

CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2019

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2021

GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2019



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

December 16, 2019

Board of Trustees
City of Lake Alfred
General Employees' Pension Board

Re: City of Lake Alfred General Employees' Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Lake Alfred General Employees' Retirement System. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. 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.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the City of Lake Alfred, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial 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.

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, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2019 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.


The undersigned are familiar with the immediate and long-term aspects of pension valuations, and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.


To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Lake Alfred, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the General Employees' Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Drew D. Ballard, EA, MAAA
Enrolled Actuary #17-8193

By: 
Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #17-6595

Enclosures

TABLE OF CONTENTS

Section	Title	Page
I	Introduction	
	a. Summary of Report	5
	b. Changes Since Prior Valuation	6
	c. Comparative Summary of Principal Valuation Results	7
II	Valuation Information	
	a. Reconciliation of Unfunded Actuarial Accrued Liabilities	13
	b. Detailed Actuarial (Gain)/Loss Analysis	14
	c. Actuarial Assumptions and Methods	15
	d. Glossary	18
	e. Discussion of Risk	19
III	Trust Fund	22
IV	Member Statistics	
	a. Statistical Data	27
	b. Age and Service Distribution	28
	c. Valuation Participant Reconciliation	29
V	Summary of Current Plan	30
VI	Governmental Accounting Standards Board Statements No. 67 and No. 68 Disclosure Information	32

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Lake Alfred General Employees' Retirement System, performed as of October 1, 2019, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2021.

The contribution requirements, compared with those set forth in the October 1, 2018 actuarial valuation report, are as follows:

Valuation Date	10/1/2019	10/1/2018
Applicable to Fiscal Year Ending	<u>9/30/2021</u>	<u>9/30/2020</u>
Minimum Required Contribution	\$336,912	\$333,458
Member Contributions (Est.)	89,110	87,609
City Required Contribution ²	\$247,802	\$245,849

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial loss included more retirements than expected, an average salary increase of 10.21% which exceeded the 6.00% assumption, and inactive mortality experience. These losses were offset in part by a gain associated with an investment return of 8.37% (Actuarial Asset Basis) which exceeded the 7.50% assumption.

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

There have been no changes of actuarial assumptions or methods since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2019</u>	<u>10/1/2018</u>
A. Participant Data		
Actives	34	37
Service Retirees	24	21
DROP Retirees	1	1
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	<u>35</u>	<u>30</u>
Total	94	89
Total Annual Payroll	\$1,620,548	\$1,593,252
Payroll Under Assumed Ret. Age	1,620,548	1,593,252
Annual Rate of Payments to:		
Service Retirees	291,083	256,202
DROP Retirees	8,165	8,165
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	103,279	109,154
B. Assets		
Actuarial Value (AVA) ¹	5,340,549	4,989,075
Market Value (MVA) ¹	5,314,253	5,102,515
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	3,172,135	3,087,720
Disability Benefits	131,796	113,917
Death Benefits	25,142	24,078
Vested Benefits	339,203	345,146
Refund of Contributions	93,781	92,038
Service Retirees	2,752,212	2,458,977
DROP Retirees ¹	113,336	105,276
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	<u>578,025</u>	<u>634,521</u>
Total	7,205,630	6,861,673

C. Liabilities - (Continued)	<u>10/1/2019</u>	<u>10/1/2018</u>
Present Value of Future Salaries	11,371,009	11,410,804
Present Value of Future Member Contributions	568,550	570,540
Normal Cost (Retirement)	165,754	171,392
Normal Cost (Disability)	6,918	6,011
Normal Cost (Death)	1,543	1,681
Normal Cost (Vesting)	13,718	15,762
Normal Cost (Refunds)	<u>19,571</u>	<u>18,049</u>
Total Normal Cost	207,504	212,895
Present Value of Future Normal Costs	1,290,891	1,362,797
Accrued Liability (Retirement)	2,108,377	1,957,670
Accrued Liability (Disability)	85,450	72,827
Accrued Liability (Death)	16,323	14,663
Accrued Liability (Vesting)	237,018	233,262
Accrued Liability (Refunds)	23,998	21,680
Accrued Liability (Inactives) ¹	<u>3,443,573</u>	<u>3,198,774</u>
Total Actuarial Accrued Liability (EAN AL)	5,914,739	5,498,876
Unfunded Actuarial Accrued Liability (UAAL)	574,190	509,801
Funded Ratio (AVA / EAN AL)	90.3%	90.7%

D. Actuarial Present Value of		
Accrued Benefits	<u>10/1/2019</u>	<u>10/1/2018</u>
Vested Accrued Benefits		
Inactives ¹	3,443,573	3,198,774
Actives	345,172	343,777
Member Contributions	<u>501,972</u>	<u>482,169</u>
Total	4,290,717	4,024,720
Non-vested Accrued Benefits	<u>345,522</u>	<u>307,756</u>
Total Present Value		
Accrued Benefits (PVAB)	4,636,239	4,332,476
Funded Ratio (MVA / PVAB)	114.6%	117.8%
Increase (Decrease) in Present Value of		
Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	340,739	
Benefits Paid	(348,831)	
Interest	311,855	
Other	<u>0</u>	
Total	303,763	

Valuation Date	10/1/2019	10/1/2018
Applicable to Fiscal Year Ending	<u>9/30/2021</u>	<u>9/30/2020</u>

E. Pension Cost

Normal Cost ²	\$219,954	\$225,669
Administrative Expenses ²	35,315	33,008
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 22 years (as of 10/1/2019) ²	81,643	74,781
Minimum Required Contribution	336,912	333,458
Expected Member Contributions ²	89,110	87,609
Expected City Contribution	247,802	245,849

F. Past Contributions

Plan Years Ending:	<u>9/30/2019</u>
City Requirement	229,964
Actual Contributions Made:	
Members (excluding buyback)	79,133
City	<u>229,964</u>
Total	309,097

G. Net Actuarial (Gain)/Loss	97,833
------------------------------	--------

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2019 and 9/30/2018.

