

CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

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.

By: Patrick T. Donlan Date: 6/24/2015

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #14-6595



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, 2014 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 AND RELATED RATIOS

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Static 9/30/2014	7.50% RP-2000 Generational 9/30/2014	5.50% RP-2000 Generational 9/30/2014
<u>Total Pension Liability</u>			
Service Cost	134,677	138,713	209,185
Interest	303,446	310,531	297,382
Change in Excess State Money	-	-	-
Change in Funding Standard Account	-	-	-
Share Plan Allocation	-	-	-
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions - Buy Back	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(237,593)	(237,593)	(237,593)
Net Change in Total Pension Liability	200,530	211,651	268,974
Total Pension Liability - Beginning	4,030,066	4,120,501	5,316,558
Total Pension Liability - Ending (a)	<u>4,230,596</u>	<u>\$ 4,332,152</u>	<u>\$ 5,585,532</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	205,381	205,381	205,381
Contributions - State	-	-	-
Contributions - Employee	56,428	56,428	56,428
Contributions - Buy Back	-	-	-
Net Investment Income	308,029	308,029	308,029
Benefit Payments, Including Refunds of Employee Contributions	(237,593)	(237,593)	(237,593)
Administrative Expense	(27,085)	(27,085)	(27,085)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	305,160	305,160	305,160
Plan Fiduciary Net Position - Beginning	3,578,210	3,578,210	3,578,210
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,883,370</u>	<u>\$ 3,883,370</u>	<u>\$ 3,883,370</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 347,226</u>	<u>\$ 448,782</u>	<u>\$ 1,702,162</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.50% and RP-2000 Static Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	3,883,370	-	245,084	-	282,062	3,920,348
2015	3,920,348	-	264,576	-	284,105	3,939,877
2016	3,939,877	-	258,156	-	285,810	3,967,531
2017	3,967,531	-	261,340	-	287,765	3,993,956
2018	3,993,956	-	257,562	-	289,888	4,026,282
2019	4,026,282	-	261,966	-	292,147	4,056,463
2020	4,056,463	-	255,781	-	294,643	4,095,325
2021	4,095,325	-	285,596	-	296,440	4,106,169
2022	4,106,169	-	292,049	-	297,011	4,111,131
2023	4,111,131	-	306,714	-	296,833	4,101,250
2024	4,101,250	-	316,898	-	295,710	4,080,062
2025	4,080,062	-	314,949	-	294,194	4,059,307
2026	4,059,307	-	326,821	-	292,192	4,024,678
2027	4,024,678	-	324,228	-	289,692	3,990,142
2028	3,990,142	-	316,594	-	287,388	3,960,936
2029	3,960,936	-	309,110	-	285,479	3,937,305
2030	3,937,305	-	299,450	-	284,069	3,921,924
2031	3,921,924	-	294,212	-	283,111	3,910,823
2032	3,910,823	-	281,733	-	282,747	3,911,837
2033	3,911,837	-	272,253	-	283,178	3,922,762
2034	3,922,762	-	271,108	-	284,041	3,935,695
2035	3,935,695	-	258,113	-	285,498	3,963,080
2036	3,963,080	-	243,313	-	288,107	4,007,874
2037	4,007,874	-	252,693	-	291,115	4,046,296
2038	4,046,296	-	239,752	-	294,482	4,101,026
2039	4,101,026	-	229,701	-	298,963	4,170,288
2040	4,170,288	-	216,171	-	304,665	4,258,782
2041	4,258,782	-	206,151	-	311,678	4,364,309
2042	4,364,309	-	193,943	-	320,050	4,490,416
2043	4,490,416	-	182,276	-	329,946	4,638,086
2044	4,638,086	-	169,568	-	341,498	4,810,016
2045	4,810,016	-	158,010	-	354,826	5,006,832
2046	5,006,832	-	147,053	-	369,998	5,229,777
2047	5,229,777	-	135,971	-	387,134	5,480,940
2048	5,480,940	-	126,159	-	406,340	5,761,121
2049	5,761,121	-	116,866	-	427,702	6,071,957
2050	6,071,957	-	108,171	-	451,340	6,415,126
2051	6,415,126	-	100,029	-	477,383	6,792,480
2052	6,792,480	-	92,406	-	505,971	7,206,045
2053	7,206,045	-	85,286	-	537,255	7,658,014
2054	7,658,014	-	78,643	-	571,402	8,150,773
2055	8,150,773	-	72,453	-	608,591	8,686,911
2056	8,686,911	-	66,697	-	649,017	9,269,231
2057	9,269,231	-	61,339	-	692,892	9,900,784
2058	9,900,784	-	56,357	-	740,445	10,584,872
2059	10,584,872	-	51,696	-	791,927	11,325,103
2060	11,325,103	-	47,330	-	847,608	12,125,381
2061	12,125,381	-	43,238	-	907,782	12,989,925
2062	12,989,925	-	39,386	-	972,767	13,923,306
2063	13,923,306	-	35,761	-	1,042,907	14,930,452
2064	14,930,452	-	32,346	-	1,118,571	16,016,677
2065	16,016,677	-	29,120	-	1,200,159	17,187,716
2066	17,187,716	-	26,082	-	1,288,101	18,449,735
2067	18,449,735	-	23,221	-	1,382,859	19,809,373

