.3
Average Past Service	14.7	14.4	14.2	14.5
Average Annual Salary	\$119,293	\$119,394	\$115,657	\$116,867
<u>Actives - Hired on or after 10/1/2014</u>				
Number	107	102	77	72
Average Current Age	32.8	31.9	32.2	31.3
Average Age at Employment	28.7	28.6	28.8	28.8
Average Past Service	4.1	3.3	3.3	2.5
Average Annual Salary	\$90,455	\$85,628	\$83,050	\$79,934

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	5	3										8
25 - 29	23	18	7	16	14	16						94
30 - 34	16	7	9	15	15	59	15					136
35 - 39	7	9	4	5	6	47	65	29				172
40 - 44	1	3	1		1	16	42	65	11			140
45 - 49	2	1		3	1	4	20	39	14			84
50 - 54						7	11	23	6			47
55 - 59							5	5	2			12
60 - 64							2	1	1			4
65+							1	1				2
Total	54	41	21	39	37	149	161	163	34	0	0	699

AGE AND SERVICE DISTRIBUTION
(Police Only)

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	3	1										4
25 - 29	20	7	5	11	7	8						58
30 - 34	13	2	8	13	12	32	12					92
35 - 39	6	7	2	4	3	21	38	17				98
40 - 44	1	1	1			5	26	39	8			81
45 - 49	2	1		2		4	14	25	8			56
50 - 54						1	8	12	4			25
55 - 59							3	4	1			8
60 - 64							2					2
65+												0
Total	45	19	16	30	22	71	103	97	21	0	0	424

AGE AND SERVICE DISTRIBUTION
(Fire Only)

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	2	2										4
25 - 29	3	11	2	5	7	8						36
30 - 34	3	5	1	2	3	27	3					44
35 - 39	1	2	2	1	3	26	27	12				74
40 - 44		2			1	11	16	26	3			59
45 - 49				1	1		6	14	6			28
50 - 54						6	3	11	2			22
55 - 59							2	1	1			4
60 - 64								1	1			2
65+							1	1				2
Total	9	22	5	9	15	78	58	66	13	0	0	275

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2021	708
b. Terminations	
i. Vested (partial or full) with deferred annuity	(4)
ii. Vested in refund of member contributions only	(6)
iii. Refund of member contributions or full lump sum distribution received	(4)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	(3)
e. Retired	(5)
f. DROP	(41)
g. Continuing participants	645
h. New entrants / Rehires	54
i. Total active life participants in valuation	699

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

	Service Retirees, Vested Receiving	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
	<u>Benefits</u>	<u>Benefits</u>	<u>Benefits</u>	<u>Benefits</u>	<u>Benefits</u>	<u>Benefits</u>	<u>Benefits</u>
a. Number prior valuation	789	210	172	32	18	16	1,237
Retired	38	(30)	0	0	(3)	0	5
DROP	0	41	0	0	0	0	41
Vested (Deferred Annuity)	0	0	0	0	4	0	4
Vested (Due Refund)	0	0	0	0	0	6	6
Hired/Terminated in Same Year	0	0	0	0	0	3	3
Death, With Survivor	(15)	0	15	0	0	0	0
Death, No Survivor	(8)	0	(14)	0	0	0	(22)
Disabled	0	0	0	3	0	0	3
Refund of Contributions	0	0	0	0	(1)	(4)	(5)
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	804	221	173	35	18	21	1,272

SUMMARY OF CURRENT PLAN

<u>Membership</u>	Police officers and firefighters.
<u>Credited Service</u>	Total years and fractional parts of years of years of service of any Member, from the date he first entered employment as a Police Officer or Firefighter until either the date of his DROP Retirement or the date his employment shall be terminated by death, retirement, or discharge.
<u>Compensation</u>	Base pay, assignment pay, and longevity bonuses, including pick-up contributions, and up to forty (40) hours of overtime for police officers.
<u>Average Final Compensation</u>	<i>Firefighters hired prior October 1, 2014:</i> Average Compensation during the highest 2 years of Credited Service. <i>Firefighters hired after September 30, 2014:</i> Average Compensation during the highest 5 years of Credited Service. <i>Police Officers hired prior to April 1, 2014:</i> Average Compensation during the highest 2 years of Credited Service. <i>Police Officers hired after March 31, 2014:</i> Average Compensation during the highest 5 years of Credited Service.
<u>Member Contributions</u>	10.00% of Compensation.
<u>City and State Contributions</u>	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII, Chapter 112, F.S.
<u>Normal Retirement</u>	
Date	Earlier of: 1) Age 55 with 10 years of Credited Service, or 2) attainment of 20 years of Credited Service, regardless of Age.
Plan 1 Benefit	
Firefighters	<i>Hired prior to October 1, 2014:</i> 3.38% of Average Final Compensation times Credited Service, with a maximum of 81% of Average Final Compensation. Firefighters with 25 or more years of Credited Service on October 1, 2002 are subject to a maximum of 91.26% of Average Final Compensation. Firefighters employed before

