

ANNUAL REPORT

VILLAGE OF SKANEATELES SERVICE AWARD PROGRAM

ACTUARIAL VALUATION
AS OF JANUARY 1, 2024

PENFLEX 
SERVICE AWARDS FOR FIRE & EMS

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SERVING YOUR VOLUNTEERS SINCE 1990

**Village of Skaneateles
Service Award Program**

Actuarial Certification

January 1, 2024 Valuation

The purpose of this report is to provide the Program Sponsor, Program Administrator, and other officials associated with the operation of the Program with information regarding the annual contribution requirement and the overall financial health of the Program. In order to appropriately fund for the benefits promised to volunteers and their beneficiaries, annual actuarially determined contributions are required. This report provides information and documentation regarding the participant and financial data, actuarial methods and assumptions, and the interpretation of the Program provisions used in determining the annual contribution requirements.

The participant and financial data used in this valuation were provided by the Program Sponsor, the investment provider, and/or the volunteer organization. We have not audited the data, but reviewed it for reasonableness and consistency and have relied upon it for the valuation of Program liabilities. We are not aware of any material imperfections in the data, but changes in the data may cause changes in the results contained in this report. Any irregularities of any kind noted by the user of this report must be reported to Penflex Actuarial Services, LLC immediately.

Penflex Actuarial Services, LLC has prepared this report for the exclusive use of the Program Sponsor and the participants and designated beneficiaries of the Program. This report should not be relied on for any purpose other than the purpose stated nor shared with any other party without the express written consent of Penflex Actuarial Services, LLC.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: Program experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes expected as part of the natural operation of the actuarial methodology (such as the end of an amortization period); and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this report.

It is my opinion that the actuarial methods and assumptions are reasonably related to the experience and future expectations of the Program. I certify that the actuarial calculations, based on my understanding of the provisions of the Village of Skaneateles Service Award Program, have been performed in accordance with generally accepted actuarial principles and standards of practice.

I am an Associate of the Society of Actuaries and a member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report.



Jay Lee, ASA, MAAA

4-10-2024

Date

VILLAGE OF SKANEATELES SERVICE AWARD PROGRAM
JANUARY 1, 2024 ANNUAL REPORT COMMENTARY

It is a pleasure to present the January 1, 2024 Annual Report of the Village of Skaneateles Service Award Program. The following commentary provides a summary of key results from the Annual Report. Please refer to the full set of corresponding Annual Report exhibits for Program cost calculation details.

Calculated Program Contribution and Plan Funding

The program contribution to be made to the Trust Fund in 2025 is \$68,377. This amount includes reimbursement of fees paid from the Trust Fund during 2023. It also includes a component for funding the \$10,000 minimum death benefit for pre-entitlement age active participants. Please see Exhibit I of the Annual Report for a complete breakdown of how the contribution requirement is calculated.

Last year's Annual Report determined \$61,604 to be the program contribution to be made to the Trust Fund in 2024. Please make this contribution as soon as possible if you have not already done so.

The contribution due in 2025 is an increase of about \$7,000 compared to the contribution due in 2024 primarily due to the deferred investment loss from 2022 continuing to be being phased into the Actuarial Value of Assets through our asset smoothing method. Please note that the contribution may increase further next year as the investment loss from 2022 continues to be recognized in the asset smoothing method. Please refer to Exhibit VIII in the Annual Report for an estimate of future contributions as the Village prepares upcoming budgets.

The Trust Fund's investment return for 2023 was +13.4%, resulting in an investment gain when compared to the rate of return assumption used to value the plan liabilities. The smoothed assets (Actuarial Value or AVA) returned +2.8% for the most recent year. The smoothing method defers some of the investment gain over the next two years which reduces volatility in current and future contribution requirements.

The funded ratio is 95% as of January 1, 2024, compared to 90% as of January 1, 2023. This ratio of the Trust Fund assets to the actuarial accrued liability measures the progress in funding the service awards that have been promised. The increase in the funded ratio is due to 2023's favorable investment return, which was higher than the assumed rate of return. The funded ratio will naturally fluctuate from year-to-year as the Trust Fund assets move up or down, however, an overall upward trend in this measure is ideal. Provided calculated program contributions continue to be made annually, we do expect the funded ratio to gradually increase toward 100%.

Village of Skaneateles Service Award Program

1/1/2024 FACT SHEET

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Net Program Assets (A)</u>	<u>Actuarial Accrued Liability (B)</u>	<u>Unfunded Liability (B) - (A)</u>	<u>Funded Ratio (A) ÷ (B)</u>
1/1/2020	\$2,081,548	\$2,033,525	\$0	102%
1/1/2021*	\$2,281,169	\$2,208,447	\$0	103%
1/1/2022	\$2,494,800	\$2,300,714	\$0	108%
1/1/2023	\$2,119,816	\$2,367,644	\$247,828	90%
1/1/2024	\$2,319,238	\$2,454,115	\$134,877	95%

Comparison of Costs

<u>Actuarial Valuation Date</u>	<u>Calculated Contribution (C)</u>	<u>Sponsor Contribution (D)</u>	<u>Excess/(Deficit) Contribution (D) - (C)</u>	<u>Date(s) of Contribution</u>
1/1/2020	\$62,463	\$62,463	\$0	2/15/2022
1/1/2021*	\$71,751	\$71,751	\$0	6/14/2022
1/1/2022	\$53,401	\$53,401	\$0	6/16/2023
1/1/2023	\$61,604	To be determined	To be determined	Due in 2024
1/1/2024	\$68,377	To be determined	To be determined	Due in 2025

Investment Rate of Return

2019: 20.6%	2020: 11.2%	2021: 12.1%	2022: -13.0%	2023: 13.4%
5-year Average Rate of Return: 8.2%				

Program Participant Breakdown

	<u>As of 1/1/2023</u>	<u>As of 1/1/2024</u>
Entitled participants (post-EA)	26	29
Active participants (pre-EA)	34	33
Inactive participants (pre-EA)	7	10
Terminated vested participants (pre-EA)	12	11
Total	79	83
Pre-EA participants earning service credit	24	26
Post-EA participants earning service credit	13	14
Total	37	40
Non-vested terminations	0	1

* The assumed rate of investment return was lowered from 5.75% to 5.50%.

VILLAGE OF SKANEATELES SERVICE AWARD PROGRAM

UPCOMING ENTITLEMENTS

The following participants will or have reached the Entitlement Age and will be eligible for payment of their Service Award on the Entitlement Date shown below.

In order to verify their eligibility and prepare the necessary Service Award payment certification and directive letters, please have them complete the enclosed Payment Commencement Form.

