

TOWN OF LADY LAKE  
POLICE OFFICERS' RETIREMENT TRUST FUND

GASB DISCLOSURE INFORMATION  
STATEMENTS 67/68  
MEASUREMENT DATE: SEPTEMBER 30, 2024

GASB 68 REPORTING  
AS OF SEPTEMBER 30, 2024



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS



December 5, 2024

Board of Trustees  
Town of Lady Lake  
Police Officers' Pension Board

RE: GASB statements 67/68 – Town of Lady Lake Police Officers' Retirement Trust Fund

Dear Board:

We are pleased to present this report of the GASB statements 67/68 measured as of September 30, 2024 for the Town of Lady Lake Police Officers' Retirement Trust Fund.

The calculation of the liability associated with the benefits referenced in this report was performed to satisfy the requirements of GASB 67/68 and is not applicable for other purposes, such as determining the plan's funding requirements. Use of the results for other purposes may not be applicable and may produce significantly different results.

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, 2023. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ending September 30, 2024 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 67/68.

In conducting the valuation, we have relied on personnel and plan design information supplied by the Town and asset information supplied by the custodian bank. The actuarial assumptions and methods are described in the 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.

In performing the analysis, 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 to generate the costs. All internally developed models are reviewed as part of the 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.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. 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.

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.

A handwritten signature in black ink, appearing to read "P. T. Donlan", written over a horizontal line.

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

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## I. SUMMARY

Valuation Date	10/01/2023	10/01/2022
GASB 67/68 Measurement Date	09/30/2024	09/30/2023
GASB 68 Reporting Date	09/30/2024	09/30/2023
<b>Plan Membership</b>		
Inactives Currently Receiving Benefits	17	16
Inactives Not Yet Receiving Benefits	22	19
Active Plan Members	24	25
<b>Total</b>	<b>63</b>	<b>60</b>
Covered Payroll	\$ 2,125,630	\$ 1,732,104
<b>Net Pension Liability/(Asset)</b>		
Total Pension Liability	\$ 11,441,321	\$ 10,617,245
Plan Fiduciary Net Position	12,289,172	10,259,654
Net Pension Liability/(Asset)	\$ (847,851)	\$ 357,591
Plan Fiduciary Net Position		
As a % of Total Pension Liability	107.41%	96.63%
Net Pension Liability/(Asset)		
As a % of Covered Payroll	-39.89%	20.64%
Total Pension Expense/(Income)	\$ 417,402	\$ 657,014
<b>Development of Single Discount Rate</b>		
Single Discount Rate	7.00%	7.00%
Long-Term Expected Rate of Return	7.00%	7.00%
High-quality Municipal Bond Rate	4.06%	4.87%
Number of Years Future Benefit Payments Are Expected to be Paid	All Years	All Years

## II. FIDUCIARY NET POSITION

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2024

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	203,022
Total Cash and Equivalents	203,022
Total Receivable	0
Investments:	
Mutual Funds:	
Fixed Income	3,424,177
Equity	7,717,790
Pooled/Common/Commingled Funds:	
Real Estate	954,560
Total Investments	12,096,527
Total Assets	12,299,549
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	8,651
Administrative Expenses	1,726
Total Liabilities	10,377
NET POSITION RESTRICTED FOR PENSIONS	12,289,172

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

ADDITIONS

Contributions:

Member	106,281
Town	308,215
State	190,806

Total Contributions 605,302

Investment Income:

Net Increase in Fair Value of Investments	1,750,901
Interest & Dividends	338,232
Less Investment Expense <sup>1</sup>	(34,465)

Net Investment Income 2,054,668

Total Additions 2,659,970

DEDUCTIONS

Distributions to Members:

Benefit Payments	527,840
Lump Sum Share Distributions	6,624
Refunds of Member Contributions	25,474

Total Distributions 559,938

Administrative Expense 70,514

Total Deductions 630,452

Net Increase in Net Position 2,029,518

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 10,259,654

End of the Year 12,289,172

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<sup>1</sup> Investment related expenses include investment advisory, custodial and performance monitoring fees.