December 11, 1993 receive an additional 2.0% of Average Final Compensation (excluded from the 81% maximum percentage).

Hired after September 30, 2014: 3.00% of Average Final Compensation times Credited Service, with a maximum of 75% of Average Final Compensation.

Police Officers

Hired prior to April 1, 2014: 3.38% of Average Final Compensation times Credited Service, with a maximum of 81% of Average Final Compensation. Police Officers with 25 or more years of Credited Service on January 1, 2002 are subject to a maximum of 91.26%.

Hired after March 31, 2014: 3.00% of Average Final Compensation times Credited Service, with a maximum of 75% of Average Final Compensation.

Plan 2 Benefit

3.0% of Average Final Compensation for the first 20 years of Credited Service, plus 2.0% of Average Final Compensation for each year in excess of 20. Firefighters employed before December 11, 1993 receive an additional 2.0% of Average Final Compensation.

Form of Benefit

Firefighters hired prior to October 1, 2014: 60% Joint and Survivor, with an additional 40% death benefit during the first year of retirement (Optional forms available).

Firefighters hired after September 30, 2014: 10-Year Certain and Life (Optional forms available).

Police Officers hired prior to April 1, 2014: 60% Joint and Survivor, with an additional 40% death benefit during the first year of retirement (Optional forms available).

Police Officers hired after March 31, 2014: 10-Year Certain and Life (Optional forms available).

Early Retirement (Firefighters Only)

Eligibility

Age 50 with 10 years of Credited Service.

Benefit

Accrued benefit, reduced 3.0% per year that the benefit commencement date precedes the Normal Retirement date.

Vesting

Less than 10 Years of Credited Service

Refund of Member contributions. For Police Officers who separate employment with the City on or after December 3, 2013 and Firefighters who separate employment with the City on or after October 1, 2014, no interest will be credited when determining the refund amount.

10 years of Credited Service

Accrued benefit deferred to the earlier of 1) Age 55 or 2) when the Member would have attained age 50 with 20 years of Credited Service had they not separated employment.

Disability

Eligibility

Covered from Date of Employment.

Exclusions

Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

Benefit

Non-Service Connected

50% of Average Final Compensation offset by 100% of Social Security Disability benefits, Workers' Compensation benefits, and earned income.

Service Connected

65% of Average Final Compensation.

Duration

Payable for life or until recovery.

Death Benefits

Eligibility

Covered from Date of Employment.

Benefit

Non-Service Connected

50% of the Member's monthly Compensation for eight (8) years. For a Member with at least 10 years of Credited Service, not less than the benefits otherwise payable at early or normal retirement age. The minimum benefit payable is four (4) times the rate of the Member's annual compensation.

Service Connected

50% of Member's monthly Compensation to spouse until death or remarriage. Children's benefits of 10% of Member's monthly benefits per child (50% maximum) until age 18, and a maximum of 80% to spouse and children. For Members who are not married and have no children, a 10-year benefit will be paid to the designated beneficiary. The minimum benefit payable is four (4) times the rate of the Member's annual compensation.

