

CITY OF EDGEWATER
GENERAL EMPLOYEES' RETIREMENT PLAN

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

March 9, 2020

Board of Trustees
City of Edgewater
General Employees' Retirement Plan
P.O. Box 100
Edgewater, FL 32132-0100

Re: City of Edgewater General Employees' Retirement Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Edgewater General Employees' Retirement Plan. 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 valuations, 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 Edgewater, 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.

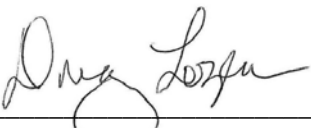
The undersigned are familiar with the immediate and long-term aspects of pension valuations, and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the 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 Edgewater, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the General Employees' Retirement Plan. 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: 

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778

By: 

Julie E. Franken, EA, MAAA
Enrolled Actuary #17-7427

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Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Edgewater General Employees' Retirement Plan, 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	\$796,387	\$801,756
Member Contributions (Est.)	2,651	2,575
City Required Contribution	\$793,736	\$799,181

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial gain was a 7.38% investment return (net-of-fees, actuarial basis), exceeding the 6.75% 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	1	2
Service Retirees	95	90
Beneficiaries	5	5
Disability Retirees	0	1
Terminated Vested	<u>19</u>	<u>22</u>
 Total	 120	 120
 Total Annual Payroll	 \$98,639	 \$173,604
Payroll Under Assumed Ret. Age	98,639	95,801
 Annual Rate of Payments to:		
Service Retirees	1,458,320	1,408,965
Beneficiaries	54,267	54,267
Disability Retirees	0	5,168
Terminated Vested	89,334	107,019
 B. Assets		
Actuarial Value (AVA)	12,458,529	12,374,261
Market Value (MVA)	12,398,463	12,533,777
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits ¹	448,178	885,475
Disability Benefits	34,851	32,451
Death Benefits	2,696	2,456
Vested Benefits	0	0
Refund of Contributions	0	0
Service Retirees	17,208,206	16,783,881
Beneficiaries	629,393	638,440
Disability Retirees	0	44,682
Terminated Vested	<u>956,530</u>	<u>1,145,694</u>
 Total	 19,279,854	 19,533,079

C. Liabilities - (Continued)	<u>10/1/2019</u>	<u>10/1/2018</u>
Present Value of Future Salaries	689,979	709,314
Present Value of Future Member Contributions	17,249	17,733
Normal Cost (Retirement)	16,121	16,005
Normal Cost (Disability)	1,844	1,730
Normal Cost (Death)	117	107
Normal Cost (Vesting)	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>
Total Normal Cost	18,082	17,842
Present Value of Future Normal Costs	135,270	149,465
Accrued Liability (Retirement)	326,624	749,613
Accrued Liability (Disability)	21,955	19,642
Accrued Liability (Death)	1,876	1,662
Accrued Liability (Vesting)	0	0
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives)	<u>18,794,129</u>	<u>18,612,697</u>
Total Actuarial Accrued Liability (EAN AL)	19,144,584	19,383,614
Unfunded Actuarial Accrued Liability (UAAL)	6,686,055	7,009,353
Funded Ratio (AVA / EAN AL)	65.1%	63.8%

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2019</u>	<u>10/1/2018</u>
Vested Accrued Benefits		
Inactives	18,794,129	18,612,697
Actives	222,886	627,957
Member Contributions	<u>32,769</u>	<u>53,516</u>
Total	19,049,784	19,294,170
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>
Total Present Value Accrued Benefits (PVAB)	19,049,784	19,294,170
Funded Ratio (MVA / PVAB)	65.1%	65.0%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	35,157	
Benefits Paid	(1,530,253)	
Interest	1,250,710	
Other	<u>0</u>	
Total	(244,386)	

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	\$19,440	\$19,182
Administrative Expenses ²	54,431	50,748
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 17 years (as of 10/1/2019) ²	722,516	731,826
Minimum Required Contribution	796,387	801,756
Expected Member Contributions ²	2,651	2,575
Expected City Contribution	793,736	799,181

F. Past Contributions

Plan Years Ending:	<u>9/30/2019</u>
City Requirement	781,161
Actual Contributions Made:	
Members (excluding buyback)	2,615
City	<u>782,806</u>
Total	785,421

G. Net Actuarial (Gain)/Loss (52,489)

¹ Includes a 2% load for Accumulated Leave.

² Contributions developed as of 10/1/2019 displayed above have been adjusted to account for assumed salary increase and interest 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	6,686,055
2020	6,419,956
2021	6,135,896
2025	4,646,439
2029	2,438,911
2032	498,338
2036	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2019	2.96%	4.00%
Year Ended 9/30/2018	9.52%	4.00%
Year Ended 9/30/2017	11.43%	4.00%
Year Ended 9/30/2016	3.32%	4.00%
Year Ended 9/30/2015	3.33%	4.00%

(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	5.47%	7.38%	6.75%
Year Ended 9/30/2018	6.63%	5.59%	6.75%
Year Ended 9/30/2017	8.92%	5.80%	6.75%
Year Ended 9/30/2016	8.40%	6.73%	6.75%
Year Ended 9/30/2015	-0.56%	10.55%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2019	\$98,639
	10/1/2009	1,204,161
(b) Total Increase		-91.81%
(c) Number of Years		10.00
(d) Average Annual Rate		-22.14%

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.