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.50% and RP-2000 Static Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2068	19,809,373	-	20,529	-	1,484,933	21,273,777
2069	21,273,777	-	18,008	-	1,594,858	22,850,627
2070	22,850,627	-	15,661	-	1,713,210	24,548,176
2071	24,548,176	-	13,493	-	1,840,607	26,375,290
2072	26,375,290	-	11,508	-	1,977,715	28,341,497
2073	28,341,497	-	9,712	-	2,125,248	30,457,033
2074	30,457,033	-	8,108	-	2,283,973	32,732,898
2075	32,732,898	-	6,690	-	2,454,716	35,180,924
2076	35,180,924	-	5,451	-	2,638,365	37,813,838
2077	37,813,838	-	4,392	-	2,835,873	40,645,319
2078	40,645,319	-	3,497	-	3,048,268	43,690,090
2079	43,690,090	-	2,752	-	3,276,654	46,963,992
2080	46,963,992	-	2,142	-	3,522,219	50,484,069
2081	50,484,069	-	1,651	-	3,786,243	54,268,661
2082	54,268,661	-	1,261	-	4,070,102	58,337,502
2083	58,337,502	-	955	-	4,375,277	62,711,824
2084	62,711,824	-	716	-	4,703,360	67,414,468
2085	67,414,468	-	531	-	5,056,065	72,470,002
2086	72,470,002	-	388	-	5,435,236	77,904,850
2087	77,904,850	-	280	-	5,842,853	83,747,423
2088	83,747,423	-	199	-	6,281,049	90,028,273
2089	90,028,273	-	139	-	6,752,115	96,780,249
2090	96,780,249	-	95	-	7,258,515	104,038,669
2091	104,038,669	-	64	-	7,802,898	111,841,503
2092	111,841,503	-	42	-	8,388,111	120,229,572
2093	120,229,572	-	27	-	9,017,217	129,246,762
2094	129,246,762	-	17	-	9,693,507	138,940,252
2095	138,940,252	-	11	-	10,420,518	149,360,759
2096	149,360,759	-	7	-	11,202,057	160,562,809
2097	160,562,809	-	4	-	12,042,211	172,605,016
2098	172,605,016	-	3	-	12,945,376	185,550,389
2099	185,550,389	-	2	-	13,916,279	199,466,666
2100	199,466,666	-	1	-	14,960,000	214,426,665
2101	214,426,665	-	1	-	16,082,000	230,508,664
2102	230,508,664	-	-	-	17,288,150	247,796,814

