

**CITY OF DELANO EMPLOYEE
PENSION PLAN
(A Pension Trust Fund of the City of Delano)**

**BASIC FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

Year Ended June 30, 2020

**City of Delano Employee Pension Plan
Financial Statements
Year Ended June 30, 2020**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Basic Financial Statements:	
Statement of Fiduciary Net Position	3
Statement of Changes in Fiduciary Net Position	4
Notes to the Financial Statements	5
Required Supplementary Information (Unaudited)	
Schedule of Changes in the Net Pension Liability and Related Ratios	15
Schedule of Plan Contributions	16
Schedule of Investment Returns	17



INDEPENDENT AUDITOR'S REPORT

Pension Committee and Trustees
City of Delano Employee Pension Plan
Delano, California

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Delano Employee Pension Plan (the "Plan"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the net pension liability and schedule of plan contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 2020, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and on compliance.

Van Lant & Fankhaed, LLP

December 30, 2020

BASIC FINANCIAL STATEMENTS

City of Delano Employee Pension Plan
Statement of Fiduciary Net Position
June 30, 2020

	Pension Trust
ASSETS	
Cash and Investments	\$ 885,322
Accounts Receivable	707
Prepaid Assets	211,473
Investments at Fair Value:	
Domestic Stocks - ETF	8,184,009
International Stocks - ETF	3,857,330
Debt Securities	848,415
Guaranteed Investment Contract	5,099,405
Mutual Funds - Equity	15,057,042
Mutual Funds - Fixed Income	2,177,741
Annuities	593,862
Total Investments	35,817,804
Total Assets	36,915,306
LIABILITIES	
Other Accrued Expenses	4,067
Total Liabilities	4,067
NET POSITION	
Restricted for Pensions	36,911,239
Total Net Position	\$ 36,911,239

The accompanying notes are an integral part of this statement.

City of Delano Employee Pension Plan
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2020

	Pension Trust
ADDITIONS	
Contributions:	
Employers	\$ 847,715
Participants	2,449,790
Total Contributions	3,297,505
Miscellaneous	452
Investment Earnings:	
Increase (decrease) in Fair Value of Investments	695,660
Interest and Dividends	188,414
Total Investment Earnings	884,074
Less: Investment Expense	(116,742)
Net Investment Earnings	767,332
Total Additions	4,065,289
DEDUCTIONS	
Benefits paid to Participants	2,726,905
General and Administrative Expenses	174,888
Total Deductions	2,901,793
Change in Net Position	1,163,496
Net Position - Beginning of Year	35,747,743
Net Position - End of Year	\$ 36,911,239

The accompanying notes are an integral part of this statement.

City of Delano Employee Pension Plan
Notes to Financial Statements
Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity - The Plan, with its own governing board, is an independent public employee defined benefit plan. The Plan's annual financial statements are included in the City of Delano's Annual Financial Report as a pension trust fund.

Measurement focus and basis of accounting – The Plan's operations are accounted for on an economic resources measurement focus and the accrual basis of accounting. Employer and member contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with terms of the Plan.

Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation in fair value of investments is recorded as an increase to investment income based on the valuation of investments. The entire expense of Plan administration is charged against the earnings of the Plan. Investment earnings are reduced for investment management fees, portfolio evaluation, and custodial services.

Use of estimates - The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein, disclosures of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Accordingly, actual results may differ from those estimates.

Cash and cash equivalents - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investment valuation – Short-term investments consist of deposits held by money market mutual funds which are invested in short-term U.S. government securities and diversified money market mutual funds. These investments, as well as investments in other mutual funds, corporate debt securities, foreign and municipal issues, and common stocks are carried at current fair market value.

Investments in group annuity contracts with insurance companies are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to make benefit payments and pay administrative expenses.

Fair Value Measurements - Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

**City of Delano Employee Pension Plan
Notes to Financial Statements
Year Ended June 30, 2020**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the Plan’s own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the Plan’s own data.

2) DESCRIPTION OF PLAN

The following description of the City of Delano Employee Pension Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions, which are available from the plan administrator.

