

GASB Statements No. 67 and 68
Report for Fiscal Year 2023

Fitchburg Retirement System



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July 17, 2023

Fitchburg Retirement Board
City Hall, 166 Boulder Drive
Fitchburg, MA 01420

To the Fitchburg Retirement Board:

For the purpose of satisfying the requirements of the Government Accounting Standards Board (GASB) Statements No. 67 and 68, Stone Consulting, Inc. has prepared a set of illustrative tables and other Required Supplementary Information (RSI) based on the January 1, 2022 actuarial valuation of the Fitchburg Retirement System performed by Stone Consulting, Inc.

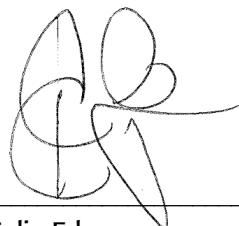
The valuation and this report were prepared using generally accepted actuarial principles and practices and meet the parameters set by the Governmental Accounting Standards Board (GASB).

To the best of our knowledge, this report is complete and accurate, and the assumptions used represent a reasonable estimate of anticipated experience of the system. Stone Consulting, Inc. is completely independent of the City of Fitchburg and the Fitchburg Retirement System. This includes any of its officers and key personnel. Neither we or anyone else closely associated with us has any relationship with the City of Fitchburg or the Fitchburg Retirement System that would impair our independence, other than this or related assignments.

We are pleased to present these exhibits. If the Board has any questions on the content of this report, we would be glad to respond. Please note that this report is meant to be used in its entirety. Use of excerpts of this report may result in a misleading or inaccurate understanding of the results.

The undersigned is a consultant for Stone Consulting, Inc. Colin Edgar is a member of the American Academy of Actuaries, and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,
STONE CONSULTING, INC.
Actuaries for the System



Colin Edgar
Member, American Academy of Actuaries

Summary of Results

This report has been prepared for the purpose of satisfying the requirements of GASB Statements No. 67 and 68. For GASB 67 the results are as of a valuation date of January 1, 2022 and a reporting date of December 31, 2022. For GASB 68 the results are as of a valuation date of January 1, 2022, a measurement date of December 31, 2022 and a reporting date of June 30, 2023.

The methods, assumptions, and plan provisions used to prepare these exhibits are consistent with those used in the funding valuation, and are outlined in the January 1, 2022 funding valuation report unless otherwise stated in this report.

Highlights of the results for the Fitchburg Retirement System as of December 31, 2022 are as follows:

Total Pension Liability (TPL)	\$ 302,396,803
Plan Fiduciary Net Position (FNP)	<u>157,636,487</u>
System's Net Pension Liability (NPL)	\$ 144,760,315
Plan FNP as a percentage of the TPL	52.1%
Covered Payroll	\$ 35,970,948
Plan NPL as a percentage of Covered Payroll	402.4%
Pension Expense	\$ 16,465,153

NOTE: Totals in this report may not sum due to rounding

The TPL, FNP, and NPL are all developed and discussed on the following two pages, followed by the pension expense and deferrals.

Distribution of the Member Population

As of January 1, 2022, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	601
Inactive employees entitled to a return of contributions	223
Active employees	<u>643</u>
TOTAL	1,467

Changes to the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at beginning of Measurement Period (01/01/2022)	\$ 293,163,273	\$ 178,180,052	\$ 114,983,222
<u>Changes for the Year:</u>			
Service Cost	4,813,717		4,813,717
Interest	20,152,492		20,152,492
Change in benefit terms	4,435,818		4,435,818
Differences between expected and actual experience	0		0
Change in assumptions	0		0
Contributions - employer		16,123,583	(16,123,583)
Contributions - employee		3,987,142	(3,987,142)
Net investment income		(20,199,459)	20,199,459
Benefit payments, including refunds of employee contributions	(20,168,498)	(20,168,498)	0
Administrative expense		(286,332)	286,332
Other changes		0	0
Net Changes	9,233,529	(20,543,564)	29,777,094
Balances at end of Measurement Period (12/31/2022)	\$ 302,396,803	\$ 157,636,487	\$ 144,760,315

*Update procedures were used to roll the Total Pension Liability forward from the valuation date (01/01/2022) to the measurement date (12/31/2022). [GASB 68, Paragraph 80 c.]

CHANGES IN METHODS, ASSUMPTIONS, AND PLAN PROVISIONS

The January 1, 2022 actuarial valuation included an update of the mortality assumptions, which was reflected in the Net Pension Liability for 12/31/2021, so the amount shown for "Change in assumptions" in this measurement period is \$0. The 2022 valuation also included a change of COLA increases – this occurred following the prior measurement date of December 31, 2021, and was reflected in the NPL for this measurement period. This is the amount shown above for "Change in benefit terms."

