

**CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2025 VALUATION DATE**



May 29, 2026

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

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

Dear Laura:

Please find enclosed the annual disclosures that satisfy the October 1, 2025 financial reporting requirements made under Section 112.664.

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

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

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), Florida Statutes, the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

Respectfully submitted,

Foster & Foster, Inc.



Sara E. Carlson, ASA, EA, MAAA
Enrolled Actuary #26-8546

Enclosures

When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2025 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2025

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.85%	4.85%
<u>Total Pension Liability</u>		
Service Cost	157,710	232,214
Interest	548,755	520,150
Changes of Benefit Terms	-	-
Experience Gains/Losses	(245,095)	(336,964)
Changes of Assumptions	238,310	357,612
Contributions - Buy Back	122,044	122,044
Benefit Payments	(505,415)	(505,415)
Net Change in Total Pension Liability	316,309	389,641
Total Pension Liability - Beginning	7,990,750	10,528,567
Total Pension Liability - Ending (a)	<u>\$ 8,307,059</u>	<u>\$ 10,918,208</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	308,971	308,971
Contributions - State	-	-
Contributions - Employee	79,775	79,775
Contributions - Buy Back	122,044	122,044
Net Investment Income	574,767	574,767
Benefit Payments	(505,415)	(505,415)
Administrative Expense	(41,186)	(41,186)
Net Change in Plan Fiduciary Net Position	538,956	538,956
Plan Fiduciary Net Position - Beginning	6,982,736	6,982,736
Plan Fiduciary Net Position - Ending (b)	<u>\$ 7,521,692</u>	<u>\$ 7,521,692</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 785,367</u>	<u>\$ 3,396,516</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 6.85%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2025	7,521,692	-	482,671	-	498,704	7,537,725
2026	7,537,725	-	425,220	-	501,770	7,614,275
2027	7,614,275	-	410,457	-	507,520	7,711,338
2028	7,711,338	-	428,541	-	513,549	7,796,346
2029	7,796,346	-	455,247	-	518,457	7,859,556
2030	7,859,556	-	491,282	-	521,553	7,889,827
2031	7,889,827	-	501,302	-	523,284	7,911,809
2032	7,911,809	-	508,677	-	524,537	7,927,669
2033	7,927,669	-	503,710	-	525,793	7,949,752
2034	7,949,752	-	513,429	-	526,973	7,963,296
2035	7,963,296	-	510,199	-	528,011	7,981,108
2036	7,981,108	-	501,657	-	529,524	8,008,975
2037	8,008,975	-	496,829	-	531,598	8,043,744
2038	8,043,744	-	564,403	-	531,666	8,011,007
2039	8,011,007	-	584,607	-	528,731	7,955,131
2040	7,955,131	-	612,307	-	523,955	7,866,779
2041	7,866,779	-	620,974	-	517,606	7,763,411
2042	7,763,411	-	632,417	-	510,133	7,641,127
2043	7,641,127	-	640,942	-	501,465	7,501,650
2044	7,501,650	-	631,149	-	492,246	7,362,747
2045	7,362,747	-	617,406	-	483,202	7,228,543
2046	7,228,543	-	602,802	-	474,509	7,100,250
2047	7,100,250	-	587,505	-	466,245	6,978,990
2048	6,978,990	-	572,969	-	458,437	6,864,458
2049	6,864,458	-	557,295	-	451,128	6,758,291
2050	6,758,291	-	541,911	-	444,382	6,660,762
2051	6,660,762	-	526,475	-	438,230	6,572,517
2052	6,572,517	-	517,224	-	432,502	6,487,795
2053	6,487,795	-	501,572	-	427,235	6,413,458
2054	6,413,458	-	486,071	-	422,674	6,350,061
2055	6,350,061	-	470,118	-	418,878	6,298,821
2056	6,298,821	-	453,871	-	415,924	6,260,874
2057	6,260,874	-	436,838	-	413,908	6,237,944
2058	6,237,944	-	419,508	-	412,931	6,231,367
2059	6,231,367	-	401,714	-	413,090	6,242,743
2060	6,242,743	-	383,505	-	414,493	6,273,731
2061	6,273,731	-	364,921	-	417,252	6,326,062
2062	6,326,062	-	346,029	-	421,484	6,401,517
2063	6,401,517	-	326,906	-	427,307	6,501,918
2064	6,501,918	-	307,646	-	434,845	6,629,117
2065	6,629,117	-	288,330	-	444,219	6,785,006
2066	6,785,006	-	269,065	-	455,557	6,971,498
2067	6,971,498	-	249,937	-	468,987	7,190,548
2068	7,190,548	-	231,037	-	484,640	7,444,151
2069	7,444,151	-	212,449	-	502,648	7,734,350
2070	7,734,350	-	194,221	-	523,151	8,063,280
2071	8,063,280	-	176,423	-	546,292	8,433,149
2072	8,433,149	-	159,119	-	572,221	8,846,251
2073	8,846,251	-	142,366	-	601,092	9,304,977
2074	9,304,977	-	126,265	-	633,066	9,811,778

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 6.85%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2075	9,811,778	-	110,914	-	668,308	10,369,172
2076	10,369,172	-	96,409	-	706,986	10,979,749
2077	10,979,749	-	82,881	-	749,274	11,646,142
2078	11,646,142	-	70,433	-	795,348	12,371,057
2079	12,371,057	-	59,154	-	845,391	13,157,294
2080	13,157,294	-	49,118	-	899,592	14,007,768
2081	14,007,768	-	40,319	-	958,151	14,925,600
2082	14,925,600	-	32,724	-	1,021,283	15,914,159
2083	15,914,159	-	26,275	-	1,089,220	16,977,104
2084	16,977,104	-	20,889	-	1,162,216	18,118,431
2085	18,118,431	-	16,468	-	1,240,548	19,342,511
2086	19,342,511	-	12,897	-	1,324,520	20,654,134
2087	20,654,134	-	10,054	-	1,414,464	22,058,544
2088	22,058,544	-	7,818	-	1,510,742	23,561,468
2089	23,561,468	-	6,073	-	1,613,753	25,169,148
2090	25,169,148	-	4,718	-	1,723,925	26,888,355
2091	26,888,355	-	3,665	-	1,841,727	28,726,417
2092	28,726,417	-	2,844	-	1,967,662	30,691,235
2093	30,691,235	-	2,201	-	2,102,274	32,791,308
2094	32,791,308	-	1,697	-	2,246,146	35,035,757
2095	35,035,757	-	1,299	-	2,399,905	37,434,363
2096	37,434,363	-	984	-	2,564,220	39,997,599
2097	39,997,599	-	734	-	2,739,810	42,736,675
2098	42,736,675	-	539	-	2,927,444	45,663,580
2099	45,663,580	-	387	-	3,127,942	48,791,135
2100	48,791,135	-	272	-	3,342,183	52,133,046
2101	52,133,046	-	186	-	3,571,107	55,703,967
2102	55,703,967	-	124	-	3,815,717	59,519,560
2103	59,519,560	-	80	-	4,077,087	63,596,567
2104	63,596,567	-	50	-	4,356,363	67,952,880
2105	67,952,880	-	30	-	4,654,771	72,607,621
2106	72,607,621	-	18	-	4,973,621	77,581,224
2107	77,581,224	-	10	-	5,314,314	82,895,528
2108	82,895,528	-	6	-	5,678,343	88,573,865
2109	88,573,865	-	3	-	6,067,310	94,641,172
2110	94,641,172	-	2	-	6,482,920	101,124,090
2111	101,124,090	-	1	-	6,927,000	108,051,089
2112	108,051,089	-	-	-	7,401,500	115,452,589

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.85% interest.

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

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: Investment Rate of Return = 4.85%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2025	7,521,692	-	482,671	-	353,097	7,392,118
2026	7,392,118	-	425,220	-	348,206	7,315,104
2027	7,315,104	-	410,457	-	344,829	7,249,476
2028	7,249,476	-	428,541	-	341,207	7,162,142
2029	7,162,142	-	455,247	-	336,324	7,043,219
2030	7,043,219	-	491,282	-	329,683	6,881,620
2031	6,881,620	-	501,302	-	321,602	6,701,920
2032	6,701,920	-	508,677	-	312,708	6,505,951
2033	6,505,951	-	503,710	-	303,324	6,305,565
2034	6,305,565	-	513,429	-	293,369	6,085,505
2035	6,085,505	-	510,199	-	282,775	5,858,081
2036	5,858,081	-	501,657	-	271,952	5,628,376
2037	5,628,376	-	496,829	-	260,928	5,392,475
2038	5,392,475	-	564,403	-	247,848	5,075,920
2039	5,075,920	-	584,607	-	232,005	4,723,318
2040	4,723,318	-	612,307	-	214,232	4,325,243
2041	4,325,243	-	620,974	-	194,716	3,898,985
2042	3,898,985	-	632,417	-	173,765	3,440,333
2043	3,440,333	-	640,942	-	151,313	2,950,704
2044	2,950,704	-	631,149	-	127,804	2,447,359
2045	2,447,359	-	617,406	-	103,725	1,933,678
2046	1,933,678	-	602,802	-	79,165	1,410,041
2047	1,410,041	-	587,505	-	54,140	876,676
2048	876,676	-	572,969	-	28,624	332,331
2049	332,331	-	557,295	-	-	-

*All DROP Balances paid in 2025.

Number of Years Expected Benefit Payments Sustained: 24.60

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.85% interest.

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

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2027

Valuation Date: 10/1/2025

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.85%	4.85%
Minimum Required Contribution (Fixed \$)	\$463,890	\$725,420
Minimum Required Contribution (% of Payroll)	28.1%	43.9%
Expected Member Contribution	82,662	82,662
Expected Sponsor Contribution (Fixed \$)	\$381,228	\$642,758
Expected Sponsor Contribution (% of Payroll)	23.1%	38.9%

ASSETS

Actuarial Value ¹	7,044,696	7,044,696
Market Value ¹	7,521,692	7,521,692

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	4,311,606	6,335,334
Disability Benefits	98,899	141,441
Death Benefits	17,264	21,708
Vested Benefits	715,838	1,148,033
Refund of Contributions	82,296	84,311
Service Retirees	3,311,443	3,898,194
DROP Retirees ¹	224,531	272,188
Beneficiaries	261,673	300,674
Disability Retirees	0	0
Terminated Vested	929,748	1,345,700
Total:	9,953,298	13,547,583
Present Value of Future Salaries	10,454,125	11,551,229
Present Value of Future Member Contributions	522,706	577,561
Total Normal Cost	175,827	263,213
Present Value of Future Normal Costs (Entry Age Normal)	934,164	1,578,645
Total Actuarial Accrued Liability (EAN) ¹	9,019,134	11,968,938
Unfunded Actuarial Accrued Liability (UAAL)	1,974,438	4,924,242

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2027

Valuation Date: 10/1/2025

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	6.85%	4.85%
<u>PENSION COST</u>		
Normal Cost ²	186,447	279,111
Administrative Expenses ²	45,821	45,821
Payment Required To Amortize UAAL ²	<u>231,622</u>	<u>400,488</u>
Minimum Required Contribution	\$463,890	\$725,420

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2025.

² Contributions developed as of 10/1/2025 displayed above have been adjusted to account for assumed salary increase and interest components.