General - The Plan was established on June 1, 1967 and is governed by City Ordinance 2011-1221 of the City of Delano’s Municipal Code. The ordinance assigns authority to establish and amend the benefit provisions of the Plan to the City Council. It is administered by the Pension Committee and the trustees. The Plan is a single employer public employee retirement defined benefit plan. All full-time management and general employees of the City are eligible to participate in the Plan (prior to July 1, 2005, safety employees were also eligible to participate).

The Pension Committee is made up of 5 members. Two members are elected by the general participants and three are appointed by the Mayor of the City of Delano, with approval by the City Council.

The Plan membership as of June 30, 2020 was comprised as follows:

Inactive employees or beneficiaries	
currently receiving benefits	108
Inactive employees entitled to but not yet	
receiving benefits	76
Active employees	237
Total	421

City of Delano Employee Pension Plan
Notes to Financial Statements
Year Ended June 30, 2020

2) DESCRIPTION OF PLAN – Continued

Pension Benefits - The annual normal retirement allowance of an employee who retires on a normal retirement date and expressed as a single-life annuity shall be determined by multiplying the employee's years of credited service by a factor which considers the employee's monthly average compensation during the three consecutive years that yield the highest average pay. Employees are entitled to monthly retirement benefits beginning at the normal retirement age of 60. City employees who retire at the normal retirement age receive benefits that are partially integrated with social security and are computed by multiplying the first \$833.33 average monthly compensation by 2% plus the average monthly compensation times 2.4% for the amounts in excess of \$833.33 by the number of years of credited service.

The Plan permits early retirement with reduced retirement benefits at any time within five years preceding the participant's normal retirement date of age 60 (age 62 before July 1, 2007) for general employees; and age 55 for safety employees including management of safety employees. For new employees hired after January 1, 2013, the earliest retirement age is 52 with at least 5 years of credited service. An early retiree would have fewer years of contributions to the Plan and would be drawing a monthly check for a longer period of time, so that the retiree would receive lower benefits per month than an employee who retires at normal retirement age.

At retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's interest in his/her account after termination of active service, which will reduce the actuarially determined pension payments as previously described.

Death and disability benefits - The spouse of a participant will receive a 50%, 66 2/3%, or 100% survivor annuity, as defined in the Plan, upon the death of the participant. The surviving spouse annuity is equal to 50%, 66 2/3%, or 100% of the participant's monthly benefit. This benefit is immediately payable to the spouse if the participant was already receiving benefits. If the participant was not already receiving benefits, payments to the spouse may commence as of the earliest date the participant would have received benefits. On termination due to death, benefits to the surviving spouse, lump-sum or otherwise, will depend upon whether the retiree has reached the early retirement age at the time of death which is 55 for general members. Active employees who become totally disabled receive annual disability benefits that are equal to the normal retirement benefits they have accumulated as of the time they become disabled. Disability benefits are paid until normal retirement age at which time disabled participants begin receiving normal retirement benefits computed as though they had been employed to normal retirement age with their annual compensation remaining the same as at the time they became disabled.

Vesting - Pension benefit distributions are based upon a combination of age, years or service, monthly salary, and the retirement option selected by the participant. Vesting is 100 percent upon death. Members' contributions, including interest, are 100 percent vested at all times. Employer contributions are subject to the following vesting schedule:

**City of Delano Employee Pension Plan
Notes to Financial Statements
Year Ended June 30, 2020**

2) DESCRIPTION OF PLAN – Continued

Termination - For termination of service due to other reasons, a participant may receive the value of the vested interest in his/her account as a lump-sum distribution. In the instances where the terminated participant is not eligible to receive a lump-sum distribution, the participant is only eligible to receive the account balance of his/her accumulated contributions. In some cases, a deferred annuity remains.

3) CASH AND INVESTMENTS

Cash and investments consist of the following as of June 30, 2020:

Cash and Cash Equivalents	\$ 885,322
Investments	<u>35,817,804</u>
Total Cash and Investments	<u>\$ 36,703,126</u>

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The Plan’s deposit policy requires deposits to be covered by federal depository insurance and collateral having a market value of 110% of the uninsured deposit. As of June 30, 2020, the Plan has a bank balance of \$885,322. Of the bank balance, \$885,322 was covered by federal depository insurance or collateral held by the Plan’s agent in the Plan or agent’s name.