Projection of the Net Pension Liability

TOTAL PENSION LIABILITY (TPL)

The Total Pension Liability at the beginning of the measurement period (01/01/2022) is equal to the TPL from the end of the previous measurement period. The TPL is rolled forward through each measurement period by:

- Adding the Service Cost,
- Subtracting benefits paid,
- Applying interest (as calculated on page 6), and
- Recognizing any changes from new valuation results.

The Actuarial Accrued Liability (AAL), calculated as of the valuation date, is compared to the projected TPL. The difference between the two figures is measured as of the measurement date, and allocated to the following categories:

- Changes in assumptions
- Changes of plan provisions
- The remainder of the difference is allocated to "Differences between actual and expected experience"

All of these changes are recognized immediately in the TPL. Their treatment in the pension expense is discussed on the following page. Note that the TPL shown includes a 1/1/2022 liability of \$1,147,243 for net 3(8)(c) payments, calculated by assuming that every dollar of 3(8)(c) net benefit generates the same amount of liability as a dollar of the total retirement benefit, and rolled forward with the rest of the TPL. This method differs from the funding valuation, where net 3(8)(c) payments are funded on a pay-as-you-go basis and no explicit liability is calculated.

PLAN FIDUCIARY NET POSITION (FNP) AND NET PENSION LIABILITY (NPL)

GASB Statement No. 68, Paragraph 59 requires that the fair value of assets be used for the Fiduciary Net Position. For the fair value of assets we used the market value of assets adjusted by payables and receivables.

The Net Pension Liability (NPL) is the portion of the TPL not covered by the FNP. This amount is presented as a percentage of covered payroll. The NPL ratio for the Fitchburg Retirement System is 402.4% of covered pay. In this report, covered pay is reported as described in GASB Statement No. 82 – pensionable payroll for the measurement period.

PENSION EXPENSE AND NET DEFERRALS

For the Pension Expense, gain and losses are recognized over a period of multiple years, with a portion being recognized immediately and the remainder being added to deferred inflows and outflows:

- Asset gains and losses are recognized over a five-year period [GASB 68, Paragraph 71b]
- Experience and Assumption changes are recognized over the average remaining service of the current members [GASB 68, Paragraph 71a]
- Plan provision changes are recognized immediately

Some inflows/outflows which originated in prior measurement periods will continue to be recognized this period. The total amount to be recognized this period is part of the pension expense; the remainder is included in the deferrals. Both are shown on the following page, and are calculated in greater detail on pages 9-10.

RESULTS BY EMPLOYER

Exhibits are provided beginning on page 14 which provide individual results for the various employers that make up the Fitchburg Retirement System. Pension expense, as well as any deferred inflows and outflows of resources, and any excess contribution generated by Federal Grants, have been allocated to the various employers in the same manner as the FY2023 appropriation.

Per GASB 68, the change in proportionality from FY2022 to FY2023 of the individual employers' NPL and deferred inflows and outflows need to be allocated to the individual employers. This is calculated on page 16. These amounts are then recognized over the average remaining service, which is 4.9 years. The recognition of proportion changes is developed on page 17.

Pension Expense for the Fiscal Year Ended June 30, 2023

NOTE*	Description	Fiscal 2023
A	Service Cost	\$ 4,813,717
A, B	Interest on the Total Pension Liability	20,152,492
C	Differences between Expected and Actual Experience	1,033,771
D	Changes of Assumptions	317,799
D	Changes to Benefit Provisions	4,435,818
A	Employee Contributions	(3,987,142)
E	Projected Earnings on Pension Plan Investments	(12,460,560)
F	Differences between Projected and Actual Earnings on Plan Investments	1,872,926
A	Pension Plan Administrative Expense	286,332
A	Other Changes in Fiduciary Net Position	0
Total Pension Expense		\$ 16,465,153

* Notes shown on following page.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 3,259,522	\$ (127,838)
Changes of assumptions	289,243	(504,246)
Net difference between projected and actual earnings on pension plan investments	10,480,340	0
TOTAL	\$ 14,029,105	\$ (632,084)

Year Ending December 31, *	Recognition
2023	\$ 656,226
2024	\$ 2,509,642
2025	\$ 3,699,149
2026	\$ 6,532,004
2027	\$ 0
Thereafter	\$ 0

*The years are based on measurement date. For GASB 68, the year ending December 31, 2023 is Fiscal 2024.