COLA

Adjustment Date	July 1st
Eligibility	Receipt of retirement benefits for one year. Additionally, must have entered Retirement status prior to July 1, 2008.
Amount	Lesser of 1) percentage not greater than CPI (all Urban Consumers) for preceding calendar year, or 2) percentage increase limited to present value of which can be funded by excess gains for preceding calendar year. Maximum cost-of-living adjustment is 5.0%. The COLA increase may be granted only if the System remains in a net positive experience position, determined on a cumulative basis from January 1, 1987 (in State Statute – not in Ordinance)

DROP

Members eligible for Normal Retirement may elect either a Deferred Retirement Option Plan for up to 96 months or a Benefit Actuarially Calculated Deferred Retirement Option Program for up to 36 months, but not both. For Police Officers hired after March 31, 2014 and Firefighters hired after September 30, 2014, each month a Member delays entry into DROP following completion of 25 years of Credited Service, the 96 month maximum DROP participation period shall be correspondingly reduced by one month. Tier 1 DROP participants shall contribute 1.75% of salary during DROP participation. Tier 2 DROP participants shall contribute 10% of salary for the first five (5) years of DROP participation, and 1.50% of salary for each year thereafter. Members will not receive a refund of contributions made while participating in DROP.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Prepaid Expenses	4,600
Money Market	10,794,034
 Total Cash and Equivalents	 10,798,634
Receivables:	
From Broker for Investments Sold	545,346
Investment Income	2,788,596
 Total Receivable	 3,333,942
Investments:	
U. S. Bonds and Bills	130,529,099
Federal Agency Guaranteed Securities	2,113,848
Corporate Bonds and Other Fixed Income	115,039,818
Real Estate	187,990,256
Hedge Fund of Funds	12,773,685
Equity Securities	127,367,966
Private Debt and Equity Funds	46,322,225
Index Funds and Other	204,699,349
Commingled Equity Funds	180,974,747
 Total Investments	 1,007,810,993
 Intangible right to use leased assets, net of amortization	 76,334
 Total Assets	 1,022,019,903
 <u>LIABILITIES</u>	
Payables:	
To Broker for Investments Purchased	500,264
Accounts Payable and Accrued Liabilities	422,536
To City of Fort Lauderdale	4,086,600
Current portion of long-term liabilities	55,739
Due in more than one year	23,487
 Total Liabilities	 5,088,626
 NET POSITION RESTRICTED FOR PENSIONS	 1,016,931,277

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

ADDITIONS

Contributions:

Member	7,836,261
Member for Buyback	916,647
Member Share for Buyback	71,215
City	20,357,843
State for Share Plan	1,811,709
State for Contribution	5,860,328

Total Contributions	36,854,003
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Investment Income:

Net Increase in Fair Value of Investments	(132,023,882)
Miscellaneous Income	8,117,563
Interest & Dividends	15,686,417
Less Investment Expense ¹	(6,728,294)

Net Investment Income	(114,948,196)
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Total Additions	(78,094,193)
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DEDUCTIONS

Distributions to Members:

Benefit Payments	48,040,698
Lump Sum DROP Distributions	13,437,291
Lump Sum Share Distributions	1,648,792
Lump Sum Share for Buybacks	71,215
Refunds of Member Contributions	308,707

Total Distributions	63,506,703
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Administrative Expense	659,728
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Total Deductions	64,166,431
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Net Increase in Net Position	(142,260,624)
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	1,159,191,901
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End of the Year	1,016,931,277
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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 Plan's Board of Trustees comprised of: Two of the three appointive Members shall be appointed by the City Commission, each of whom must be a legal resident of the City. The two above appointive Members appointed after September 18, 2012 shall serve as trustee for a period of 4 years, unless sooner replaced by the City Commission at whose pleasure they shall serve. The third appointive Member shall be chosen by a majority of the previous six Members and such person's name shall be submitted to the City Commission. Upon receipt of the seventh person's name, the City Commission shall, as a ministerial duty, appoint such person to the Board of Trustees as its seventh Member. The seventh Member shall have the same rights as each of the other six Members appointed or elected as herein provided, shall serve on the Board for a period of four years, and may succeed himself or herself in office. The term of office of the seventh Member appointed after September 18, 2012 shall be four years.

Plan Membership as of October 1, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1,203
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	34
Active Plan Members	708
	1,945

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 Fort Lauderdale Police and Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 10.00% of Compensation.

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, Chapter 112, F.S.

Investments

Investment Policy:

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

Asset Class	Target Allocation
Domestic Equity	30.00%
International Equity	15.00%
Domestic Bonds	20.00%
Real Estate	15.00%
Other	20.00%
Total	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2022, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was -10.03 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

Members eligible for Normal Retirement may elect either a Deferred Retirement Option Plan for up to 96 months or a Benefit Actuarially Calculated Deferred Retirement Option Program for up to 36 months, but not both. For Police Officers hired after March 31, 2014 and Firefighters hired after September 30, 2014, each month a Member delays entry into DROP following completion of 25 years of Credited Service, the 96 month maximum DROP participation period shall be correspondingly reduced by one month. Tier 1 DROP participants shall contribute 1.75% of salary during DROP participation. Tier 2 DROP participants shall contribute 10% of salary for the first five (5) years of DROP participation, and 1.50% of salary for each year thereafter. Members will not receive a refund of contributions made while participating in DROP.

The DROP balance as September 30, 2022 is \$81,187,877.

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	\$ 1,224,030,102
Plan Fiduciary Net Position	<u>\$ (1,016,931,277)</u>
Sponsor's Net Pension Liability	<u>\$ 207,098,825</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	83.08%

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	2.25%
Salary Increases	Service based *Expected increase in annual salary in addition to 2.75% inflationary component.
Discount Rate	7.20%
Investment Rate of Return	7.20%

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year.

Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

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

Male: PubG.H-2010 (Above Median) 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.

90% of active Firefighter deaths, and 75% of active Police Officer deaths are assumed to be service-incurred.

The most recent actuarial experience study used to review the other significant assumptions was dated June 8, 2020.

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 2.75%.

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	7.25%
International Equity	7.00%
Domestic Bonds	3.70%
Real Estate	6.50%
Other	7.75%

¹Source: Captrust. Based on 7-10 year projected returns

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.20 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.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	6.20%	7.20%	8.20%
Sponsor's Net Pension Liability	\$ 337,272,587	\$ 207,098,825	\$ 99,694,336

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	21,085,948	20,638,300
Interest	83,069,874	80,217,651
Share Plan Allocation	1,811,709	2,066,242
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	18,216,726	(6,295,761)
Changes of assumptions	5,905,920	5,600,685
Contributions - Buy Back	987,862	3,559,103
Benefit Payments, including Refunds of Employee Contributions	(63,506,703)	(55,122,173)
Net Change in Total Pension Liability	67,571,336	50,664,047
Total Pension Liability - Beginning	1,156,458,766	1,105,794,719
Total Pension Liability - Ending (a)	<u>\$1,224,030,102</u>	<u>\$1,156,458,766</u>
Plan Fiduciary Net Position		
Contributions - Employer	20,357,843	19,757,218
Contributions - State	5,860,328	4,750,365
Contributions - State Share Plan	1,811,709	2,066,242
Contributions - Employee	7,836,261	7,807,192
Contributions - Buy Back	987,862	3,559,103
Net Investment Income	(114,948,196)	186,322,349
Benefit Payments, including Refunds of Employee Contributions	(63,506,703)	(55,122,173)
Administrative Expense	(659,728)	(605,457)
Net Change in Plan Fiduciary Net Position	(142,260,624)	168,534,839
Plan Fiduciary Net Position - Beginning	1,159,191,901	990,657,062
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,016,931,277</u>	<u>\$ 1,159,191,901</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 207,098,825</u>	<u>\$ (2,733,135)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.08%	100.24%
Covered Payroll	\$ 73,135,467	\$ 72,304,621
Net Pension Liability as a percentage of Covered Payroll	283.17%	-3.78%

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

Changes of assumptions:

For measurement date 09/30/2022, amounts reported as changes of assumptions resulted from lowering the investment rate of return assumption from 7.25% to 7.20% per year compounded annually, net of investment related expenses.

For measurement date 09/30/2021, amounts reported as changes of assumptions resulted from lowering the investment rate of return assumption from 7.30% to 7.25% per year compounded annually, net of investment related expenses.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2022	\$ 25,373,586	\$ 26,218,171	\$ (844,585)	\$ 73,135,467	35.85%
09/30/2021	\$ 24,507,583	\$ 24,507,583	-	\$ 72,304,621	33.89%

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 Fort Lauderdale Police and Firefighters' Retirement System 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	-10.03%
09/30/2021	18.98%

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: Two of the three appointive Members shall be appointed by the City Commission, each of whom must be a legal resident of the City. The two above appointive Members appointed after September 18, 2012 shall serve as trustee for a period of 4 years, unless sooner replaced by the City Commission at whose pleasure they shall serve. The third appointive Member shall be chosen by a majority of the previous six Members and such person's name shall be submitted to the City Commission. Upon receipt of the seventh person's name, the City Commission shall, as a ministerial duty, appoint such person to the Board of Trustees as its seventh Member. The seventh Member shall have the same rights as each of the other six Members appointed or elected as herein provided, shall serve on the Board for a period of four years, and may succeed himself or herself in office. The term of office of the seventh Member appointed after September 18, 2012 shall be four years.

The Plan provides pensions for each sworn police officer and firefighter of the City who is eligible to participate in the Plan and who fulfills the prescribed eligibility requirements is considered a Member of the Plan.

Plan Membership as of October 1, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1,203
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	34
Active Plan Members	708
	1,945
	1,945

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 Fort Lauderdale Police and Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 10.00% of Compensation.

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, Chapter 112, F.S.

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	2.25%	
Salary Increases	Service based	*Expected increase in annual salary in addition to 2.75% inflationary component.
Discount Rate	7.20%	
Investment Rate of Return	7.20%	

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year.

Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

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

Male: PubG.H-2010 (Above Median) 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.

90% of active Firefighter deaths, and 75% of active Police Officer deaths are assumed to be service-incurred.

The most recent actuarial experience study used to review the other significant assumptions was dated June 8, 2020.

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 2.75%.

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	30.00%	7.25%
International Equity	15.00%	7.00%
Domestic Bonds	20.00%	3.70%
Real Estate	15.00%	6.50%
Other	20.00%	7.75%
Total	100.00%	

¹Source: Captrust. Based on 7-10 year projected returns

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.20 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	\$1,156,458,766	\$ 1,159,191,901	\$ (2,733,135)
Changes for a Year:			
Service Cost	21,085,948	-	21,085,948
Interest	83,069,874	-	83,069,874
Share Plan Allocation	1,811,709	-	1,811,709
Differences between Expected and Actual Experience	18,216,726	-	18,216,726
Changes of assumptions	5,905,920	-	5,905,920
Changes of benefit terms	-	-	-
Contributions - Employer	-	20,357,843	(20,357,843)
Contributions - State	-	5,860,328	(5,860,328)
Contributions - State Share Plan	-	1,811,709	(1,811,709)
Contributions - Employee	-	7,836,261	(7,836,261)
Contributions - Buy Back	987,862	987,862	-
Net Investment Income	-	(114,948,196)	114,948,196
Benefit Payments, including Refunds of Employee Contributions	(63,506,703)	(63,506,703)	-
Administrative Expense	-	(659,728)	659,728
Net Changes	67,571,336	(142,260,624)	209,831,960
Reporting Period Ending September 30, 2023	\$1,224,030,102	\$ 1,016,931,277	\$ 207,098,825

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.20%	7.20%	8.20%
Sponsor's Net Pension Liability	\$ 337,272,587	\$ 207,098,825	\$ 99,694,336

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 \$15,994,799. 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	10,729,078	5,055,485
Changes of assumptions	13,966,265	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	68,677,102
Employer and State contributions subsequent to the measurement date	28,029,880	-
Total	\$ 52,725,223	\$ 73,732,587

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	\$ (2,419,738)
2024	\$ (3,779,070)
2025	\$ (19,907,710)
2026	\$ (22,930,726)
2027	\$ -
Thereafter	\$ -

Payable to the Pension Plan

On September 30, 2021, the Sponsor reported a payable of \$409,021 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2021.

**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 \$58,950,488.

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	19,027,085	3,147,880
Changes of assumptions	11,633,622	-
Net difference between Projected and Actual Earnings on Pension Plan investments	102,361,281	-
Employer and State contributions subsequent to the measurement date	TBD	
Total	TBD	\$ 3,147,880

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.

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		\$ 41,851,499
2025		\$ 25,722,859
2026		\$ 22,699,843
2027		\$ 39,599,907
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	21,085,948	20,638,300
Interest	83,069,874	80,217,651
Share Plan Allocation	1,811,709	2,066,242
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	18,216,726	(6,295,761)
Changes of assumptions	5,905,920	5,600,685
Contributions - Buy Back	987,862	3,559,103
Benefit Payments, including Refunds of Employee Contributions	(63,506,703)	(55,122,173)
Net Change in Total Pension Liability	67,571,336	50,664,047
Total Pension Liability - Beginning	1,156,458,766	1,105,794,719
Total Pension Liability - Ending (a)	<u>\$ 1,224,030,102</u>	<u>\$ 1,156,458,766</u>
Plan Fiduciary Net Position		
Contributions - Employer	20,357,843	19,757,218
Contributions - State	5,860,328	4,750,365
Contributions - State Share Plan	1,811,709	2,066,242
Contributions - Employee	7,836,261	7,807,192
Contributions - Buy Back	987,862	3,559,103
Net Investment Income	(114,948,196)	186,322,349
Benefit Payments, including Refunds of Employee Contributions	(63,506,703)	(55,122,173)
Administrative Expense	(659,728)	(605,457)
Net Change in Plan Fiduciary Net Position	(142,260,624)	168,534,839
Plan Fiduciary Net Position - Beginning	1,159,191,901	990,657,062
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,016,931,277</u>	<u>\$ 1,159,191,901</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 207,098,825</u>	<u>\$ (2,733,135)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.08%	100.24%
Covered Payroll	\$ 73,135,467	\$ 72,304,621
Net Pension Liability as a percentage of Covered Payroll	283.17%	-3.78%

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

Changes of assumptions:

For measurement date 09/30/2022, amounts reported as changes of assumptions resulted from lowering the investment rate of return assumption from 7.25% to 7.20% per year compounded annually, net of investment related expenses.

For measurement date 09/30/2021, amounts reported as changes of assumptions resulted from lowering the investment rate of return assumption from 7.30% to 7.25% per year compounded annually, net of investment related expenses.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2022	\$ 25,373,586	\$ 26,218,171	\$ (844,585)	\$ 73,135,467	35.85%
09/30/2021	\$ 24,507,583	\$ 24,507,583	\$ -	\$ 72,304,621	33.89%

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 Fort Lauderdale Police and Firefighters' Retirement System 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	\$ 115,137,657	\$ 8,443,059	\$ 93,271,406	\$ -
Employer and State Contributions made after 09/30/2020	-	-	28,029,880	-
Total Pension Liability Factors:				
Service Cost	20,638,300	-	-	20,638,300
Interest	80,217,651	-	-	80,217,651
Share Plan Allocation	2,066,242	-	-	2,066,242
Changes in benefit terms	-	-	-	-
Contributions - Buy Back	3,559,103	-	-	3,559,103
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(6,295,761)	6,295,761	-	-
Current year amortization of experience difference	-	(2,460,172)	(5,364,539)	2,904,367
Change in assumptions about future economic or demographic factors or other inputs	5,600,685	-	5,600,685	-
Current year amortization of change in assumptions	-	-	(8,900,611)	8,900,611
Benefit Payments, including Refunds of Employee Contributions	(55,122,173)	-	-	-
Net change	50,664,047	3,835,589	19,365,415	118,286,274
Plan Fiduciary Net Position:				
Contributions - Employer	19,757,218	-	(19,757,218)	-
Contributions - State	4,750,365	-	(4,750,365)	-
Contributions - State Share Plan	2,066,242	-	(2,066,242)	-
Contributions - Employee	7,807,192	-	-	(7,807,192)
Contributions - Buy Back	3,559,103	-	-	(3,559,103)
Projected Net Investment Income	71,668,721	-	-	(71,668,721)
Difference between projected and actual earnings on Pension Plan investments	114,653,628	114,653,628	-	-
Current year amortization	-	(30,153,887)	(10,291,971)	(19,861,916)
Benefit Payments, including Refunds of Employee Contributions	(55,122,173)	-	-	-
Administrative Expenses	(605,457)	-	-	605,457
Net change	168,534,839	84,499,741	(36,865,796)	(102,291,475)
Ending balance	\$ (2,733,135)	\$ 96,778,389	\$ 75,771,025	\$ 15,994,799

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2023

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (2,733,135)	\$ 96,778,389	\$ 75,771,025	\$ -
Employer and State Contributions made after 09/30/2022	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	21,085,948	-	-	21,085,948
Interest	83,069,874	-	-	83,069,874
Share Plan Allocation	1,811,709	-	-	1,811,709
Changes in benefit terms	-	-	-	-
Contributions - Buy Back	987,862	-	-	987,862
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	18,216,726	-	18,216,726	-
Current year amortization of experience difference	-	(1,907,605)	(9,918,719)	8,011,114
Change in assumptions about future economic or demographic factors or other inputs	5,905,920	-	5,905,920	-
Current year amortization of change in assumptions	-	-	(8,238,563)	8,238,563
Benefit Payments, including Refunds of Employee Contributions	(63,506,703)	-	-	-
Net change	<u>67,571,336</u>	<u>(1,907,605)</u>	<u>5,965,364</u>	<u>123,205,070</u>
Plan Fiduciary Net Position:				
Contributions - Employer	20,357,843	-	(20,357,843)	-
Contributions - State	5,860,328	-	(5,860,328)	-
Contributions - State Share Plan	1,811,709	-	(1,811,709)	-
Contributions - Employee	7,836,261	-	-	(7,836,261)
Contributions - Buy Back	987,862	-	-	(987,862)
Projected Net Investment Income	83,051,337	-	-	(83,051,337)
Difference between projected and actual earnings on Pension Plan investments	(197,999,533)	-	197,999,533	-
Current year amortization	-	(22,930,726)	(49,891,876)	26,961,150
Benefit Payments, including Refunds of Employee Contributions	(63,506,703)	-	-	-
Administrative Expenses	(659,728)	-	-	659,728
Net change	<u>(142,260,624)</u>	<u>(22,930,726)</u>	<u>120,077,777</u>	<u>(64,254,582)</u>
Ending balance	<u>\$ 207,098,825</u>	<u>\$ 71,940,058</u>	<u>TBD</u>	<u>\$ 58,950,488</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)	Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments										
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
2022	\$ 197,999,533	5	\$ -	\$ 39,599,905	\$ 39,599,907	\$ 39,599,907	\$ 39,599,907	\$ 39,599,907	\$ 39,599,907	\$ -	\$ -	\$ -	\$ -
2021	\$ (114,653,628)	5	\$ (22,930,724)	\$ (22,930,726)	\$ (22,930,726)	\$ (22,930,726)	\$ (22,930,726)	\$ (22,930,726)	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 15,983,927	5	\$ 3,196,785	\$ 3,196,785	\$ 3,196,785	\$ 3,196,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 31,801,307	5	\$ 6,360,261	\$ 6,360,261	\$ 6,360,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 3,674,623	5	\$ 734,925	\$ 734,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (36,115,814)	5	\$ (7,223,163)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (19,861,916)	\$ 26,961,150	\$ 26,226,227	\$ 19,865,966	\$ 16,669,181	\$ 39,599,907	\$ -	\$ -	\$ -	\$ -	\$ -

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	\$ 5,905,920	4	\$ -	\$ 1,476,480	\$ 1,476,480	\$ 1,476,480	\$ 1,476,480	\$ -	\$ -	\$ -	\$ -	\$ -
2021	\$ 5,600,685	4	\$ 1,400,172	\$ 1,400,171	\$ 1,400,171	\$ 1,400,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 13,599,982	4	\$ 3,399,996	\$ 3,399,996	\$ 3,399,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 5,019,222	5	\$ 1,003,844	\$ 1,003,844	\$ 1,003,844	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 4,790,360	5	\$ 958,072	\$ 958,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ 10,692,637	5	\$ 2,138,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 8,900,611	\$ 8,238,563	\$ 7,280,491	\$ 2,876,651	\$ 1,476,480	\$ -	\$ -	\$ -	\$ -	\$ -

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)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience												
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
2022	\$ 18,216,726	4	\$ -	\$ 4,554,180	\$ 4,554,182	\$ 4,554,182	\$ 4,554,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2021	\$ (6,295,761)	4	\$ (1,573,941)	\$ (1,573,940)	\$ (1,573,940)	\$ (1,573,940)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2020	\$ 19,851,718	4	\$ 4,962,930	\$ 4,962,930	\$ 4,962,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2019	\$ 2,008,045	5	\$ 401,609	\$ 401,609	\$ 401,609	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2018	\$ (1,668,323)	5	\$ (333,665)	\$ (333,665)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2017	\$ (2,762,831)	5	\$ (552,566)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Increase (Decrease) in Pension Expense			\$ 2,904,367	\$ 8,011,114	\$ 8,344,781	\$ 2,980,242	\$ 4,554,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	