Investments

Authorized Investments

The investments listed below are managed by the trustee under the direction of the City of Delano Pension Committee. The Plan has not adopted a formal investment policy. The Plan’s investments are held by various agents consisting of insurance companies, financial institutions, and brokerage firms. The investments may be held in direct form, pooled form, or both.

Investments consist of the following as of June 30, 2020:

Investment Type	Total
Domestic Stocks - ETF	\$ 8,184,009
International Stocks - ETF	3,857,330
Debt Securities	848,415
Guaranteed Investment Contract	5,099,405
Mutual Funds - Equity	15,057,042
Mutual Funds - Fixed Income	2,177,741
Annuities	<u>593,862</u>
Total	<u>\$ 35,817,804</u>

**City of Delano Employee Pension Plan
Notes to Financial Statements
Year Ended June 30, 2020**

3) CASH AND INVESTMENTS – Continued

Asset Class	Target Allocation	Approved Range
Growth Assets	73%	50%-80%
Domestic Equities	51%	
International Equities	15%	
Alternatives	7%	
Income Assets		
Fixed Income and Annuities	25%	20%-50%
Other Assets	0%	0%-10%
Cash Equivalents	2%	0%-30%

Alternative Investments include hedge funds, managed futures and private equity. REIT's could be included in this category, although individual equity managers have REIT's in their portfolios. Equity performance will be measured against the appropriate S&P, Russell and MSCI EFA indices. The fixed income performance will be measured against the Barclays Capital US Aggregate Bond Index, unless a specific fixed income manager uses a different benchmark. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The Plan's investments are held by various agents consisting of insurance companies, financial institutions, and nationally recognized brokerage firms. The investments may be held in direct form, pooled form, or both.

Rate of return - For the year ended June 30, 2020, the annual money-weighted rate of return(loss) on Plan investments, net of investment expense, was 3.85% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk - For an investment held in the form of securities, custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Plan's investments, \$5,099,405 is subject to custodial credit risk. These securities are held by the Plan's agents or brokers and they are not held in the Plan's name.

Credit Risk and Interest Rate Risk - Investments subject to credit risk and interest rate risk consist of the following as of June 30, 2020:

**City of Delano Employee Pension Plan
Notes to Financial Statements
Year Ended June 30, 2020**

3) CASH AND INVESTMENTS – Continued

Investment Type	Total	Investment Maturities (In Years)		
		Less than One	One to Three	More Three to Five
Domestic Stocks - ETF	\$ 8,184,009	\$ 8,184,009	\$ -	\$ -
International Stocks - ETF	3,857,330	3,857,330	-	-
Debt Securities	848,415	848,415	-	-
Guaranteed Investment Contract	5,099,405	5,099,405	-	-
Mutual Funds - Equity	15,057,042	15,057,042	-	-
Mutual Funds - Fixed Income	2,177,741	2,177,741	-	-
Annuities	593,862	593,862	-	-
Total	\$ 35,817,804	\$ 35,817,804	\$ -	\$ -

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk can be measured by obtaining ratings issued by nationally recognized statistical rating organizations such as Standard & Poor's or Moody's Investors service. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater will be the sensitivity of its fair value to changes in market interest rates.

Concentration of Credit Risk - The Plan is required to provide information about the concentration of credit risk associated with their investments in any one issuer that represent 5% or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The Plan had one issuer that represents more than 5% of total investments.