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778

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	\$7,009,353
(2)	Sponsor Normal Cost developed as of October 1, 2018	15,447
(3)	Expected administrative expenses for the year ended September 30, 2019	47,203
(4)	Expected interest on (1), (2) and (3)	475,767
(5)	Sponsor contributions to the System during the year ended September 30, 2019	782,806
(6)	Expected interest on (5)	26,420
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2019 (1)+(2)+(3)+(4)-(5)-(6)	6,738,544
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(52,489)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2019	6,686,055

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2019 Amount</u>	<u>Amortization Amount</u>
Method Change	10/1/2012	13	4,945,999	546,543
Assumption Change	10/1/2012	13	123,529	13,650
Experience Gain	10/1/2013	4	(213,217)	(58,635)
Experience Gain	10/1/2014	5	(77,127)	(17,503)
Experience Gain	10/1/2015	6	(261,981)	(51,090)
Assumption Change	10/1/2015	16	1,079,910	105,321
Assumption Change	10/1/2016	17	588,922	55,532
Experience Loss	10/1/2016	7	87,273	15,038
Experience Loss	10/1/2017	8	299,583	46,544
Experience Loss	10/1/2018	9	165,653	23,565
Experience Gain	10/1/2019	10	<u>(52,489)</u>	<u>(6,920)</u>
			6,686,055	672,045

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2018	\$7,009,353
(2) Expected UAAL as of October 1, 2019	6,738,544
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(74,854)
Salary Increases	(3,348)
Active Decrements	(40,474)
Inactive Mortality	58,474
Other	<u>7,713</u>
Increase in UAAL due to (Gain)/Loss	(52,489)
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2019	\$6,686,055

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

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

Male: RP2000 Generational, 50% Combined Healthy 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

6.75% 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

4% per year, based on results of an Experience Study performed for the period October 1, 2003 through October 1, 2012.

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.

Administrative Expenses

\$50,629 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.

Normal Retirement

<u>Age</u>	<u>Retirement Probability</u>
55	50%
56	0%
57	0%
58	0%
59	0%
60 and older	100%

In addition to the above table, 100% Retirement is assumed upon the completion of 25 years of Credited Service.

The above rates are supported by an Experience Study performed for the period October 1, 2003 through October 1, 2012.

Early Retirement

None assumed, based on results of an Experience Study performed for the period October 1, 2003 through October 1, 2012.

Disability Rate

<u>Age</u>	<u>Rate</u>
40	0.30%
45	0.51%
50	1.00%
55	1.55%

These rates are consistent with other Florida General Employee retirement programs.

Termination Rate

None assumed, based on results of an Experience Study performed for the period October 1, 2003 through October 1, 2012.

Funding Method

Entry Age Normal Actuarial Cost Method

The following loads are applied for determination of the Sponsor funding requirement:

Interest – A half year, based on the current 6.75% assumption.

Salary – A full year, based on the current average assumption of 4.0%.

Actuarial Asset Method

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.

GLOSSARY

Total Annual Payroll is the projected annual rate of pay for the fiscal year following 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 Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

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.

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.

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 4.3% on October 1, 2016 to 0.8% 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 98.2%. 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, decreased from -3.7% on October 1, 2016 to -6.4% on October 1, 2019. The current Net Cash Flow Ratio of -6.4% 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	5	3	2	1
Total Inactives ¹	116	118	108	119
Actives / Inactives ¹	4.3%	2.5%	1.9%	0.8%

Asset Volatility Ratio

Market Value of Assets (MVA)	12,266,682	12,497,701	12,533,777	12,398,463
Total Annual Payroll	287,833	206,725	173,604	98,639
MVA / Total Annual Payroll	4,261.7%	6,045.6%	7,219.8%	12,569.5%

Accrued Liability (AL) Ratio

Inactive Accrued Liability	18,174,972	18,560,389	18,612,697	18,794,129
Total Accrued Liability (EAN)	19,418,677	19,516,641	19,383,614	19,144,584
Inactive AL / Total AL	93.6%	95.1%	96.0%	98.2%

Funded Ratio

Actuarial Value of Assets (AVA)	12,585,056	12,466,110	12,374,261	12,458,529
Total Accrued Liability (EAN)	19,418,677	19,516,641	19,383,614	19,144,584
AVA / Total Accrued Liability (EAN)	64.8%	63.9%	63.8%	65.1%

Net Cash Flow Ratio

Net Cash Flow ²	(459,770)	(824,650)	(766,994)	(798,886)
Market Value of Assets (MVA)	12,266,682	12,497,701	12,533,777	12,398,463
Ratio	-3.7%	-6.6%	-6.1%	-6.4%

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>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	1,449,355.33	1,449,355.33
Total Cash and Equivalents	1,449,355.33	1,449,355.33
Receivables:		
Investment Income	39,101.62	39,101.62
Total Receivable	39,101.62	39,101.62
Investments:		
U. S. Bonds and Bills	703,974.20	753,565.95
Federal Agency Guaranteed Securities	953,182.77	964,998.75
Corporate Bonds	3,103,953.08	3,200,164.45
Mutual Funds:		
Equity	5,245,230.42	6,009,389.57
Total Investments	10,006,340.47	10,928,118.72
Total Assets	11,494,797.42	12,416,575.67
 <u>LIABILITIES</u>		
Payables:		
Investment Expenses	13,154.36	13,154.36
Administrative Expenses	4,958.20	4,958.20
Total Liabilities	18,112.56	18,112.56
NET POSITION RESTRICTED FOR PENSIONS	11,476,684.86	12,398,463.11

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

ADDITIONS

Contributions:

Member	2,615.09
City	782,805.91

Total Contributions 785,421.00

Investment Income:

Net Realized Gain (Loss)	76,749.03
Unrealized Gain (Loss)	(157,784.75)
Net Increase in Fair Value of Investments	(81,035.72)
Interest & Dividends	781,486.33
Less Investment Expense ¹	(36,878.52)

Net Investment Income 663,572.09

Total Additions 1,448,993.09

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,506,891.70
Refunds of Member Contributions	23,361.22

Total Distributions 1,530,252.92

Administrative Expense 54,054.18

Total Deductions 1,584,307.10

Net Increase in Net Position (135,314.01)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 12,533,777.12

End of the Year 12,398,463.11

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 recognizing the total actuarial investment gain or loss for each Plan Year over a four year period. In the first year, 25% of the gain or loss is recognized. In the second year 50%, in the third year 75%, and in the fourth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/Loss	<u>Gain/Loss Not Yet Recognized</u>			
		Amounts Not Yet Recognized by Valuation Year			
		2019	2020	2021	2022
09/30/2016	170,986	0	0	0	0
09/30/2017	255,500	63,875	0	0	0
09/30/2018	(14,639)	(7,319)	(3,659)	0	0
09/30/2019	(155,496)	(116,622)	(77,748)	(38,874)	0
Total		(60,066)	(81,407)	(38,874)	0

<u>Development of Investment Gain/Loss</u>	
Actual Net Return on Market Value	663,572
Expected Investment Earnings*	819,068
2019 Actuarial Investment Gain/Loss	<u>(155,496)</u>

*Expected Investment Earnings = $0.0675 * [12,533,777 + 0.5 * (798,886)]$

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2019	12,398,463
(2) Gain/(Loss) Not Yet Recognized	<u>(60,066)</u>
(3) Actuarial Value of Assets, 09/30/2019, (1) - (2)	12,458,529
(A) 09/30/2018 Actuarial Assets:	12,374,261
(I) Net Investment Income:	
1. Interest and Dividends	781,486
2. Realized Gain (Loss)	76,749
3. Unrealized Gain (Loss)	(157,785)
4. Change in Actuarial Value	219,582
5. Investment Expenses	<u>(36,879)</u>
Total	883,154
(B) 09/30/2015 Actuarial Assets:	12,458,529
Actuarial Assets Rate of Return = $2I/(A+B-I)$:	7.38%
Market Value of Assets Rate of Return:	5.47%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	74,854
10/01/2019 Limited Actuarial Assets:	12,458,529

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

REVENUES

Contributions:		
Member	2,615.09	
City	782,805.91	
Total Contributions		785,421.00
Earnings from Investments:		
Interest & Dividends	781,486.33	
Net Realized Gain (Loss)	76,749.03	
Unrealized Gain (Loss)	(157,784.75)	
Change in Actuarial Value	219,582.00	
Total Earnings and Investment Gains		920,032.61

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,506,891.70	
Refunds of Member Contributions	23,361.22	
Total Distributions		1,530,252.92
Expenses:		
Investment related ¹	36,878.52	
Administrative	54,054.18	
Total Expenses		90,932.70
Change in Net Assets for the Year		84,267.99
Net Assets Beginning of the Year		12,374,261.12
Net Assets End of the Year ²		12,458,529.11

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

²Net Assets may be limited for actuarial consideration.

CITY CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2019

(1) Required City Contributions	\$781,161.00
(2) Less 2018 Prepaid Contribution	0.00
(3) Less Actual City Contributions	<u>(782,805.91)</u>
(4) City Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2019	(\$1,644.91)

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>				
Average Current Age	50.4	48.5	50.4	48.8
Average Age at Employment	30.9	27.4	29.9	31.8
Average Past Service	19.5	21.1	20.5	17.0
Average Annual Salary	\$57,567	\$68,908	\$86,802	\$98,639
<u>Active Members - Fund 1</u>				
Average Current Age	45.8	46.8	47.8	48.8
Average Age at Employment	31.8	31.8	31.8	31.8
Average Past Service	14.0	15.0	16.0	17.0
Average Annual Salary	\$78,967	\$93,839	\$95,801	\$98,639
<u>Active Members - Fund 440</u>				
Average Current Age	51.6	49.3	53.0	
Average Age at Employment	30.7	25.1	28.1	
Average Past Service	20.9	24.2	24.9	
Average Annual Salary	\$52,217	\$56,443	\$77,804	

STATISTICAL DATA

	<u>10/1/2016</u>	<u>10/1/2017</u>	<u>10/1/2018</u>	<u>10/1/2019</u>
<u>All Inactive Members</u>				
Average Current Age	60.8	61.7	62.6	63.5
Average Annual Benefit	\$13,093	\$13,214	\$13,351	\$13,462
<u>Inactive Members - Fund 1</u>				
Average Current Age	61.5	62.5	63.6	64.6
Average Annual Benefit	\$13,727	\$13,867	\$14,078	\$14,078
<u>Inactive Members - Fund 440</u>				
Average Current Age	60.3	61.0	61.7	62.5
Average Annual Benefit	\$14,588	\$14,706	\$14,828	\$15,128
<u>Inactive Members - Fund 447</u>				
Average Current Age	59.9	60.9	61.9	62.9
Average Annual Benefit	\$10,813	\$10,806	\$10,832	\$10,817
<u>Inactive Members - Fund 448</u>				
Average Current Age	65.1	66.1	67.1	68.1
Average Annual Benefit	\$10,092	\$10,092	\$10,092	\$10,092
<u>Inactive Members - Fund 502</u>				
Average Current Age	50.0	51.5	52.5	53.5
Average Annual Benefit	\$2,756	\$2,756	\$2,756	\$3,177

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												0
25 - 29												0
30 - 34												0
35 - 39												0
40 - 44												0
45 - 49								1				1
50 - 54												0
55 - 59												0
60 - 64												0
65+												0
Total	0	0	0	0	0	0	0	1	0	0	0	1

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

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

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

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	90	5	1	22	0	118
Retired	5	0	0	(4)	0	1
Vested (Deferred Annuity)	0	0	0	0	0	0
Vested (Due Refund)	0	0	0	0	0	0
Hired/Terminated in Same Year	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	(1)	0	0	(1)
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	1	0	1
b. Number current valuation	95	5	0	19	0	119

SUMMARY OF CURRENT PLAN
(Through Ordinance 2016-O-24)

<u>Eligibility</u>	Regular, full-time general employees after attaining age 18 with 3 months of service. On and after October 1, 1996, no further employees will become active under this Plan. A one-time window for participation was opened for certain City employees during the fiscal year ending September 30, 2016.
<u>Compensation</u>	Total Compensation, including up to 300 hours of overtime compensation per calendar year. Additionally, the sum total of overtime hours, unused sick leave, and unused annual leave that was accrued prior to October 1, 2013, for which the retiree receives payment at the time of retirement, will also be included in Compensation for pension purposes.
<u>Average Final Compensation (AFC)</u>	Average Compensation for the highest 3 years during the 10 years immediately preceding retirement or termination.
<u>Credited Service</u>	Total years and fractional parts of years of service with the City.
<u>Member Contributions</u>	2.5% of Compensation.
<u>Normal Retirement</u>	
Date	The earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.
Benefit	2.0% of Average Final Compensation times Credited Service.
Form of Benefit	Single Life Annuity (options available).
<u>Early Retirement</u>	
Date	The earlier of: 1) age 50 and the completion of 5 years of Credited Service, or 2) the completion of 20 years of Credited Service, regardless of age.
Benefit	Determined as for Normal Retirement and reduced 5.0% for each year that Early Retirement precedes Normal Retirement.

Disability Benefit

Eligibility	5 years of Credited Service.
Benefit	Benefit accrued to date of disability. Minimum benefit is 25% of AFC.
Duration	Payable until normal retirement, death or until recovery (as determined by the Board).

Death Benefits

Pre-Retirement

Vested	A monthly benefit determined assuming the participant terminated employment on his date of death, survived to his earliest retirement date, elected a 50% qualified joint and survivor annuity and then died the next day.
--------	--

Not Vested	Refund of accumulated contributions without interest.
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Post-Retirement	According to optional form of benefit selected.
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Termination of Employment

Benefit

Less than 5 years	Refund of accumulated contributions without interest.
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5 or more	Refund of Contributions or Accrued benefit payable at retirement age.
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STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2019

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	1,449,355
Total Cash and Equivalents	1,449,355
Receivables:	
Investment Income	39,102
Total Receivable	39,102
Investments:	
U. S. Bonds and Bills	753,566
Federal Agency Guaranteed Securities	964,999
Corporate Bonds	3,200,164
Mutual Funds:	
Equity	6,009,390
Total Investments	10,928,119
Total Assets	12,416,576
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	13,155
Administrative Expenses	4,958
Total Liabilities	18,113
NET POSITION RESTRICTED FOR PENSIONS	12,398,463

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

ADDITIONS

Contributions:

Member	2,615	
City	782,806	
Total Contributions		785,421
Investment Income:		
Net Increase in Fair Value of Investments	(81,036)	
Interest & Dividends	781,487	
Less Investment Expense ¹	(36,879)	
Net Investment Income		663,572
Total Additions		1,448,993

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,506,892	
Refunds of Member Contributions	23,361	
Total Distributions		1,530,253
Administrative Expense		54,054
Total Deductions		1,584,307
Net Increase in Net Position		(135,314)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	12,533,777
End of the Year	12,398,463

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 Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- (1) Two of whom, unless otherwise prohibited by law, must be legal residents of the municipality and must be appointed by the governing body of the municipality.
- (2) Two of whom are current or retired members of the plan who are currently employed by the City who are elected by a majority of current and retired members who are currently employed by the City.
- (3) The fifth member shall be a union representative for the General Employees as appointed by the union. The fifth member shall have the same rights as each of the other four members.
- (4) If the majority of the members of the plan fails to elect a member as a Trustee, the city manager shall appoint either a resident or an employee that is a resident of the City.
- (5) Two un-excused absences, as determined by the Board, within a twelve month period shall be a deemed resignation.

Regular, full-time general employees after attaining age 18 with 3 months of service. On and after October 1, 1996, no further employees will become active under this Plan.