NOTES

- A. See the RSI schedule of changes to the net pension liability, on page 2.
- B. Events that impact the total pension liability are assumed to happen evenly throughout the period. In addition, the amount of interest on the total pension liability is calculated using an interest rate equal to the discount rate that was used to determine the service cost. The amount is determined as follows:

Description	Amount for Period (a)	Portion of Period (b)	Interest Rate (c)	Interest on the TPL (a) x (b) x (c)
Beginning TPL	\$ 293,163,273	100%	7.00%	\$ 20,521,429
Service cost	4,813,717	100%	7.00%	336,960
Benefit payments	(20,168,498)	50%	7.00%	(705,897)
Total interest on the NPL				\$ 20,152,492

- C. Differences between expected and actual experience recognized in the current period in accordance with paragraph 71a of Statement 68. For the detailed calculation of the recognition of this amount, see the schedule on page 9.
- D. Assumption and plan provision changes recognized in pension expense in the current period in accordance with paragraph 71a of Statement 68. For detailed calculation of the recognition of these amounts, see the schedule on page 9.
- E. Changes in the amounts invested are assumed to occur evenly throughout the period. In addition, the amount of projected earnings on pension plan investments is calculated using the assumed rate of return on pension plan investments as of the beginning of the period. The amount is determined as follows:

Description	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (a) x (b) x (c)
Beginning FNP	\$ 178,180,052	100%	7.00%	\$ 12,472,604
Employer contributions	16,123,583	50%	7.00%	564,325
Employee contributions	3,987,142	50%	7.00%	139,550
Benefit payments	(20,168,498)	50%	7.00%	(705,897)
Administrative expense and other	(286,332)	50%	7.00%	(10,022)
Total projected earnings				\$ 12,460,560
Actual investment earnings				<u>(20,199,459)</u>
Difference: (Gain)/Loss				\$ 32,660,019

- F. Differences between projected and actual earnings recognized in the current period in accordance with paragraph 71b of Statement 68. For detailed calculation of the recognition of this amount, see the schedule on page 9.

Discount Sensitivity

The following presents the Fitchburg Retirement System's Net Pension Liability calculated at the valuation discount rate of 7.00%, as well as at discount rates one percent lower (6.00%) and one percent higher (8.00%).

Fiscal Year	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
2023	\$ 177,662,790	\$ 144,760,315	\$ 112,241,651

Long-Term Expected Real Rate of Return

The long-term expected real rate of return reflects the expected rate of return on plan assets minus the expected rate of inflation. Note that the discount rate includes the effect of inflation. The long-term real rate of return removes the effect of inflation on the return amounts. It is a long-term assumption and is meant to reflect a best estimate of future experience, based on the expected asset allocation.

Allocation percentages are based on information provided by the Fitchburg Retirement System, and PRIT's investment consultant, NEPC. The real rates of return below are based on 30-year return estimates provided by NEPC through the Pension Reserve Investment Trust, adjusted using NEPC's 2.60% inflation assumption.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Geometric Average)
Global Equity	32-42%	
US Equity		4.39%
International Equities		4.19%
Emerging Equities		6.82%
Core Fixed Income	12-18%	
Core Bonds		2.05%
Short-Term Fixed Income		1.17%
Treasury STRIPS		1.66%
TIPS/ILBs		1.46%
Value-Added Fixed Income	5-11%	5.07%
Private Equity	13-19%	7.41%
Real Estate	7-13%	3.02%
Timberland	1-7%	4.29%
Portfolio Completion (PCS)	7-13%	3.80%

Development of Results

DISCOUNT RATE

Projections were made using a discount rate assumption of 7.00%, which is consistent with the actuarial funding valuation. One of the objectives of the provisions of GASB 68 is to examine how benefit payments and plan contributions and investment earnings interact on a cash flow basis. GASB requires that these amounts be calculated with Market Value of Assets and using the Entry Age Normal cost method.

Projected contributions for each year are the sum of:

- Projected normal cost,
- Amortization of the unfunded liability,
- Administrative expense, and
- Other benefit costs such as 3(8)(c) payments.

The amortization bases and periods are consistent with those seen in the valuation report. Administrative expenses are increased by 4.00% per year. The Fitchburg Retirement System's Fiduciary Net Position was projected to be available to make all future benefit payments of current active and inactive employees. Thus, the long-term expected rate of return on investments was applied for all benefit periods when calculating the Net Pension Liability.

The long-term rate of return which was used to develop the discount rate of 7.00% includes the effect of inflation (not subtracted out as in the real rates of return). It is based on a combination of expected rates of return on the mix of current and expected investments over a long-term period. These expectations are based on current market conditions, historical experience and future expectations. It assumes a rebalancing of assets on an ongoing basis as well as a constant monitoring of asset allocation and manager performance.

EXHIBITS

The recognition and deferral of various gains and losses are developed on the following two pages. These are followed by historical exhibits displaying changes in the NPL and contribution amounts for past years, the money-weighted rate of return, and finally the exhibits which display results by employer.

