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By Rounsavall at 4:04 pm, Jan 21, 2024

January 19, 2024

Ms. Karan Rounsavall
Pension Administrator
City of West Melbourne
Police Officers Retirement Plan
3695 Indian River Drive
Cocoa, Florida 32926
Email: ronsavall@earthlink.net

**Re: City of West Melbourne Police Officers Retirement Plan
GASB No. 67 and 68 Disclosure Information for Reporting Year Ending September 30, 2023**

Dear Karan:

As requested, we have prepared the actuarial disclosure information required under Governmental Accounting Standards Board (GASB) Statements Number 67 and 68 for the City of West Melbourne (City) Police Officers Retirement Plan (Plan) for use in the preparation of the City's GAAP-basis employer financial statement for the reporting year ending September 30, 2023.

GASB Statements No. 67 and 68 establish the accounting and financial reporting standards for state and local government employers who provide their employees (including former employees) pension benefits through a trust. These calculations have been made on a basis that is consistent with our understanding of these accounting standards. Enclosed are the following exhibits:

- Executive Summary
- Schedule of Changes in Net Pension Liability and Related Ratios for Measurement Year
- Schedule of Employer's Net Pension Liability
- Notes to Schedule of Employer's Net Pension Liability
- Pension Expense Under GASB Statement No. 68
- Statement of Outflows and Inflows Arising from Current Reporting Period
- Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods
- Summary of Remaining Deferred Outflows and Inflows of Resources
- Schedule of Contributions
- Notes to Schedule of Contributions
- Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

The actuarial valuation of the liabilities was determined as of the beginning of the year, October 1, 2022 (based on the actuarial valuation results as reported in the October 1, 2022 Revised Actuarial Valuation Report dated February 17, 2023) and rolled-forward to the September 30, 2023 measurement date. These liabilities are used for GASB Statements No. 67 and 68 reporting for the reporting period ending September 30, 2023. If significant changes occur during the year, such as benefit changes or changes in assumptions or methods, these may need to be reflected in the process.

Required Disclosures

This information is intended to assist in preparation of the financial statements of the Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB Statements No. 67 and 68. These calculations have been made on a basis that is consistent with our understanding of these Statements.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and 68. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statements No. 67 and 68 may produce significantly different results. This report may be provided to parties other than the City or Board only in its entirety and only with the permission of the City or Board.

This report is based upon information, furnished to us by the Plan Administrator and the City, concerning plan benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not audited. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and the City.

This report complements the actuarial valuation report that was provided to the Board of Trustees and should be considered in conjunction with that report. Please see the Revised Actuarial Valuation Report as of October 1, 2022 dated February 17, 2023, for additional discussion of the nature of actuarial calculations and information related to participant data, economic and demographic assumptions, and benefit provisions.

The findings in this report are based on data through October 1, 2022 and draft financial information through September 30, 2023. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law.



This report was prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

To the best of our knowledge, the information contained with this report is accurate and fairly represents the actuarial position of the Plan. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

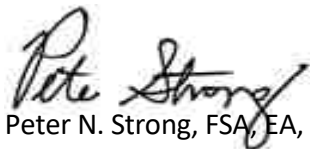
Peter N. Strong and Nicolas Lahaye are members of the American Academy of Actuaries (MAAA). These actuaries meet the Academy's Qualification to render the actuarial opinion contained herein. The signing actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable and are based on generally accepted actuarial principles and practices. 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.

We welcome your questions and comments.

Sincerely yours,

Gabriel, Roeder, Smith & Company



Peter N. Strong, FSA, EA, MAAA, FCA
Senior Consultant & Actuary



Nicolas Lahaye, FSA, EA, MAAA, FCA
Consultant & Actuary

Enclosures

cc: Candice Blake, Director of Finance



EXECUTIVE SUMMARY

GASB Statements No. 67 and 68

Actuarial Valuation Date	October 1, 2022
Measurement Date of the Net Pension Liability	September 30, 2023
Employer's Fiscal Year Ending Date (Reporting Date)	September 30, 2023

Membership as of Actuarial Valuation Date

Number of	
- Retirees and Beneficiaries	20
- Inactive, Nonretired Members	10
- Active Members	40
- Total	70
Covered Payroll	\$ 2,715,557

Net Pension Liability

Total Pension Liability	\$ 21,362,272
Plan Fiduciary Net Position	19,273,866
Net Pension Liability	\$ 2,088,406
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.22 %
Net Pension Liability as a Percentage of Covered Payroll	76.91 %

Development of the Single Discount Rate

Single Discount Rate	6.45 %
Long-Term Expected Rate of Investment Return	6.45 %
Long-Term Municipal Bond Rate*	4.63 %
Last year ending September 30 in the 2023 to 2122 projection period for which projected benefit payments are fully funded	2122

Total Pension Expense	\$ 1,257,710
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Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 170,851	\$ 488,096
Changes in assumptions	622,260	-
Net difference between projected and actual earnings on pension plan investments	2,496,797	1,270,911
Total	\$ 3,289,908	\$ 1,759,007

*Source: Fidelity General Obligation AA rate as of September 29, 2023.