² Contributions developed as of 10/1/2019 displayed above have been adjusted to account for assumed salary increase components.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2019	574,190
2020	534,457
2021	479,628
2026	307,537
2031	120,412
2036	837
2041	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2019	10.21%	6.00%
Year Ended 9/30/2018	8.40%	6.00%
Year Ended 9/30/2017	13.86%	6.00%
Year Ended 9/30/2016	6.98%	6.00%
Year Ended 9/30/2015	4.46%	6.00%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value


	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2019	5.29%	8.37%	7.50%
Year Ended 9/30/2018	7.29%	6.96%	7.50%
Year Ended 9/30/2017	13.25%	7.24%	7.50%
Year Ended 9/30/2016	7.82%	6.91%	7.50%
Year Ended 9/30/2015	-0.09%	8.69%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2019	\$1,620,548
	10/1/2009	1,307,723
(b) Total Increase		23.92%
(c) Number of Years		10.00
(d) Average Annual Rate		2.17%

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was 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, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.



Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #17-6595

Please let us know when the report is approved by the Board and unless otherwise directed we will provide a copy of the report to the following office to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2018	\$509,801
(2)	Sponsor Normal Cost developed as of October 1, 2018	133,232
(3)	Expected administrative expenses for the year ended September 30, 2019	31,140
(4)	Expected interest on (1), (2) and (3)	49,395
(5)	Sponsor contributions to the System during the year ended September 30, 2019	229,964
(6)	Expected interest on (5)	17,247
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2019 (1)+(2)+(3)+(4)-(5)-(6)	476,357
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	97,833
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2019	574,190

Type of Base	Date Established	Years Remaining	10/1/2019 Amount	Amortization Amount
Method Change	10/1/2006	17	106,457	10,497
Actuarial Loss	10/1/2006	9	80,481	11,737
Actuarial Gain	10/1/2007	9	(81,771)	(11,925)
Method Change	10/1/2008	9	17,622	2,570
Actuarial Gain	10/1/2010	1	(11,270)	(11,270)
Benefit Change	10/1/2010	21	32,852	2,935
Actuarial Loss	10/1/2011	2	50,319	26,069
Benefit Change	10/1/2011	22	(25,488)	(2,233)
Actuarial Loss	10/1/2012	3	42,980	15,374
Assum Change	10/1/2012	13	47,394	5,426
Software Change	10/1/2013	14	(24,855)	(2,724)
Actuarial Gain	10/1/2013	4	(24,977)	(6,937)
Assum Changes	10/1/2013	14	69,162	7,579
Actuarial Gain	10/1/2014	5	(78,657)	(18,085)
Actuarial Gain	10/1/2015	6	(9,373)	(1,858)
Actuarial Loss	10/1/2016	7	32,972	5,791
Assum Change	10/1/2016	17	131,333	12,950
Actuarial Loss	10/1/2017	8	15,152	2,406
Actuarial Loss	10/1/2018	9	106,024	15,461
Actuarial Loss	10/1/2019	10	<u>97,833</u>	<u>13,259</u>
			574,190	77,022

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2018	\$509,801
(2) Expected UAAL as of October 1, 2019	476,357
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(43,144)
Salary Increases	34,756
Active Decrements	74,105
Inactive Mortality	33,438
Other	<u>(1,322)</u>
Increase in UAAL due to (Gain)/Loss	97,833
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2019	\$574,190

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: RP2000 Generational, 100% White Collar, Scale BB

Male: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB

Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years

Male: 100% RP2000 Disabled Male setback four years

The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2018 FRS actuarial valuation report for non-special risk lives. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate

7.50% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

6.00% per year. Projected salary at retirement is increased based on individual accruals to account for non-regular compensation. The salary increase assumption was approved based on actuarial experience study for the period 1999 – 2012.

Payroll Growth

0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses

\$33,316 annually, based on the average of actual expenses incurred in the prior two fiscal years. Previously, the actual expense in the prior fiscal year was used. Using a two-year average results in a less volatile estimate than the prior method.

Amortization Method

New UAAL amortization bases are established according to the following amortization periods:

Experience: 10 Years.

Assumption/Method Changes: 20 Years.

Benefit Changes: 30 Years.

Retirement Age

Age 59 and 12 years of Credited Service. Also, any member who has reached these requirements is assumed to continue employment for one additional year. We believe this is reasonable based on the Plan's provisions.

Early Retirement

Commencing with eligibility for Early Retirement Age (55), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This is based on the results of an experience study for the period 1998 – 2006.

Disability Rate

Sample rates below, developed from those used by other plans containing Florida municipal General Employees.

% Becoming Disabled During the Year	
Age	Rate
25	0.05%
35	0.07%
45	0.22%
55	0.89%
65	2.80%

Termination Rate

Sample rates below, based on results of an actuarial experience study from 1999 – 2012.

% Terminating During the Year		
Service	Age	Rate
<2	All	18.0%
2-5	All	14.0%
6+	25	28.3%
6+	35	12.3%
6+	45	4.2%
6+	55	1.8%
6+	65	0.0%

Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Minimum Required Contribution:

Interest – None, based on beginning of year funding
Salary – A full year, based on the current 6.00% assumption.