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

Year	Differences between actual and expected experience	Recognition period (years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2017	\$ 7,131,247	5.5	\$ 1,296,590	\$ 1,296,590	\$ 1,296,590	\$ 1,296,590	\$ 1,296,590	\$ 648,295	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 1,326,739	5.1	\$ -	\$ 260,145	\$ 260,145	\$ 260,145	\$ 260,145	\$ 260,145	\$ 26,014	\$ -	\$ -	\$ -	\$ -
2019	\$ -	5.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ (592,703)	5.1	\$ -	\$ -	\$ -	\$ -	\$ (116,216)	\$ (116,216)	\$ (116,216)	\$ (116,216)	\$ (116,216)	\$ (11,622)	\$ -
2021	\$ -	5.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	\$ 5,507,469	4.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,123,973	\$ 1,123,973	\$ 1,123,973	\$ 1,123,973	\$ 1,011,576	\$ -
2023	\$ -	4.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net increase (decrease) in pension expense			\$ 1,296,590	\$ 1,556,735	\$ 1,556,735	\$ 1,440,519	\$ 1,440,519	\$ 1,916,197	\$ 1,033,771	\$ 1,007,757	\$ 1,112,352	\$ 1,011,576	\$ -

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

Year	Change of assumptions	Recognition period (years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2017	\$ 4,135,319	5.5	\$ 751,876	\$ 751,876	\$ 751,876	\$ 751,876	\$ 751,876	\$ 375,938	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 11,665,185	5.1	\$ -	\$ 2,287,291	\$ 2,287,291	\$ 2,287,291	\$ 2,287,291	\$ 2,287,291	\$ 228,729	\$ -	\$ -	\$ -	\$ -
2019	\$ -	5.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 1,341,034	5.1	\$ -	\$ -	\$ -	\$ -	\$ 262,948	\$ 262,948	\$ 262,948	\$ 262,948	\$ 262,948	\$ 26,295	\$ -
2021	\$ -	5.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	\$ (852,002)	4.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (173,878)	\$ (173,878)	\$ (173,878)	\$ (173,878)	\$ (156,490)	\$ -
2023	\$ -	4.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net increase (decrease) in pension expense			\$ 751,876	\$ 3,039,167	\$ 3,039,167	\$ 3,302,115	\$ 3,302,115	\$ 2,752,299	\$ 317,799	\$ 89,070	\$ (147,583)	\$ (156,490)	\$ -

Increase / (Decrease) in Pension Expense Arising from the Recognition of Differences between Expected and Actual Earnings on Pension Plan Investments

Year	Differences between projected and actual earnings on pension plan investments	Recognition period (years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
older*	\$ (1,433,466)	5	\$ 1,693,724	\$ (286,693)	\$ (286,693)	\$ (374,885)	\$ (1,854,836)	\$ (1,980,417)	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 11,567,630	5	\$ -	\$ -	\$ 2,313,526	\$ 2,313,526	\$ 2,313,526	\$ 2,313,526	\$ 2,313,526	\$ -	\$ -	\$ -	\$ -
2020	\$ (9,927,367)	5	\$ -	\$ -	\$ -	\$ (1,985,473)	\$ (1,985,473)	\$ (1,985,473)	\$ (1,985,473)	\$ -	\$ -	\$ -	\$ -
2021	\$ (6,495,950)	5	\$ -	\$ -	\$ -	\$ -	\$ (1,299,190)	\$ (1,299,190)	\$ (1,299,190)	\$ (1,299,190)	\$ -	\$ -	\$ -
2022	\$ (18,439,704)	5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,687,941)	\$ (3,687,941)	\$ (3,687,941)	\$ (3,687,941)	\$ (3,687,941)	\$ -
2023	\$ 32,660,019	5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,532,004	\$ 6,532,004	\$ 6,532,004	\$ 6,532,004	\$ 6,532,004
Net increase (decrease) in pension expense			\$ 1,693,724	\$ (286,693)	\$ 2,026,833	\$ (46,832)	\$ (2,825,973)	\$ (6,639,495)	\$ 1,872,926	\$ (440,600)	\$ 1,544,873	\$ 2,844,063	\$ 6,532,004

Deferred Outflows and Deferred Inflows of Resources Arising from Differences between Expected and Actual Experience

Year	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense through June 30, 2023 (c)	BALANCES AT JUNE 30, 2023	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2018	\$ 1,326,739	\$ -	\$ 1,326,739	\$ -	\$ -
2019	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ -	\$ (592,703)	\$ (464,865)	\$ -	\$ (127,838)
2021	\$ -	\$ -	\$ -	\$ -	\$ -
2022	\$ 5,507,469	\$ -	\$ 2,247,946	\$ 3,259,522	\$ -
2023	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL				\$ 3,259,522	\$ (127,838)

Deferred Outflows and Deferred Inflows of Resources Arising from Changes of Assumptions

