

CITY OF LAKE ALFRED  
GENERAL EMPLOYEES' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES COMPLIANCE  
DETERMINED AS OF THE  
OCTOBER 1, 2022 VALUATION DATE



April 12, 2023

VIA E-MAIL

Ms.  
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, 2022 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: 

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

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, 2022 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, 2022

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.15%	5.15%
<u>Total Pension Liability</u>		
Service Cost	216,884	315,913
Interest	456,882	435,654
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	28,582	89,175
Changes of Assumptions	82,236	127,312
Contributions - Buy Back	39,821	39,821
Benefit Payments, Including Refunds of Employee Contributions	(355,105)	(355,105)
Net Change in Total Pension Liability	469,300	652,770
Total Pension Liability - Beginning	6,262,488	8,159,804
Total Pension Liability - Ending (a)	<u>\$ 6,731,788</u>	<u>\$ 8,812,574</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	238,405	238,405
Contributions - Employee	102,026	102,026
Contributions - Buy Back	39,821	39,821
Net Investment Income	(902,610)	(902,610)
Benefit Payments, Including Refunds of Employee Contributions	(355,105)	(355,105)
Administrative Expenses	(37,338)	(37,338)
Net Change in Plan Fiduciary Net Position	(914,801)	(914,801)
Plan Fiduciary Net Position - Beginning	6,618,050	6,618,050
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,703,249</u>	<u>\$ 5,703,249</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,028,539</u>	<u>\$ 3,109,325</u>

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

Table 1  
Plan Assumptions: Discount Rate = 7.15%

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
2022	5,703,249	-	462,249	-	391,257	5,632,257
2023	5,632,257	-	397,810	-	388,485	5,622,932
2024	5,622,932	-	392,055	-	388,024	5,618,901
2025	5,618,901	-	382,778	-	388,067	5,624,190
2026	5,624,190	-	385,515	-	388,347	5,627,022
2027	5,627,022	-	387,926	-	388,464	5,627,560
2028	5,627,560	-	394,837	-	388,255	5,620,978
2029	5,620,978	-	404,126	-	387,452	5,604,304
2030	5,604,304	-	410,938	-	386,017	5,579,383
2031	5,579,383	-	415,347	-	384,077	5,548,113
2032	5,548,113	-	414,032	-	381,888	5,515,969
2033	5,515,969	-	407,509	-	379,823	5,488,283
2034	5,488,283	-	411,625	-	377,697	5,454,355
2035	5,454,355	-	404,588	-	375,522	5,425,289
2036	5,425,289	-	392,671	-	373,870	5,406,488
2037	5,406,488	-	385,661	-	372,777	5,393,604
2038	5,393,604	-	447,173	-	369,656	5,316,087
2039	5,316,087	-	456,537	-	363,779	5,223,329
2040	5,223,329	-	461,411	-	356,973	5,118,891
2041	5,118,891	-	469,048	-	349,232	4,999,075
2042	4,999,075	-	478,962	-	340,311	4,860,424
2043	4,860,424	-	468,306	-	330,778	4,722,896
2044	4,722,896	-	457,667	-	321,325	4,586,554
2045	4,586,554	-	446,279	-	311,984	4,452,259
2046	4,452,259	-	433,888	-	302,825	4,321,196
2047	4,321,196	-	419,940	-	293,953	4,195,209
2048	4,195,209	-	406,556	-	285,423	4,074,076
2049	4,074,076	-	392,289	-	277,272	3,959,059
2050	3,959,059	-	378,955	-	269,525	3,849,629
2051	3,849,629	-	365,815	-	262,171	3,745,985
2052	3,745,985	-	354,855	-	255,152	3,646,282
2053	3,646,282	-	342,216	-	248,475	3,552,541
2054	3,552,541	-	329,841	-	242,215	3,464,915
2055	3,464,915	-	317,475	-	236,392	3,383,832
2056	3,383,832	-	305,153	-	231,035	3,309,714
2057	3,309,714	-	292,690	-	226,181	3,243,205
2058	3,243,205	-	280,205	-	221,872	3,184,872
2059	3,184,872	-	267,636	-	218,150	3,135,386
2060	3,135,386	-	254,982	-	215,064	3,095,468
2061	3,095,468	-	242,250	-	212,666	3,065,884
2062	3,065,884	-	229,465	-	211,007	3,047,426
2063	3,047,426	-	216,664	-	210,145	3,040,907
2064	3,040,907	-	203,906	-	210,135	3,047,136
2065	3,047,136	-	191,247	-	211,033	3,066,922
2066	3,066,922	-	178,745	-	212,895	3,101,072
2067	3,101,072	-	166,448	-	215,776	3,150,400
2068	3,150,400	-	154,372	-	219,735	3,215,763
2069	3,215,763	-	142,517	-	224,832	3,298,078
2070	3,298,078	-	130,901	-	231,133	3,398,310
2071	3,398,310	-	119,567	-	238,705	3,517,448
2072	3,517,448	-	108,573	-	247,616	3,656,491
2073	3,656,491	-	97,969	-	257,937	3,816,459
2074	3,816,459	-	87,805	-	269,738	3,998,392

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

Table 1  
Plan Assumptions: Discount Rate = 7.15%

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
2075	3,998,392	-	78,144	-	283,091	4,203,339
2076	4,203,339	-	69,050	-	298,070	4,432,359
2077	4,432,359	-	60,571	-	314,748	4,686,536
2078	4,686,536	-	52,729	-	333,202	4,967,009
2079	4,967,009	-	45,499	-	353,515	5,275,025
2080	5,275,025	-	38,860	-	375,775	5,611,940
2081	5,611,940	-	32,816	-	400,081	5,979,205
2082	5,979,205	-	27,368	-	426,535	6,378,372
2083	6,378,372	-	22,522	-	455,248	6,811,098
2084	6,811,098	-	18,269	-	486,340	7,279,169
2085	7,279,169	-	14,591	-	519,939	7,784,517
2086	7,784,517	-	11,469	-	556,183	8,329,231
2087	8,329,231	-	8,879	-	595,223	8,915,575
2088	8,915,575	-	6,774	-	637,221	9,546,022
2089	9,546,022	-	5,098	-	682,358	10,223,282
2090	10,223,282	-	3,793	-	730,829	10,950,318
2091	10,950,318	-	2,801	-	782,848	11,730,365
2092	11,730,365	-	2,061	-	838,647	12,566,951
2093	12,566,951	-	1,517	-	898,483	13,463,917
2094	13,463,917	-	1,120	-	962,630	14,425,427
2095	14,425,427	-	834	-	1,031,388	15,455,981
2096	15,455,981	-	626	-	1,105,080	16,560,435
2097	16,560,435	-	472	-	1,184,054	17,744,017
2098	17,744,017	-	356	-	1,268,684	19,012,345
2099	19,012,345	-	268	-	1,359,373	20,371,450
2100	20,371,450	-	200	-	1,456,552	21,827,802
2101	21,827,802	-	147	-	1,560,683	23,388,338
2102	23,388,338	-	106	-	1,672,262	25,060,494
2103	25,060,494	-	75	-	1,791,823	26,852,242
2104	26,852,242	-	52	-	1,919,933	28,772,123
2105	28,772,123	-	35	-	2,057,206	30,829,294
2106	30,829,294	-	22	-	2,204,294	33,033,566
2107	33,033,566	-	14	-	2,361,899	35,395,451
2108	35,395,451	-	9	-	2,530,774	37,926,216
2109	37,926,216	-	5	-	2,711,724	40,637,935
2110	40,637,935	-	3	-	2,905,612	43,543,544
2111	43,543,544	-	2	-	3,113,363	46,656,905
2112	46,656,905	-	1	-	3,335,969	49,992,873
2113	49,992,873	-	-	-	3,574,490	53,567,363

\*All DROP Balances paid in 2022.

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 7.15% 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 = 5.15%

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
2022	5,703,249	-	462,249	-	281,814	5,522,814
2023	5,522,814	-	397,810	-	274,181	5,399,185
2024	5,399,185	-	392,055	-	267,963	5,275,093
2025	5,275,093	-	382,778	-	261,811	5,154,126
2026	5,154,126	-	385,515	-	255,510	5,024,121
2027	5,024,121	-	387,926	-	248,753	4,884,948
2028	4,884,948	-	394,837	-	241,408	4,731,519
2029	4,731,519	-	404,126	-	233,267	4,560,660
2030	4,560,660	-	410,938	-	224,292	4,374,014
2031	4,374,014	-	415,347	-	214,567	4,173,234
2032	4,173,234	-	414,032	-	204,260	3,963,462
2033	3,963,462	-	407,509	-	193,625	3,749,578
2034	3,749,578	-	411,625	-	182,504	3,520,457
2035	3,520,457	-	404,588	-	170,885	3,286,754
2036	3,286,754	-	392,671	-	159,157	3,053,240
2037	3,053,240	-	385,661	-	147,311	2,814,890
2038	2,814,890	-	447,173	-	133,452	2,501,169
2039	2,501,169	-	456,537	-	117,054	2,161,686
2040	2,161,686	-	461,411	-	99,445	1,799,720
2041	1,799,720	-	469,048	-	80,608	1,411,280
2042	1,411,280	-	478,962	-	60,348	992,666
2043	992,666	-	468,306	-	39,063	563,423
2044	563,423	-	457,667	-	17,231	122,987
2045	122,987	-	446,279	-	-	-

\*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 23.28

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.15% 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, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.15%	5.15%
Minimum Required Contribution (Fixed \$)	\$367,907	\$634,541
Minimum Required Contribution (% of Payroll)	17.0%	29.4%
Expected Member Contribution	111,973	110,892
Expected Sponsor Contribution (Fixed \$)	\$255,934	\$523,649
Expected Sponsor Contribution (% of Payroll)	12.0%	24.4%

**ASSETS**

Actuarial Value <sup>1</sup>	6,373,139	6,373,139
Market Value <sup>1</sup>	5,703,249	5,703,249

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	3,578,574	5,474,713
Disability Benefits	82,630	124,358
Death Benefits	21,269	27,909
Vested Benefits	696,627	1,165,839
Refund of Contributions	143,337	150,170
Service Retirees	2,732,248	3,178,757
DROP Retirees <sup>1</sup>	594,652	745,875
Beneficiaries	152,736	174,188
Disability Retirees	0	0
Terminated Vested	486,041	694,355
Total:	8,488,114	11,736,164
Present Value of Future Salaries	13,924,528	15,518,275
Present Value of Future Member Contributions	696,226	775,914
Total Normal Cost	232,396	344,876
Present Value of Future Normal Costs (Entry Age Normal)	1,381,140	2,314,203
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	7,106,974	9,421,961
Unfunded Actuarial Accrued Liability (UAAL)	733,835	3,048,822



ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.15%	5.15%
<b><u>PENSION COST</u></b>		
Normal Cost <sup>2</sup>	247,525	367,327
Administrative Expenses <sup>2</sup>	40,897	40,897
Payment Required To Amortize UAAL <sup>2</sup>	79,485	226,317
Minimum Required Contribution	\$367,907	\$634,541

<sup>1</sup> The asset values and liabilities include accumulated DROP Balances as of 9/30/2022.

<sup>2</sup> Contributions developed as of 10/1/2022 displayed above have been adjusted to account for an assumed salary increase component.