Actuarial Asset Method

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

GLOSSARY

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on the valuation date for all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

- (a) The normal cost accrual rate equals
 - (i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by
 - (ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age .
- (b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.
- (c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.
- (d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

Total Required Contribution is equal to the Normal Cost plus administrative expenses plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined using various actuarial assumptions. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 127.6% on October 1, 2016 to 97.1% on October 1, 2019, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 58.2%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has stayed approximately the same from October 1, 2016 to October 1, 2019.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, stayed approximately the same from October 1, 2016 to October 1, 2019. The current Net Cash Flow Ratio of -1.2% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

It is important to note that the actuary has identified the risks in this section as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2016</u>	<u>10/1/2017</u>	<u>10/1/2018</u>	<u>10/1/2019</u>
<u>Support Ratio</u>				
Total Actives	37	36	37	34
Total Inactives ¹	29	31	32	35
Actives / Inactives ¹	127.6%	116.1%	115.6%	97.1%
 <u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	4,043,450	4,774,481	5,102,515	5,314,253
Total Annual Payroll	1,238,502	1,451,582	1,593,252	1,620,548
MVA / Total Annual Payroll	326.5%	328.9%	320.3%	327.9%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	2,950,369	3,149,064	3,198,774	3,443,573
Total Accrued Liability (EAN)	4,690,711	5,112,655	5,498,876	5,914,739
Inactive AL / Total AL	62.9%	61.6%	58.2%	58.2%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	4,197,904	4,689,668	4,989,075	5,340,549
Total Accrued Liability (EAN)	4,690,711	5,112,655	5,498,876	5,914,739
AVA / Total Accrued Liability (EAN)	89.5%	91.7%	90.7%	90.3%
 <u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	(85,139)	181,404	(26,142)	(63,598)
Market Value of Assets (MVA)	4,043,450	4,774,481	5,102,515	5,314,253
Ratio	-2.1%	3.8%	-0.5%	-1.2%

¹ Excludes terminated participants awaiting a refund of member contributions.

² Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2019

<u>ASSETS</u>	MARKET VALUE
Total Cash and Equivalents	0.00
Receivables:	
Member Contributions in Transit	3,218.33
Total Receivable	3,218.33
Investments:	
FL Municipal Pension Trust Fund	5,376,638.47
Total Investments	5,376,638.47
Total Assets	5,379,856.80
<u>LIABILITIES</u>	
Payables:	
Refunds of Member Contributions	430.86
PLOP Distributions	65,173.14
Total Liabilities	65,604.00
NET POSITION RESTRICTED FOR PENSIONS	5,314,252.80

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019
Market Value Basis

ADDITIONS

Contributions:

Member	79,132.99
Buy-Back	11,628.00
City	229,963.93

Total Contributions	320,724.92
---------------------	------------

Investment Income:

Net Increase in Fair Value of Investments	285,643.06
Less Investment Expense ¹	(10,307.28)

Net Investment Income	275,335.78
-----------------------	------------

Total Additions	596,060.70
-----------------	------------

DEDUCTIONS

Distributions to Members:

Benefit Payments	260,766.06
Lump Sum DROP Distributions	0.00
Lump Sum PLOP Distributions	76,941.19
Refunds of Member Contributions	11,123.67

Total Distributions	348,830.92
---------------------	------------

Administrative Expense	35,491.65
------------------------	-----------

Total Deductions	384,322.57
------------------	------------

Net Increase in Net Position	211,738.13
------------------------------	------------

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	5,102,514.67
-----------------------	--------------

End of the Year	5,314,252.80
-----------------	--------------

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2019

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return ¹	
09/30/2016	7.82%	
09/30/2017	13.25%	
09/30/2018	7.29%	
09/30/2019	5.29%	
Annualized Rate of Return for prior four (4) years:		8.37%
(A) 10/01/2018 Actuarial Assets:		\$4,989,075.16
(I) Net Investment Income:		
1. Interest and Dividends	0.00	
2. Realized Gains (Losses)	0.00	
3. Unrealized Gains (Losses)	285,643.06	
4. Change in Actuarial Value	139,735.50	
5. Investment Related Expenses	(10,307.28)	
Total		415,071.28
(B) 10/01/2019 Actuarial Assets:		\$5,340,548.79
Actuarial Asset Rate of Return = 2I/(A+B-I):		8.37%
10/01/2019 Limited Actuarial Assets:		\$5,340,548.79
10/01/2019 Market Value of Assets:		\$5,314,252.80
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$43,143.61

¹Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2019
Actuarial Asset Basis

REVENUES

Contributions:		
Member	79,132.99	
Buy-Back	11,628.00	
City	229,963.93	
Total Contributions		320,724.92
Total Earnings and Investment Gains		425,378.56

EXPENDITURES

Distributions to Members:		
Benefit Payments	260,766.06	
Lump Sum DROP Distributions	0.00	
Lump Sum PLOP Distributions	76,941.19	
Refunds of Member Contributions	11,123.67	
Total Distributions		348,830.92
Expenses:		
Investment related ¹	10,307.28	
Administrative	35,491.65	
Total Expenses		45,798.93
Change in Net Assets for the Year		351,473.63
Net Assets Beginning of the Year		4,989,075.16
Net Assets End of the Year ²		5,340,548.79

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2018 to September 30, 2019

Beginning of the Year Balance	12,827.72
Plus Additions	8,164.80
Investment Return Earned	1,106.78
Less Distributions	0.00
End of the Year Balance	22,099.30