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 7.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 7.50% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	3,883,370	-	245,084	-	282,062	3,920,348
2015	3,920,348	-	264,580	-	284,104	3,939,872
2016	3,939,872	-	258,195	-	285,808	3,967,485
2017	3,967,485	-	261,446	-	287,757	3,993,796
2018	3,993,796	-	257,773	-	289,868	4,025,891
2019	4,025,891	-	262,310	-	292,105	4,055,686
2020	4,055,686	-	256,388	-	294,562	4,093,860
2021	4,093,860	-	286,523	-	296,295	4,103,632
2022	4,103,632	-	293,374	-	296,771	4,107,029
2023	4,107,029	-	308,512	-	296,458	4,094,975
2024	4,094,975	-	319,269	-	295,151	4,070,857
2025	4,070,857	-	317,917	-	293,392	4,046,332
2026	4,046,332	-	330,574	-	291,078	4,006,836
2027	4,006,836	-	328,730	-	288,185	3,966,291
2028	3,966,291	-	322,000	-	285,397	3,929,688
2029	3,929,688	-	315,398	-	282,899	3,897,189
2030	3,897,189	-	306,697	-	280,788	3,871,280
2031	3,871,280	-	302,914	-	278,987	3,847,353
2032	3,847,353	-	291,673	-	277,614	3,833,294
2033	3,833,294	-	283,249	-	276,875	3,826,920
2034	3,826,920	-	283,475	-	276,389	3,819,834
2035	3,819,834	-	271,424	-	276,309	3,824,719
2036	3,824,719	-	257,599	-	277,194	3,844,314
2037	3,844,314	-	267,840	-	278,280	3,854,754
2038	3,854,754	-	255,580	-	279,522	3,878,696
2039	3,878,696	-	246,116	-	281,673	3,914,253
2040	3,914,253	-	233,046	-	284,830	3,966,037
2041	3,966,037	-	223,356	-	289,077	4,031,758
2042	4,031,758	-	211,361	-	294,456	4,114,853
2043	4,114,853	-	199,717	-	301,125	4,216,261
2044	4,216,261	-	187,161	-	309,201	4,338,301
2045	4,338,301	-	175,353	-	318,797	4,481,745
2046	4,481,745	-	164,049	-	329,979	4,647,675
2047	4,647,675	-	152,765	-	342,847	4,837,757
2048	4,837,757	-	142,532	-	357,487	5,052,712
2049	5,052,712	-	132,753	-	373,975	5,293,934
2050	5,293,934	-	123,556	-	392,412	5,562,790
2051	5,562,790	-	114,887	-	412,901	5,860,804
2052	5,860,804	-	106,685	-	435,560	6,189,679
2053	6,189,679	-	98,975	-	460,514	6,551,218
2054	6,551,218	-	91,723	-	487,902	6,947,397
2055	6,947,397	-	84,932	-	517,870	7,380,335
2056	7,380,335	-	78,590	-	550,578	7,852,323
2057	7,852,323	-	72,659	-	586,200	8,365,864
2058	8,365,864	-	67,178	-	624,921	8,923,607
2059	8,923,607	-	62,023	-	666,945	9,528,529
2060	9,528,529	-	57,186	-	712,495	10,183,838
2061	10,183,838	-	52,688	-	761,812	10,892,962
2062	10,892,962	-	48,450	-	815,155	11,659,667
2063	11,659,667	-	44,487	-	872,807	12,487,987
2064	12,487,987	-	40,778	-	935,070	13,382,279
2065	13,382,279	-	37,251	-	1,002,274	14,347,302
2066	14,347,302	-	33,912	-	1,074,776	15,388,166
2067	15,388,166	-	30,736	-	1,152,960	16,510,390

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 7.50% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2068	16,510,390	-	27,673	-	1,237,242	17,719,959
2069	17,719,959	-	24,724	-	1,328,070	19,023,305
2070	19,023,305	-	21,893	-	1,425,927	20,427,339
2071	20,427,339	-	19,213	-	1,531,330	21,939,456
2072	21,939,456	-	16,684	-	1,644,834	23,567,606
2073	23,567,606	-	14,337	-	1,767,033	25,320,302
2074	25,320,302	-	12,210	-	1,898,565	27,206,657
2075	27,206,657	-	10,270	-	2,040,114	29,236,501
2076	29,236,501	-	8,514	-	2,192,418	31,420,405
2077	31,420,405	-	6,993	-	2,356,268	33,769,680
2078	33,769,680	-	5,679	-	2,532,513	36,296,514
2079	36,296,514	-	4,548	-	2,722,068	39,014,034
2080	39,014,034	-	3,595	-	2,925,918	41,936,357
2081	41,936,357	-	2,814	-	3,145,121	45,078,664
2082	45,078,664	-	2,179	-	3,380,818	48,457,303
2083	48,457,303	-	1,670	-	3,634,235	52,089,868
2084	52,089,868	-	1,260	-	3,906,693	55,995,301
2085	55,995,301	-	937	-	4,199,612	60,193,976
2086	60,193,976	-	687	-	4,514,522	64,707,811
2087	64,707,811	-	497	-	4,853,067	69,560,381
2088	69,560,381	-	353	-	5,217,015	74,777,043
2089	74,777,043	-	246	-	5,608,269	80,385,066
2090	80,385,066	-	169	-	6,028,874	86,413,771
2091	86,413,771	-	113	-	6,481,029	92,894,687
2092	92,894,687	-	75	-	6,967,099	99,861,711
2093	99,861,711	-	48	-	7,489,627	107,351,290
2094	107,351,290	-	31	-	8,051,346	115,402,605
2095	115,402,605	-	19	-	8,655,195	124,057,781
2096	124,057,781	-	12	-	9,304,333	133,362,102
2097	133,362,102	-	7	-	10,002,157	143,364,252
2098	143,364,252	-	4	-	10,752,319	154,116,567
2099	154,116,567	-	3	-	11,558,742	165,675,306
2100	165,675,306	-	2	-	12,425,648	178,100,952
2101	178,100,952	-	1	-	13,357,571	191,458,522
2102	191,458,522	-	1	-	14,359,389	205,817,910
2103	205,817,910	-	-	-	15,436,343	221,254,253

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 7.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 5.50% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	3,883,370	-	245,084	-	206,846	3,845,132
2015	3,845,132	-	264,580	-	204,206	3,784,758
2016	3,784,758	-	258,195	-	201,061	3,727,624
2017	3,727,624	-	261,446	-	197,830	3,664,008
2018	3,664,008	-	257,773	-	194,432	3,600,667
2019	3,600,667	-	262,310	-	190,823	3,529,180
2020	3,529,180	-	256,388	-	187,054	3,459,846
2021	3,459,846	-	286,523	-	182,412	3,355,735
2022	3,355,735	-	293,374	-	176,498	3,238,859
2023	3,238,859	-	308,512	-	169,653	3,100,000
2024	3,100,000	-	319,269	-	161,720	2,942,451
2025	2,942,451	-	317,917	-	153,092	2,777,626
2026	2,777,626	-	330,574	-	143,679	2,590,731
2027	2,590,731	-	328,730	-	133,450	2,395,451
2028	2,395,451	-	322,000	-	122,895	2,196,346
2029	2,196,346	-	315,398	-	112,126	1,993,074
2030	1,993,074	-	306,697	-	101,185	1,787,562
2031	1,787,562	-	302,914	-	89,986	1,574,634
2032	1,574,634	-	291,673	-	78,584	1,361,545
2033	1,361,545	-	283,249	-	67,096	1,145,392
2034	1,145,392	-	283,475	-	55,201	917,118
2035	917,118	-	271,424	-	42,977	688,671
2036	688,671	-	257,599	-	30,793	461,865
2037	461,865	-	267,840	-	18,037	212,062
2038	212,062	-	255,580	-	-	-

Number of Years Expected Benefit Payments Sustained: 24.83

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational
Total Required Contribution	\$238,875	\$249,906	\$393,426
Expected Member Contribution	61,991	61,991	61,393
Expected Sponsor Contribution (Fixed \$)	\$176,884	\$187,915	\$332,033
Expected Sponsor Contribution (% of Payroll)	14.8%	15.7%	27.8%

ASSETS

Actuarial Value	3,740,538	3,740,538	3,740,538
Market Value	3,883,370	3,883,370	3,883,370

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	2,103,545	2,164,531	3,201,439
Disability Benefits	79,678	81,014	124,500
Death Benefits	15,891	14,449	17,951
Vested Benefits	235,418	242,136	423,865
Refund of Contributions	69,504	69,509	73,103
Service Retirees	1,922,516	1,953,297	2,292,006
Beneficiaries	75,893	76,715	86,724
Terminated Vested	519,312	534,537	758,325
Disability Retirees	0	0	0
DROP Retirees	0	0	0
Total:	5,021,757	5,136,188	6,977,913
Present Value of Future Salaries	7,467,663	7,471,828	8,364,862
Present Value of Future Member Contributions	373,383	373,591	418,243
Total Normal Cost (Entry Age Normal)	147,735	152,042	227,068
Present Value of Future Normal Costs (Entry Age Normal)	913,433	942,751	1,614,584
Total Actuarial Accrued Liability	4,108,324	4,193,437	5,363,329
Unfunded Actuarial Accrued Liability (Entry Age Normal)	367,786	452,899	1,622,791

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost (with interest)	162,472	167,208	247,311
Administrative Expenses (with interest)	29,787	29,787	29,500
Payment Required To Amortize UAAL (with interest)	46,616	52,911	116,615
Total Required Contribution	\$238,875	\$249,906	\$393,426