Issuer	Investment Type	Reported Amount
Great West Life & Annuity	Guaranteed Investment Contract	\$ 5,099,405

Fair Value Measurements - The Plan categorizes certain assets and liabilities within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2020:

**City of Delano Employee Pension Plan
Notes to Financial Statements
Year Ended June 30, 2020**

3) CASH AND INVESTMENTS – Continued

Investment Type	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Domestic Stocks - ETF	\$ 8,184,009	\$ 8,184,009	\$ -	\$ -
International Stocks - ETF	3,857,330	3,857,330	-	-
Debt Securities	848,415	848,415	-	-
Mutual Funds - Equity	15,057,042	15,057,042	-	-
Mutual Funds - Fixed Income	2,177,741	2,177,741	-	-
Total Investments Measured at Fair Value	<u>\$ 30,124,537</u>	<u>\$ 30,124,537</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Not Measured at Fair Value				
Annuities	\$ 593,862			
Guaranteed Investment Contract	<u>5,099,405</u>			
Total Investments Not Measured at Fair Value	<u>\$ 5,693,267</u>			
Total Investments	<u>\$ 35,817,804</u>			

4) Net Pension Liability

The components of the net pension liability of the City of Delano at June 30, 2020, were as follows:

Total pension liability	\$ 53,926,141
Less: plan fiduciary net position	<u>(36,915,306)</u>
Net Pension Liability	<u>\$ 17,010,835</u>

Plan fiduciary net position as a percentage of total pension liability	68%
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Actuarial methods and assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

	Misc Plan
Actuarial Cost Method	Five-year smoothing
Asset Valuation Method	entry-age normal
Actuarial assumptions:	
Discount rate	7.00%
Inflation	2.75%
Payroll growth	3% - 6.25%
Investment rate of return	7% net of investment expenses

**City of Delano Employee Pension Plan
Notes to Financial Statements
Year Ended June 30, 2020**

4) Net Pension Liability - Continued

Mortality rates for healthy individuals were based on the RP-2006 Blue-Collar Mortality Table projected forward 15 years using the Social Security Administrative Scale. Mortality rates for disabled individuals were based on the RP-2006 Mortality Table for disabled Retirees projected forward 15 years using the Social Security Administrative Scale.

The long-term expected rate of return on Plan investments was 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 expense 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 the 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 as of June 30, 2020 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equities	51%	4.60%
Fixed Income and Annuities	25%	2.75%
Internation Equities	15%	5.30%
Alternatives	7%	5.90%
Cash	2%	0.50%

Discount rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee 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 active and inactive employees. 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.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.00 percent) or 1 percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's net pension liability	\$ 24,064,001	\$ 17,010,835	\$ 11,160,821

**City of Delano Employee Pension Plan
Notes to Financial Statements
Year Ended June 30, 2020**

5) Tax Status

The Internal Revenue Service has determined and informed the City of Delano by letter dated January 31, 2012, that the Plan (as restated July 1, 2010) and the related trust are designed in accordance with the applicable sections of the Internal Revenue Code.

6) Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of fiduciary net position.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**City of Delano Employee Pension Plan
Required Supplementary Information
Year Ended June 30, 2020**

**Schedule of Changes in the Net Pension Liability
And Related Ratios – Last 10 Years*
Single-employer Plan – Miscellaneous Plan**

	Measurement Period		
	2020	2019	2018
Total Pension Liability			
Service cost	\$ 1,467,116	\$ 1,340,309	\$ 1,426,705
Interest on total pension liability	3,621,910	3,390,019	3,301,384
Differences between expected and actual experience	(73,892)	1,104,421	(1,187,245)
Changes in assumptions	-	-	(2,416,110)
Benefit payments, including refunds	(2,726,904)	(2,570,756)	(2,841,973)
Net change in total pension liability	2,288,230	3,263,993	(1,717,239)
Total pension liability - beginning	51,637,911	48,373,918	50,091,157
Total pension liability - ending (a)	<u>\$ 53,926,141</u>	<u>\$ 51,637,911</u>	<u>\$ 48,373,918</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 2,449,790	\$ 2,312,969	\$ 2,120,753
Contributions - employee	847,714	790,274	716,348
Net investment income	716,803	1,564,419	2,904,593
Benefit payments	(2,726,904)	(2,570,756)	(2,841,973)
Administrative/Other Expense	(170,819)	(181,453)	(173,475)
Net change in plan fiduciary net position	1,116,584	1,915,453	2,726,246
Plan fiduciary net position - beginning	35,798,722	33,883,269	31,157,023
Plan fiduciary net position - ending (b)	<u>\$ 36,915,306</u>	<u>\$ 35,798,722</u>	<u>\$ 33,883,269</u>
Net pension liability - ending (a) - (b)	<u>\$ 17,010,835</u>	<u>\$ 15,839,189</u>	<u>\$ 14,490,649</u>
Plan fiduciary net position as a percentage of the total pension liability	68.46%	69.33%	70.04%
Covered payroll	\$ 12,489,310	\$ 11,263,587	\$ 10,751,866
Net pension liability as percentage of covered payroll	136.20%	140.62%	134.77%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: None

Changes in Assumptions: During the year ending June 30, 2016 the actuarial valuation assumptions were changed. These changes caused the beginning total pension liability to be restated from the prior year. The Salary assumption was changed from a flat 3.00% to a service based schedule. Retirement rates have been updated from a single age 62 to reflect incidences of both early and delayed retirement. Withdrawal rates have been updated to reflect a graded turnover scale with higher initial rates and lower ultimate rates. Pre-retirement death rates have been added. Disability rates have been added.

* - Fiscal Year 2015 was the first year of implementation; therefore, all 10 years are not available.

**City of Delano Employee Pension Plan
Required Supplementary Information
Year Ended June 30, 2020**

Measurement Period		
2017	2016	2015
\$ 1,338,286	\$ 1,358,450	\$ 1,498,262
3,109,192	3,215,363	3,053,509
696,601	1,144,412	-
(755,734)	(811,521)	-
<u>(2,626,741)</u>	<u>(2,304,909)</u>	<u>(1,894,612)</u>
1,761,604	2,601,795	2,657,159
<u>48,329,553</u>	<u>45,727,758</u>	<u>43,070,599</u>
<u>\$ 50,091,157</u>	<u>\$ 48,329,553</u>	<u>\$ 45,727,758</u>
\$ 3,654,709	\$ 1,854,874	\$ 2,131,025
703,742	663,048	628,574
2,878,091	(499,672)	872,841
(2,339,412)	(2,304,909)	(1,894,612)
<u>(188,870)</u>	<u>(107,622)</u>	<u>(105,742)</u>
4,708,260	(394,281)	1,632,086
<u>26,448,763</u>	<u>26,843,044</u>	<u>25,210,958</u>
<u>\$ 31,157,023</u>	<u>\$ 26,448,763</u>	<u>\$ 26,843,044</u>
<u>\$ 18,934,134</u>	<u>\$ 21,880,790</u>	<u>\$ 18,884,714</u>
62.20%	54.73%	58.70%
\$ 10,131,191	\$ 10,028,946	\$ 9,438,475
186.89%	218.18%	200.08%

**City of Delano Employee Pension Plan
Required Supplementary Information
Year Ended June 30, 2020**

**Schedule of Contributions – Last 10 Years*
Single-employer Plan – Miscellaneous Plan**

**Schedule of Plan Contributions
Last 10 Years***

<u>Fiscal Year</u>	<u>Actuarially Determined Contributions</u>	<u>Contributions in Relation to the Actuarially Determined Contributions</u>	<u>Contribution Deficiency/ (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2020	\$ 3,022,886	\$ (3,297,504)	\$ (274,618)	\$ 12,489,310	24.20%
2019	2,312,969	(2,312,969)	-	11,263,587	20.53%
2018	2,120,753	(2,120,753)	-	10,751,866	19.72%
2017	2,729,207	(3,654,709)	(925,502)	10,131,191	26.94%
2016	1,854,831	(1,854,874)	(43)	10,028,946	18.49%
2015	1,847,426	(2,131,025)	(283,599)	9,438,475	19.57%

**City of Delano Employee Pension Plan
Required Supplementary Information
Year Ended June 30, 2020**

Schedule of Investment Returns
Last 10 Fiscal Years*

<u>Fiscal Year</u>	<u>Annual money- weighted rate of return, net of investment expenses</u>
2020	1.51%
2019	3.85%
2018	9.80%
2017	10.04%
2016	-2.23%
2015	3.44%
2014	15.43%

Notes to Schedule:

* - The Plan adopted GASB 67 in the year ended June 30, 2014. Until a full 10-year trend is available, the Plan will present information for the years that are available. As of June 30, 2020, information for seven years was available.