Year	Increases in the Total Pension Liability (a)	Decreases in the Total Pension Liability (b)	Amounts Recognized in Pension Expense through June 30, 2023 (c)	BALANCES AT JUNE 30, 2023	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2018	\$ 11,665,185	\$ -	\$ 11,665,185	\$ -	\$ -
2019	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 1,341,034	\$ -	\$ 1,051,791	\$ 289,243	\$ -
2021	\$ -	\$ -	\$ -	\$ -	\$ -
2022	\$ -	\$ (852,002)	\$ (347,756)	\$ -	\$ (504,246)
2023	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL				\$ 289,243	\$ (504,246)

Deferred Outflows and Deferred Inflows of Resources
Arising from Differences between Expected and Actual Earnings on Pension Plan Investments

Year	Investment Earnings Less than Projected (a)	Investment Earnings More than Projected (b)	Amounts Recognized in Pension Expense through June 30, 2023 (c)	BALANCES AT JUNE 30, 2023	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2019	\$ 11,567,630	\$ -	\$ 11,567,630	\$ -	\$ -
2020	\$ -	\$ (9,927,367)	\$ (7,941,894)	\$ -	\$ (1,985,473)
2021	\$ -	\$ (6,495,950)	\$ (3,897,570)	\$ -	\$ (2,598,380)
2022	\$ -	\$ (18,439,704)	\$ (7,375,882)	\$ -	\$ (11,063,822)
2023	\$ 32,660,019	\$ -	\$ 6,532,004	\$ 26,128,016	\$ -
TOTAL				\$ 26,128,016	\$ (15,647,676)
			NET TOTAL	\$ 10,480,340	

**Schedule of Changes in Fitchburg's
Net Pension Liability and Related Ratios**

(Amounts in Thousands)

Fiscal Year *	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY										
Service cost	4,814	5,102	4,906	4,795	4,611	4,433	3,995	3,677	3,527	
Interest	20,152	19,500	19,103	19,252	18,795	17,462	17,294	17,215	16,740	
Change of benefit terms	4,436	-	-	-	-	-	-	-	-	
Differences between expected and actual experience	-	5,507	-	(593)	-	1,327	7,131	-	-	
Change of assumptions	-	(852)	-	1,341	-	11,665	4,135	-	-	
Benefit payments, including refunds of employee contributions	(20,168)	(19,136)	(17,934)	(17,171)	(17,384)	(15,965)	(14,609)	(14,609)	(14,282)	
Net change in Total Pension Liability	9,234	10,122	6,075	7,625	6,022	18,922	17,947	6,283	5,985	
Total Pension Liability - beginning	293,163	283,042	276,966	269,341	263,320	244,398	226,451	220,168	214,183	
Total Pension Liability - ending	302,397	293,163	283,042	276,966	269,341	263,320	244,398	226,451	220,168	
PLAN FIDUCIARY NET POSITION										
Contributions - employer	16,124	15,370	14,429	13,613	12,524	11,522	10,604	10,003	9,503	
Contributions - employee	3,987	3,578	3,590	3,380	3,318	3,229	2,974	2,949	3,201	
Net Investment Income	(20,199)	28,905	15,871	18,329	(2,879)	17,443	6,994	500	7,042	
Benefit payments, including refunds of employee contributions	(20,168)	(19,136)	(17,934)	(17,171)	(17,384)	(15,965)	(14,609)	(14,609)	(14,282)	
Administrative expense	(286)	(270)	(232)	(225)	(231)	(229)	(186)	(169)	(181)	
Other	-	-	-	-	-	-	-	-	-	
Net change in plan Fiduciary Net Position	(20,544)	28,446	15,724	17,926	(4,652)	16,001	5,777	(1,326)	5,284	
Plan Fiduciary Net Position - beginning	178,180	149,734	134,009	116,083	120,735	104,734	98,957	100,283	95,000	
Plan Fiduciary Net Position - end	157,636	178,180	149,734	134,009	116,083	120,735	104,734	98,957	100,283	
Fitchburg Net Pension Liability - ending	144,760	114,983	133,308	142,957	153,258	142,584	139,663	127,494	119,885	
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	52.1%	60.8%	52.9%	48.4%	43.1%	45.9%	42.9%	43.7%	45.5%	
Covered payroll (calendar year timing)	35,971	34,534	36,089	34,695	33,886	32,583	31,903	30,071	28,776	
Fitchburg's Net Pension Liability as a percentage of covered payroll	402.4%	333.0%	369.4%	412.0%	452.3%	437.6%	437.8%	424.0%	416.6%	

Note: sums may not total due to rounding

Information not available prior to 2015

Schedule of Plan Contributions

(Amounts in Thousands)

