CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2024

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2026

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

December 13, 2024

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. The 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. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuation has 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 reflects 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 valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. 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 valuation, 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.

Additionally, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models that apply the funding rules to generate the results. All internally developed models are reviewed as part of the valuation process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

In our opinion, the Minimum Required Contribution set forth in this report constitutes a reasonable actuarially determined contribution under Actuarial Standard of Practice No. 4.

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: Patrick T. Donlan

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #23-6595

By: Sara Carlson

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

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Lake Alfred General Employees' Retirement System, performed as of October 1, 2024, 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, 2026.

The contribution requirements, compared with those set forth in the October 1, 2023 actuarial valuation report, are as follows:

Valuation Date	10/1/2024	10/1/2023
Applicable to Fiscal Year Ending	9/30/2026	9/30/2025
Minimum Required Contribution	$355,524	$396,447
Member Contributions (Est.)	76,683	87,476
City Required Contribution	$278,841	$308,971

As you can see, the Minimum Required Contribution shows a decrease when compared to the results set forth in the October 1, 2023 actuarial valuation report. The decrease is attributable to favorable experience realized during the year, as described in the next paragraph, and a decrease in the normal cost component due to the declining active population. The decrease was offset in part by an increase due to reducing the investment return assumption.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included favorable turnover experience and an investment return of 7.73% (Actuarial Asset Basis) which exceeded the 7.05% assumption. These gains were offset in part by a loss associated with inactive mortality experience.

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

The investment return assumption was reduced from 7.05% to 6.95% per year, net of investment-related expenses. Additionally, the long-term inflation rate assumption was reduced from 2.80% to 2.50%.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump 10/1/2024	Old Assump 10/1/2024	10/1/2023
A. Participant Data			
Actives	19	19	23
Service Retirees	24	24	25
DROP Retirees	2	2	1
Beneficiaries	3	3	3
Disability Retirees	0	0	0
Terminated Vested	40	40	40
Total	88	88	92
Projected Annual Payroll	1,397,204	1,397,204	1,592,189
Annual Rate of Payments to:			
Service Retirees	310,926	310,926	312,593
DROP Retirees	57,714	57,714	42,343
Beneficiaries	29,638	29,638	29,638
Disability Retirees	0	0	0
Terminated Vested	141,392	141,392	74,065
B. Assets			
Actuarial Value (AVA) [1]	6,737,194	6,737,194	6,279,328
Market Value (MVA) [1]	6,982,736	6,982,736	5,829,597
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	3,224,806	3,193,185	3,663,906
Disability Benefits	73,591	73,064	83,920
Death Benefits	17,537	17,541	20,836
Vested Benefits	618,084	608,348	726,596
Refund of Contributions	77,943	77,816	83,659
Service Retirees	2,767,610	2,748,275	2,835,643
DROP Retirees [1]	882,955	875,248	643,747
Beneficiaries	267,285	265,490	272,638
Disability Retirees	0	0	0
Terminated Vested	831,791	817,073	432,965
Total	8,761,602	8,676,040	8,763,910

C. Liabilities - (Continued)	New Assump 10/1/2024	Old Assump 10/1/2024	10/1/2023
Present Value of Future Salaries	9,602,372	9,607,804	11,629,702
Present Value of Future Member Contributions	480,119	480,390	581,485
Normal Cost (Retirement)	119,816	117,492	137,234
Normal Cost (Disability)	2,329	2,287	2,779
Normal Cost (Death)	600	595	727
Normal Cost (Vesting)	15,340	14,946	18,433
Normal Cost (Refunds)	15,119	15,103	17,197
Total Normal Cost	153,204	150,423	176,370
Present Value of Future Normal Costs	884,865	864,800	1,100,070
Accrued Liability (Retirement)	2,500,905	2,486,235	2,764,799
Accrued Liability (Disability)	58,407	58,215	64,513
Accrued Liability (Death)	14,340	14,387	16,576
Accrued Liability (Vesting)	530,271	523,123	612,731
Accrued Liability (Refunds)	23,173	23,194	20,228
Accrued Liability (Inactives) [1]	4,749,641	4,706,086	4,184,993
Total Actuarial Accrued Liability (EAN AL)	7,876,737	7,811,240	7,663,840
Unfunded Actuarial Accrued Liability (UAAL)	1,139,543	1,074,046	1,384,512
Funded Ratio (AVA / EAN AL)	85.5%	86.2%	81.9%

D. Actuarial Present Value of Accrued Benefits

	New Assump 10/1/2024	Old Assump 10/1/2024	10/1/2023
Vested Accrued Benefits			
Inactives [1]	4,749,641	4,706,086	4,184,993
Actives	896,790	871,396	797,930
Member Contributions	580,543	580,543	618,796
Total	6,226,974	6,158,025	5,601,719
Non-vested Accrued Benefits	315,969	310,066	376,822
Total Present Value Accrued Benefits (PVAB)	6,542,943	6,468,091	5,978,541
Funded Ratio (MVA / PVAB)	106.7%	108.0%	97.5%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	74,852	0	
Plan Experience	0	435,664	
Benefits Paid	0	(355,084)	
Interest	0	408,970	
Other	0	0	
Total	74,852	489,550	

	New Assump	Old Assump	
Valuation Date	10/1/2024	10/1/2024	10/1/2023
Applicable to Fiscal Year Ending	9/30/2026	9/30/2026	9/30/2025
E. Pension Cost			
Normal Cost [2]	$162,519	$159,569	$187,199
Administrative Expenses [2]	55,971	55,971	51,811
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2024) [2]	137,034	130,520	157,437
Minimum Required Contribution	355,524	346,060	396,447
Expected Member Contributions [2]	76,683	76,720	87,476
Expected City Contribution	278,841	269,340	308,971
F. Past Contributions			
Plan Years Ending:	9/30/2024		
City Requirement	255,934		
Actual Contributions Made:			
City	255,934		
G. Net Actuarial (Gain)/Loss	(288,214)		

[1] The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2024 and 9/30/2023.

[2] Contributions developed as of 10/1/2024 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:

Year	Projected Unfunded Actuarial Accrued Liability
2024	1,139,543
2025	1,080,583
2026	1,017,525
2029	800,817
2033	434,787
2036	87,937
2039	0

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

	Actual	Assumed
Year Ended 9/30/2024	8.22%	6.09%
Year Ended 9/30/2023	17.54%	6.11%
Year Ended 9/30/2022	8.67%	6.38%
Year Ended 9/30/2021	5.66%	6.35%
Year Ended 9/30/2020	4.37%	6.00%

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

	Market Value	Actuarial Value	Assumed
Year Ended 9/30/2024	19.84%	7.73%	7.05%
Year Ended 9/30/2023	8.74%	4.54%	7.15%
Year Ended 9/30/2022	-13.41%	3.71%	7.25%
Year Ended 9/30/2021	19.36%	9.41%	7.25%
Year Ended 9/30/2020	6.29%	7.99%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2024	$1,397,204
	10/1/2014	1,127,360
(b) Total Increase		23.94%
(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.