STATISTICAL DATA

	<u>10/1/2016</u>	<u>10/1/2017</u>	<u>10/1/2018</u>	<u>10/1/2019</u>
<u>Actives</u>				
Number	37	36	37	34
Average Current Age	45.4	46.5	46.7	47.0
Average Age at Employment	40.1	41.5	41.3	41.5
Average Past Service	5.3	5.0	5.4	5.5
Average Annual Salary	\$33,473	\$40,322	\$43,061	\$47,663
<u>Service Retirees</u>				
Number	19	20	21	24
Average Current Age	67.8	68.2	69.1	68.8
Average Annual Benefit	\$12,548	\$12,461	\$12,200	\$12,128
<u>DROP Retirees</u>				
Number	0	1	1	1
Average Current Age	N/A	59.9	60.9	61.9
Average Annual Benefit	N/A	\$8,165	\$8,165	\$8,165
<u>Beneficiaries</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Disability Retirees</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Terminated Vested</u>				
Number	30	32	30	35
Average Current Age ¹	49.8	48.7	49.7	48.6
Average Annual Benefit ¹	\$9,784	\$10,915	\$10,915	\$10,328

¹ Excludes participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	1		1									2
25 - 29	1											1
30 - 34		1				2						3
35 - 39						3						3
40 - 44	1		1	1								3
45 - 49	1		1		1	1	1					5
50 - 54		1	2			2	1					6
55 - 59	1	1	1			1	1	1				6
60 - 64		1			1	3						5
65+												0
Total	5	4	6	1	2	12	3	1	0	0	0	34

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2018	37
b. Terminations	
i. Vested (partial or full) with deferred annuity	(1)
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution received	(5)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(2)
f. DROP	<u>0</u>
g. Continuing participants	29
h. New entrants	<u>5</u>
i. Total active life participants in valuation	34

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity) <u>Refund</u>	Vested (Due Refund) <u>Refund</u>	<u>Total</u>
a. Number prior valuation	21	1	0	0	10	20	52
Retired	3	0	0	0	(1)	0	2
DROP	0	0	0	0	0	0	0
Vested (Deferred Annuity)	0	0	0	0	1	0	1
Vested (Due Refund)	0	0	0	0	0	0	0
Hired/Terminated in Same Year	0	0	0	0	0	5	5
Death, With Survivor	0	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0	0
Disabled	0	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0	0
Rehires	0	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0	0
b. Number current valuation	24	1	0	0	10	25	60

SUMMARY OF CURRENT PLAN

<u>Eligibility</u>	Full-time employees who are classified as General Employees.
<u>Credited Service</u>	Years and fractional parts of years while employment with the City.
<u>Salary</u>	Total W-2 compensation, plus tax deferred, tax sheltered, and tax exempt items of income. Effective July 1, 2011, Salary shall not include more than three hundred (300) hours of overtime per fiscal year. Additionally, Salary will include the lesser of the amount of sick or annual leave time accrued as of July 1, 2011, or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement.
<u>Average Final Compensation</u>	Average Salary for the best 5 years of the last 10 years preceding retirement or termination.
<u>Member Contributions</u>	5.0% of Salary.
<u>City Contributions</u>	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.
<u>Normal Retirement</u>	
Eligibility	Age 57 and 10 years of Credited Service.
Benefit	2.72% of Average Final Compensation <u>times</u> Credited Service.
Form of Benefit	Five Year Certain and Life Annuity (options available).
<u>Early Retirement</u>	
Eligibility	Age 55 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% for each year that Early retirement precedes Normal retirement.

Disability Benefits

Benefit	Accrued benefit determined as for normal retirement, actuarially reduced to reflect payment prior to normal retirement.
---------	---

Vesting

Schedule	100% after 10 years of Credited Service
----------	---

Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Early (reduced) or Normal Retirement Date.
----------------	---

Death Benefits

Pre-Retirement	If not vested, refund of accumulated member contributions, with interest. If vested, the accrued monthly benefit payable to the designated beneficiary for 5 years immediately (reduced) or at the otherwise Normal Retirement Date (unreduced).
----------------	--

Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.
-----------------	---

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements.
-------------	---

Participation	Not to exceed 60 months.
---------------	--------------------------

Rate of Return	At Member's election (may change method once during DROP participation) either actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or 6.5% per annum, compounded quarterly.
----------------	---

Form of Distribution	Cash lump sum (options available) at termination of employment.
----------------------	---

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2019

<u>ASSETS</u>	MARKET VALUE
Total Cash and Equivalents	0
Receivables:	
Member Contributions in Transit	3,218
Total Receivable	3,218
Investments:	
Mutual Funds:	
FL Municipal Pension Trust Fund	5,376,639
Total Investments	5,376,639
Total Assets	5,379,857
<u>LIABILITIES</u>	
Payables:	
Refunds of Member Contributions	431
PLOP Distributions	65,173
Total Liabilities	65,604
NET POSITION RESTRICTED FOR PENSIONS	5,314,253

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019
Market Value Basis

ADDITIONS

Contributions:

Member	79,133	
Buy-Back	11,628	
City	229,964	
Total Contributions		320,725
Investment Income:		
Net Increase in Fair Value of Investments	285,643	
Interest & Dividends	0	
Less Investment Expense ¹	(10,307)	
Net Investment Income		275,336
Total Additions		596,061

DEDUCTIONS

Distributions to Members:

Benefit Payments	260,766	
Lump Sum PLOP Distributions	76,941	
Refunds of Member Contributions	11,124	
Total Distributions		348,831
Administrative Expense		35,492
Total Deductions		384,323
Net Increase in Net Position		211,738
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		5,102,515
End of the Year		5,314,253

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2019)

Plan Administration

The City of Lake Alfred General Employees' Retirement System is a single employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of seven Trustees, three of whom are legal residents of the City who are appointed by the Lake Alfred City Commission, three of whom are members of the System who are appointed by a majority of the General Employees who are members of the System and a seventh Trustee who is chosen by a majority of the first six Trustees.

Plan Membership as of October 1, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	22
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	30
Active Plan Members	37
	89

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the October 1, 2018 Actuarial Valuation Report for City of Lake Alfred General Employees' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 5.0% of Salary.

City Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2019:

Asset Class	Target Allocation
US Large Cap Equity	34.00%
US Small Cap Equity	11.00%
Non-US Equity	15.00%
Core Bonds	15.00%
Core Plus	15.00%
Core Real Estate	10.00%
Total	100.00%

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.

Rate of Return:

For the year ended September 30, 2019, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 5.29 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: At Member's election (may change method once during DROP participation) either actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or 6.5% per annum, compounded quarterly.

The DROP balance as September 30, 2019 is \$22,099.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2019 were as follows:

Total Pension Liability	\$ 5,708,313
Plan Fiduciary Net Position	\$ (5,314,253)
Sponsor's Net Pension Liability	<u>\$ 394,060</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	93.10%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	6.00%
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality Rate Healthy Active Lives:

Female: RP2000 Generational, 100% White Collar, Scale BB.

Male: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB.

Mortality Rate Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years.

Male: 100% RP2000 Disabled Male setback four years.

The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report for non-special risk lives. We feel this assumption sufficiently accommodates future mortality improvements.

The most recent actuarial experience study used to review the other significant assumptions was dated, September 16, 2013.

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.

For 2019 the inflation rate assumption of the investment advisor was 2.80%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the 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 as of September 30, 2019 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return ¹
US Large Cap Equity	4.60%
US Small Cap Equity	5.50%
Non-US Equity	6.70%
Core Bonds	1.60%
Core Plus	2.10%
Core Real Estate	5.00%

¹ Please note that long term expected return of the total portfolio is greater than simply multiplying each of the above "Long Term Expected Real Rate of Returns" by their target allocation % and adding them together. Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns.

Discount Rate:
The Discount Rate used to measure the Total Pension Liability was 7.50 percent.
The projection of cash flows used to determine the Discount Rate assumed that 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 was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease	Current	1% Increase
	6.50%	Discount Rate	8.50%
		7.50%	
Sponsor's Net Pension Liability	\$ 1,170,677	\$ 394,060	\$ (240,861)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	09/30/2019	09/30/2018	09/30/2017
Total Pension Liability			
Service Cost	211,276	193,994	170,659
Interest	403,077	380,720	349,574
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	93,660	18,610	(4,941)
Changes of assumptions	-	-	-
Contributions - Buy Back	11,628	11,989	165,863
Benefit Payments, including Refunds of Employee Contributions	(348,831)	(300,164)	(278,261)
Net Change in Total Pension Liability	370,810	305,149	402,894
Total Pension Liability - Beginning	5,337,503	5,032,354	4,629,460
Total Pension Liability - Ending (a)	<u>\$ 5,708,313</u>	<u>\$ 5,337,503</u>	<u>\$ 5,032,354</u>
Plan Fiduciary Net Position			
Contributions - Employer	229,964	216,098	263,254
Contributions - Employee	79,133	77,075	71,967
Contributions - Buy Back	11,628	11,989	165,863
Net Investment Income	275,336	354,176	549,626
Benefit Payments, including Refunds of Employee Contributions	(348,831)	(300,164)	(278,261)
Administrative Expense	(35,492)	(31,140)	(41,418)
Net Change in Plan Fiduciary Net Position	211,738	328,034	731,031
Plan Fiduciary Net Position - Beginning	5,102,515	4,774,481	4,043,450
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,314,253</u>	<u>\$ 5,102,515</u>	<u>\$ 4,774,481</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 394,060</u>	<u>\$ 234,988</u>	<u>\$ 257,873</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	93.10%	95.60%	94.88%
Covered Payroll ¹	\$ 1,582,655	\$ 1,521,589	\$ 1,411,453
Net Pension Liability as a percentage of Covered Payroll	24.90%	15.44%	18.27%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014
Total Pension Liability			
Service Cost	154,686	148,309	134,677
Interest	320,365	318,656	303,446
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	12,782	(180,354)	-
Changes of assumptions	164,833	-	-
Contributions - Buy Back	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(280,105)	(260,308)	(237,593)
Net Change in Total Pension Liability	372,561	26,303	200,530
Total Pension Liability - Beginning	4,256,899	4,230,596	4,030,066
Total Pension Liability - Ending (a)	<u>\$ 4,629,460</u>	<u>\$ 4,256,899</u>	<u>\$ 4,230,596</u>
Plan Fiduciary Net Position			
Contributions - Employer	173,325	177,969	205,381
Contributions - Employee	58,321	56,385	56,428
Contributions - Buy Back	-	-	-
Net Investment Income	303,302	(3,845)	308,029
Benefit Payments, including Refunds of Employee Contributions	(280,105)	(260,308)	(237,593)
Administrative Expense	(36,680)	(28,284)	(27,085)
Net Change in Plan Fiduciary Net Position	218,163	(58,083)	305,160
Plan Fiduciary Net Position - Beginning	3,825,287	3,883,370	3,578,210
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,043,450</u>	<u>\$ 3,825,287</u>	<u>\$ 3,883,370</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 586,010</u>	<u>\$ 431,612</u>	<u>\$ 347,226</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	87.34%	89.86%	91.79%
Covered Payroll ¹	\$ 1,166,417	\$ 1,127,693	\$ 1,098,655
Net Pension Liability as a percentage of Covered Payroll	50.24%	38.27%	31.60%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82.

Changes of assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a percentage of Covered Payroll
09/30/2019	\$ 229,964	\$ 229,964	\$ -	\$ 1,582,655	14.53%
09/30/2018	\$ 216,098	\$ 216,098	\$ -	\$ 1,521,589	14.20%
09/30/2017	\$ 170,830	\$ 263,254	\$ (92,424)	\$ 1,411,453	18.65%
09/30/2016	\$ 168,960	\$ 173,325	\$ (4,365)	\$ 1,166,417	14.86%
09/30/2015	\$ 172,875	\$ 177,969	\$ (5,094)	\$ 1,127,693	15.78%
09/30/2014	\$ 204,413	\$ 205,381	\$ (968)	\$ 1,098,655	18.69%

¹ The Covered Payroll numbers shown are in compliance with GASB 82.

Notes to Schedule

Valuation Date: 10/01/2017

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Mortality Rate:

Healthy Active Lives:

Female: RP2000 Generational, 100% White Collar, Scale BB.

Male: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB.

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.

Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years.

Male: 100% RP2000 Disabled Male setback four years.

The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida.

This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report for non-special risk lives.

We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate:

7.50% per year compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Retirement Age:

Age 59 and 12 years of Credited Service. Also, any member who has reached these requirements is assumed to continue employment for one additional year. We believe this is reasonable based on the Plan's provisions.

Early Retirement:

Commencing with eligibility for Early Retirement Age (55), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This is based on the results of an experience study for the period 1998 – 2006.

Disability Rate:

Age-Based rates table (1202). This assumption was developed from those used by other plans containing Florida municipal General Employees.

Termination Rate:	Please see table below. The termination rates used are based on the results of an experience study from 1999 – 2012.		
	<u>Credited Service</u>	<u>Assumption</u>	
	First 2 Years	18%	
	Years 3-6	14%	
	Years 7+	Age-Based Rates	
Salary Increases:	6.00% per year until the assumed retirement age. Projected salary at retirement is increased based on individual current accruals to account for nonregular compensation. This rate was developed in an experience study performed by Foster & Foster for the period 1999 – 2012.		
Payroll Growth Assumption:	None.		
Funding Method:	Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Total Required Contribution: Interest – None, based on beginning of year funding Salary – A full year, based on the current 6.00% assumption.		
Actuarial Asset Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below Market Value.		
Termination and Disability Rate Table:		% Terminating Each Year (after 7 Yrs of Service)	% Becoming Disabled During the Year
	<u>Age</u>		
	20	38.6%	0.05%
	30	19.4%	0.06%
	40	7.3%	0.12%
	50	2.7%	0.43%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2019	5.29%
09/30/2018	7.29%
09/30/2017	13.25%
09/30/2016	7.82%
09/30/2015	-0.09%
09/30/2014	8.40%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2020)

General Information about the Pension Plan

Plan Description

The City of Lake Alfred General Employees' Retirement System is a single employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of seven Trustees, three of whom are legal residents of the City who are appointed by the Lake Alfred City Commission, three of whom are members of the System who are appointed by a majority of the General Employees who are members of the System and a seventh Trustee who is chosen by a majority of the first six Trustees.

Each person employed by the City as a full-time General Employee becomes a Member of the System as a condition of his employment. All General Employees are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

Plan Membership as of October 1, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	22
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	30
Active Plan Members	37
	<u>89</u>

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the October 1, 2018 Actuarial Valuation Report for City of Lake Alfred General Employees' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 5.0% of Salary.

City Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.

Net Pension Liability

The measurement date is September 30, 2019.

The measurement period for the pension expense was October 1, 2018 to September 30, 2019.

The reporting period is October 1, 2019 through September 30, 2020.

The Sponsor's Net Pension Liability was measured as of September 30, 2019.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	6.00%
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality Rate Healthy Active Lives:

Female: RP2000 Generational, 100% White Collar, Scale BB.

Male: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB.

Mortality Rate Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years.

Male: 100% RP2000 Disabled Male setback four years.

The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report for non-special risk lives. We feel this assumption sufficiently accommodates future mortality improvements.

The most recent actuarial experience study used to review the other significant assumptions was dated, September 16, 2013.

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.

For 2019 the inflation rate assumption of the investment advisor was 2.80%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the 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 as of September 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
US Large Cap Equity	34.00%	4.60%
US Small Cap Equity	11.00%	5.50%
Non-US Equity	15.00%	6.70%
Core Bonds	15.00%	1.60%
Core Plus	15.00%	2.10%
Core Real Estate	10.00%	5.00%
Total	100.00%	

¹ Please note that long term expected return of the total portfolio is greater than simply multiplying each of the above "Long Term Expected Real Rate of Returns" by their target allocation % and adding them together. Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns.

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.50 percent.

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

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2019	\$ 5,337,503	\$ 5,102,515	\$ 234,988
Changes for a Year:			
Service Cost	211,276	-	211,276
Interest	403,077	-	403,077
Differences between Expected and Actual Experience	93,660	-	93,660
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	229,964	(229,964)
Contributions - Employee	-	79,133	(79,133)
Contributions - Buy Back	11,628	11,628	-
Net Investment Income	-	275,336	(275,336)
Benefit Payments, including Refunds of Employee Contributions	(348,831)	(348,831)	-
Administrative Expense	-	(35,492)	35,492
Net Changes	370,810	211,738	159,072
Reporting Period Ending September 30, 2020	\$ 5,708,313	\$ 5,314,253	\$ 394,060

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability	\$ 1,170,677	\$ 394,060	\$ (240,861)

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

**FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS**
FISCAL YEAR SEPTEMBER 30, 2019

For the year ended September 30, 2019, the Sponsor has recognized a Pension Expense of \$234,847.

On September 30, 2019, 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 Expected and Actual Experience	12,406	1,647
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	90,622
Employer contributions subsequent to the measurement date	229,964	-
Total	<u>\$ 242,370</u>	<u>\$ 92,269</u>

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2019.

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:	
2020	\$ 11,922
2021	\$ (45,044)
2022	\$ (47,327)
2023	\$ 586
2024	\$ -
Thereafter	\$ -

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES
AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2020**

For the year ended September 30, 2020, the Sponsor will recognize a Pension Expense of \$254,542.

On September 30, 2020, 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 Expected and Actual Experience	68,643	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	14,012
Employer contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 14,012

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2020.

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:

2021	\$ 7,170
2022	\$ 4,887
2023	\$ 21,580
2024	\$ 20,994
2025	\$ -
Thereafter	\$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2020 09/30/2019	09/30/2019 09/30/2018	09/30/2018 09/30/2017
Total Pension Liability			
Service Cost	211,276	193,994	170,659
Interest	403,077	380,720	349,574
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	93,660	18,610	(4,941)
Changes of assumptions	-	-	-
Contributions - Buy Back	11,628	11,989	165,863
Benefit Payments, including Refunds of Employee Contributions	(348,831)	(300,164)	(278,261)
Net Change in Total Pension Liability	370,810	305,149	402,894
Total Pension Liability - Beginning	5,337,503	5,032,354	4,629,460
Total Pension Liability - Ending (a)	<u>\$ 5,708,313</u>	<u>\$ 5,337,503</u>	<u>\$ 5,032,354</u>
Plan Fiduciary Net Position			
Contributions - Employer	229,964	216,098	263,254
Contributions - Employee	79,133	77,075	71,967
Contributions - Buy Back	11,628	11,989	165,863
Net Investment Income	275,336	354,176	549,626
Benefit Payments, including Refunds of Employee Contributions	(348,831)	(300,164)	(278,261)
Administrative Expense	(35,492)	(31,140)	(41,418)
Net Change in Plan Fiduciary Net Position	211,738	328,034	731,031
Plan Fiduciary Net Position - Beginning	5,102,515	4,774,481	4,043,450
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,314,253</u>	<u>\$ 5,102,515</u>	<u>\$ 4,774,481</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 394,060</u>	<u>\$ 234,988</u>	<u>\$ 257,873</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	93.10%	95.60%	94.88%
Covered Payroll ¹	\$ 1,582,655	\$ 1,521,589	\$ 1,411,453
Net Pension Liability as a percentage of Covered Payroll	24.90%	15.44%	18.27%

Notes to Schedule:¹ The Covered Payroll numbers shown are in compliance with GASB 82.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2017 09/30/2016	09/30/2016 09/30/2015	09/30/2015 09/30/2014
Total Pension Liability			
Service Cost	154,686	148,309	134,677
Interest	320,365	318,656	303,446
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	12,782	(180,354)	-
Changes of assumptions	164,833	-	-
Contributions - Buy Back	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(280,105)	(260,308)	(237,593)
Net Change in Total Pension Liability	372,561	26,303	200,530
Total Pension Liability - Beginning	4,256,899	4,230,596	4,030,066
Total Pension Liability - Ending (a)	<u>\$ 4,629,460</u>	<u>\$ 4,256,899</u>	<u>\$ 4,230,596</u>
Plan Fiduciary Net Position			
Contributions - Employer	173,325	177,969	205,381
Contributions - Employee	58,321	56,385	56,428
Contributions - Buy Back	-	-	-
Net Investment Income	303,302	(3,845)	308,029
Benefit Payments, including Refunds of Employee Contributions	(280,105)	(260,308)	(237,593)
Administrative Expense	(36,680)	(28,284)	(27,085)
Net Change in Plan Fiduciary Net Position	218,163	(58,083)	305,160
Plan Fiduciary Net Position - Beginning	3,825,287	3,883,370	3,578,210
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,043,450</u>	<u>\$ 3,825,287</u>	<u>\$ 3,883,370</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 586,010</u>	<u>\$ 431,612</u>	<u>\$ 347,226</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	87.34%	89.86%	91.79%
Covered Payroll ¹	\$ 1,166,417	\$ 1,127,693	\$ 1,098,655
Net Pension Liability as a percentage of Covered Payroll	50.24%	38.27%	31.60%

Notes to Schedule:¹ The Covered Payroll numbers shown are in compliance with GASB 82.*Changes of assumptions:*

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a percentage of Covered Payroll
09/30/2019	\$ 229,964	\$ 229,964	\$ -	\$ 1,582,655	14.53%
09/30/2018	\$ 216,098	\$ 216,098	\$ -	\$ 1,521,589	14.20%
09/30/2017	\$ 170,830	\$ 263,254	\$ (92,424)	\$ 1,411,453	18.65%
09/30/2016	\$ 168,960	\$ 173,325	\$ (4,365)	\$ 1,166,417	14.86%
09/30/2015	\$ 172,875	\$ 177,969	\$ (5,094)	\$ 1,127,693	15.78%
09/30/2014	\$ 204,413	\$ 205,381	\$ (968)	\$ 1,098,655	18.69%

¹ The Covered Payroll numbers shown are in compliance with GASB 82.

Notes to Schedule

Valuation Date: 10/01/2017

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Mortality Rate:

Healthy Active Lives:

Female: RP2000 Generational, 100% White Collar, Scale BB.

Male: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB.

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue

Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years.

Male: 100% RP2000 Disabled Male setback four years.

The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida.

This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report for non-special risk lives.

We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate:

7.50% per year compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Retirement Age:

Age 59 and 12 years of Credited Service. Also, any member who has reached these requirements is assumed to continue employment for one additional year. We believe this is reasonable based on the Plan's provisions.

Early Retirement:

Commencing with eligibility for Early Retirement Age (55), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This is based on the results of an experience study for the period 1998 – 2006.

Disability Rate:

Age-Based rates table (1202). This assumption was developed from those used by other plans containing Florida municipal General Employees.

Termination Rate:

Please see table below. The termination rates used are based on the results of an experience study from 1999 – 2012.

<u>Credited Service</u>	<u>Assumption</u>
First 2 Years	18%
Years 3-6	14%
Years 7+	Age-Based Rates

Salary Increases:

6.00% per year until the assumed retirement age. Projected salary at retirement is increased based on individual current accruals to account for nonregular compensation. This rate was developed in an experience study performed by Foster & Foster for the period 1999 – 2012.

Payroll Growth Assumption:

None.

Funding Method:

Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Total Required Contribution:

Interest – None, based on beginning of year funding

Salary – A full year, based on the current 6.00% assumption.

Actuarial Asset Method:

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Termination and Disability Rate Table:

<u>Age</u>	<u>% Terminating Each Year (after 7 Yrs of Service)</u>	<u>% Becoming Disabled During the Year</u>
20	38.60%	0.05%
30	19.40%	0.06%
40	7.30%	0.12%
50	2.70%	0.43%

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

The following information is not required to be disclosed but is provided for informational purposes.

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2019

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 257,873	\$ 214,660	\$ 392,529	\$ -
Employer Contributions made after September 30, 2018	-	-	229,964	-
Total Pension Liability Factors:				
Service Cost	193,994	-	-	193,994
Interest	380,720	-	-	380,720
Changes in benefit terms	-	-	-	-
Contributions - Buy Back	11,989	-	-	11,989
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	18,610	-	18,610	-
Current year amortization of experience difference	-	(1,647)	(10,465)	8,818
Current year amortization of change in assumptions	-	-	(54,944)	54,944
Benefit Payments, including Refunds of Employee Contributions	(300,164)	-	-	-
Net change	305,149	(1,647)	183,165	650,465
Plan Fiduciary Net Position:				
Contributions - Employer	216,098	-	(216,098)	-
Contributions - Employee	77,075	-	-	(77,075)
Contributions - Buy Back	11,989	-	-	(11,989)
Projected Net Investment Income	357,106	-	-	(357,106)
Difference between projected and actual earnings on Pension Plan investments	(2,930)	-	2,930	-
Current year amortization	-	(59,787)	(59,199)	(588)
Benefit Payments, including Refunds of Employee Contributions	(300,164)	-	-	-
Administrative Expenses	(31,140)	-	-	31,140
Net change	328,034	(59,787)	(272,367)	(415,618)
Ending Balance	\$ 234,988	\$ 153,226	\$ 303,327	\$ 234,847

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2020

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 234,988	\$ 153,226	\$ 303,327	\$ -
Employer Contributions made after September 30, 2019	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	211,276	-	-	211,276
Interest	403,077	-	-	403,077
Changes in benefit terms	-	-	-	-
Contributions - Buy Back	11,628	-	-	11,628
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	93,660	-	93,660	-
Current year amortization of experience difference	-	(1,647)	(37,423)	35,776
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(348,831)	-	-	-
Net change	<u>370,810</u>	<u>(1,647)</u>	<u>56,237</u>	<u>661,757</u>
Plan Fiduciary Net Position:				
Contributions - Employer	229,964	-	(229,964)	-
Contributions - Employee	79,133	-	-	(79,133)
Contributions - Buy Back	11,628	-	-	(11,628)
Projected Net Investment Income	380,304	-	-	(380,304)
Difference between projected and actual earnings on Pension Plan investments	(104,968)	-	104,968	-
Current year amortization	-	(51,833)	(80,191)	28,358
Benefit Payments, including Refunds of Employee Contributions	(348,831)	-	-	-
Administrative Expenses	(35,492)	-	-	35,492
Net change	<u>211,738</u>	<u>(51,833)</u>	<u>(205,187)</u>	<u>(407,215)</u>
Ending Balance	<u>\$ 394,060</u>	<u>\$ 99,746</u>	<u>\$ 154,377</u>	<u>\$ 254,542</u>

* Employer Contributions subsequent to the measurement date made after September 30, 2019 but made on or before September 30, 2020 need to be added.

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2019	\$ 104,968	5	\$ -	\$ 20,992	\$ 20,994	\$ 20,994	\$ 20,994	\$ 20,994	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 2,930	5	\$ 586	\$ 586	\$ 586	\$ 586	\$ 586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (239,565)	5	\$ (47,913)	\$ (47,913)	\$ (47,913)	\$ (47,913)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (19,598)	5	\$ (3,920)	\$ (3,920)	\$ (3,920)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 293,064	5	\$ 58,613	\$ 58,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014	\$ (39,771)	5	\$ (7,954)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (588)	\$ 28,358	\$ (30,253)	\$ (26,333)	\$ 21,580	\$ 20,994	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions													
Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2016	\$ 164,833	3	\$ 54,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 54,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

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

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2019	\$ 93,660	3	\$ -	\$ 31,220	\$ 31,220	\$ 31,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 18,610	3	\$ 6,204	\$ 6,203	\$ 6,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (4,941)	3	\$ (1,647)	\$ (1,647)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 12,782	3	\$ 4,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 8,818	\$ 35,776	\$ 37,423	\$ 31,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -