

CITY OF LAKE ALFRED  
GENERAL EMPLOYEES' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES COMPLIANCE  
DETERMINED AS OF THE  
OCTOBER 1, 2021 VALUATION DATE



April 14, 2022

VIA E-MAIL

Ms. Laura Underhill, Financial Analyst  
Florida League of Cities, Inc.  
P.O. Box 1757  
Tallahassee, FL 32302

Re: City of Lake Alfred General Employees' Retirement System  
Section 112.664, Florida Statutes Compliance

Dear Laura:

Please find enclosed the annual disclosures that satisfy the October 1, 2021 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.


In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were 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, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By:   
Drew D. Ballard, EA, MAAA  
Enrolled Actuary #20-8193

Enclosures

cc via email: Scott R. Christiansen, Board Attorney

When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2021 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
FISCAL YEAR SEPTEMBER 30, 2021

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.25%	5.25%
<u>Total Pension Liability</u>		
Service Cost	205,075	300,853
Interest	441,055	419,286
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(89,015)	(72,811)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(346,143)	(346,143)
Net Change in Total Pension Liability	210,972	301,185
Total Pension Liability - Beginning	6,051,516	7,858,619
Total Pension Liability - Ending (a)	<u>\$ 6,262,488</u>	<u>\$ 8,159,804</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	-	-
Contributions - Employee	93,431	93,431
Net Investment Income	1,100,300	1,100,300
Benefit Payments, Including Refunds of Employee Contributions	(346,143)	(346,143)
Administrative Expenses	(39,456)	(39,456)
Net Change in Plan Fiduciary Net Position	808,132	808,132
Plan Fiduciary Net Position - Beginning	5,809,918	5,809,918
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,618,050</u>	<u>\$ 6,618,050</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (355,562)</u>	<u>\$ 1,541,754</u>

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: Discount Rate = 7.25%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2021	6,618,050	-	403,350	-	465,187	6,679,887
2022	6,679,887	-	377,494	-	470,608	6,773,001
2023	6,773,001	-	380,816	-	477,238	6,869,423
2024	6,869,423	-	381,757	-	484,194	6,971,860
2025	6,971,860	-	376,146	-	491,825	7,087,539
2026	7,087,539	-	381,295	-	500,025	7,206,269
2027	7,206,269	-	382,658	-	508,583	7,332,194
2028	7,332,194	-	386,055	-	517,590	7,463,729
2029	7,463,729	-	390,830	-	526,953	7,599,852
2030	7,599,852	-	393,608	-	536,721	7,742,965
2031	7,742,965	-	395,083	-	547,043	7,894,925
2032	7,894,925	-	390,963	-	558,210	8,062,172
2033	8,062,172	-	383,878	-	570,592	8,248,886
2034	8,248,886	-	386,594	-	584,030	8,446,322
2035	8,446,322	-	378,350	-	598,643	8,666,615
2036	8,666,615	-	365,910	-	615,065	8,915,770
2037	8,915,770	-	358,444	-	633,400	9,190,726
2038	9,190,726	-	383,150	-	652,438	9,460,014
2039	9,460,014	-	390,405	-	671,699	9,741,308
2040	9,741,308	-	387,169	-	692,210	10,046,349
2041	10,046,349	-	387,410	-	714,317	10,373,256
2042	10,373,256	-	388,587	-	737,975	10,722,644
2043	10,722,644	-	376,244	-	763,753	11,110,153
2044	11,110,153	-	363,415	-	792,312	11,539,050
2045	11,539,050	-	350,902	-	823,861	12,012,009
2046	12,012,009	-	337,823	-	858,625	12,532,811
2047	12,532,811	-	323,800	-	896,891	13,105,902
2048	13,105,902	-	310,215	-	938,933	13,734,620
2049	13,734,620	-	296,066	-	985,028	14,423,582
2050	14,423,582	-	282,918	-	1,035,454	15,176,118
2051	15,176,118	-	270,038	-	1,090,480	15,996,560
2052	15,996,560	-	258,454	-	1,150,382	16,888,488
2053	16,888,488	-	246,423	-	1,215,483	17,857,548
2054	17,857,548	-	234,776	-	1,286,162	18,908,934
2055	18,908,934	-	223,400	-	1,362,799	20,048,333
2056	20,048,333	-	212,433	-	1,445,803	21,281,703
2057	21,281,703	-	201,562	-	1,535,617	22,615,758
2058	22,615,758	-	191,008	-	1,632,718	24,057,468
2059	24,057,468	-	180,712	-	1,737,616	25,614,372
2060	25,614,372	-	170,668	-	1,850,855	27,294,559
2061	27,294,559	-	160,859	-	1,973,024	29,106,724
2062	29,106,724	-	151,302	-	2,104,753	31,060,175
2063	31,060,175	-	141,995	-	2,246,715	33,164,895
2064	33,164,895	-	132,953	-	2,399,635	35,431,577
2065	35,431,577	-	124,183	-	2,564,288	37,871,682
2066	37,871,682	-	115,689	-	2,741,503	40,497,496
2067	40,497,496	-	107,468	-	2,932,173	43,322,201
2068	43,322,201	-	99,504	-	3,137,253	46,359,950
2069	46,359,950	-	91,772	-	3,357,770	49,625,948
2070	49,625,948	-	84,261	-	3,594,827	53,136,514