Sara Carlson

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

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

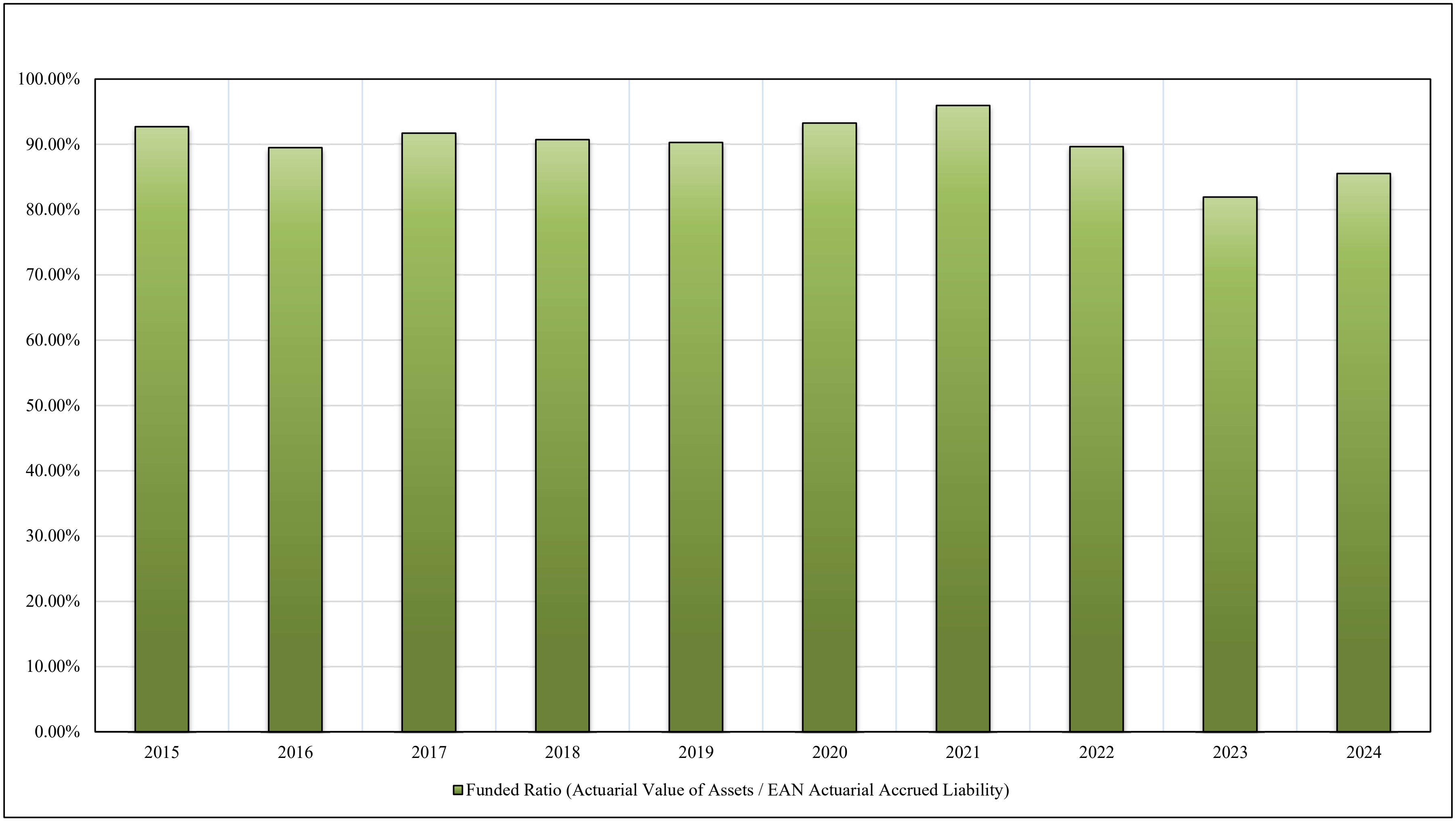
(1)	Unfunded Actuarial Accrued Liability as of October 1, 2023	$1,384,512
(2)	Sponsor Normal Cost developed as of October 1, 2023	96,761
(3)	Expected administrative expenses for the year ended September 30, 2024	48,814
(4)	Expected interest on (1), (2) and (3)	106,150
(5)	Sponsor contributions to the System during the year ended September 30, 2024	255,934
(6)	Expected interest on (5)	18,043
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	1,362,260
(8)	Change to UAAL due to Assumption Change	65,497
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(288,214)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2024	1,139,543

Type of Base	Date Established	Years Remaining	10/1/2024 Amount	Amortization Amount
Consolidation Base	10/1/2023	13	1,362,260	151,972
Actuarial Gain	10/1/2024	15	(288,214)	(29,495)
Assump Change	10/1/2024	15	65,497	6,703
			1,139,543	129,180

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	$1,384,512
(2)	Expected UAAL as of October 1, 2024	1,362,260
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(42,600)
	Salary Increases	(5,435)
	Active Decrements	(213,223)
	Inactive Mortality	43,836
	Other	(70,792)
	Increase in UAAL due to (Gain)/Loss	(288,214)
	Assumption Changes	65,497
(4)	Actual UAAL as of October 1, 2024	$1,139,543

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate	*Healthy Active Lives:* **Female:** PubG.H-2010 (Below Median) for Employees. **Male:** PubG.H-2010 (Below Median) for Employees, set back one year. *Healthy Retiree Lives:* **Female:** PubG.H-2010 (Below Median) for Healthy Retirees. **Male:** PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. *Beneficiary Lives:* **Female:** PubG.H-2010 (Below Median) for Healthy Retirees. **Male:** PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. *Disabled Lives:* PubG.H-2010 for Disabled Retirees, set forward three years. All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements. The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.
Interest Rate	6.95% (prior year 7.05%) 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.
Payroll Growth	0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Salary Increases

See table below. Projected salary at retirement is increased based on individual accruals to account for non-regular compensation. The salary increase assumption was approved based on an actuarial experience study for the period 2010 – 2019.

Salary Scale	
Service	Rate
0-4	7.00%
5-9	6.00%
10+	5.50%

Inflation Rate

2.50% (previously 2.80%).

Administrative Expenses

$52,763 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 15 years.

The amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4.

Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.

Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution:

Interest – 3.475% for expected member contributions, based on current 6.95% assumption.

Salary - A full year, based on current 6.08% assumption.

Retirement Age

See table below. This assumption was approved based on an actuarial experience study for the period 2010 – 2019.

% Retiring During the Year	
Age	Rate
55-56	5%
57-58	30%
59-64	50%
65+	100%

Disability Rate

Sample rates below. This assumption was approved based on an actuarial experience study for the period 2010 – 2019.

% Becoming Disabled During the Year	
Age	Rate
25	0.03%
35	0.03%
45	0.11%
55	0.45%
65	1.40%

Termination Rate

Sample rates below. This assumption was approved based on an actuarial experience study for the period 2010 – 2019.

% Terminating During the Year

	Age Range		
Service	<35	35-49	50+
<5	25%	16%	14%
5-14	17%	10%	4%
15+	14%	4%	2%

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.

Low-Default-Risk Obligation Measure

Based on the Entry Age Normal Actuarial Cost Method and an interest rate of 4.06% per year compounded annually, net of investment related expenses. This rate is consistent with the Yield to Maturity of the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2024. All other assumptions for the Low-Default-Risk Obligation Measure are consistent with the assumptions shown in this section unless otherwise noted.

GLOSSARY

Actuarial Value of Assets is the asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.

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.

Market Value of Assets is the fair market value of plan assets as of the valuation date. This amount may be adjusted to produce an Actuarial Value of Assets for plan funding purposes.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded. Under the Entry Age Normal cost method, it is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Payroll Under Assumed Ret. Age is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members, excluding any Members who are assumed to retire with 100% probability on the valuation date.

Projected Annual Payroll is the projected annual rate of pay for the fiscal year following the fiscal year beginning on the valuation date of 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 plan participants.

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

Total Required Contribution is equal to the Normal Cost 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.

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.

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.

- 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 137.0% on October 1, 2014 to 48.7% on October 1, 2024, 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 60.3%. 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 decreased from 91.0% on October 1, 2014 to 85.5% on October 1, 2024.

- 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, decreased from -0.1% on October 1, 2014 to -0.4% on October 1, 2024. The current Net Cash Flow Ratio of -0.4% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a "low-default-risk obligation measure" (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 9 in terms of member data, plan provisions, and assumptions/methods, under the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.06%, resulting in an LDROM of $11,891,343. The LDROM should not be considered the "correct" liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. The Board actually invests the pension plan's contributions in a diversified portfolio of stocks and bonds and other investments with the objective of maximizing investment returns at a reasonable level of risk. Consequently, the difference between the plan's Actuarial Accrued Liability disclosed earlier in this section and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan's diversified portfolio compared to investing only in high quality bonds.

The actuarial valuation reports the funded status and develops contributions based on the expected return of the plan's investment portfolio. If instead, the plan switched to investing exclusively in high quality bonds, the LDROM illustrates that reported funded status would be lower (which also implies that the Actuarially Determined Contributions would be higher), perhaps significantly. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security.

It is important to note that the actuary has identified the risks above 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

	10/1/2024	10/1/2023	10/1/2019	10/1/2014
Support Ratio				
Total Actives	19	23	34	37
Total Inactives [1]	39	36	35	27
Actives / Inactives [1]	48.7%	63.9%	97.1%	137.0%
Asset Volatility Ratio				
Market Value of Assets (MVA)	6,982,736	5,829,597	5,314,253	3,883,370
Total Annual Payroll	1,420,510	1,592,189	1,620,548	1,127,360
MVA / Total Annual Payroll	491.6%	366.1%	327.9%	344.5%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	4,749,641	4,184,993	3,443,573	2,517,721
Total Accrued Liability (EAN)	7,876,737	7,663,840	5,914,739	4,108,324
Inactive AL / Total AL	60.3%	54.6%	58.2%	61.3%
Funded Ratio				
Actuarial Value of Assets (AVA)	6,737,194	6,279,328	5,340,549	3,740,538
Total Accrued Liability (EAN)	7,876,737	7,663,840	5,914,739	4,108,324
AVA / Total Accrued Liability (EAN)	85.5%	81.9%	90.3%	91.0%
Net Cash Flow Ratio				
Net Cash Flow [2]	(26,393)	(374,932)	(63,598)	(2,869)
Market Value of Assets (MVA)	6,982,736	5,829,597	5,314,253	3,883,370
Ratio	-0.4%	-6.4%	-1.2%	-0.1%

[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, 2024

	MARKET VALUE
<u>ASSETS</u>	
Cash and Cash Equivalents:	
Cash	97,783.95
Total Cash and Equivalents	97,783.95
Receivables:	
Member Contributions in Transit	200.20
Total Receivable	200.20
Investments:	
Pooled/Common/Commingled Funds:	
Fixed Income	2,046,478.54
Equity	4,183,756.47
Real Estate	656,549.43
Total Investments	6,886,784.44
Total Assets	6,984,768.59
<u>LIABILITIES</u>	
Payables:	
Administrative Expenses	2,032.50
Total Liabilities	2,032.50
NET POSITION RESTRICTED FOR PENSIONS	6,982,736.09

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024
Market Value Basis

<u>ADDITIONS</u>		
Contributions:		
Member	74,697.11	
Buy-Back	43,294.70	
City	255,934.00	
Total Contributions		373,925.81
Investment Income:		
Net Increase in Fair Value of Investments	1,192,184.79	
Less Investment Expense[1]	(12,652.74)	
Net Investment Income		1,179,532.05
Total Additions		1,553,457.86
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	342,091.69	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	12,992.08	
Total Distributions		355,083.77
Administrative Expense		45,235.35
Total Deductions		400,319.12
Net Increase in Net Position		1,153,138.74
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		5,829,597.35
End of the Year		6,982,736.09

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

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2024

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]
09/30/2021	19.36%
09/30/2022	-13.41%
09/30/2023	8.74%
09/30/2024	19.84%

Annualized Rate of Return for prior four (4) years: 7.73%

(A) 10/01/2023 Actuarial Assets:		$6,279,328.31
(I) Net Investment Income:		
1. Net Increase in Fair Value of Investments	1,192,184.79	
2. Change in Actuarial Value	(695,272.61)	
3. Investment Related Expenses	(12,652.74)	
Total		484,259.44
(B) 10/01/2024 Actuarial Assets:		$6,737,194.44

Actuarial Asset Rate of Return = 2I/(A+B-I), based on Unlimited Actuarial Assets: 7.73%

10/01/2024 Limited Actuarial Assets	$6,737,194.44
10/01/2024 Market Value of Assets	$6,982,736.09

Actuarial Asset Rate of Return, based on Limited Actuarial Assets: 7.73%

Actuarial Gain/(Loss) due to Investment Return (Limited Actuarial Asset Basis) $42,599.80

[1]Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2024
Actuarial Asset Basis

REVENUES		
Contributions:		
Member	74,697.11	
Buy-Back	43,294.70	
City	255,934.00	
Total Contributions		373,925.81
Earnings from Investments:		
Net Increase in Fair Value of Investments	1,192,184.79	
Change in Actuarial Value	(695,272.61)	
Total Earnings and Investment Gains		496,912.18
EXPENDITURES		
Distributions to Members:		
Benefit Payments	342,091.69	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	12,992.08	
Total Distributions		355,083.77
Expenses:		
Investment related[1]	12,652.74	
Administrative	45,235.35	
Total Expenses		57,888.09
Change in Net Assets for the Year		457,866.13
Net Assets Beginning of the Year		6,279,328.31
Net Assets End of the Year[2]		6,737,194.44

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.
[2]Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2023 to September 30, 2024

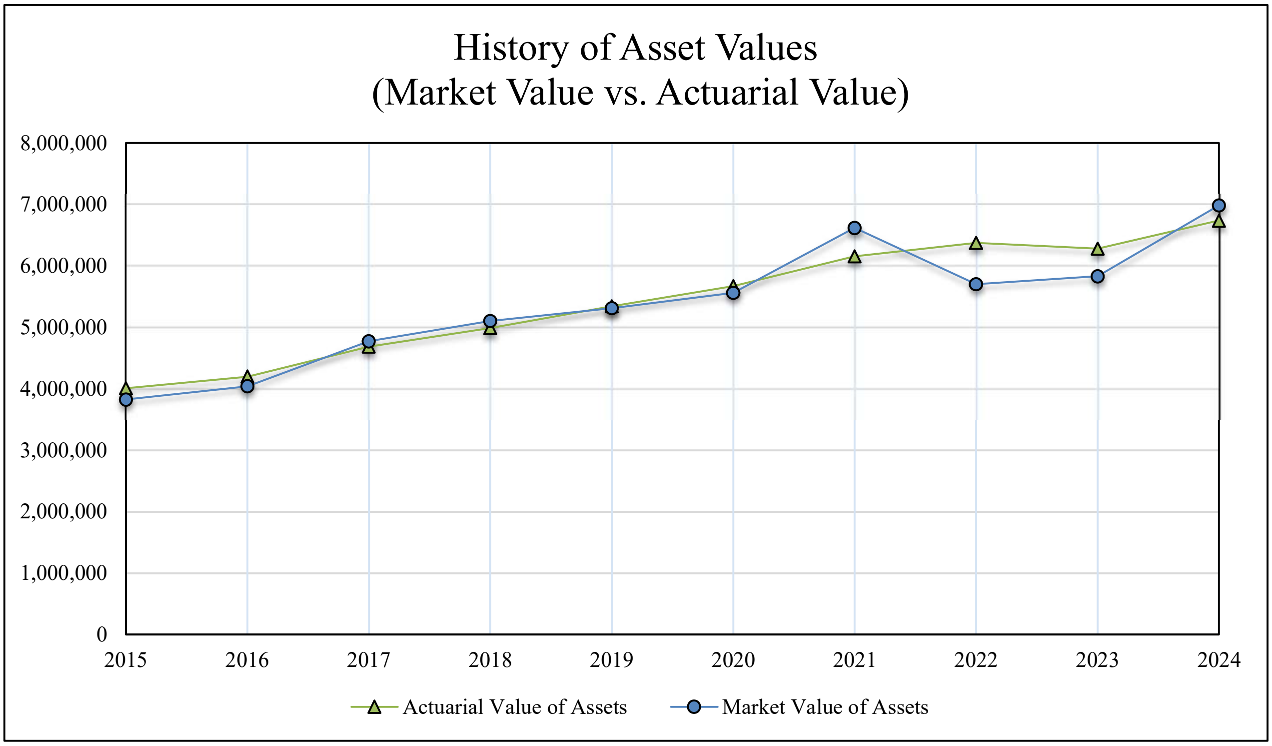
Beginning of the Year Balance	74,603.16
Plus Additions	51,309.37
Investment Return Earned	6,325.68
Less Distributions	0.00
End of the Year Balance	132,238.21

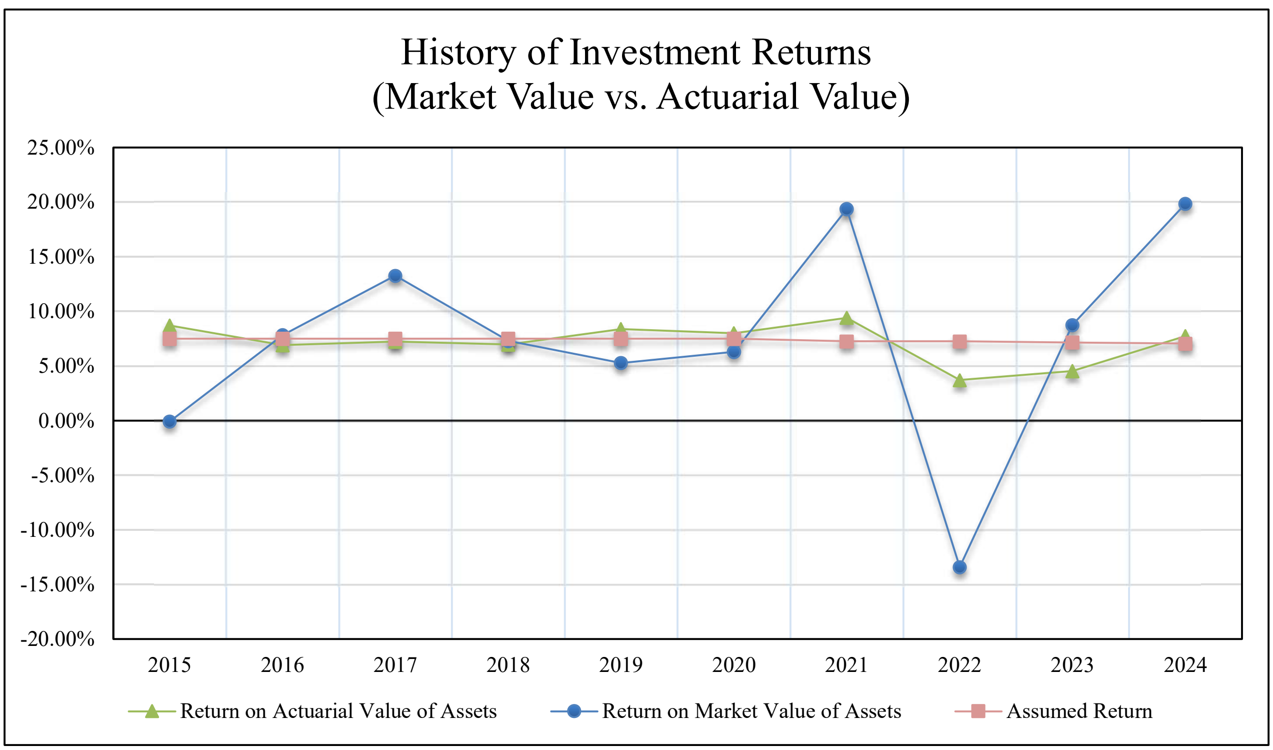
Note: Election option assumption for one new DROP participant is the Normal Form. Therefore, Investment Return Earned is not included.

RECONCILIATION OF CITY SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2024

(1)	Required City Contributions	$255,934.00
(2)	Less 2023 Prepaid Contribution	0.00
(3)	Less Actual City Contributions	(255,934.00)
(4)	Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2024	$0.00

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS





STATISTICAL DATA

	10/1/2024	10/1/2023	10/1/2022	10/1/2021
Actives				
Number	19	23	39	37
Average Current Age	46.6	45.7	44.3	45.6
Average Age at Employment	38.7	37.8	38.9	40.0
Average Past Service	7.9	7.9	5.4	5.6
Average Annual Salary	$74,764	$69,226	$52,052	$49,906
Service Retirees				
Number	24	25	25	26
Average Current Age	71.0	70.5	70.4	69.3
Average Annual Benefit	$12,955	$12,504	$11,966	$11,991
DROP Retirees				
Number	2	1	1	0
Average Current Age	58.9	59.1	58.1	N/A
Average Annual Benefit	$28,857	$42,343	$42,343	N/A
Beneficiaries				
Number	3	3	1	1
Average Current Age	71.8	70.8	74.8	73.8
Average Annual Benefit	$9,879	$9,879	$17,768	$17,768
Disability Retirees				
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
Terminated Vested				
Number	40	40	40	36
Average Current Age [1]	47.3	48.0	48.6	47.6
Average Annual Benefit [1]	$14,139	$10,581	$10,368	$10,368

[1] The Average Current Age and Average Annual Benefit exclude 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
25 - 29						1						1
30 - 34			1									1
35 - 39		1				1						2
40 - 44							2					2
45 - 49				1		1						2
50 - 54					1	1	1	1				4
55 - 59			1	1		2	1					5
60 - 64						1						1
65+												0
Total	0	1	3	2	1	7	4	1	0	0	0	19

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2023	23
b. Terminations	
i. Vested (partial or full) with deferred annuity	(3)
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	(1)
g. Continuing participants	19
h. New entrants / Rehires	0
i. Total active life participants in valuation	19

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

	Service Retirees, Vested Receiving Benefits	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
a. Number prior valuation	25	1	3	0	7	33	69
Retired							0
DROP		1					1
Vested (Deferred Annuity)					3		3
Vested (Due Refund)							0
Hired/Terminated in Same Year							0
Death, With Survivor							0
Death, No Survivor	(1)						(1)
Disabled							0
Refund of Contributions						(3)	(3)
Rehires							0
Expired Annuities							0
Data Corrections							0
b. Number current valuation	24	2	3	0	10	30	69

SUMMARY OF CURRENT PLAN

Eligibility	Full-time employees who are classified as General Employees hired prior to January 1, 2023 who elect to remain in the plan.
Credited Service	Years and fractional parts of years while employment with the City.
Salary	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.
Average Final Compensation	Average Salary for the best 5 years of the last 10 years preceding retirement or termination.
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.
Normal Retirement	
Eligibility	Age 57 and 10 years of Credited Service.
Benefit	2.72% of Average Final Compensation times Credited Service.
Form of Benefit	Five Year Certain and Life Annuity (options available).
Early Retirement	
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 96 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.