<u>Name</u>	<u>Date of Birth</u>	<u>Entitlement Date</u>	<u>Form Received</u>
Paul Plummer	11/30/1956	1/1/2024	No
Ronald Coleman	8/1/1959	8/1/2024	Yes
Alberto Pola	8/28/1959	9/1/2024	Yes
James Buehler	12/14/1959	1/1/2025	Yes

Date Prepared: March 8, 2024

**VILLAGE OF SKANEATELES
SERVICE AWARD PROGRAM
PAYMENT COMMENCEMENT FORM**

As a participant in the Service Award Program who has attained the entitlement age, you are eligible to receive a benefit from the Service Award Program. Please complete this form and return it with a copy of your proof of date of birth to the Village or Fire Department or directly to Penflex Actuarial Services, LLC., 50 Century Hill Drive, Suite #3, Latham, NY 12110.

You will receive an IRS form 1099 reporting this income and we encourage you to consult with a qualified tax professional for advice on any action that is required by you as a result of receiving this payment. Additional information on making estimated tax payments can be found on the IRS web site, www.IRS.gov.

SECTION 1 YOUR PERSONAL INFORMATION

Print Name _____ Social Security Number _____ Date of Birth _____

Mailing Address _____ Phone Number _____

SECTION 2 PROOF OF DATE OF BIRTH (select one and submit a photocopy)

I hereby submit proof of my date of birth as: driver's license OR birth certificate OR passport

SECTION 3 DIRECT DEPOSIT INFORMATION

For deposit into a checking account, you must return a voided check. For deposit into a savings account, you must return an account statement or a signed letter on bank letterhead confirming the account title, account number, and ABA routing number. Please note that you may receive a check for the first and second payment before direct deposit begins.

Account Type: Savings Checking

Will the payment that is made via direct deposit pursuant to this authorization be forwarded across the U.S. border to a foreign financial institution through the ACH network on the same day that it is deposited into your account?

YES NO (If no selection is made, we will assume NO.)

SECTION 4 INCOME TAX WITHHOLDING INFORMATION

I wish to withhold the following percentage of my payment(s) for FEDERAL taxes _____%, for STATE taxes _____%.
If one or both of these lines is not filled in, no corresponding income tax will be withheld from your payment(s).

SECTION 5 CERTIFICATION

I acknowledge that Penflex Actuarial Services, LLC., and the Village of Skaneateles have not counseled me or my heirs regarding the income tax consequences of this payment and that I will seek such counsel from my own tax advisor.

Participant Signature _____ Date Signed _____

Witness Signature _____ Print Witness Name _____ Date Signed _____

Note - Witness must be an Official of the Village or Fire Department or a notary.

Village of Skaneateles
Service Award Program

Exhibit I

Summary of Plan Year Actuarial Cost Calculations

Components of 2025 Actuarially Determined Program Contribution

(1) Present Value of Accrued Benefits (Entitled):	\$1,142,719
(2) Present Value of Projected Benefits (Active):	\$1,211,166
(3) Present Value of Accrued Benefits (Inactive):	\$338,727
(4) Present Value of Accrued Benefits (Terminated Vested):	\$213,668
(5) Separately Amortized Post-Entitlement Age Liability:	\$79,576
(6) Actuarial Value of Assets as of 12/31/2023:	\$2,360,693
(7) Program Contribution due in 2024:	\$61,604
(8) Average Temporary Annuity:	11.18755
(9) Normal Cost: [(1)+(2)+(3)+(4)-(5)-(6)-(7)] ÷ (8)	\$36,148
(10) Post-Entitlement Age Liability Amortization Payment:	\$26,604
(11) \$10,000 Self-Insured Minimum Death Benefit:	\$122
(12) Reimbursement of Glens Falls National Bank fees paid in 2023:	\$1,077
(13) Contribution Timing Adjustment:	\$4,426
Calculated Program Contribution due in 2025: (9)+(10)+(11)+(12)+(13)	\$68,377

**Village of Skaneateles
Service Award Program**

Exhibit II

Summary of Liability Amortization Basis

Amortization Interest Rate: 5.50%

<u>Type of Liability</u>	<u>Date Est.</u>	<u>Beginning Balance</u>	<u>Payment</u>	<u>Interest</u>	<u>Additions</u>	<u>Ending Balance</u>	<u>Remaining Term</u>	<u>2025 Payment</u>
Post EA	1/1/2019	\$3,651	(\$3,651)	\$0	\$0	\$0	0	\$0
Post EA	1/1/2020	\$8,013	(\$4,114)	\$214	\$0	\$4,113	1	\$4,113
Post EA	1/1/2021	\$12,354	(\$4,340)	\$441	\$0	\$8,455	2	\$4,341
Post EA	1/1/2022	\$22,400	(\$6,057)	\$899	\$0	\$17,242	3	\$6,058
Post EA	1/1/2023	\$26,284	(\$5,834)	\$1,125	\$0	\$21,575	4	\$5,834
Post EA	1/1/2024	\$0	\$0	\$0	\$28,191	\$28,191	5	\$6,258
Total		\$72,702	(\$23,996)	\$2,679	\$28,191	\$79,576		\$26,604

**Village of Skaneateles
Service Award Program**

Exhibit III

1/1/2024 Funding Cost Calculations

ENTITLED PARTICIPANTS

<u>Name</u>	<u>Date of Birth</u>	<u>Entitlement Date</u>	<u>Form of Payment</u>	<u>Months Certain</u>	<u>Total Service Credit</u>	<u>Accrued Monthly Service Award</u>	<u>Present Value of Accrued Service Award</u>	<u>Present Value of Post-EA Service Award</u>
1 Anklin, Donald S.	7/13/1956	8/1/2021	Cert. & Life	91	6	\$120	\$16,162	\$0
2 Astemborski, Thaddeus J.	10/13/1931	11/1/1996	Life	0	25	\$500	\$20,737	\$0
3 Bailer, Richard W.	3/3/1942	4/1/2007	Life	0	37	\$740	\$56,757	\$1,534
4 Battle, Jorge	5/6/1942	6/1/2007	Life	0	37	\$740	\$57,263	\$1,548
5 Buff, James A.	11/12/1938	1/1/2004	Life	0	13	\$260	\$16,677	\$1,283
6 Busa, Steven L.	1/25/1956	2/1/2021	Cert. & Life	85	10	\$200	\$26,551	\$2,655
7 Card, David E.	8/2/1948	9/1/2013	Life	0	30	\$600	\$61,070	\$0
8 Carlson, Gordon J.	8/4/1944	9/1/2009	Life	0	36	\$720	\$62,055	\$1,724
9 Clark, Jay H.	6/4/1958	8/1/2023	Cert. & Life	115	10	\$200	\$28,451	\$0
10 Cross, Donald	2/24/1950	3/1/2015	Cert. & Life	14	15	\$300	\$32,383	\$0
11 Gannon, Patrick J.	4/23/1944	5/1/2009	Life	0	33	\$660	\$56,151	\$1,702
12 Jones, Francis P.	5/13/1954	6/1/2019	Cert. & Life	65	22	\$440	\$55,319	\$2,514
13 Landers, Edward T.	7/17/1940	8/1/2005	Life	0	10	\$200	\$14,087	\$0
14 Lessaongang, Ray	12/31/1955	1/1/2021	Cert. & Life	84	35	\$700	\$92,721	\$2,649
15 Loperfido, Joseph J.	1/10/1954	2/1/2019	Cert. & Life	61	31	\$620	\$77,064	\$0
16 Major, Charles T.	8/9/1934	1/1/2008	Life	0	11	\$220	\$10,893	\$0
17 McManus, James	10/1/1932	10/1/1997	Life	0	1	\$20	\$881	\$0
18 Murphy, Paul	8/6/1936	9/1/2001	Life	0	33	\$660	\$37,001	\$0
19 Perkins, Richard J.	3/18/1946	1/1/2012	Life	0	13	\$260	\$24,062	\$1,851
20 Plummer, Paul	11/30/1956	1/1/2024	Cert. & Life	120	1	\$20	\$2,772	\$2,772
21 Roberts, Howard E.	5/24/1936	6/1/2001	Life	0	7	\$140	\$7,752	\$0
22 Rusin, Sr., James J.	8/5/1958	9/1/2023	Cert. & Life	116	26	\$520	\$74,260	\$2,856
23 Russell, Eugene	10/31/1941	11/1/2006	Life	0	21	\$420	\$31,664	\$1,508
24 Shappell, Gary L.	10/26/1956	11/1/2021	Cert. & Life	94	8	\$160	\$21,728	\$0
25 Sheppard, David A.	8/7/1933	9/1/1998	Life	0	28	\$560	\$26,022	\$929
26 Spearing, David C.	5/10/1946	6/1/2011	Life	0	8	\$160	\$14,899	\$0
27 Wellington, Allan	10/2/1956	11/1/2021	Cert. & Life	94	32	\$640	\$86,785	\$0
28 Williams, Jr., John R.	5/6/1954	6/1/2019	Cert. & Life	65	18	\$360	\$45,238	\$0
29 Woodford, Clinton L.	3/10/1956	4/1/2021	Cert. & Life	87	32	\$640	\$85,313	\$2,666
						Total	\$1,142,719	\$28,191

**Village of Skaneateles
Service Award Program**

Exhibit IV

1/1/2024 Funding Cost Calculations

ACTIVE PARTICIPANTS

<u>Name</u>	<u>Date of Birth</u>	<u>Entitlement Date</u>	<u>Total Service Credit</u>	<u>Accrued Monthly Service Award</u>	<u>Projected Monthly Service Award</u>	<u>Present Value of Projected Service Award</u>	<u>Temporary Annuity Factor</u>
1 Alexander, Michael	3/30/2005	4/1/2070	1	\$20	\$800	\$9,700	17.63292
2 Bailer, Robert	3/19/1974	4/1/2039	11	\$220	\$520	\$33,134	11.03758
3 Buehler, James P.	12/14/1959	1/1/2025	36	\$720	\$740	\$101,097	1.00000
4 Caza Sr., Christopher P.	4/8/1965	5/1/2030	6	\$120	\$240	\$24,637	5.99553
5 Clarry, Randy R.	8/11/1967	9/1/2032	21	\$420	\$580	\$52,553	7.33457
6 D'Amico, Adam M.	9/1/1983	9/1/2048	22	\$440	\$800	\$30,810	14.15170
7 Dove, Ryan	4/8/1989	5/1/2054	3	\$60	\$660	\$18,744	15.53375
8 Evans, Daniel S.	6/25/1972	7/1/2037	34	\$680	\$800	\$56,002	10.11708
9 Evans, Thomas	5/25/2005	6/1/2070	1	\$20	\$800	\$9,612	17.63292
10 Frank, Robert	6/11/1962	7/1/2027	28	\$560	\$620	\$74,084	3.69793
11 Haining, William	12/14/1987	1/1/2053	1	\$20	\$600	\$18,306	15.12142
12 Kipp, Jacob	3/6/1995	4/1/2060	5	\$100	\$800	\$16,549	16.53607
13 Lessaongang, Frank R.	12/28/1984	1/1/2050	18	\$360	\$800	\$28,681	14.41393
14 Lockhart, Marcus R.	5/10/2000	6/1/2065	6	\$120	\$800	\$12,552	17.15746
15 Lynn, Martin A.	10/26/1977	11/1/2042	9	\$180	\$540	\$28,412	12.24607
16 Mead, Ariel	9/5/2003	10/1/2068	3	\$60	\$800	\$10,498	17.45785
17 Mead, Kevin A.	4/14/1983	5/1/2048	8	\$160	\$640	\$25,070	14.15170
18 Mead, Paul W.	1/27/1984	2/1/2049	4	\$80	\$580	\$21,839	14.41393
19 Murphy, Kathryn	3/15/1967	4/1/2032	35	\$700	\$800	\$74,138	7.33457
20 Murphy, III, William P.	12/11/1968	1/1/2034	18	\$360	\$560	\$47,245	7.95220
21 Newell, David A.	4/12/1962	5/1/2027	26	\$520	\$580	\$69,929	3.69793
22 Orsen, Joseph	5/26/1967	6/1/2032	4	\$80	\$240	\$22,056	7.33457
23 Paddock, Heather L.	12/31/1967	1/1/2033	3	\$60	\$240	\$21,383	7.33457
24 Paddock, Michael S.	10/22/1971	11/1/2036	4	\$80	\$320	\$23,210	9.61852
25 Pickering, Dana	8/20/1971	9/1/2036	26	\$520	\$760	\$55,613	9.61852
26 Sell, Eric R.	5/18/1972	6/1/2037	34	\$680	\$800	\$56,230	10.11708
27 Sell, Thomas E.	9/17/2001	10/1/2066	2	\$40	\$800	\$11,692	17.26300
28 Short, Scott R.	8/13/1972	9/1/2037	16	\$320	\$580	\$40,214	10.11708
29 Stanczyk, Michael	2/19/1980	3/1/2045	3	\$60	\$480	\$22,284	13.27524

**Village of Skaneateles
Service Award Program**

Exhibit IV

1/1/2024 Funding Cost Calculations

ACTIVE PARTICIPANTS

<u>Name</u>	<u>Date of Birth</u>	<u>Entitlement Date</u>	<u>Total Service Credit</u>	<u>Accrued Monthly Service Award</u>	<u>Projected Monthly Service Award</u>	<u>Present Value of Projected Service Award</u>	<u>Temporary Annuity Factor</u>
30 Stebbins, Mark	12/14/1967	1/1/2033	32	\$640	\$800	\$71,216	7.33457
31 Tate, Jodi D.	10/1/1975	10/1/2040	6	\$120	\$440	\$25,890	11.46216
32 Wallace, Charles P.	1/13/1966	2/1/2031	37	\$740	\$800	\$78,908	6.68297
33 Wiley, Michael	9/10/1984	10/1/2049	1	\$20	\$520	\$18,878	14.41393
			Total			\$1,211,166	369.18930
				Average			11.18755

Village of Skaneateles
Service Award Program

Exhibit V

1/1/2024 Funding Cost Calculations

INACTIVE PARTICIPANTS

<u>Name</u>	<u>Date of Birth</u>	<u>Entitlement Date</u>	<u>Total Service Credit</u>	<u>Accrued Monthly Service Award</u>	<u>Present Value of Accrued Service Award</u>
1 Andrews, William	3/30/1963	4/1/2028	23	\$460	\$52,851
2 Atkinson, William L.	3/22/1961	4/1/2026	30	\$600	\$76,695
3 Bailer, Dennis M.	12/6/1976	1/1/2042	10	\$200	\$10,992
4 Blum, Tory E.	7/1/1986	7/1/2051	5	\$100	\$3,309
5 Casper, Stephen G.	7/6/1973	8/1/2038	9	\$180	\$11,878
6 Dudden, Tammy L.	11/13/1962	12/1/2027	18	\$360	\$42,072
7 Forgham, Brandon	3/15/1990	4/1/2055	7	\$140	\$3,787
8 Hall, Todd M.	10/12/1972	11/1/2037	26	\$520	\$35,732
9 Pola, Alberto A.	8/28/1959	9/1/2024	26	\$520	\$72,372
10 Squires, Jr., Fred L.	7/8/1973	8/1/2038	22	\$440	\$29,039
			Total		\$338,727

Note: These participants have not earned a year of service credit in three or more years, but are still active members of the Program.

Village of Skaneateles
Service Award Program

Exhibit VI

1/1/2024 Funding Cost Calculations

TERMINATED VESTED PARTICIPANTS

<u>Name</u>	<u>Date of Birth</u>	<u>Entitlement Date</u>	<u>Total Service Credit</u>	<u>Accrued Monthly Service Award</u>	<u>Present Value of Accrued Service Award</u>
1 Aldrich, Kenneth H.	10/21/1965	11/1/2030	7	\$140	\$14,001
2 Brown, Jr., James R.	2/2/1967	3/1/2032	11	\$220	\$20,467
3 Bryant, Stephen J.	1/6/1986	2/1/2051	8	\$160	\$5,407
4 Buehler, Mark	3/13/1966	4/1/2031	22	\$440	\$43,014
5 Buff, Brian D.	6/6/1969	7/1/2034	9	\$180	\$14,782
6 Card, David R.	5/1/1971	5/1/2036	7	\$140	\$10,435
7 Carlson, John G.	3/8/1968	4/1/2033	5	\$100	\$8,781
8 Carlson, Scott G.	8/31/1964	9/1/2029	19	\$380	\$40,472
9 Chalupnicki, Jeffery	7/11/1965	8/1/2030	7	\$140	\$14,182
10 Coleman, Ronald E.	8/1/1959	8/1/2024	8	\$160	\$22,373
11 Persse, Stephen D.	10/8/1967	11/1/2032	11	\$220	\$19,754
			Total		\$213,668

**Village of Skaneateles
Service Award Program**

Exhibit VII

1/1/2024 Forfeiture Listing

NON-VESTED TERMINATIONS

<u>Name</u>	<u>Date of Birth</u>	<u>Forfeited Service Credit</u>	<u>Forfeited Service Award</u>
1 Lynn, William	10/21/1963	2	\$40

**Village of Skaneateles
Service Award Program**

Exhibit VIII

Projection of Program Payments and Trust Fund Assets

Projected contributions are based on current plan provisions and actuarial assumptions that are assumed to be precisely realized. Changes in plan provisions or actuarial assumptions, as well as actual experience, will produce actuarial gains and losses which, in turn, result in contribution requirements that may be higher or lower.

Projections are based on the assumption that Active Participants will remain active until reaching Entitlement Age and earn a year of service credit in each year. It is also assumed that all Participants will survive to collect their monthly payments. Estimates should only be used as a rough guide for future contribution requirements.

Current Assumed Rate of Investment Return: 5.50%

<u>Plan Year</u>	<u>January 1st Trust Fund Balance</u>	<u>Service Award Program Payments</u>	<u>Estimated Trust Fund Contribution</u>
2024	\$2,319,238	\$144,240	\$61,604
2025	\$2,361,918	\$160,080	\$68,377
2026	\$2,397,633	\$167,160	\$80,000

Note: Contributions for plan years 2024 and 2025 represent actual calculations. The Projected Trust Fund Balance is calculated based on the Calculated Program Contribution (does not incorporate any excess contribution). Projected Monthly Service Award Payments are calculated based on the normal form of payment: 10-year certain and continued life annuity.

**Village of Skaneateles
Service Award Program**

Exhibit IX

Risk Assessment, Maturity Measures and Sensitivity Analysis

Defined benefit Length of Service Award Programs (LOSAPs) are exposed to various risks that can affect program funding and calculated contributions. The three most significant risks that LOSAPs are exposed to are:

- 1) **Investment Risk:** the potential that investment returns will be different than expected. In general, this type of risk will increase as the percentage of equity assets in a portfolio increases.
- 2) **Longevity Risk:** the potential that mortality experience will be different than expected. For instance, if participants live substantially longer than anticipated, actual program costs will be higher as a result.
- 3) **Contribution Risk:** the potential that the sponsor fails to make the full actuarially determined contribution. If the contributions are not made annually, the program may become underfunded and, eventually, unable to pay promised benefits.

When deciding how much risk taking is appropriate, program sponsors can consider the level of plan maturity. When a program is first established, it will typically have zero or very few entitled participants. This means that there is relatively little cash outflow in the form of benefit payments and a large amount of cash inflow in the form of program contributions. As the program matures, the number of entitled and terminated vested participants will exceed the active participants, resulting in a support ratio that is greater than one. More mature plans will use a larger percentage of assets to make benefit payments, thereby making them more susceptible to volatility in asset values.

Plan Year Ending	(A)	(B)	(C)	(D)	Maturity Measures		
	Benefit Payments & Expenses	Net Program Assets	Trust Fund Contribution	Low-Default-Risk Obligation Measure (LDROM)	(A) / (B) Benefits to Assets	(A) / (C) Benefits to Contributions	Support Ratio ¹
2019	\$92,189	\$2,081,548	\$58,356	N/A	4.4%	158.0%	0.92
2020	\$98,660	\$2,281,169	\$68,236	N/A	4.3%	144.6%	0.82
2021	\$117,240	\$2,494,800	\$62,463	N/A	4.7%	187.7%	0.98
2022	\$128,218	\$2,119,816	\$71,751	N/A	6.0%	178.7%	0.93
2023	\$133,317	\$2,319,238	\$53,401	\$2,946,481	5.7%	249.7%	0.93

In general, the maturity measures shown above will increase over time as the number of entitled participants increases relative to active participants. In the early years of a program, when the plan is less mature, the ratio of benefit payments to program contributions will be low (less than 100%) indicating positive net cash flow into the program. A fund with positive net cash flow can better tolerate the volatility of investment risk since it will have a longer time horizon to make up for a drop in asset value than a fund with negative cash flow. For this reason, as a program becomes more mature, some sponsors may reduce exposure to investment risk by reducing the overall equity allocation in the fund. This can help shield the assets that are relied on to make benefit payments from short-term volatility in equity markets. The difference between the LDROM and the plan AAL represents the cost to the plan to mitigate current investment risk.

Sensitivity Analysis of the Actuarially Determined Contribution

The measurement of the program liabilities is dependent on the actuarial assumptions used to model future events. To the degree that actual experience differs from the assumptions used, actuarial gains and losses will result, causing the program contribution to be lower or higher. The table below illustrates how the program contribution and funded ratio could be affected if there were deviations in the assumed rate of investment return, entitled participant mortality, or the overall level of program assets. Future experience may vary significantly from both our current assumptions and the scenarios illustrated below.

Assumption	Adjustment	Actuarially Determined Contribution	Funded Ratio
Current	None	\$68,377	95%
Rate of Investment Return	Decrease from 5.50% to 5.25%	\$78,000	92%
Rate of Investment Return	LDROM consistent (4.00%)	\$126,000	79%
Entitled Participant Mortality Rates	Decrease of 10%	\$76,000	92%
12/31/2023 Market Value of Assets	Decrease of 10%	\$76,000	85%

¹ For measurement purposes, the support ratio is defined as the ratio of entitled and terminated vested participants to the active and inactive participants.

Village of Skaneateles
Service Award Program

Exhibit X

Statement of Net Program Assets

	For Plan Year Ending	
	<u>12/31/2023</u>	<u>12/31/2022</u>
Assets		
Cash and equivalents	\$112,907.39	\$77,138.20
Receivables		
Sponsor Contributions	\$0.00	\$0.00
Interest and Dividends	\$0.00	\$0.00
Total Receivables	<u>\$0.00</u>	<u>\$0.00</u>
Investments at market value		
Fixed Income	\$851,710.93	\$643,131.44
Equities	\$1,354,619.76	\$1,399,546.39
Other	\$0.00	\$0.00
Total investments	<u>\$2,206,330.69</u>	<u>\$2,042,677.83</u>
Life insurance policies at contract value	<u>\$0.00</u>	<u>\$0.00</u>
Total Assets	\$2,319,238.08	\$2,119,816.03
Liabilities		
Benefits Payable	<u>\$0.00</u>	<u>\$0.00</u>
Total Liabilities	\$0.00	\$0.00
Net Program Assets	\$2,319,238.08	\$2,119,816.03

**Village of Skaneateles
Service Award Program**

Exhibit XI

Statement of Changes in Net Program Assets

	For Plan Year Ending	
	<u>12/31/2023</u>	<u>12/31/2022</u>
<u>Additions</u>		
Sponsor Contributions	\$53,401.00	\$134,214.00
Change in sponsor contributions receivable	\$0.00	(\$62,463.00)
Investment income		
Net appreciation/(depreciation) in market value of investments	\$228,304.38	(\$357,435.18)
Interest and dividends	\$63,737.08	\$50,915.55
Change in investment income receivable	\$0.00	\$0.00
Subtotal	<u>\$292,041.46</u>	<u>(\$306,519.63)</u>
Less investment expense	(\$12,703.17)	(\$11,997.52)
Net investment income	<u>\$279,338.29</u>	<u>(\$318,517.15)</u>
 Total Additions	 \$332,739.29	 (\$246,766.15)
<u>Deductions</u>		
Benefits	(\$132,240.00)	(\$127,400.00)
Change in benefits payable	\$0.00	\$320.00
Management expense	\$0.00	\$0.00
Administrative expense - GFNB	(\$1,077.24)	(\$1,138.00)
 Total Deductions	 (\$133,317.24)	 (\$128,218.00)
 Net Increase/(Decrease)	 \$199,422.05	 (\$374,984.15)
<u>Net Program Assets</u>		
Beginning of year	<u>\$2,119,816.03</u>	<u>\$2,494,800.18</u>
End of year	\$2,319,238.08	\$2,119,816.03

Village of Skaneateles
Service Award Program

Exhibit XII

Calculation of Actuarial Value of Assets

The Actuarial Value of Assets represents a smoothed value of program assets that is used in the calculation of the calculated program contribution. Investment gains or losses in relation to the assumed rate of return are spread out and recognized over a three-year period. This method results in more stable asset values and, ultimately, more stable contribution requirements.

Plan Year Ending	Market Value of Assets	Contributions	Benefits and Expenses	Expected Market Value Assets ¹	Investment Gain/(Loss) ²	Actuarial Value of Assets ³
12/31/2019	\$2,081,548	\$58,356	\$92,189	\$1,825,541	\$256,006	\$1,974,925
12/31/2020	\$2,281,169	\$68,236	\$98,660	\$2,169,950	\$111,219	\$2,121,688
12/31/2021	\$2,494,800	\$62,463	\$117,240	\$2,350,370	\$144,430	\$2,361,440
12/31/2022	\$2,119,816	\$71,751	\$128,218	\$2,574,015	(\$454,199)	\$2,374,472
12/31/2023	\$2,319,238	\$53,401	\$133,317	\$2,154,321	\$164,917	\$2,360,693

¹ Expected Market Value of Assets = [Prior Year Market Value of Assets] x (1+i) + [Contributions] x (1+i)^{1/2} - [Benefits & Expenses] x (1+i)^{1/2}

² Investment Gain/(Loss) = [Market Value of Assets] - [Expected Market Value of Assets]

³ Actuarial Value of Assets = [Market Value of Assets] - (2/3) x [Current Year Investment Gain/(Loss)] - (1/3) x [Prior Year Investment Gain/(Loss)]

The value of i represents the Assumed Rate of Investment Return of that valuation year.

**Village of Skaneateles
Service Award Program**

Exhibit XIII

1/1/2024 Funding Cost Calculations

\$10,000 Self-Insured Death Benefit

<u>Name</u>	<u>Date of Birth</u>	<u>Actuarial Present Value of Accrued Monthly Benefit</u>	<u>\$10,000 less the Actuarial Present Value of Accrued Monthly Benefit</u>	<u>Normal Cost for Self-Insured Death Benefit</u>
1 Alexander, Michael	3/30/2005	\$243	\$9,758	\$3
2 Bailer, Robert	3/19/1974	\$14,018	\$0	\$0
3 Buehler, James P.	12/14/1959	\$98,365	\$0	\$0
4 Caza Sr., Christopher P.	4/8/1965	\$12,319	\$0	\$0
5 Clarry, Randy R.	8/11/1967	\$38,056	\$0	\$0
6 D'Amico, Adam M.	9/1/1983	\$16,945	\$0	\$0
7 Dove, Ryan	4/8/1989	\$1,704	\$8,296	\$4
8 Evans, Daniel S.	6/25/1972	\$47,602	\$0	\$0
9 Evans, Thomas	5/25/2005	\$240	\$9,760	\$3
10 Frank, Robert	6/11/1962	\$66,914	\$0	\$0
11 Haining, William	12/14/1987	\$610	\$9,390	\$5
12 Kipp, Jacob	3/6/1995	\$2,069	\$7,931	\$3
13 Lessaongang, Frank R.	12/28/1984	\$12,907	\$0	\$0
14 Lockhart, Marcus R.	5/10/2000	\$1,883	\$8,117	\$4
15 Lynn, Martin A.	10/26/1977	\$9,471	\$529	\$1
16 Mead, Ariel	9/5/2003	\$787	\$9,213	\$4
17 Mead, Kevin A.	4/14/1983	\$6,267	\$3,733	\$2
18 Mead, Paul W.	1/27/1984	\$3,012	\$6,988	\$4
19 Murphy, Kathryn	3/15/1967	\$64,870	\$0	\$0
20 Murphy, III, William P.	12/11/1968	\$30,372	\$0	\$0
21 Newell, David A.	4/12/1962	\$62,695	\$0	\$0
22 Orsen, Joseph	5/26/1967	\$7,352	\$2,648	\$16
23 Paddock, Heather L.	12/31/1967	\$5,346	\$4,654	\$28
24 Paddock, Michael S.	10/22/1971	\$5,803	\$4,197	\$19
25 Pickering, Dana	8/20/1971	\$38,051	\$0	\$0
26 Sell, Eric R.	5/18/1972	\$47,795	\$0	\$0
27 Sell, Thomas E.	9/17/2001	\$585	\$9,415	\$4
28 Short, Scott R.	8/13/1972	\$22,187	\$0	\$0

**Village of Skaneateles
Service Award Program**

Exhibit XIII

1/1/2024 Funding Cost Calculations

\$10,000 Self-Insured Death Benefit

<u>Name</u>	<u>Date of Birth</u>	<u>Actuarial Present Value of Accrued Monthly Benefit</u>	<u>\$10,000 less the Actuarial Present Value of Accrued Monthly Benefit</u>	<u>Normal Cost for Self-Insured Death Benefit</u>
29 Stanczyk, Michael	2/19/1980	\$2,786	\$7,214	\$6
30 Stebbins, Mark	12/14/1967	\$56,973	\$0	\$0
31 Tate, Jodi D.	10/1/1975	\$7,061	\$2,939	\$4
32 Wallace, Charles P.	1/13/1966	\$72,990	\$0	\$0
33 Wiley, Michael	9/10/1984	\$726	\$9,274	\$5
34 Andrews, William	3/30/1963	\$52,851	\$0	\$0
35 Atkinson, William L.	3/22/1961	\$76,695	\$0	\$0
36 Bailer, Dennis M.	12/6/1976	\$10,992	\$0	\$0
37 Blum, Tory E.	7/1/1986	\$3,309	\$6,691	\$4
38 Casper, Stephen G.	7/6/1973	\$11,878	\$0	\$0
39 Dudden, Tammy L.	11/13/1962	\$42,072	\$0	\$0
40 Forgham, Brandon	3/15/1990	\$3,787	\$6,213	\$3
41 Hall, Todd M.	10/12/1972	\$35,732	\$0	\$0
42 Pola, Alberto A.	8/28/1959	\$72,372	\$0	\$0
43 Squires, Jr., Fred L.	7/8/1973	\$29,039	\$0	\$0
			Total	\$122

The \$10,000 self-insured death benefit is only calculated for active members whose actuarial present value of accrued monthly benefit is less than \$10,000.

**Village of Skaneateles
Service Award Program**

Exhibit XIV

Service Credit History

<u>Name</u>	<u>Prior Service Credit</u>	<u>Service Credit</u>		<u>Total Service Credit</u>	<u>2023 Points Earned</u>	<u>Accrued Monthly Benefit</u>	<u>Present Value of Accrued</u>	
		<u>1992- 2022</u>	<u>2023</u>				<u>Monthly Benefit</u>	<u>Vested Pct.</u>
1 Aldrich, Kenneth H.	3	4	0	7	0	\$140	\$14,001	100%
2 Alexander, Michael	0	0	1	1	99.5	\$20	\$243	0%
3 Andrews, William	5	18	0	23	0	\$460	\$52,851	100%
4 Anklin, Donald S.	2	4	0	6	0	\$120	\$16,162	100%
5 Astemborski, Thaddeus J.	2	23	0	25	0	\$500	\$20,737	100%
6 Atkinson, William L.	5	25	0	30	0	\$600	\$76,695	100%
7 Bailer, Dennis M.	0	10	0	10	9	\$200	\$10,992	100%
8 Bailer, Richard W.	5	31	1	37	63	\$740	\$56,757	100%
9 Bailer, Robert	0	11	0	11	45.5	\$220	\$14,018	100%
10 Battle, Jorge	5	31	1	37	61.5	\$740	\$57,263	100%
11 Blum, Tory E.	0	5	0	5	33.5	\$100	\$3,309	100%
12 Brown, Jr., James R.	0	11	0	11	0	\$220	\$20,467	100%
13 Bryant, Stephen J.	0	8	0	8	0	\$160	\$5,407	100%
14 Buehler, James P.	5	30	1	36	127	\$720	\$98,365	100%
15 Buehler, Mark	4	18	0	22	0	\$440	\$43,014	100%
16 Buff, Brian D.	1	8	0	9	0	\$180	\$14,782	100%
17 Buff, James A.	0	12	1	13	56.5	\$260	\$16,677	100%
18 Busa, Steven L.	0	9	1	10	87	\$200	\$26,551	100%
19 Card, David E.	5	25	0	30	0	\$600	\$61,070	100%
20 Card, David R.	2	5	0	7	0	\$140	\$10,435	100%
21 Carlson, Gordon J.	4	31	1	36	91	\$720	\$62,055	100%
22 Carlson, John G.	4	1	0	5	0	\$100	\$8,781	100%
23 Carlson, Scott G.	5	14	0	19	0	\$380	\$40,472	100%
24 Casper, Stephen G.	0	9	0	9	6.5	\$180	\$11,878	100%
25 Caza Sr., Christopher P.	0	5	1	6	86.5	\$120	\$12,319	100%
26 Chalupnicki, Jeffery	0	7	0	7	0	\$140	\$14,182	100%
27 Clark, Jay H.	1	9	0	10	0	\$200	\$28,451	100%
28 Clarry, Randy R.	0	20	1	21	86.5	\$420	\$38,056	100%
29 Coleman, Ronald E.	5	3	0	8	0	\$160	\$22,373	100%
30 Cross, Donald	5	10	0	15	0	\$300	\$32,383	100%

Village of Skaneateles
Service Award Program

Exhibit XIV

Service Credit History

<u>Name</u>	<u>Prior Service Credit</u>	<u>Service Credit</u>		<u>Total Service Credit</u>	<u>2023 Points Earned</u>	<u>Accrued Monthly Benefit</u>	<u>Present Value of Accrued</u>	
		<u>1992-2022</u>	<u>2023</u>				<u>Monthly Benefit</u>	<u>Vested Pct.</u>
31 D'Amico, Adam M.	0	21	1	22	54	\$440	\$16,945	100%
32 Dove, Ryan	0	2	1	3	52.5	\$60	\$1,704	0%
33 Dudden, Tammy L.	3	15	0	18	0	\$360	\$42,072	100%
34 Evans, Daniel S.	2	31	1	34	98.5	\$680	\$47,602	100%
35 Evans, Thomas	0	0	1	1	104.5	\$20	\$240	0%
36 Forgham, Brandon	0	7	0	7	0	\$140	\$3,787	100%
37 Frank, Robert	0	27	1	28	105.5	\$560	\$66,914	100%
38 Gannon, Patrick J.	1	31	1	33	61.5	\$660	\$56,151	100%
39 Haining, William	0	0	1	1	102	\$20	\$610	0%
40 Hall, Todd M.	0	26	0	26	0	\$520	\$35,732	100%
41 Jones, Francis P.	0	21	1	22	65.5	\$440	\$55,319	100%
42 Kipp, Jacob	0	5	0	5	1	\$100	\$2,069	100%
43 Landers, Edward T.	3	7	0	10	0	\$200	\$14,087	100%
44 Lessaongang, Frank R.	0	17	1	18	89	\$360	\$12,907	100%
45 Lessaongang, Ray	3	31	1	35	71	\$700	\$92,721	100%
46 Lockhart, Marcus R.	0	5	1	6	102	\$120	\$1,883	100%
47 Loperfido, Joseph J.	5	26	0	31	0	\$620	\$77,064	100%
48 Lynn, Martin A.	0	9	0	9	8	\$180	\$9,471	100%
49 Major, Charles T.	0	11	0	11	0	\$220	\$10,893	100%
50 McManus, James	0	1	0	1	0	\$20	\$881	100%
51 Mead, Ariel	0	2	1	3	81.5	\$60	\$787	0%
52 Mead, Kevin A.	0	8	0	8	48	\$160	\$6,267	100%
53 Mead, Paul W.	0	4	0	4	46.5	\$80	\$3,012	0%
54 Murphy, Kathryn	3	31	1	35	102.25	\$700	\$64,870	100%
55 Murphy, Paul	5	28	0	33	0	\$660	\$37,001	100%
56 Murphy, III, William P.	0	17	1	18	92.5	\$360	\$30,372	100%
57 Newell, David A.	0	25	1	26	54	\$520	\$62,695	100%
58 Orsen, Joseph	0	3	1	4	50.5	\$80	\$7,352	0%
59 Paddock, Heather L.	0	2	1	3	52.5	\$60	\$5,346	0%
60 Paddock, Michael S.	0	3	1	4	123	\$80	\$5,803	0%

Village of Skaneateles
Service Award Program

Exhibit XIV

Service Credit History

<u>Name</u>	<u>Prior Service Credit</u>	<u>Service Credit</u>		<u>Total Service Credit</u>	<u>2023 Points Earned</u>	<u>Accrued Monthly Benefit</u>	<u>Present Value of Accrued</u>	
		<u>1992-2022</u>	<u>2023</u>				<u>Monthly Benefit</u>	<u>Vested Pct.</u>
61 Perkins, Richard J.	0	12	1	13	92	\$260	\$24,062	100%
62 Persse, Stephen D.	0	11	0	11	0	\$220	\$19,754	100%
63 Pickering, Dana	0	25	1	26	131	\$520	\$38,051	100%
64 Plummer, Paul	0	0	1	1	71.5	\$20	\$2,772	100%
65 Pola, Alberto A.	0	26	0	26	0	\$520	\$72,372	100%
66 Roberts, Howard E.	4	3	0	7	0	\$140	\$7,752	100%
67 Rusin, Sr., James J.	0	25	1	26	76.5	\$520	\$74,260	100%
68 Russell, Eugene	0	20	1	21	51	\$420	\$31,664	100%
69 Sell, Eric R.	2	31	1	34	86.5	\$680	\$47,795	100%
70 Sell, Thomas E.	0	2	0	2	35	\$40	\$585	0%
71 Shappell, Gary L.	5	3	0	8	8	\$160	\$21,728	100%
72 Sheppard, David A.	0	27	1	28	80.5	\$560	\$26,022	100%
73 Short, Scott R.	0	15	1	16	51	\$320	\$22,187	100%
74 Spearing, David C.	5	3	0	8	0	\$160	\$14,899	100%
75 Squires, Jr., Fred L.	1	21	0	22	0	\$440	\$29,039	100%
76 Stanczyk, Michael	0	2	1	3	73.5	\$60	\$2,786	0%
77 Stebbins, Mark	3	28	1	32	57	\$640	\$56,973	100%
78 Tate, Jodi D.	0	6	0	6	37	\$120	\$7,061	100%
79 Wallace, Charles P.	5	31	1	37	77.5	\$740	\$72,990	100%
80 Wellington, Allan	3	29	0	32	43	\$640	\$86,785	100%
81 Wiley, Michael	0	0	1	1	68.5	\$20	\$726	0%
82 Williams, Jr., John R.	5	13	0	18	0	\$360	\$45,238	100%
83 Woodford, Clinton L.	0	31	1	32	115.5	\$640	\$85,313	100%
Totals			40				\$2,454,115	

Village of Skaneateles
Service Award Program

Exhibit XV

2023 Non-Participant Listing

<u>Name</u>	<u>Date of Birth</u>	<u>Program Status</u>
1 Bailer, Kenneth R.	7/30/1946	Deceased
2 Bendall, Richard E.	6/19/1941	Entitled 7/06; Dec'd 2022
3 Buehler, Keith		Active
4 Bush, Jason		Active
5 Dobrosky, Fred	11/6/1919	Ent. 1/93 Deceased
6 Drew, William	2/6/1920	Ent. 1/93, Deceased
7 Evans, Gerald	3/11/1947	Deceased
8 Fedor, Christopher		Active
9 Frank, William		Active
10 Hertzendorf, Cameron	2/15/2006	Active
11 Loperfido, Joe A.	9/18/1930	Ent. 10/95, Deceased
12 Lynn, William	10/21/1963	Forfeiture
13 McNeil, Matthew		Active
14 Oney, Robert	3/5/1960	Deceased
15 Pitman, James	3/14/1935	Ent. 4/00, Deceased
16 Poormon, Benjamin H.	7/9/1933	Entitled 8/98; Dec'd 2022
17 Scriven, George	3/18/1928	Ent. 4/93, Deceased
18 Spearing, George	2/27/1916	Ent. 1/93, Deceased
19 Truswell, Roy	6/25/1946	Disabled 2001
20 Vydareny, Martin	10/31/1921	Ent. 1/00, Deceased
21 Wellman, Carlton G.	11/3/1929	Ent. 12/94, Deceased
22 Williams, Jay		Active

Village of Skaneateles Service Award Program
Summary of Program Provisions effective as of January 1, 2024

Type of Program:	Defined Benefit
Effective Date:	January 1, 1992
Participant:	Individual who has satisfied the following eligibility requirements: must be at least 18 years old, earns one year of Service Credit, and completes a 12-month probation period
Entitlement Age (EA):	Later of age 65 or age upon earning first year of Service Credit
Monthly Accrual Rate:	\$20 per year of Service Credit
Service Credit:	One year of Service Credit for each calendar year with 50 or more points under the Point System
Prior Service Credit:	Maximum 5 years of credit for service prior to the Effective Date of the Program
Service Credit Maximum:	The maximum number of years of Service Credit a Participant may earn is 40 (including any Prior Service Credit)
Accrued Benefit:	Monthly Accrual Rate multiplied by years of Service Credit
Vesting:	A Participant becomes 100% vested upon earning 5 years of Service Credit, attaining the EA while an active member, becoming totally and permanently disabled, or upon death
Forfeiture Rule:	December 31 st of year in which membership ceases or 3 consecutive years without Service Credit
Forfeiture Restoration:	None allowed
Normal Form of Payment:	Lifetime monthly annuity guaranteed for 10 years
Optional Form of Payment:	None
Benefit Commencement:	The first day of the month coincident with or following the date on which the Participant attains the EA
Post-EA Accruals:	Service Credit earned in the year of attaining the EA and thereafter is paid beginning the January 1 st following the year in which it was earned
Pre-EA Total and Permanent Disability Benefit:	Lump sum equal to the actuarial present value of accrued benefit
Pre-EA Death Benefit:	Active participants: greater of actuarial present value of accrued benefit or \$10,000; all others: actuarial present value of accrued benefit
Post-EA Death Benefit:	Beneficiary has the option to continue monthly payments for the remainder of the 10-year guaranteed period or receive an actuarially equivalent lump sum

Village of Skaneateles Service Award Program Actuarial Methods and Assumptions as of January 1, 2024

Type of Program: Defined Benefit Service Award Program
Actuarial Cost Method: Attained Age Normal

Under the Attained Age Normal Cost Method, there are two components to the annual contribution each year. The first component, the Normal Cost, is equal to the level annual payment required to fund the current participants' projected benefits based on their service credit earned after the effective date of the Program and before the Entitlement Age. The second component, the annual amortization cost, equals the level annual payments required to fund the liabilities accrued due to (1) service credit earned before the effective date of the Program, (2) service credit earned after attainment of the Entitlement Age, or (3) other unfunded accrued liability over the amortization period(s).

Under the Attained Age Normal Cost Method, the unfunded accrued liability is calculated using the Unit Credit Cost Method. All other calculations proceed like the Frozen Initial Liability Cost Method.

Amortization period for post-EA service liability: 5 years, closed

Market Value of Assets: Assets are valued at fair market value; insurance contracts are valued at contract value. Assets are adjusted for benefits payable.

Actuarial Value of Assets: A smoothed market value of assets is calculated by phasing in gains and losses in relation to the assumed rate of return over a three-year period.

Actuarial Assumptions

Valuation Date:	January 1, 2024
Plan Year:	January 1, 2023 – December 31, 2023
Assumed Investment Rate of Return:	5.50%, net of investment expenses. Based on expected return of underlying investment portfolio from capital market assumptions provided by major investment firms.
LDROM Interest Rate	4.00%
Pre-Entitlement Age Mortality Table:	RP-2014 Male Mortality Table without projection for calculation of Pre-EA self-insured death benefit only
Post-Entitlement Age Mortality Table:	RP-2014 Male Mortality Table without projection. Selected due to lack of credible plan experience and no expectation of material differences.
Valuation Age:	Exact age on the valuation date, with annuity values linearly interpolated between whole ages
Contribution Timing Adjustment:	Contributions are assumed to be made 15 months after the valuation date
Entitlement Rate:	100% at Entitlement Age
Realization Rate for Active Participants:	100% to Entitlement Age for those who have earned at least one year of service credit in the prior three years: 0% otherwise
Withdrawal Rates:	None
Administrative Cost:	Fees paid from the Trust Fund are reimbursed back to the Fund as part of the calculated program contribution
Death Benefit:	The minimum \$10,000 Pre-EA active member death benefit is funded by the program

Glossary of Annual Report Terms

Actuarial Accrued Liability:	The portion of the Present Value of Benefits that is attributed to past service credit representing award payments that have already been earned by participants.
Actuarial Assumption:	Assumption as to the occurrence of future events affecting program costs, such as: mortality, withdrawal, or rate of investment earnings on Trust Fund assets.
Actuarial Cost Method:	A procedure for allocating the Present Value of Benefits to current and future years which helps determine how much to contribute to the Trust Fund each year.
Actuarial Experience:	The actual events that occur each year affecting participants and assets, measured in comparison to the Actuarial Assumptions.
Actuarial Value of Assets:	A smoothed value of Net Program Assets in which investment gains or losses in relation to the assumed rate of investment return are spread out and recognized over a period of time in order to reduce year-to-year volatility in the calculated contribution.
Amortization Payment:	The annual payment along with interest that is included in the calculated contribution, which will fully pay off a liability amount over the Amortization Period.
Amortization Period:	The number of years over which the liability will be fully paid.
Funded Ratio:	The Net Program Assets divided by the Actuarial Accrued Liability.
Low-Default-Risk Obligation Measure:	A liability measure consistent with the Actuarial Accrued Liability except using a low-default-risk interest rate representative of bonds in the S&P Municipal Bond Index with maturity of 20 years and with a rating of Aa2 or AA by one of three major rating agencies.
Mortality Table:	Contains the expected death rates of participants.
Net Program Assets:	The fair market value of assets at the valuation date, adjusted for benefits payable. Insurance contracts are valued at contract value.
Normal Cost:	The annual cost calculated, under the Actuarial Cost Method, to fund the current accruals.
Post-Entitlement Age Liability:	The Present Value of Benefits for participants who have attained entitlement age, begun collecting benefits and earn service credit.
Present Value of Benefits:	The amount needed to provide future payments discounted using an assumed interest rate and other Actuarial Assumptions. In other words, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide enough assets to pay all projected benefits when due.
Temporary Annuity:	The present value of an annuity of 1 per year over the expected future service of an active participant.
Unfunded Actuarial Accrued Liability:	The excess of the Actuarial Accrued Liability over the Net Program Assets.