This is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Investments' "20-Year Municipal GO AA Index." In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities.



SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

FOR REPORTING YEAR ENDED SEPTEMBER 30, 2023

GASB Statements No. 67 and 68

Fiscal year ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 605,763	\$ 675,050	\$ 681,707	\$ 618,389	\$ 587,360	\$ 545,010	\$ 426,777	\$ 431,817	\$ 373,517	\$ 349,217
Interest	1,361,890	1,289,333	1,225,703	1,155,063	1,105,164	985,384	917,986	881,847	852,748	802,323
Benefit Changes	-	-	-	-	-	-	(5,606)	-	-	-
Difference Between Actual and Expected Experience	(462,823)	152,695	(142,376)	237,704	(279,907)	748,684	(129,422)	10,052	(184,074)	-
Assumptions Changes	547,412	-	356,654	18,010	-	364,891	-	(14,515)	-	304,099
Benefit Payments, including Refunds	(1,164,115)	(779,608)	(759,914)	(648,067)	(835,996)	(518,254)	(493,963)	(740,129)	(652,537)	(304,307)
Share Plan Allocation	18,300	15,150	18,150	16,950	16,350	13,800	121,800	-	-	-
Change in Excess State Money	-	-	-	-	-	-	(214,182)	-	-	-
Net Change in Total Pension Liability	\$ 906,427	\$ 1,352,620	\$ 1,379,924	\$ 1,398,049	\$ 592,971	\$ 2,139,515	\$ 623,390	\$ 569,072	\$ 389,654	\$ 1,151,332
Total Pension Liability – Beginning	20,455,845	19,103,225	17,723,301	16,325,252	15,732,281	13,592,766	12,969,376	12,400,304	12,010,650	10,859,318
Total Pension Liability – Ending	\$21,362,272	\$20,455,845	\$19,103,225	\$17,723,301	\$16,325,252	\$15,732,281	\$13,592,766	\$12,969,376	\$12,400,304	\$12,010,650
Plan Fiduciary Net Position										
Contributions – Employer (City)	\$ 374,213	\$ 391,011	\$ 423,945	\$ 434,572	\$ 460,941	\$ 565,037	\$ 694,581	\$ 586,827	\$ 582,408	\$ 606,424
Contributions – Employer (State)	252,691	212,265	198,745	184,880	169,767	157,737	141,328	138,223	119,977	117,718
Contributions – Non-Employer Contributing Entity	-	-	-	-	-	-	-	-	-	-
Contributions – Member	229,886	232,219	243,748	230,786	227,943	201,707	194,487	161,203	151,179	139,016
Net Investment Income	1,568,434	(2,775,811)	3,264,614	1,647,668	481,404	1,208,041	1,463,477	1,045,881	(67,763)	1,003,043
Benefit Payments, Including Refunds	(1,164,115)	(779,608)	(759,914)	(648,067)	(835,996)	(518,254)	(493,963)	(740,129)	(652,537)	(304,307)
Refunds										
Administrative Expense	(57,272)	(48,158)	(47,983)	(47,662)	(56,825)	(46,730)	(47,943)	(48,299)	(46,398)	(41,892)
Other	7,123	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ 1,210,960	\$ (2,768,082)	\$ 3,323,155	\$ 1,802,177	\$ 447,234	\$ 1,567,538	\$ 1,951,967	\$ 1,143,706	\$ 86,866	\$ 1,520,002
Plan Fiduciary Net Position – Beginning	18,062,906	20,830,988	17,507,833	15,705,656	15,258,422	13,690,884	11,738,917	10,595,211	10,508,345	8,988,343
Plan Fiduciary Net Position – Ending	\$19,273,866	\$18,062,906	\$20,830,988	\$17,507,833	\$15,705,656	\$15,258,422	\$13,690,884	\$11,738,917	\$10,595,211	\$10,508,345
Net Pension Liability	\$ 2,088,406	\$ 2,392,939	\$ (1,727,763)	\$ 215,468	\$ 619,596	\$ 473,859	\$ (98,118)	\$ 1,230,459	\$ 1,805,093	\$ 1,502,305
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.22%	88.30%	109.04%	98.78%	96.20%	96.99%	100.72%	90.51%	85.44%	87.49%
Covered Payroll	\$ 2,715,557	\$ 2,741,315	\$ 2,877,969	\$ 2,724,288	\$ 2,689,396	\$ 2,389,899	\$ 2,304,347	\$ 1,899,385	\$ 1,938,150	\$ 1,635,200
Net Pension Liability as a Percentage of Covered Payroll	76.91%	87.29%	(60.03)%	7.91%	23.04%	19.83%	(4.26)%	64.78%	93.13%	91.87%



SCHEDULE OF EMPLOYER'S NET PENSION LIABILITY

GASB Statements No. 67 and 68

FY Ending September 30,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	12,010,650	10,508,345	1,502,305	87.49%	1,635,200	91.87%
2015	12,400,304	10,595,211	1,805,093	85.44%	1,938,150	93.13%
2016	12,969,376	11,738,917	1,230,459	90.51%	1,899,385	64.78%
2017	13,592,766	13,690,884	(98,118)	100.72%	2,304,347	(4.26)%
2018	15,732,281	15,258,422	473,859	96.99%	2,389,899	19.83%
2019	16,325,252	15,705,656	619,596	96.20%	2,689,396	23.04%
2020	17,723,301	17,507,833	215,468	98.78%	2,724,288	7.91%
2021	19,103,225	20,830,988	(1,727,763)	109.04%	2,877,969	(60.03)%
2022	20,455,845	18,062,906	2,392,939	88.30%	2,741,315	87.29%
2023	21,362,272	19,273,866	2,088,406	90.22%	2,715,557	76.91%

NOTES TO SCHEDULE OF EMPLOYER'S NET PENSION LIABILITY

GASB Statements No. 67 and 68

Valuation Date: October 1, 2022
Measurement Date: September 30, 2023

Methods and Assumptions Used to Determine Net Pension Liability:

Roll-Forward Procedures	The Total Pension Liability was rolled-forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques.
Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	6.00% to 10.00% per year, depending on service, including inflation
Investment Rate of Return	6.45%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk Class members in their July 1, 2021 actuarial valuation (with mortality improvements projected to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.
Experience Studies	The most recent experience study was completed August 9, 2018. Based on the results of this experience study, certain assumption/method changes were implemented effective in the October 1, 2018 actuarial valuation.

Other Information:

Notes See the October 1, 2022 Revised Actuarial Valuation Report dated February 17, 2023.



PENSION EXPENSE
FISCAL YEAR ENDED SEPTEMBER 30, 2023
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2023)
GASB Statements No. 67 and 68

Pension Expense

1. Service Cost	\$ 605,763
2. Interest on the Total Pension Liability	1,361,890
3. Current-Period Benefit Changes	-
4. Employee Contributions (made negative for addition here)	(229,886)
5. Projected Earnings on Plan Investments (made negative for addition here)	(1,153,529)
6. Pension Plan Administrative Expense	57,272
7. Other Changes in Plan Fiduciary Net Position	(7,123)
8. Other Changes in Total Pension Liability (Share Plan Allocation)	18,300
9. Recognition of Outflow (Inflow) of Resources due to Liabilities	264,733
10. Recognition of Outflow (Inflow) of Resources due to Assets	340,290
11. Total Pension Expense	\$ 1,257,710

**STATEMENT OF OUTFLOWS AND INFLOWS
ARISING FROM CURRENT REPORTING PERIOD
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2023
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2023)
GASB Statements No. 67 and 68**

A. Outflows (Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability due to (gains) or losses	\$ (462,823)
2. Assumption Changes (gains) or losses	\$ 547,412
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	5.0
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	\$ (92,565)
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for assumption changes	<u>\$ 109,482</u>
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	\$ 16,917
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability	\$ (370,258)
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for assumption changes	<u>\$ 437,930</u>
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	\$ 67,672

B. Outflows (Inflows) of Resources due to Assets

1. Net difference between projected and actual earnings on pension plan investments due to (gains) or losses	\$ (414,905)
2. Recognition period for Assets {in years}	5.0
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	\$ (82,981)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ (331,924)



**STATEMENT OF OUTFLOWS AND INFLOWS
ARISING FROM CURRENT AND PRIOR REPORTING PERIODS
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2023
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2023)
GASB Statements No. 67 and 68**

A. Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	\$ 427,678	\$ 162,945	\$ 264,733
2. Due to Assets	947,840	607,550	340,290
3. Total	\$ 1,375,518	\$ 770,495	\$ 605,023

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 194,937	\$ 162,945	\$ 31,992
2. Assumption Changes	232,741	-	232,741
3. Net Difference between projected and actual earnings on pension plan investments	947,840	607,550	340,290
4. Total	\$ 1,375,518	\$ 770,495	\$ 605,023

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	\$ 170,851	\$ 488,096	\$ (317,245)
2. Assumption Changes	622,260	-	622,260
3. Net Difference between projected and actual earnings on pension plan investments	2,496,797	1,270,911	1,225,886
4. Total	\$ 3,289,908	\$ 1,759,007	\$ 1,530,901

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending September 30	Net Deferred Outflows of Resources
2024	\$ 303,853
2025	460,655
2026	832,453
2027	(66,060)
2028	-
Thereafter	-
Total	\$ 1,530,901



**SUMMARY OF REMAINING DEFERRED
OUTFLOWS AND INFLOWS OF RESOURCES
GASB Statements No. 67 and 68**

<u>Date Established</u>	<u>Source</u>	<u>Recognition Period (years)</u>	<u>Original Amount</u>	<u>Years Remaining</u>	<u>Remaining Amount</u>	<u>Amount Recognized in Current Expense</u>
<u>Deferred Outflows of Resources</u>						
9/30/2018	Assumption Changes	6.0	\$ 364,891	1.0	\$ 60,815	\$ 60,815
9/30/2018	Liability Exp. Loss	6.0	748,684	1.0	124,781	124,781
9/30/2019	Investment Exp. Loss	5.0	577,869	1.0	115,574	115,574
9/30/2020	Assumption Changes	6.0	18,010	3.0	9,006	3,002
9/30/2020	Liability Exp. Loss	6.0	237,704	3.0	118,851	39,617
9/30/2021	Assumption Changes	6.0	356,654	4.0	237,768	59,442
9/30/2022	Investment Exp. Loss	5.0	4,161,329	4.0	3,329,063	832,266
9/30/2022	Liability Exp. Loss	5.0	152,695	4.0	122,156	30,539
9/30/2023	Assumption Changes	5.0	547,412	5.0	547,412	109,482
SUBTOTAL:			7,165,248		4,665,426	1,375,518
<u>Deferred Inflows of Resources</u>						
9/30/2019	Liability Exp. Gain	6.0	(279,907)	2.0	(93,302)	(46,651)
9/30/2020	Investment Exp. Gain	5.0	(550,756)	2.0	(220,302)	(110,151)
9/30/2021	Investment Exp. Gain	5.0	(2,072,091)	3.0	(1,243,254)	(414,418)
9/30/2021	Liability Exp. Gain	6.0	(142,376)	4.0	(94,916)	(23,729)
9/30/2023	Investment Exp. Gain	5.0	(414,905)	5.0	(414,905)	(82,981)
9/30/2023	Liability Exp. Gain	5.0	(462,823)	5.0	(462,823)	(92,565)
SUBTOTAL:			(3,922,858)		(2,529,502)	(770,495)
GRAND TOTAL:					\$3,242,390	\$ 605,023

SCHEDULE OF CONTRIBUTIONS

GASB Statements No. 67 and 68

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	567,904	724,142	(156,238)	1,635,200	44.28 %
2015	532,371	702,385	(170,014)	1,938,150	36.24 %
2016	502,767	725,050	(222,283)	1,899,385	38.17 %
2017	539,217	824,509	(285,292)	2,304,347	35.78 %
2018	494,231	708,974	(214,743)	2,389,899	29.67 %
2019	505,875	614,358	(108,483)	2,689,396	22.84 %
2020	546,765	602,502	(55,737)	2,724,288	22.12 %
2021	581,638	604,540	(22,902)	2,877,969	21.01 %
2022	534,831	588,126	(53,295)	2,741,315	21.45 %
2023	523,559	608,604	(85,045)	2,715,557	22.41 %

NOTES TO SCHEDULE OF CONTRIBUTIONS

GASB Statements No. 67 and 68

Valuation Date: October 1, 2021

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	30 years (longest remaining period); 11 years (single equivalent period)
Asset Valuation Method	5-year smoothed market; 20% corridor
Inflation	2.50%
Salary Increases	6.00% to 10.00% per year, depending on service, including inflation
Investment Rate of Return	6.65%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk Class members in their July 1, 2021 actuarial valuation (with mortality improvements projected to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.
Experience Studies	The most recent experience study was completed August 9, 2018. Based on the results of this experience study, certain assumption/method changes were implemented effective in the October 1, 2018 actuarial valuation.

Other Information:

Notes See the October 1, 2021 Actuarial Valuation Report dated January 24, 2022.



SENSITIVITY OF NET PENSION LIABILITY TO THE SINGLE DISCOUNT RATE ASSUMPTION GASB Statements No. 67 and 68

A single discount rate of 6.45% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.45%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these 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 (6.45%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.45%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease 5.45%	Current Single Discount Rate Assumption 6.45%	1% Increase 7.45%
\$5,197,083	\$2,088,406	(\$440,534)