### III. GASB EXHIBITS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

GASB 67/68 Measurement Date	09/30/2024	09/30/2023
GASB 68 Reporting Period Ending	09/30/2024	09/30/2023
<b>Total Pension Liability</b>		
Service Cost	407,563	428,860
Interest	752,138	733,940
Share Plan Allocation	40,403	16,604
Changes in Benefit Terms	0	0
Experience Gains/Losses	183,910	(43,948)
Changes of Assumptions	0	(304,733)
Benefit Payments	(559,938)	(538,948)
Net Change in Total Pension Liability	<u>824,076</u>	<u>291,775</u>
Total Pension Liability – Beginning	10,617,245	10,325,470
Total Pension Liability – Ending (a)	<u>\$ 11,441,321</u>	<u>\$ 10,617,245</u>
<b>Plan Fiduciary Net Position</b>		
Contributions – Employer	308,215	257,481
Contributions – State	190,806	143,208
Contributions – Employee	106,281	86,605
Net Investment Income	2,054,668	774,551
Benefit Payments	(559,938)	(538,948)
Administrative Expense	(70,514)	(66,186)
Other	<u>0</u>	<u>0</u>
Net Change in Plan Fiduciary Net Position	2,029,518	656,711
Plan Fiduciary Net Position – Beginning	10,259,654	9,602,943
Adjustment to beginning of year	<u>0</u>	<u>0</u>
Plan Fiduciary Net Position – Ending (b)	<u>\$ 12,289,172</u>	<u>\$ 10,259,654</u>
Net Pension Liability – Ending (a) – (b)	\$ (847,851)	\$ 357,591
<b>Plan Fiduciary Net Position</b>		
As % of Total Pension Liability	107.41%	96.63%
Covered Payroll	\$ 2,125,630	\$ 1,732,104
<b>Net Pension Liability</b>		
As % of Covered Payroll	-39.89%	20.64%

SENSITIVITY TO CHANGES IN DISCOUNT RATE

GASB 67/68 Measurement Date	09/30/2024	09/30/2023
GASB 68 Reporting Date	09/30/2024	09/30/2023
Discount Rate	7.00%	7.00%
+ 1% Discount Rate	8.00%	8.00%
- 1% Discount Rate	6.00%	6.00%
Sponsor's Net Pension Liability		
Current Discount Rate	\$ (847,851)	\$ 357,591
1% Increase in Discount Rate	(1,974,833)	(692,894)
1% Decrease in Discount Rate	508,196	1,619,507

PENSION EXPENSE  
YEAR-END SEPTEMBER 30, 2024

For the year ended September 30, 2024, the Sponsor will recognize a Pension Expense/(Income) of \$417,402. Below is a summary of the components of the Pension expense.

Fiscal Year End	09/30/2024
Beginning of Measurement Period	10/01/2023
End of Measurement Period	09/30/2024
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Service Cost	\$ 407,563
Interest on Total Pension Liability	752,138
Share Plan Allocation	40,403
Changes in Benefit Terms	0
Contributions – Employee	(106,281)
Projected Earnings on Investments	(717,296)
Administrative Expenses	70,514
Recognition of deferred outflows/(inflows)	
Experience Gains/Losses	19,250
Assumption Changes	(39,081)
Investment Returns	(9,808)
Total Pension Expense	<hr/> 417,402

PENSION DEFERRED OUTFLOWS/INFLOWS  
YEAR-END SEPTEMBER 30, 2024

On September 30, 2024, 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 actual and expected experience	122,606	19,507
Changes of assumptions	0	101,578
Net difference between projected and actual earnings on pension plan investments	0	274,166
Total	\$ 122,606	\$ 395,251

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:

2025	\$	(46,967)
2026	\$	330,564
2027	\$	(288,768)
2028	\$	(267,474)
2029	\$	0
Thereafter	\$	0

#### IV. SUPPLEMENTARY GASB 68 EXPENSE DETAIL

AMORTIZATION SCHEDULE – EXPERIENCE

Year	Initial Base	Recognition Period	2024	2025	2026	2027	2028	Thereafter
2024	\$ 183,910	3	\$ 61,304	\$ 61,303	\$ 61,303	\$ 0	\$ 0	0
2023	(43,948)	3	(14,649)	(14,649)	0	0	0	0
2022	(19,432)	4	(4,858)	(4,858)	0	0	0	0
2021	(90,188)	4	(22,547)	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$ 19,250	\$ 41,796	\$ 61,303	\$ 0	\$ 0	0

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Year	Initial Base	Recognition Period	2024	2025	2026	2027	2028	Thereafter
2023	\$ (304,733)	3	\$ (101,578)	\$ (101,578)	\$ 0	\$ 0	\$ 0	0
2021	249,989	4	62,497	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$ (39,081)	\$ (101,578)	\$ 0	\$ 0	\$ 0	0

AMORTIZATION SCHEDULE – INVESTMENTS

Year	Initial Base	Recognition Period	2024	2025	2026	2027	2028	Thereafter
2024	\$ (1,337,372)	5	\$ (267,476)	\$ (267,474)	\$ (267,474)	\$ (267,474)	\$ (267,474)	0
2023	(106,469)	5	(21,294)	(21,294)	(21,294)	(21,294)	0	0
2022	2,790,143	5	558,029	558,029	558,029	0	0	0
2021	(1,282,228)	5	(256,446)	(256,446)	0	0	0	0
2020	(113,104)	5	(22,621)	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$ (9,808)	\$ 12,815	\$ 269,261	\$ (288,768)	\$ (267,474)	0

V. ADDITIONAL INFORMATION

## SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contrib. as % of Covered Payroll
09/30/2024	\$ 488,895	\$ 458,618	\$ 30,277	\$ 2,125,630	21.58%
09/30/2023	\$ 398,384	\$ 384,085	\$ 14,299	\$ 1,732,104	22.17%

The following assumptions were used to determine the Actuarially Determined Contribution for the fiscal year ended September 30, 2024:

Calculation Timing	The Actuarially Determined Contribution is calculated using a October 1, 2022 valuation date.
Interest Rate	7.00%
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the October 1, 2022 Actuarial Valuation Report for the Town of Lady Lake Police Officers' Retirement Trust Fund prepared by Foster & Foster Actuaries and Consultants.

## INVESTMENT DISCLOSURES

### *Schedule of Investment Returns*

For the year ended September 30, 2024, the annual money-weighted return on Pension Plan investments, net of pension plan investment expense, was 20.17 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2024	20.17%
09/30/2023	8.15%

### *Support for Long-Term Expected Rate of Return*

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.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan’s target asset allocation adopted as of September 30, 2024, as provided by Mariner, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45.00%	7.50%
International Equity	15.00%	8.50%
Broad Market Fixed Income	25.00%	2.50%
Global Fixed Income	5.00%	3.50%
Private Real Estate	10.00%	4.50%
Total	100.00%	

Inflation rate of investment advisor 2.50%

### *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.

## ASSUMPTIONS

Valuation Date	October 1, 2023
GASB 67/68 Measurement Date	September 30, 2024
GASB 68 Reporting Date	September 30, 2024
Discount Rate	7.00%
Long-Term Rate of Return	7.00%
Cost Method	Entry Age Normal
Latest Experience Study Date	December 11, 2023
Mortality	
<i>Healthy Active Lives:</i>	PubS.H-2010 (Below Median) for Employees, set forward one year.
<i>Healthy Retiree Lives:</i>	Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
<i>Beneficiary Lives:</i>	Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.
<i>Disabled Lives:</i>	80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.
	All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2018.
	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 special risk employees, with appropriate adjustments made based on plan demographics.
Salary Scale	Service based
Inflation	2.50%

A summary of other assumptions reflected in the valuation can be found in the October 1, 2023 Actuarial Valuation Report for the Town of Lady Lake Police Officers' Retirement Trust Fund prepared by Foster & Foster Actuaries and Consultants.

### *Changes in Assumptions*

Total Pension Liability as of the September 30, 2024 measurement date reflects no assumption changes.

### *Development of the Discount Rate*

The projection of cash flows used to determine the Discount Rate assumed that current 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 (7.00 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

No projected benefit payments were discounted using a high-quality municipal bond rate of 4.06 percent. The high-quality municipal bond rate was based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20-Year High Grade Rate Index.

The single equivalent Discount Rate was 7.00 percent.

## SUMMARY OF CURRENT PLAN

### Plan Description

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

- a. Two Commission appointees,
- b. Two Members of the Department elected by the Membership,
- c. Fifth Member elected by other 4 and appointed by Commission.

Each person employed by the Town Police Department as a full-time Police Officer becomes a member of the System as a condition of his employment. All Police Officers are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

### Benefits Provided

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

A summary of the benefit provisions can be found in the Actuarial Valuation as of October 1, 2023 for the Town of Lady Lake Police Officers' Retirement Trust Fund prepared by Foster & Foster Actuaries and Consultants.

### Benefit Changes

No benefit changes have been reflected since the prior year.