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: Discount Rate = 7.25%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2071	53,136,514	-	76,973	-	3,849,607	56,909,148
2072	56,909,148	-	69,928	-	4,123,378	60,962,598
2073	60,962,598	-	63,144	-	4,417,499	65,316,953
2074	65,316,953	-	56,640	-	4,733,426	69,993,739
2075	69,993,739	-	50,451	-	5,072,717	75,016,005
2076	75,016,005	-	44,612	-	5,437,043	80,408,436
2077	80,408,436	-	39,151	-	5,828,192	86,197,477
2078	86,197,477	-	34,081	-	6,248,082	92,411,478
2079	92,411,478	-	29,392	-	6,698,767	99,080,853
2080	99,080,853	-	25,078	-	7,182,453	106,238,228
2081	106,238,228	-	21,145	-	7,701,505	113,918,588
2082	113,918,588	-	17,599	-	8,258,460	122,159,449
2083	122,159,449	-	14,444	-	8,856,036	131,001,041
2084	131,001,041	-	11,676	-	9,497,152	140,486,517
2085	140,486,517	-	9,287	-	10,184,936	150,662,166
2086	150,662,166	-	7,263	-	10,922,744	161,577,647
2087	161,577,647	-	5,588	-	11,714,177	173,286,236
2088	173,286,236	-	4,231	-	12,563,099	185,845,104
2089	185,845,104	-	3,155	-	13,473,656	199,315,605
2090	199,315,605	-	2,321	-	14,450,297	213,763,581
2091	213,763,581	-	1,691	-	15,497,798	229,259,688
2092	229,259,688	-	1,225	-	16,621,283	245,879,746
2093	245,879,746	-	886	-	17,826,249	263,705,109
2094	263,705,109	-	643	-	19,118,597	282,823,063
2095	282,823,063	-	471	-	20,504,655	303,327,247
2096	303,327,247	-	349	-	21,991,213	325,318,111
2097	325,318,111	-	260	-	23,585,554	348,903,405
2098	348,903,405	-	196	-	25,295,490	374,198,699
2099	374,198,699	-	148	-	27,129,400	401,327,951
2100	401,327,951	-	111	-	29,096,272	430,424,112
2101	430,424,112	-	82	-	31,205,745	461,629,775
2102	461,629,775	-	60	-	33,468,157	495,097,872
2103	495,097,872	-	43	-	35,894,594	530,992,423
2104	530,992,423	-	30	-	38,496,950	569,489,343
2105	569,489,343	-	21	-	41,287,977	610,777,299
2106	610,777,299	-	14	-	44,281,354	655,058,639
2107	655,058,639	-	9	-	47,491,751	702,550,381
2108	702,550,381	-	6	-	50,934,902	753,485,277
2109	753,485,277	-	3	-	54,627,682	808,112,956
2110	808,112,956	-	2	-	58,588,189	866,701,143
2111	866,701,143	-	1	-	62,835,833	929,536,975
2112	929,536,975	-	1	-	67,391,431	996,928,405
2113	996,928,405	-	-	-	72,277,309	1,069,205,714

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.25% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.**

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2  
Hypothetical Assumptions: Discount Rate = 5.25%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2021	6,618,050	-	403,350	-	336,860	6,551,560
2022	6,551,560	-	377,494	-	334,048	6,508,114
2023	6,508,114	-	380,816	-	331,680	6,458,978
2024	6,458,978	-	381,757	-	329,075	6,406,296
2025	6,406,296	-	376,146	-	326,457	6,356,607
2026	6,356,607	-	381,295	-	323,713	6,299,025
2027	6,299,025	-	382,658	-	320,654	6,237,021
2028	6,237,021	-	386,055	-	317,310	6,168,276
2029	6,168,276	-	390,830	-	313,575	6,091,021
2030	6,091,021	-	393,608	-	309,446	6,006,859
2031	6,006,859	-	395,083	-	304,989	5,916,765
2032	5,916,765	-	390,963	-	300,367	5,826,169
2033	5,826,169	-	383,878	-	295,797	5,738,088
2034	5,738,088	-	386,594	-	291,102	5,642,596
2035	5,642,596	-	378,350	-	286,305	5,550,551
2036	5,550,551	-	365,910	-	281,799	5,466,440
2037	5,466,440	-	358,444	-	277,579	5,385,575
2038	5,385,575	-	383,150	-	272,685	5,275,110
2039	5,275,110	-	390,405	-	266,695	5,151,400
2040	5,151,400	-	387,169	-	260,285	5,024,516
2041	5,024,516	-	387,410	-	253,618	4,890,724
2042	4,890,724	-	388,587	-	246,563	4,748,700
2043	4,748,700	-	376,244	-	239,430	4,611,886
2044	4,611,886	-	363,415	-	232,584	4,481,055
2045	4,481,055	-	350,902	-	226,044	4,356,197
2046	4,356,197	-	337,823	-	219,832	4,238,206
2047	4,238,206	-	323,800	-	214,006	4,128,412
2048	4,128,412	-	310,215	-	208,598	4,026,795
2049	4,026,795	-	296,066	-	203,635	3,934,364
2050	3,934,364	-	282,918	-	199,128	3,850,574
2051	3,850,574	-	270,038	-	195,067	3,775,603
2052	3,775,603	-	258,454	-	191,435	3,708,584
2053	3,708,584	-	246,423	-	188,232	3,650,393
2054	3,650,393	-	234,776	-	185,483	3,601,100
2055	3,601,100	-	223,400	-	183,194	3,560,894
2056	3,560,894	-	212,433	-	181,371	3,529,832
2057	3,529,832	-	201,562	-	180,025	3,508,295
2058	3,508,295	-	191,008	-	179,172	3,496,459
2059	3,496,459	-	180,712	-	178,820	3,494,567
2060	3,494,567	-	170,668	-	178,985	3,502,884
2061	3,502,884	-	160,859	-	179,679	3,521,704
2062	3,521,704	-	151,302	-	180,918	3,551,320
2063	3,551,320	-	141,995	-	182,717	3,592,042
2064	3,592,042	-	132,953	-	185,092	3,644,181
2065	3,644,181	-	124,183	-	188,060	3,708,058
2066	3,708,058	-	115,689	-	191,636	3,784,005
2067	3,784,005	-	107,468	-	195,839	3,872,376
2068	3,872,376	-	99,504	-	200,688	3,973,560
2069	3,973,560	-	91,772	-	206,203	4,087,991
2070	4,087,991	-	84,261	-	212,408	4,216,138

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2  
Hypothetical Assumptions: Discount Rate = 5.25%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2071	4,216,138	-	76,973	-	219,327	4,358,492
2072	4,358,492	-	69,928	-	226,985	4,515,549
2073	4,515,549	-	63,144	-	235,409	4,687,814
2074	4,687,814	-	56,640	-	244,623	4,875,797
2075	4,875,797	-	50,451	-	254,655	5,080,001
2076	5,080,001	-	44,612	-	265,529	5,300,918
2077	5,300,918	-	39,151	-	277,270	5,539,037
2078	5,539,037	-	34,081	-	289,905	5,794,861
2079	5,794,861	-	29,392	-	303,459	6,068,928
2080	6,068,928	-	25,078	-	317,960	6,361,810
2081	6,361,810	-	21,145	-	333,440	6,674,105
2082	6,674,105	-	17,599	-	349,929	7,006,435
2083	7,006,435	-	14,444	-	367,459	7,359,450
2084	7,359,450	-	11,676	-	386,065	7,733,839
2085	7,733,839	-	9,287	-	405,783	8,130,335
2086	8,130,335	-	7,263	-	426,652	8,549,724
2087	8,549,724	-	5,588	-	448,714	8,992,850
2088	8,992,850	-	4,231	-	472,014	9,460,633
2089	9,460,633	-	3,155	-	496,600	9,954,078
2090	9,954,078	-	2,321	-	522,528	10,474,285
2091	10,474,285	-	1,691	-	549,856	11,022,450
2092	11,022,450	-	1,225	-	578,646	11,599,871
2093	11,599,871	-	886	-	608,970	12,207,955
2094	12,207,955	-	643	-	640,901	12,848,213
2095	12,848,213	-	471	-	674,519	13,522,261
2096	13,522,261	-	349	-	709,910	14,231,822
2097	14,231,822	-	260	-	747,164	14,978,726
2098	14,978,726	-	196	-	786,378	15,764,908
2099	15,764,908	-	148	-	827,654	16,592,414
2100	16,592,414	-	111	-	871,099	17,463,402
2101	17,463,402	-	82	-	916,826	18,380,146
2102	18,380,146	-	60	-	964,956	19,345,042
2103	19,345,042	-	43	-	1,015,614	20,360,613
2104	20,360,613	-	30	-	1,068,931	21,429,514
2105	21,429,514	-	21	-	1,125,049	22,554,542
2106	22,554,542	-	14	-	1,184,113	23,738,641
2107	23,738,641	-	9	-	1,246,278	24,984,910
2108	24,984,910	-	6	-	1,311,708	26,296,612
2109	26,296,612	-	3	-	1,380,572	27,677,181
2110	27,677,181	-	2	-	1,453,052	29,130,231
2111	29,130,231	-	1	-	1,529,337	30,659,567
2112	30,659,567	-	1	-	1,609,627	32,269,193
2113	32,269,193	-	-	-	1,694,133	33,963,326

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.25% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.**



ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2023

Valuation Date: 10/1/2021

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.25%	5.25%
Minimum Required Contribution (Fixed \$)	\$311,378	\$550,248
Minimum Required Contribution (% of Payroll)	15.8%	27.9%
Expected Member Contribution	101,816	100,833
Expected Sponsor Contribution (Fixed \$)	\$209,562	\$449,415
Expected Sponsor Contribution (% of Payroll)	10.8%	22.9%

**ASSETS**

Actuarial Value <sup>1</sup>	6,157,398	6,157,398
Market Value <sup>1</sup>	6,618,050	6,618,050

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	3,537,658	5,290,606
Disability Benefits	75,739	112,153
Death Benefits	19,493	25,191
Vested Benefits	502,981	837,422
Refund of Contributions	120,163	125,600
Service Retirees	2,839,333	3,310,664
DROP Retirees <sup>1</sup>	0	0
Beneficiaries	156,238	178,828
Disability Retirees	0	0
Terminated Vested	441,577	641,502
Total:	<u>7,693,182</u>	<u>10,521,966</u>
Present Value of Future Salaries	12,658,607	14,092,106
Present Value of Future Member Contributions	632,930	704,605
Total Normal Cost	214,609	314,788
Present Value of Future Normal Costs (Entry Age Normal)	1,278,434	2,113,140
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	6,414,748	8,408,826
Unfunded Actuarial Accrued Liability (UAAL)	257,350	2,251,428

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2023

	Valuation Date: 10/1/2021	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.25%	5.25%
<b><u>PENSION COST</u></b>		
Normal Cost <sup>2</sup>	228,387	334,997
Administrative Expenses <sup>2</sup>	43,561	43,561
Payment Required To Amortize UAAL <sup>2</sup>	39,430	171,690
Minimum Required Contribution	\$311,378	\$550,248

<sup>1</sup> The asset values and liabilities include accumulated DROP Balances as of 9/30/2021.

<sup>2</sup> Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase components.