Plan Membership as of October 1, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	96
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	22
Active Plan Members	2
	120

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 the City of Edgewater General Employees' Retirement Plan prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 2.5% of Salary.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided for in Part VII in Chapter 112, Florida Statutes.

Investments

Investment Policy:

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

Asset Class	Target Allocation
Domestic Equity	40.0%
International Equity	10.0%
Bonds	40.0%
Private Real Estate	10.0%
Total	100.0%

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 5.46 percent.

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

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	\$ 19,129,121
Plan Fiduciary Net Position	\$ (12,398,463)
Sponsor's Net Pension Liability	<u>\$ 6,730,658</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	64.81%

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	2.50%
Salary Increases	4.00%
Discount Rate	6.75%
Investment Rate of Return	6.75%

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, 2018 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 June 13, 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 2.40%.

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:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.3%
International Equity	2.7%
Bonds	3.6%
Private Real Estate	4.9%

GASB 67

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 6.75 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 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Sponsor's Net Pension Liability	\$ 8,659,368	\$ 6,730,658	\$ 5,099,241

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	17,847	29,715	53,793
Interest	1,255,470	1,254,084	1,254,173
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	39,215	248,369	176,321
Changes of assumptions	-	-	-
Contributions - Buy Back	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,530,253)	(1,469,263)	(1,453,783)
Net Change in Total Pension Liability	(217,721)	62,905	30,504
Total Pension Liability - Beginning	19,346,842	19,283,937	19,253,433
Total Pension Liability - Ending (a)	<u>\$ 19,129,121</u>	<u>\$ 19,346,842</u>	<u>\$ 19,283,937</u>
Plan Fiduciary Net Position			
Contributions - Employer	782,806	744,629	667,440
Contributions - Employee	2,615	4,662	6,091
Contributions - Buy Back	-	-	-
Net Investment Income	663,572	803,070	1,055,669
Benefit Payments, including Refunds of Employee Contributions	(1,530,253)	(1,469,263)	(1,453,783)
Administrative Expense	(54,054)	(47,203)	(44,217)
Net Change in Plan Fiduciary Net Position	(135,314)	35,895	231,200
Plan Fiduciary Net Position - Beginning	12,533,777	12,497,882	12,266,682
Plan Fiduciary Net Position - Ending (b)	<u>\$ 12,398,463</u>	<u>\$ 12,533,777</u>	<u>\$ 12,497,882</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 6,730,658</u>	<u>\$ 6,813,065</u>	<u>\$ 6,786,055</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	64.81%	64.78%	64.81%
Covered Payroll ¹	\$ 104,603	\$ 193,713	\$ 236,414
Net Pension Liability as a percentage of Covered Payroll	6434.48%	3517.10%	2870.41%

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

	<u>09/30/2016</u>	<u>09/30/2015</u>
Total Pension Liability		
Service Cost	34,222	60,573
Interest	1,250,244	1,238,859
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(50,657)	259,399
Changes of assumptions	1,777,486	-
Contributions - Buy Back	299,746	-
Benefit Payments, including Refunds of Employee Contributions	<u>(1,386,624)</u>	<u>(1,374,722)</u>
Net Change in Total Pension Liability	1,924,417	184,109
Total Pension Liability - Beginning	<u>17,329,016</u>	<u>17,144,907</u>
Total Pension Liability - Ending (a)	<u>\$ 19,253,433</u>	<u>\$ 17,329,016</u>
Plan Fiduciary Net Position		
Contributions - Employer	661,699	713,396
Contributions - Employee	5,851	8,535
Contributions - Buy Back	299,746	-
Net Investment Income	950,355	(67,754)
Benefit Payments, including Refunds of Employee Contributions	(1,386,624)	(1,374,722)
Administrative Expense	<u>(40,442)</u>	<u>(48,589)</u>
Net Change in Plan Fiduciary Net Position	490,585	(769,134)
Plan Fiduciary Net Position - Beginning	<u>11,776,097</u>	<u>12,545,231</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 12,266,682</u>	<u>\$ 11,776,097</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 6,986,751</u>	<u>\$ 5,552,919</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	63.71%	67.96%
Covered Payroll ¹	\$ 349,034	\$ 341,408
Net Pension Liability as a percentage of Covered Payroll	2001.74%	1626.47%

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.

The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

The net of fees investment return assumption was reduced from 7.50% to 6.75%.

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

	<u>09/30/2014</u>	<u>09/30/2013</u>
Total Pension Liability		
Service Cost	91,269	84,901
Interest	1,241,107	1,237,145
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Contributions - Buy Back	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(1,288,586)</u>	<u>(1,262,597)</u>
Net Change in Total Pension Liability	43,790	59,449
Total Pension Liability - Beginning	<u>17,101,117</u>	<u>17,041,668</u>
Total Pension Liability - Ending (a)	<u>\$ 17,144,907</u>	<u>\$ 17,101,117</u>
Plan Fiduciary Net Position		
Contributions - Employer	772,605	475,794
Contributions - Employee	13,178	15,348
Contributions - Buy Back	-	-
Net Investment Income	1,059,400	1,563,721
Benefit Payments, including Refunds of Employee Contributions	<u>(1,288,586)</u>	<u>(1,262,597)</u>
Administrative Expense	<u>(42,302)</u>	<u>(76,889)</u>
Net Change in Plan Fiduciary Net Position	514,295	715,377
Plan Fiduciary Net Position - Beginning	<u>12,030,936</u>	<u>11,315,559</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 12,545,231</u>	<u>\$ 12,030,936</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,599,676</u>	<u>\$ 5,070,181</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	73.17%	70.35%
Covered Payroll ¹	\$ 567,030	\$ 613,927
Net Pension Liability as a percentage of Covered Payroll	811.19%	825.86%

Notes to Schedule:

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

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	\$ 781,161	\$ 782,806	\$ (1,645)	\$ 104,603	748.36%
09/30/2018	\$ 744,629	\$ 744,629	\$ -	\$ 193,713	384.40%
09/30/2017	\$ 667,440	\$ 667,440	\$ -	\$ 236,414	282.32%
09/30/2016	\$ 657,825	\$ 661,699	\$ (3,874)	\$ 349,034	189.58%
09/30/2015	\$ 719,822	\$ 713,396	\$ 6,426	\$ 341,408	208.96%
09/30/2014	\$ 766,179	\$ 772,605	\$ (6,426)	\$ 567,030	136.25%
09/30/2013	\$ 475,794	\$ 475,794	\$ -	\$ 613,927	77.50%

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:

6.75% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.

Normal Retirement:

<u>Age</u>	<u>Retirement Probability</u>
55	50%
56	0%
57	0%
58	0%
59	0%
60 and older	100%

In addition to the above table, 100% Retirement is assumed upon the completion of 25 years of Credited Service.

The above rates are supported by an Experience Study performed for the period October 1, 2003 through October 1, 2012.

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Disability Rate: See table below. These rates are consistent with other Florida General Employee retirement programs.

Termination Rate: None assumed, based on results of an Experience Study performed for the period October 1, 2003 through October 1, 2012.

Salary Increases: 4% per year, based on results of an Experience Study performed for the period October 1, 2003 through October 1, 2012.

Early Retirement: None assumed, based on results of an Experience Study performed for the period October 1, 2003 through October 1, 2012.

Payroll Growth: None for amortization of the UAAL.

Funding Method: Entry Age Normal Actuarial Cost Method
The following loads are applied for determination of the Sponsor funding requirement:
Interest – A half year, based on the current 6.75% assumption.
Salary – A full year, based on the current average assumption of 4.0%.

Actuarial Asset Method: All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.

Termination and Disability Rates:

Age	Disabled During the Year	% Terminating During the Year
40	0.30%	0.00%
45	0.51%	0.00%
50	1.00%	0.00%
55	1.55%	0.00%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2019	5.46%
09/30/2018	6.63%
09/30/2017	8.92%
09/30/2016	8.40%
09/30/2015	-0.56%
09/30/2014	8.94%
09/30/2013	13.50%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2020)

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- (1) Two of whom, unless otherwise prohibited by law, must be legal residents of the municipality and must be appointed by the governing body of the municipality.
- (2) Two of whom are current or retired members of the plan who are currently employed by the City who are elected by a majority of current and retired members who are currently employed by the City.
- (3) The fifth member shall be a union representative for the General Employees as appointed by the union. The fifth member shall have the same rights as each of the other four members.
- (4) If the majority of the members of the plan fails to elect a member as a Trustee, the city manager shall appoint either a resident or an employee that is a resident of the City.
- (5) Two un-excused absences, as determined by the Board, within a twelve month period shall be a deemed resignation. Regular, full-time general employees after attaining age 18 with 3 months of service. On and after October 1, 1996, no further employees will become active under this Plan.

Plan Membership as of October 1, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	96
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	22
Active Plan Members	2
	120
	120

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 the City of Edgewater General Employees' Retirement Plan prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 2.5% of Salary.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided for in Part VII in Chapter 112, Florida Statutes.

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	2.50%
Salary Increases	4.00%
Discount Rate	6.75%
Investment Rate of Return	6.75%

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, 2018 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 June 13, 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 2.40%.

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
Domestic Equity	40.0%	7.3%
International Equity	10.0%	2.7%
Bonds	40.0%	3.6%
Private Real Estate	10.0%	4.9%
Total	100.0%	

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 6.75 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	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2019	\$ 19,346,842	\$ 12,533,777	\$ 6,813,065
Changes for a Year:			
Service Cost	17,847	-	17,847
Interest	1,255,470	-	1,255,470
Differences between Expected and Actual Experience	39,215	-	39,215
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	782,806	(782,806)
Contributions - Employee	-	2,615	(2,615)
Net Investment Income	-	663,572	(663,572)
Benefit Payments, including Refunds of Employee Contributions	(1,530,253)	(1,530,253)	-
Administrative Expense	-	(54,054)	54,054
Net Changes	(217,721)	(135,314)	(82,407)
Reporting Period Ending September 30, 2020	\$ 19,129,121	\$ 12,398,463	\$ 6,730,658

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	5.75%	6.75%	7.75%
Sponsor's Net Pension Liability	\$ 8,659,368	\$ 6,730,658	\$ 5,099,241

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 \$852,911.

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	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	21,132	-
Employer contributions subsequent to the measurement date	782,806	-
Total	\$ 803,938	\$ -

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date has been 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	\$	131,421
2021	\$	(65,048)
2022	\$	(48,170)
2023	\$	2,929
2024	\$	-
Thereafter	\$	-

Payable to the Pension Plan

On September 30, 2018, the Sponsor reported a payable of \$8,205 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2018.

**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 \$707,424.

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	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	14,107	-
Employer contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ -

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	\$	(33,949)
2022	\$	(17,071)
2023	\$	34,028
2024	\$	31,099
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	17,847	29,715	53,793
Interest	1,255,470	1,254,084	1,254,173
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	39,215	248,369	176,321
Changes of assumptions	-	-	-
Contributions - Buy Back	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,530,253)	(1,469,263)	(1,453,783)
Net Change in Total Pension Liability	(217,721)	62,905	30,504
Total Pension Liability - Beginning	19,346,842	19,283,937	19,253,433
Total Pension Liability - Ending (a)	<u>\$ 19,129,121</u>	<u>\$ 19,346,842</u>	<u>\$ 19,283,937</u>
Plan Fiduciary Net Position			
Contributions - Employer	782,806	744,629	667,440
Contributions - Employee	2,615	4,662	6,091
Contributions - Buy Back	-	-	-
Net Investment Income	663,572	803,070	1,055,669
Benefit Payments, including Refunds of Employee Contributions	(1,530,253)	(1,469,263)	(1,453,783)
Administrative Expense	(54,054)	(47,203)	(44,217)
Net Change in Plan Fiduciary Net Position	(135,314)	35,895	231,200
Plan Fiduciary Net Position - Beginning	12,533,777	12,497,882	12,266,682
Plan Fiduciary Net Position - Ending (b)	<u>\$ 12,398,463</u>	<u>\$ 12,533,777</u>	<u>\$ 12,497,882</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 6,730,658</u>	<u>\$ 6,813,065</u>	<u>\$ 6,786,055</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	64.81%	64.78%	64.81%
Covered Payroll ¹	\$ 104,603	\$ 193,713	\$ 236,414
Net Pension Liability as a percentage of Covered Payroll	6434.48%	3517.10%	2870.41%

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	09/30/2017	09/30/2016
Measurement Date	09/30/2016	09/30/2015
Total Pension Liability		
Service Cost	34,222	60,573
Interest	1,250,244	1,238,859
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(50,657)	259,399
Changes of assumptions	1,777,486	-
Contributions - Buy Back	299,746	-
Benefit Payments, including Refunds of Employee Contributions	(1,386,624)	(1,374,722)
Net Change in Total Pension Liability	1,924,417	184,109
Total Pension Liability - Beginning	17,329,016	17,144,907
Total Pension Liability - Ending (a)	\$ 19,253,433	\$ 17,329,016
Plan Fiduciary Net Position		
Contributions - Employer	661,699	713,396
Contributions - Employee	5,851	8,535
Contributions - Buy Back	299,746	-
Net Investment Income	950,355	(67,754)
Benefit Payments, including Refunds of Employee Contributions	(1,386,624)	(1,374,722)
Administrative Expense	(40,442)	(48,589)
Net Change in Plan Fiduciary Net Position	490,585	(769,134)
Plan Fiduciary Net Position - Beginning	11,776,097	12,545,231
Plan Fiduciary Net Position - Ending (b)	\$ 12,266,682	\$ 11,776,097
Net Pension Liability - Ending (a) - (b)	\$ 6,986,751	\$ 5,552,919
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	63.71%	67.96%
Covered Payroll ¹	\$ 349,034	\$ 341,408
Net Pension Liability as a percentage of Covered Payroll	2001.74%	1626.47%

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.

The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

The net of fees investment return assumption was reduced from 7.50% to 6.75%.

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

Reporting Period Ending	09/30/2015	09/30/2014
Measurement Date	<u>09/30/2014</u>	<u>09/30/2013</u>
Total Pension Liability		
Service Cost	91,269	84,901
Interest	1,241,107	1,237,145
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Contributions - Buy Back	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(1,288,586)</u>	<u>(1,262,597)</u>
Net Change in Total Pension Liability	43,790	59,449
Total Pension Liability - Beginning	<u>17,101,117</u>	<u>17,041,668</u>
Total Pension Liability - Ending (a)	<u>\$ 17,144,907</u>	<u>\$ 17,101,117</u>
Plan Fiduciary Net Position		
Contributions - Employer	772,605	475,794
Contributions - Employee	13,178	15,348
Contributions - Buy Back	-	-
Net Investment Income	1,059,400	1,563,721
Benefit Payments, including Refunds of Employee Contributions	<u>(1,288,586)</u>	<u>(1,262,597)</u>
Administrative Expense	<u>(42,302)</u>	<u>(76,889)</u>
Net Change in Plan Fiduciary Net Position	514,295	715,377
Plan Fiduciary Net Position - Beginning	<u>12,030,936</u>	<u>11,315,559</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 12,545,231</u>	<u>\$ 12,030,936</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,599,676</u>	<u>\$ 5,070,181</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	73.17%	70.35%
Covered Payroll ¹	\$ 567,030	\$ 613,927
Net Pension Liability as a percentage of Covered Payroll	811.19%	825.86%

Notes to Schedule:

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

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	\$ 781,161	\$ 782,806	\$ (1,645)	\$ 104,603	748.36%
09/30/2018	\$ 744,629	\$ 744,629	\$ -	\$ 193,713	384.40%
09/30/2017	\$ 667,440	\$ 667,440	\$ -	\$ 236,414	282.32%
09/30/2016	\$ 657,825	\$ 661,699	\$ (3,874)	\$ 349,034	189.58%
09/30/2015	\$ 719,822	\$ 713,396	\$ 6,426	\$ 341,408	208.96%
09/30/2014	\$ 766,179	\$ 772,605	\$ (6,426)	\$ 567,030	136.25%
09/30/2013	\$ 475,794	\$ 475,794	\$ -	\$ 613,927	77.50%

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:

6.75% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.

