

CITY OF OCALA POLICE OFFICERS RETIREMENT SYSTEM

GASB 67/68 DISCLOSURE INFORMATION
MEASUREMENT DATE: SEPTEMBER 30, 2023

GASB 68 REPORTING
AS OF SEPTEMBER 30, 2024



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS



February 15, 2024

Board of Trustees
City of Ocala Police Officers Retirement System

RE: GASB Statements No. 67 and No. 68 – City of Ocala Police Officers Retirement System

Dear Board:

We are pleased to present this report of the GASB Statements No. 67 and No. 68 measured as of September 30, 2023 for the City of Ocala Police Officers Retirement System.

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

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2022. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ending September 30, 2023 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.

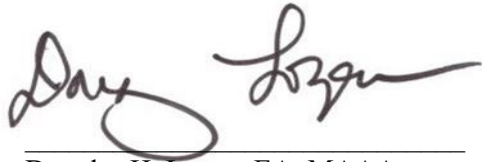
In conducting the valuation, we have relied on personnel and plan design information supplied by the City and asset information supplied by the custodian bank. The actuarial assumptions and methods are described in the Assumptions section of this report. While we cannot verify the accuracy of all this 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.

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

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at (293) 433-5500.

Respectfully submitted,
Foster & Foster, Inc.

A handwritten signature in black ink, appearing to read "Douglas H. Lozen". The signature is written in a cursive style with a large, looping initial "D".

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

TABLE OF CONTENTS

Section	Title	Page
I	Summary	5
II	Fiduciary Net Position	
	a. Statement of Fiduciary Net Position	7
	b. Statement of Changes in Fiduciary Net Position	8
III	GASB Exhibits	
	a. Schedule of Changes in Net Pension Liability and Related Ratios	10
	b. Sensitivity to Changes in Discount Rate	11
	c. Pension Expense and Deferred Flows	12
IV	Supplementary GASB 68 Expense Detail	15
V	Additional Information	
	a. Schedule of Contributions	21
	b. Investment Disclosures	22
	c. Assumptions	23
	d. Summary of Current Plan	25

I. SUMMARY

Valuation Date	10/01/2022	10/01/2021
GASB 67/68 Measurement Date	09/30/2023	09/30/2022
GASB 68 Reporting Date	09/30/2024	09/30/2023
Plan Membership:		
Inactives Currently Receiving Benefits	142	140
Inactives Not Yet Receiving Benefits	22	23
Active Plan Members	188	167
Total	352	330
Covered Payroll	\$ 14,822,209	\$ 13,224,044
Net Pension Liability		
Total Pension Liability	\$ 119,659,470	\$ 107,819,338
Plan Fiduciary Net Position	83,675,003	77,186,078
Net Pension Liability	\$ 35,984,467	\$ 30,633,260
Plan Fiduciary Net Position		
As a Percentage of Total Pension Liability	69.93%	71.59%
Net Pension Liability		
As a Percentage of Covered Payroll	242.77%	231.65%
Total Pension Expense	\$ 8,632,318	\$ 5,500,290
Development of Single Discount Rate		
Single Discount Rate	7.25%	7.25%
Long-Term Expected Rate of Return	7.25%	7.25%
High-quality Municipal Bond Rate	4.87%	1.93%
Number of Years Future Benefit Payments Are Expected to be Paid	All Years	All Years

II. FIDUCIARY NET POSITION

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Checking Account	501,366
Money Market	1,386,485
Total Cash and Equivalents	1,887,851
Receivables:	
Additional City Contributions	222,130
From Broker for Investments Sold	74,554
Investment Income	123,294
Total Receivables	419,978
Investments:	
U. S. Bonds and Bills	6,089,850
Federal Agency Guaranteed Securities	5,459,667
Corporate Bonds	14,330,159
Stocks	12,616,491
Mutual Funds:	
Equity	33,258,073
Pooled/Common/Commingled Funds:	
Equity	5,789,037
Real Estate	4,233,459
Total Investments	81,776,736
Total Assets	84,084,565
LIABILITIES	
Payables:	
Lump Sum Death Benefit	198,451
Investment Expenses	57,796
Administrative Expenses	4,914
To Broker for Investments Purchased	148,401
Total Liabilities	409,562
Net Assets:	
Active and Retired Members' Equity	83,675,003
NET POSITION RESTRICTED FOR PENSIONS	83,675,003

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023
Market Value Basis

ADDITIONS

Contributions:

Member	1,185,777
Buy-Back	39,638
City	2,850,400
State	877,590

Total Contributions 4,953,405

Investment Income:

Net Increase in Fair Value of Investments	6,105,273
Interest & Dividends	1,524,508
Less Investment Expense ¹	(396,037)

Net Investment Income 7,233,744

Total Additions 12,187,149

DEDUCTIONS

Distributions to Members:

Benefit Payments	5,088,964
Lump Sum DROP Distributions	96,187
Lump Sum Death Benefit	248,063
Refunds of Member Contributions	159,523

Total Distributions 5,592,737

Administrative Expense 105,487

Total Deductions 5,698,224

Net Increase in Net Position 6,488,925

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 77,186,078

End of the Year 83,675,003

III. GASB EXHIBITS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

GASB 67/68 Measurement Date	09/30/2023	09/30/2022	09/30/2021
GASB 68 Reporting Period Ending	09/30/2024	09/30/2023	09/30/2022
Total Pension Liability			
Service Cost	2,455,497	2,110,794	2,146,200
Interest	7,792,189	7,560,734	7,321,459
Changes in Benefit Terms	0	0	0
Experience Gains/Losses	7,145,545	(1,191,428)	278,283
Changes of Assumptions	0	3,198,090	1,043,477
Contributions – Buy Back	39,638	5,761	27,555
Benefit Payments	<u>(5,592,737)</u>	<u>(5,127,217)</u>	<u>(7,486,310)</u>
Net Change in Total Pension Liability	11,840,132	6,556,734	3,330,664
Total Pension Liability – Beginning	<u>107,819,338</u>	<u>101,262,604</u>	<u>97,931,940</u>
Total Pension Liability – Ending (a)	\$ 119,659,470	\$ 107,819,338	\$ 101,262,604
Plan Fiduciary Net Position			
Contributions – Employer	2,850,400	2,990,891	2,450,000
Contributions – State	877,590	763,084	683,980
Contributions – Employee	1,185,777	1,057,924	885,087
Contributions – Buy Back	39,638	5,761	27,555
Net Investment Income	7,233,744	(15,762,887)	15,961,589
Benefit Payments	(5,592,737)	(5,127,217)	(7,486,310)
Administrative Expense	(105,487)	(89,434)	(88,551)
Other	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Plan Fiduciary Net Position	6,488,925	(16,161,878)	12,433,350
Plan Fiduciary Net Position – Beginning	77,186,078	93,347,956	80,914,606
Adjustment to beginning of year	<u>0</u>	<u>0</u>	<u>0</u>
Plan Fiduciary Net Position – Ending (b)	\$ 83,675,003	\$ 77,186,078	\$ 93,347,956
Net Pension Liability – Ending (a) – (b)	\$ 35,984,467	\$ 30,633,260	\$ 7,914,648
Plan Fiduciary Net Position			
As % of Total Pension Liability	69.93%	71.59%	92.18%
Covered Payroll	\$ 14,822,209	\$ 13,224,044	\$ 11,063,586
Net Pension Liability			
As % of Covered Payroll	242.77%	231.65%	71.54%

SENSITIVITY TO CHANGES IN DISCOUNT RATE

GASB 67/68 Measurement Date	09/30/2023	09/30/2022
GASB 68 Reporting Date	09/30/2024	09/30/2023
Discount Rate	7.25%	7.25%
+ 1% Discount Rate	8.25%	8.25%
- 1% Discount Rate	6.25%	6.25%
Sponsor's Net Pension Liability		
Current Discount Rate	\$ 35,984,467	\$ 30,633,260
1% Increase in Discount Rate	24,515,571	21,986,668
1% Decrease in Discount Rate	49,763,090	44,775,736

FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
YEAR-END SEPTEMBER 30, 2023

For the year ended September 30, 2023, the Sponsor will recognize a Pension Expense of \$5,500,290. 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 actual and expected experience	166,971	1,089,737
Changes of assumptions	3,621,608	0
Net difference between projected and actual earnings on pension plan investments	12,478,321	0
Employer and State contributions subsequent to the measurement date	<u>3,727,990</u>	<u>0</u>
Total	\$ 19,994,890	\$ 1,089,737

The outcome of the deferred outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended September 30:

2024	\$ 3,937,753
2025	\$ 3,062,016
2026	\$ 3,226,258
2027	\$ 4,951,136
2028	\$ 0
Thereafter	\$ 0

PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
YEAR-END SEPTEMBER 30, 2024

For the year ended September 30, 2024, the Sponsor will recognize a Pension Expense of \$8,632,318. On September 30, 2024, 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 actual and expected experience	5,827,750	738,137
Changes of assumptions	2,412,651	0
Net difference between projected and actual earnings on pension plan investments	8,121,778	0
Employer and State contributions subsequent to the measurement date	TBD	0
Total	\$ TBD	\$ 738,137

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, 2024.

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:

2025	\$	4,158,174
2026	\$	4,322,416
2027	\$	6,047,294
2028	\$	1,096,158
2029	\$	0
Thereafter	\$	0

Payable to the Pension Plan

On September 30, 2023, the Sponsor reported a payable of \$222,130 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2023.

IV. SUPPLEMENTARY GASB 68 EXPENSE DETAIL

FINAL COMPONENTS OF PENSION EXPENSE
YEAR-END SEPTEMBER 30, 2023

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Beginning Balance	\$ 7,914,648	\$ 6,972,148	\$ 9,013,307	
Employer and State Contributions made after September 30, 2022	0	3,727,990	0	
Total Pension Liability Factors:				
Service Cost	2,110,794	0	0	2,110,794
Interest	7,560,734	0	0	7,560,734
Changes in Benefit Terms	0	0	0	0
Contributions – Buy Back	5,761	0	0	5,761
Experience Gains/Losses	(1,191,428)	0	1,191,428	0
Current Year Amortization	0	(55,657)	(351,598)	(295,941)
Changes of Assumptions	3,198,090	3,198,090	0	0
Current Year Amortization	0	(1,208,957)	0	1,208,957
Benefit Payments	(5,127,217)	0	0	0
Net Change	<u>6,556,734</u>	<u>5,661,466</u>	<u>839,830</u>	<u>10,590,305</u>
Plan Fiduciary Net Position:				
Contributions - Employer	2,990,891	(2,990,891)	0	0
Contributions – State	763,084	(763,084)	0	0
Contributions – Employee	1,057,924	0	0	(1,057,924)
Contributions – Buy Back	5,761	0	0	(5,761)
Projected Net Investment Income	6,986,135	0	0	(6,986,135)
Difference in Projected and Actual Earnings	(22,749,022)	22,749,022	0	0
Current Year Amortization	0	(5,231,341)	(2,360,970)	2,870,371
Benefit Payments	(5,127,217)	0	0	0
Administrative Expenses	(89,434)	0	0	89,434
Other	0	0	0	0
Net Change	<u>(16,161,878)</u>	<u>13,763,706</u>	<u>(2,360,970)</u>	<u>(5,090,015)</u>
Adjustment to beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	\$ 30,633,260	\$ 26,397,320	\$ 7,492,167	\$ 5,500,290

PRELIMINARY COMPONENTS OF PENSION EXPENSE
YEAR-END SEPTEMBER 30, 2024

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Beginning Balance	\$ 30,633,260	\$ 26,397,320	\$ 7,492,167	
Employer and State Contributions made after September 30, 2023 ¹	0	TBD	0	
Total Pension Liability Factors:				
Service Cost	2,455,497	0	0	2,455,497
Interest	7,792,189	0	0	7,792,189
Changes in Benefit Terms	0	0	0	0
Contributions – Buy Back	39,638	0	0	39,638
Experience Gains/Losses	7,145,545	7,145,545	0	0
Current Year Amortization	0	(1,484,766)	(351,600)	1,133,166
Changes of Assumptions	0	0	0	0
Current Year Amortization	0	(1,208,957)	0	1,208,957
Benefit Payments	(5,592,737)	0	0	0
Net Change	<u>11,840,132</u>	<u>4,451,822</u>	<u>(351,600)</u>	<u>12,629,447</u>
Plan Fiduciary Net Position:				
Contributions - Employer	2,850,400	(2,850,400)	0	0
Contributions – State	877,590	(877,590)	0	0
Contributions – Employee	1,185,777	0	0	(1,185,777)
Contributions – Buy Back	39,638	0	0	(39,638)
Projected Net Investment Income	5,568,991	0	0	(5,568,991)
Difference in Projected and Actual Earnings	1,664,753	0	1,664,753	0
Current Year Amortization	0	(5,231,339)	(2,539,549)	2,691,790
Benefit Payments	(5,592,737)	0	0	0
Administrative Expenses	(105,487)	0	0	105,487
Other	0	0	0	0
Net Change	<u>6,488,925</u>	<u>(8,959,329)</u>	<u>(874,796)</u>	<u>(3,997,129)</u>
Adjustment to beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	\$ 35,984,467	\$ TBD	\$ 6,265,771	\$ 8,632,318

¹ Employer and State contributions made subsequent to the September 30, 2023 measurement date, but made on or before September 30, 2024 need to be added.

AMORTIZATION SCHEDULE – EXPERIENCE

Year	Initial Base	Recognition Period	2023	2024	2025	2026	2027	Thereafter
2023	\$ 7,145,545	5	\$ 0	\$ 1,429,109	\$ 1,429,109	\$ 1,429,109	\$ 1,429,109	\$ 1,429,109
2022	(1,191,428)	5	(238,284)	(238,286)	(238,286)	(238,286)	(238,286)	0
2021	278,283	5	55,657	55,657	55,657	55,657	0	0
2020	(116,394)	5	(23,279)	(23,279)	(23,279)	0	0	0
2019	(450,176)	5	(90,035)	(90,035)	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$ (295,941)	\$ 1,133,166	\$ 1,223,201	\$ 1,246,480	\$ 1,190,823	\$ 1,429,109

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Year	Initial Base	Recognition Period	2023	2024	2025	2026	2027	Thereafter
2022	\$ 3,198,090	5	\$ 639,618	\$ 639,618	\$ 639,618	\$ 639,618	\$ 639,618	\$ 0
2021	1,043,477	5	208,695	208,695	208,695	208,695	0	0
2020	382,036	5	76,407	76,407	76,407	0	0	0
2019	1,421,185	5	284,237	284,237	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$ 1,208,957	\$ 1,208,957	\$ 924,720	\$ 848,313	\$ 639,618	\$ 0

AMORTIZATION SCHEDULE – INVESTMENTS

Year	Initial Base	Recognition Period	2023	2024	2025	2026	2027	Thereafter
2023	\$ (1,664,753)	5	\$ 0	\$ (332,949)	\$ (332,951)	\$ (332,951)	\$ (332,951)	\$ (332,951)
2022	22,749,022	5	4,549,806	4,549,804	4,549,804	4,549,804	4,549,804	0
2021	(9,946,152)	5	(1,989,230)	(1,989,230)	(1,989,230)	(1,989,230)	0	0
2020	(1,086,850)	5	(217,370)	(217,370)	(217,370)	0	0	0
2019	3,407,674	5	681,535	681,535	0	0	0	0
2018	(771,852)	5	(154,370)	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$ 2,870,371	\$ 2,691,790	\$ 2,010,253	\$ 2,227,623	\$ 4,216,853	\$ (332,951)

V. ADDITIONAL INFORMATION

SCHEDULE OF CONTRIBUTIONS

Plan Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contrib. as % of Covered Payroll
09/30/2023	\$ 3,446,048	\$ 3,727,990	\$ (281,942)	\$ 14,822,209	25.15%
09/30/2022	\$ 4,131,191	\$ 3,753,975	\$ 377,216	\$ 13,224,044	28.39%

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending September 30, 2023:

Calculation Timing	The Actuarially Determined Contribution is calculated using a October 1, 2021 valuation date.
Interest Rate	7.50%
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the October 1, 2021 Actuarial Valuation Report for the City of Ocala Police Officers Retirement System prepared by Foster & Foster Actuaries and Consultants.

INVESTMENT DISCLOSURES

Schedule of Investment Returns

For the year ended September 30, 2023, the annual money-weighted return on Pension Plan investments, net of pension plan investment expense, was 9.30 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2023	9.30%
09/30/2022	-16.74%

Support for Long-Term Expected Rate of Return

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.

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

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of September 30, 2023, as provided by Burgess Chambers, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	37.50%	7.20%
International Equity	15.00%	2.90%
Bonds	25.00%	1.70%
Convertibles	10.00%	5.90%
Private Real Estate	7.50%	5.90%
Infrastructure	5.00%	5.10%
Total	100.00%	

Inflation rate of investment advisor 2.50%

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.

ASSUMPTIONS

Valuation Date	10/01/2022
GASB 67/68 Measurement Date	09/30/2023
GASB 68 Reporting Date	09/30/2024
Discount Rate	7.25%
Long-Term Rate of Return	7.25%
Mortality	
<i>Healthy Active Lives</i>	PubS.H-2010 (Below Median) for Employees, set forward one year.
<i>Healthy Retiree Lives</i>	PubS.H-2010 for Healthy Retirees, set forward one year.
<i>Beneficiary Lives</i>	Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year.
<i>Disabled Lives</i>	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.
	The above described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.
Salary Scale	Service based
Inflation	2.70%
Latest Experience Study Date	May 8, 2022

A summary of other assumptions reflected in the valuation can be found in the October 1, 2022 Actuarial Valuation for the City of Ocala Police Officers Retirement System prepared by Foster & Foster Actuaries and Consultants.

Changes in Assumptions

Total Pension Liability and Preliminary GASB 68 Pension Expense measured as of September 30, 2023 reflect no assumption changes.

Development of the Discount Rate

The projection of cash flows used to determine the Discount Rate assumed that current 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 (7.25 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

No projected benefit payments were discounted using a high-quality municipal bond rate of 4.87 percent. The high-quality municipal bond rate was based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index.

The single equivalent Discount Rate was 7.25 percent.

SUMMARY OF CURRENT PLAN

<u>Plan Description</u>	The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of: Two City residents appointed by the City Council, two Police Officers elected by majority of covered Members, and a fifth Member elected by other four and appointed by City Council (as a ministerial duty).
<u>Benefits Provided</u>	<p>The Plan provides retirement, termination, disability and death benefits.</p> <p>A summary of the benefit provisions can be found in the Actuarial Valuation as of October 1, 2022 for the City of Ocala Police Officers Retirement System prepared by Foster & Foster Actuaries and Consultants.</p>
<u>Benefit Changes</u>	No benefit changes have been reflected since the prior year.
<u>Deferred Retirement Option Program</u>	
Eligibility:	Satisfaction of Normal Retirement requirements.
Participation:	Not to exceed 60 months.
Rate of return:	<p>At member's election (may change method once during DROP participation) either: a) 6.5% annual rate, or b) Net Investment Return (total return less brokerage commission, transaction costs and management fees) credited each fiscal quarter.</p> <p>For Members not within 5 years of Normal Retirement eligibility as of November 1, 2015, the net-of-fees earnings for DROP balances established on or after November 1, 2015, is limited to a maximum of 3% and minimum of 1%.</p>
DROP balance:	The DROP balance as of September 30, 2023 is \$2,349,179.