Fiscal Year	2023*	2022*	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 16,180	\$ 15,264	\$ 14,400	\$ 13,585	\$ 12,497	\$ 11,497	\$ 10,577	\$ 9,978	\$ 9,413	
Contributions in relation to the actuarially determined contribution	(16,203)	(15,291)	(14,429)	(13,613)	(12,524)	(11,522)	(10,604)	(10,003)	(9,436)	
Contribution deficiency / (excess)**	(23)	(27)	(29)	(28)	(26)	(25)	(27)	(24)	(22)	
Covered payroll (fiscal year timing)	\$ 36,697	\$ 35,252	\$ 36,803	\$ 35,392	\$ 34,564	\$ 33,235	\$ 32,541	\$ 30,710	\$ 29,387	
Contributions as a percentage of covered payroll	44.2%	43.4%	39.2%	38.5%	36.2%	34.7%	32.6%	32.6%	32.1%	

* Appropriations paid during the CY21 measurement period included an early payment of part of the FY23 appropriation. This amount is included under FY23 rather than FY22 since that contribution was "in relation to" the FY23 appropriation.

** Excess is due to Federal Grants

Information not available for years prior to 2015

GASB Statement No. 67, Paragraph 30 b. (4)
Money-Weighted Rate of Return, 2022

		New External Cash Flows					
		Beginning of month	Middle of Month	End of Month	Periods Invested**	Investment Return	Cash Flow with Return
Starting Value* (12/31/2021)		\$ 177,827,880.67			12	\$ (21,081,211.10)	\$ 156,746,669.57
Cash Flows:							
January		144,511.10	13,391.48	(1,438,002.44)	11	138,417.07	(1,141,682.79)
February		129,276.26	131,856.29	(1,811,645.54)	10	152,923.81	(1,397,589.18)
March		215,644.46	150,682.89	(1,771,361.52)	9	124,101.81	(1,280,932.36)
April		182,907.11	143,272.83	(1,661,093.98)	8	105,254.27	(1,229,659.77)
May		182,881.93	130,208.83	(1,431,012.49)	7	76,920.84	(1,041,000.89)
June		245,482.06	43,773.04	(1,478,853.04)	6	70,109.81	(1,119,488.13)
July		136,306.40		(1,617,215.42)	5	74,497.74	(1,406,411.28)
August				(1,388,628.46)	4	57,196.78	(1,331,431.68)
September				(1,242,743.30)	3	38,592.03	(1,204,151.27)
October		5,346.65	144,394.34	(1,680,123.79)	2	31,052.99	(1,499,329.81)
November		144,578.98	6,396.26	(1,593,406.25)	1	13,558.60	(1,428,872.41)
December		159,373.58	44,585.33	14,411,978.68	0	(1,900.90)	14,614,036.69
Ending Value* (12/31/2022)		\$157,280,156.69			Sum:	\$ (20,200,486.25)	\$ 157,280,156.69

* Value shown does not include any payables or receivable, except those related to investments.

** Middle of period cash flows are given an additional half period of interest, and beginning of period cash flows are given an additional full period.

Return Rate: -11.85%

Results by Employer

Employer	Covered Payroll*	Proportionate Share of NPL	Proportionate share of NPL as a percentage of covered payroll*	Proportionate share of NPL Discount Sensitivity	
				1% Increase (8.00%)	1% Decrease (6.00%)
City of Fitchburg	\$ 34,232,028	\$ 137,782,868	402.5%	\$ 106,831,603	\$ 169,099,444
Fitchburg Housing Authority	\$ 1,539,074	\$ 6,268,122	407.3%	\$ 4,860,063	\$ 7,692,799
Fitchburg Redevelopment Authority	\$ 199,846	\$ 709,326	354.9%	\$ 549,984	\$ 870,548
TOTAL	\$ 35,970,948	\$ 144,760,315	402.4%	\$ 112,241,651	\$ 177,662,790

Employer	Actuarially determined contribution FY2023	Contributions made for FY 2023	Contribution deficiency (excess)	Contributions as a percentage of covered payroll**
City of Fitchburg	\$ 15,399,762	\$ (15,421,885)	\$ (22,123)	44.2%
Fitchburg Housing Authority	\$ 700,578	\$ (701,584)	\$ (1,006)	44.6%
Fitchburg Redevelopment Authority	\$ 79,280	\$ (114)	\$ 79,166	0.1%
TOTAL	\$ 16,179,620	\$ (16,123,583)	\$ 56,037	43.9%

Employer	Proportion	Proportionate Share of Pension Expense	Proportion changes and differences between employer contributions and proportionate share recognized as expense	Total Pension Expense
City of Fitchburg	95.18%	\$ 15,671,533	\$ (350,789)	\$ 15,320,743
Fitchburg Housing Authority	4.33%	\$ 712,941	\$ 294,142	\$ 1,007,083
Fitchburg Redevelopment Authority	0.49%	\$ 80,679	\$ 56,648	\$ 137,327
TOTAL	100.00%	\$ 16,465,153		

* Covered Payroll is the projected amount for the 2022 calendar year based on employee data as of December 31, 2021

** Here the Covered Payroll figure is projected for Fiscal Year 2023, based on employee data as of December 31, 2021

Deferred Outflows of Resources by Employer*

Employer	Differences between expected and actual experience	Changes of assumptions	Net difference between projected and actual earnings on pension plan investments	Changes in proportion and differences between employer contributions and proportionate share of contributions	Employer contributions subsequent to the measurement date	Total Deferred Outflows of Resources
City of Fitchburg	\$ 3,102,413	\$ 275,301	\$ 9,975,188	\$ 536,913	\$ -	\$ 13,889,815
Fitchburg Housing Authority	\$ 141,137	\$ 12,524	\$ 453,799	\$ 1,295,958	\$ -	\$ 1,903,418
Fitchburg Redevelopment Authority	\$ 15,972	\$ 1,417	\$ 51,354	\$ 255,970	\$ -	\$ 324,713
TOTAL	\$ 3,259,522	\$ 289,243	\$ 10,480,340	\$ 2,088,841	\$ -	\$ 16,117,945

Deferred Inflows of Resources by Employer*

Employer	Differences between expected and actual experience	Changes of assumptions	Net difference between projected and actual earnings on pension plan investments	Changes in proportion and differences between employer contributions and proportionate share of contributions	Employer contributions subsequent to the measurement date	Total Deferred Inflows of Resources
City of Fitchburg	\$ 121,676	\$ 479,942	\$ -	\$ 1,534,197	N/A	\$ 2,135,815
Fitchburg Housing Authority	\$ 5,535	\$ 21,834	\$ -	\$ 459,061	N/A	\$ 486,430
Fitchburg Redevelopment Authority	\$ 626	\$ 2,471	\$ -	\$ 95,583	N/A	\$ 98,680
TOTAL	\$ 127,838	\$ 504,246	\$ -	\$ 2,088,841	N/A	\$ 2,720,925

Recognition of Deferred Outflows and Deferred Inflows

Employer	AMOUNT TO BE RECOGNIZED FOR THE YEAR ENDING DECEMBER 31,						
	2023	2024	2025	2026	2027	Thereafter	
City of Fitchburg	\$ 285,981	\$ 1,892,040	\$ 3,279,982	\$ 6,295,997	\$ -	\$ -	\$ -
Fitchburg Housing Authority	\$ 302,890	\$ 545,401	\$ 345,393	\$ 223,303	\$ -	\$ -	\$ -
Fitchburg Redevelopment Authority	\$ 67,355	\$ 72,201	\$ 73,774	\$ 12,703	\$ -	\$ -	\$ -
TOTAL	\$ 656,226	\$ 2,509,642	\$ 3,699,149	\$ 6,532,004	\$ -	\$ -	\$ -

* Deferred Outflows and Inflows due to experience, assumptions, and investment return are allocated to each employer according to their proportion of the NPL

Effects of Changes in Proportion on Employers' Proportionate Share of NPL, and Deferred Inflows and Deferred Outflows of Resources

Employer	Proportion Change			FY2023 Contribution		
	Prior Proportionate Share of Prior NPL net of Deferrals	Share of Prior NPL based on Current Proportion of NPL	Difference (A)	Proportionate Share of Contribution based on Share of NPL	Amount Paid*	Difference (B)
City of Fitchburg	\$ 124,352,718	\$ 124,706,477	\$ 353,759	\$ 15,346,426	\$ 15,421,885	\$ 75,458
Fitchburg Housing Authority	\$ 6,000,795	\$ 5,673,241	\$ (327,554)	\$ 698,151	\$ 701,584	\$ 3,433
Fitchburg Redevelopment Authority	\$ 668,211	\$ 642,006	\$ (26,204)	\$ 79,006	\$ 114	\$ (78,892)
TOTAL	\$ 131,021,724	\$ 131,021,724	\$ -	\$ 16,123,583	\$ 16,123,583	\$ -

Employer	Total Proportion Change (A) + (B)	Recognized as Pension Expense**	Deferred for later recognition
City of Fitchburg	\$ 429,217	\$ 87,595	\$ 341,622
Fitchburg Housing Authority	\$ (324,121)	\$ (66,147)	\$ (257,974)
Fitchburg Redevelopment Authority	\$ (105,096)	\$ (21,448)	\$ (83,648)
TOTAL	\$ -	\$ -	\$ -

* Includes federal grant money, allocated according to contribution percentage per PERAC appropriation letter.

** Based on an average remaining service life of 4.9 years.

Recognition of Proportion Changes

Proportion Changes by Employer / Year

Employer	2023	2022	2021	2020	2019	2018	2017
City of Fitchburg	\$ 429,217.04	\$(1,643,121.33)	\$(1,359,940.75)	\$ 905,440.86	\$ (89,849.75)	\$ 187,753.33	\$ (388,429.49)
Fitchburg Housing Authority	\$ (324,121.03)	\$ 1,220,413.38	\$ 1,387,695.14	\$ (932,313.55)	\$ 115,678.27	\$ (38,121.98)	\$ 424,164.33
Fitchburg Redevelopment Authority	\$ (105,096.01)	\$ 422,707.95	\$ (27,754.39)	\$ 26,872.69	\$ (25,828.51)	\$ (149,631.36)	\$ (35,734.84)

Average Remaining Service Life by Year

2023	4.9
2022	4.9
2021	5.1
2020	5.1
2019	5.1
2018	5.1

Recognition Percentages by Year

Year of Gain/Loss	Percentage Recognized by Year*						
	2023	2024	2025	2026	2027	2028	Thereafter
2023	20.4%	20.4%	20.4%	20.4%	18.4%	0.0%	0.0%
2022	20.4%	20.4%	20.4%	18.4%	0.0%	0.0%	0.0%
2021	19.6%	19.6%	19.6%	2.0%	0.0%	0.0%	0.0%
2020	19.6%	19.6%	2.0%	0.0%	0.0%	0.0%	0.0%
2019	19.6%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%

* Percentages shown are rounded for display purposes.

Recognition Amounts by Year

Outflows

	2023	2024	2025	2026	2027	2028	Thereafter
City of Fitchburg	\$ 268,814.18	\$ 265,132.74	\$ 105,349.06	\$ 87,595.32	\$ 78,835.78	\$ -	\$ -
Fitchburg Housing Authority	\$ 543,843.05	\$ 523,429.24	\$ 521,161.04	\$ 251,367.27	\$ -	\$ -	\$ -
Fitchburg Redevelopment Authority	\$ 91,536.08	\$ 91,536.08	\$ 86,793.84	\$ 77,640.24	\$ -	\$ -	\$ -

Inflows

	2023	2024	2025	2026	2027	2028	Thereafter
City of Fitchburg	\$ 619,603.53	\$ 603,747.69	\$ 601,985.93	\$ 328,463.30	\$ -	\$ -	\$ -
Fitchburg Housing Authority	\$ 249,701.22	\$ 248,953.73	\$ 84,427.81	\$ 66,147.15	\$ 59,532.43	\$ -	\$ -
Fitchburg Redevelopment Authority	\$ 34,888.56	\$ 27,396.64	\$ 26,890.20	\$ 21,992.37	\$ 19,303.35	\$ -	\$ -

TOTALS

	2023	2024	2025	2026	2027	2028	Thereafter
City of Fitchburg	\$ (350,789.36)	\$ (338,614.95)	\$ (496,636.87)	\$ (240,867.98)	\$ 78,835.78	\$ -	\$ -
Fitchburg Housing Authority	\$ 294,141.84	\$ 274,475.51	\$ 436,733.23	\$ 185,220.12	\$ (59,532.43)	\$ -	\$ -
Fitchburg Redevelopment Authority	\$ 56,647.52	\$ 64,139.44	\$ 59,903.64	\$ 55,647.87	\$ (19,303.35)	\$ -	\$ -

Reconciliation of Changes in the NPL

Employer	NPL, Beginning of Measurement Period	Contributions made for FY 2023	Change in Net Deferrals (calculated below)	Pension Expense	Proportion Change	NPL, End of Measurement Period
City of Fitchburg	\$ 109,130,576	\$ (15,421,885)	\$ 27,973,427	\$ 15,671,533	\$ 429,217	\$ 137,782,868
Fitchburg Housing Authority	\$ 5,266,232	\$ (701,584)	\$ 1,314,654	\$ 712,941	\$ (324,121)	\$ 6,268,122
Fitchburg Redevelopment Authority	\$ 586,414	\$ (114)	\$ 147,442	\$ 80,679	\$ (105,096)	\$ 709,326
TOTAL	\$ 114,983,222	\$ (16,123,583)	\$ 29,435,523	\$ 16,465,153	\$ -	\$ 144,760,315

Employer	Net Deferrals, Beginning of Measurement Period	Net Deferrals, End of Measurement Period	Change in Net Deferrals
City of Fitchburg	\$ (15,222,143)	\$ 12,751,284	\$ 27,973,427
Fitchburg Housing Authority	\$ (734,563)	\$ 580,091	\$ 1,314,654
Fitchburg Redevelopment Authority	\$ (81,796)	\$ 65,645	\$ 147,442
TOTAL	\$ (16,038,503)	\$ 13,397,021	\$ 29,435,523