Normal Retirement:

<u>Age</u>	<u>Retirement Probability</u>
55	50%
56	0%
57	0%
58	0%
59	0%
60 and older	100%

In addition to the above table, 100% Retirement is assumed upon the completion of 25 years of Credited Service.

The above rates are supported by an Experience Study performed for the period October 1, 2003 through October 1, 2012.

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Disability Rate: See table below. These rates are consistent with other Florida General Employee retirement programs.
Termination Rate: None assumed, based on results of an Experience Study performed for the period October 1, 2003 through October 1, 2012.
Salary Increases: 4% per year, based on results of an Experience Study performed for the period October 1, 2003 through October 1, 2012.
Early Retirement: None assumed, based on results of an Experience Study performed for the period October 1, 2003 through October 1, 2012.
Payroll Growth: None for amortization of the UAAL.
Funding Method: Entry Age Normal Actuarial Cost Method
 The following loads are applied for determination of the Sponsor funding requirement:
 Interest – A half year, based on the current 6.75% assumption.
 Salary – A full year, based on the current average assumption of 4.0%.
Actuarial Asset Method: All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.

Termination and Disability Rates:

Age	% Becoming Disabled During the Year	% Terminating During the Year
40	0.30%	0.00%
45	0.51%	0.00%
50	1.00%	0.00%
55	1.55%	0.00%

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	\$ 6,786,055	\$ 290,534	\$ 1,137,567	\$ -
Employer contributions made after 09/30/2018	-	-	782,806	-
Total Pension Liability Factors:				
Service Cost	29,715	-	-	29,715
Interest	1,254,084	-	-	1,254,084
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	248,369	-	248,369	-
Current year amortization of experience difference	-	-	(248,369)	248,369
Benefit Payments, including Refunds of Employee Contributions	(1,469,263)	-	-	-
Net change	<u>62,905</u>	<u>-</u>	<u>782,806</u>	<u>1,532,168</u>
Plan Fiduciary Net Position:				
Contributions - Employer	744,629	-	(744,629)	-
Contributions - Employee	4,662	-	-	(4,662)
Projected Net Investment Income	817,715	-	-	(817,715)
Difference between projected and actual earnings on Pension Plan investments	(14,645)	-	14,645	-
Current year amortization	-	(103,481)	(199,398)	95,917
Benefit Payments, including Refunds of Employee Contributions	(1,469,263)	-	-	-
Administrative Expenses	(47,203)	-	-	47,203
Net change	<u>35,895</u>	<u>(103,481)</u>	<u>(929,382)</u>	<u>(679,257)</u>
Ending Balance	<u>\$ 6,813,065</u>	<u>\$ 187,053</u>	<u>\$ 990,991</u>	<u>\$ 852,911</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2020

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 6,813,065	\$ 187,053	\$ 990,991	\$ -
Employer Contributions made after 09/30/2019	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	17,847	-	-	17,847
Interest	1,255,470	-	-	1,255,470
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	39,215	-	39,215	-
Current year amortization of experience difference	-	-	(39,215)	39,215
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	(1,530,253)	-	-	-
Net change	(217,721)	-	-	1,312,532
Plan Fiduciary Net Position:				
Contributions - Employer	782,806	-	(782,806)	-
Contributions - Employee	2,615	-	-	(2,615)
Contributions - Buy Back	-	-	-	-
Projected Net Investment Income	819,068	-	-	(819,068)
Difference between projected and actual earnings on Pension Plan investments	(155,496)	-	155,496	-
Current year amortization	-	(67,977)	(230,498)	162,521
Benefit Payments, including Refunds of Employee Contributions	(1,530,253)	-	-	-
Administrative Expenses	(54,054)	-	-	54,054
Net change	(135,314)	(67,977)	(857,808)	(605,108)
Ending Balance	\$ 6,730,658	\$ 119,076	TBD	\$ 707,424

* 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 Projected and Actual Earnings	Recognition Period (Years)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2019	\$ 155,496	5	\$ -	\$ 31,100	\$ 31,099	\$ 31,099	\$ 31,099	\$ 31,099	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 14,645	5	\$ 2,929	\$ 2,929	\$ 2,929	\$ 2,929	\$ 2,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (255,494)	5	\$ (51,099)	\$ (51,099)	\$ (51,099)	\$ (51,099)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (84,389)	5	\$ (16,878)	\$ (16,878)	\$ (16,878)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 982,345	5	\$ 196,469	\$ 196,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014	\$ (177,521)	5	\$ (35,504)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 95,917	\$ 162,521	\$ (33,949)	\$ (17,071)	\$ 34,028	\$ 31,099	\$ -	\$ -	\$ -	\$ -	\$ -

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		Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience											
	Expected and Actual Experience			2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
2019	\$	39,215	1	\$ -	\$ 39,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$	248,369	1	\$ 248,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense				\$ 248,369	\$ 39,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -