



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS

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May 28, 2019

VIA EMAIL

Susy Pita, Plan Administrator  
City of Auburndale  
Municipal Police Officers' Pension Trust Fund  
22233 Drawbridge Dr.  
Leesburg, FL 34748

Re: City of Auburndale Municipal Police Officers' Pension Trust Fund  
Section 112.664, Florida Statutes Compliance

Dear Susy:

Please find enclosed the annual disclosures that satisfy the October 1, 2018 financial reporting requirements made under Section 112.664.


Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #17-6595

PTD/lke  
Enclosures

cc via email: Scott Christiansen, Board Attorney  
cc via email: Shirley Lowrance, Finance Director / City Clerk

CITY OF AUBURNDALE  
MUNICIPAL POLICE OFFICERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES  
COMPLIANCE

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

By: Patrick T. Donlan Date: 5/28/2019

Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #17-6595



When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2018 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
FISCAL YEAR SEPTEMBER 30, 2018

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	448,817	683,704	305,485
Interest	1,089,209	1,032,380	1,107,366
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(248,431)	(317,234)	(198,291)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(712,580)	(712,580)	(712,580)
Net Change in Total Pension Liability	577,015	686,270	501,980
Total Pension Liability - Beginning	14,430,254	18,443,131	11,707,285
Total Pension Liability - Ending (a)	<u>\$ 15,007,269</u>	<u>\$ 19,129,401</u>	<u>\$ 12,209,265</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	497,552	497,552	497,552
Contributions - State	141,490	141,490	141,490
Contributions - Employee	99,931	99,931	99,931
Net Investment Income	957,564	957,564	957,564
Benefit Payments, Including Refunds of Employee Contributions	(712,580)	(712,580)	(712,580)
Administrative Expenses	(46,484)	(46,484)	(46,484)
Net Change in Plan Fiduciary Net Position	937,473	937,473	937,473
Plan Fiduciary Net Position - Beginning	11,961,577	11,961,577	11,961,577
Plan Fiduciary Net Position - Ending (b)	<u>\$ 12,899,050</u>	<u>\$ 12,899,050</u>	<u>\$ 12,899,050</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,108,219</u>	<u>\$ 6,230,351</u>	<u>\$ (689,785)</u>

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: 7.50% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2018	12,899,050	-	1,053,583	-	927,919	12,773,386
2019	12,773,386	-	834,633	-	926,705	12,865,458
2020	12,865,458	-	886,496	-	931,666	12,910,628
2021	12,910,628	-	897,220	-	934,651	12,948,059
2022	12,948,059	-	904,639	-	937,180	12,980,600
2023	12,980,600	-	947,721	-	938,005	12,970,884
2024	12,970,884	-	1,006,984	-	935,054	12,898,954
2025	12,898,954	-	1,037,595	-	928,512	12,789,871
2026	12,789,871	-	1,082,345	-	918,652	12,626,178
2027	12,626,178	-	1,118,675	-	905,013	12,412,516
2028	12,412,516	-	1,145,700	-	887,975	12,154,791
2029	12,154,791	-	1,157,015	-	868,221	11,865,997
2030	11,865,997	-	1,162,638	-	846,351	11,549,710
2031	11,549,710	-	1,159,196	-	822,758	11,213,272
2032	11,213,272	-	1,158,072	-	797,568	10,852,768
2033	10,852,768	-	1,156,617	-	770,584	10,466,735
2034	10,466,735	-	1,149,785	-	741,888	10,058,838
2035	10,058,838	-	1,139,195	-	711,693	9,631,336
2036	9,631,336	-	1,127,641	-	680,064	9,183,759
2037	9,183,759	-	1,113,846	-	647,013	8,716,926
2038	8,716,926	-	1,098,161	-	612,588	8,231,353
2039	8,231,353	-	1,082,396	-	576,762	7,725,719
2040	7,725,719	-	1,065,301	-	539,480	7,199,898
2041	7,199,898	-	1,047,910	-	500,696	6,652,684
2042	6,652,684	-	1,029,484	-	460,346	6,083,546
2043	6,083,546	-	1,010,439	-	418,374	5,491,481
2044	5,491,481	-	990,823	-	374,705	4,875,363
2045	4,875,363	-	970,796	-	329,247	4,233,814
2046	4,233,814	-	949,997	-	281,911	3,565,728
2047	3,565,728	-	928,778	-	232,600	2,869,550
2048	2,869,550	-	906,785	-	181,212	2,143,977
2049	2,143,977	-	884,078	-	127,645	1,387,544
2050	1,387,544	-	860,700	-	71,790	598,634
2051	598,634	-	836,585	-	-	-

\*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 33.72

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.**

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2  
Hypothetical Assumptions: 5.50% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2018	12,899,050	-	1,053,583	-	680,474	12,525,941
2019	12,525,941	-	834,633	-	665,974	12,357,282
2020	12,357,282	-	886,496	-	655,272	12,126,058
2021	12,126,058	-	897,220	-	642,260	11,871,098
2022	11,871,098	-	904,639	-	628,033	11,594,492
2023	11,594,492	-	947,721	-	611,635	11,258,406
2024	11,258,406	-	1,006,984	-	591,520	10,842,942
2025	10,842,942	-	1,037,595	-	567,828	10,373,175
2026	10,373,175	-	1,082,345	-	540,760	9,831,590
2027	9,831,590	-	1,118,675	-	509,974	9,222,889
2028	9,222,889	-	1,145,700	-	475,752	8,552,941
2029	8,552,941	-	1,157,015	-	438,594	7,834,520
2030	7,834,520	-	1,162,638	-	398,926	7,070,808
2031	7,070,808	-	1,159,196	-	357,017	6,268,629
2032	6,268,629	-	1,158,072	-	312,928	5,423,485
2033	5,423,485	-	1,156,617	-	266,485	4,533,353
2034	4,533,353	-	1,149,785	-	217,715	3,601,283
2035	3,601,283	-	1,139,195	-	166,743	2,628,831
2036	2,628,831	-	1,127,641	-	113,576	1,614,766
2037	1,614,766	-	1,113,846	-	58,181	559,101
2038	559,101	-	1,098,161	-	-	-

\*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 20.51

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.**

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3  
Hypothetical Assumptions: 9.50% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2018	12,899,050	-	1,053,583	-	1,175,365	13,020,832
2019	13,020,832	-	834,633	-	1,197,334	13,383,533
2020	13,383,533	-	886,496	-	1,229,327	13,726,364
2021	13,726,364	-	897,220	-	1,261,387	14,090,531
2022	14,090,531	-	904,639	-	1,295,630	14,481,522
2023	14,481,522	-	947,721	-	1,330,728	14,864,529
2024	14,864,529	-	1,006,984	-	1,364,299	15,221,844
2025	15,221,844	-	1,037,595	-	1,396,789	15,581,038
2026	15,581,038	-	1,082,345	-	1,428,787	15,927,480
2027	15,927,480	-	1,118,675	-	1,459,974	16,268,779
2028	16,268,779	-	1,145,700	-	1,491,113	16,614,192
2029	16,614,192	-	1,157,015	-	1,523,390	16,980,567
2030	16,980,567	-	1,162,638	-	1,557,929	17,375,858
2031	17,375,858	-	1,159,196	-	1,595,645	17,812,307
2032	17,812,307	-	1,158,072	-	1,637,161	18,291,396
2033	18,291,396	-	1,156,617	-	1,682,743	18,817,522
2034	18,817,522	-	1,149,785	-	1,733,050	19,400,787
2035	19,400,787	-	1,139,195	-	1,788,963	20,050,555
2036	20,050,555	-	1,127,641	-	1,851,240	20,774,154
2037	20,774,154	-	1,113,846	-	1,920,637	21,580,945
2038	21,580,945	-	1,098,161	-	1,998,027	22,480,811
2039	22,480,811	-	1,082,396	-	2,084,263	23,482,678
2040	23,482,678	-	1,065,301	-	2,180,253	24,597,630
2041	24,597,630	-	1,047,910	-	2,286,999	25,836,719
2042	25,836,719	-	1,029,484	-	2,405,588	27,212,823
2043	27,212,823	-	1,010,439	-	2,537,222	28,739,606
2044	28,739,606	-	990,823	-	2,683,198	30,431,981
2045	30,431,981	-	970,796	-	2,844,925	32,306,110
2046	32,306,110	-	949,997	-	3,023,956	34,380,069
2047	34,380,069	-	928,778	-	3,221,990	36,673,281
2048	36,673,281	-	906,785	-	3,440,889	39,207,385
2049	39,207,385	-	884,078	-	3,682,708	42,006,015
2050	42,006,015	-	860,700	-	3,949,688	45,095,003
2051	45,095,003	-	836,585	-	4,244,287	48,502,705
2052	48,502,705	-	811,359	-	4,569,217	52,260,563
2053	52,260,563	-	785,098	-	4,927,461	56,402,926
2054	56,402,926	-	757,699	-	5,322,287	60,967,514
2055	60,967,514	-	729,118	-	5,757,281	65,995,677
2056	65,995,677	-	699,367	-	6,236,369	71,532,679
2057	71,532,679	-	668,556	-	6,763,848	77,627,971
2058	77,627,971	-	636,745	-	7,344,412	84,335,638
2059	84,335,638	-	603,884	-	7,983,201	91,714,955
2060	91,714,955	-	570,157	-	8,685,838	99,830,636
2061	99,830,636	-	535,793	-	9,458,460	108,753,303
2062	108,753,303	-	501,054	-	10,307,764	118,560,013
2063	118,560,013	-	466,405	-	11,241,047	129,334,655
2064	129,334,655	-	432,199	-	12,266,263	141,168,719
2065	141,168,719	-	398,547	-	13,392,097	154,162,269
2066	154,162,269	-	365,633	-	14,628,048	168,424,684
2067	168,424,684	-	333,503	-	15,984,504	184,075,685

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3  
Hypothetical Assumptions: 9.50% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2068	184,075,685	-	302,165	-	17,472,837	201,246,357
2069	201,246,357	-	272,126	-	19,105,478	220,079,709
2070	220,079,709	-	243,633	-	20,896,000	240,732,076
2071	240,732,076	-	216,625	-	22,859,258	263,374,709
2072	263,374,709	-	191,130	-	25,011,519	288,195,098
2073	288,195,098	-	167,169	-	27,370,594	315,398,523
2074	315,398,523	-	144,957	-	29,955,974	345,209,540
2075	345,209,540	-	124,523	-	32,788,991	377,874,008
2076	377,874,008	-	105,752	-	35,893,008	413,661,264
2077	413,661,264	-	88,731	-	39,293,605	452,866,138
2078	452,866,138	-	73,664	-	43,018,784	495,811,258
2079	495,811,258	-	60,457	-	47,099,198	542,849,999
2080	542,849,999	-	48,990	-	51,568,423	594,369,432
2081	594,369,432	-	39,234	-	56,463,232	650,793,430
2082	650,793,430	-	31,019	-	61,823,902	712,586,313
2083	712,586,313	-	24,269	-	67,694,547	780,256,591
2084	780,256,591	-	18,776	-	74,123,484	854,361,299
2085	854,361,299	-	14,342	-	81,163,642	935,510,599
2086	935,510,599	-	10,823	-	88,872,993	1,024,372,769
2087	1,024,372,769	-	8,094	-	97,315,029	1,121,679,704
2088	1,121,679,704	-	5,995	-	106,559,287	1,228,232,996
2089	1,228,232,996	-	4,396	-	116,681,926	1,344,910,526
2090	1,344,910,526	-	3,199	-	127,766,348	1,472,673,675
2091	1,472,673,675	-	2,305	-	139,903,890	1,612,575,260
2092	1,612,575,260	-	1,642	-	153,194,572	1,765,768,190
2093	1,765,768,190	-	1,157	-	167,747,923	1,933,514,956
2094	1,933,514,956	-	805	-	183,683,883	2,117,198,034
2095	2,117,198,034	-	552	-	201,133,787	2,318,331,269
2096	2,318,331,269	-	373	-	220,241,453	2,538,572,349
2097	2,538,572,349	-	247	-	241,164,361	2,779,736,463
2098	2,779,736,463	-	161	-	264,074,956	3,043,811,258
2099	3,043,811,258	-	102	-	289,162,065	3,332,973,221
2100	3,332,973,221	-	63	-	316,632,453	3,649,605,611
2101	3,649,605,611	-	38	-	346,712,531	3,996,318,104
2102	3,996,318,104	-	23	-	379,650,219	4,375,968,300
2103	4,375,968,300	-	13	-	415,716,988	4,791,685,275
2104	4,791,685,275	-	8	-	455,210,101	5,246,895,368
2105	5,246,895,368	-	5	-	498,455,060	5,745,350,423
2106	5,745,350,423	-	3	-	545,808,290	6,291,158,710
2107	6,291,158,710	-	2	-	597,660,077	6,888,818,785
2108	6,888,818,785	-	1	-	654,437,785	7,543,256,569
2109	7,543,256,569	-	1	-	716,609,374	8,259,865,942
2110	8,259,865,942	-	-	-	784,687,264	9,044,553,206

\*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.50% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.**



ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$681,808	\$1,085,006	\$358,490
Minimum Required Contribution (% of Payroll)	36.8%	58.7%	19.3%
Expected Member Contribution	103,536	103,536	103,536
Expected State Money	141,490	141,490	141,490
Expected Sponsor Contribution (Fixed \$)	\$436,782	\$839,980	\$113,464
Expected Sponsor Contribution (% of Payroll)	23.5%	45.4%	6.0%
<b><u>ASSETS</u></b>			
Actuarial Value <sup>1</sup>	12,569,704	12,569,704	12,569,704
Market Value <sup>1</sup>	12,899,050	12,899,050	12,899,050
<b><u>LIABILITIES</u></b>			
Present Value of Benefits			
Active Members			
Retirement Benefits	7,861,341	11,286,143	5,771,429
Disability Benefits	66,094	88,631	51,157
Death Benefits	30,912	40,418	24,130
Vested Benefits	960,222	1,506,777	644,751
Refund of Contributions	73,503	77,865	69,573
Service Retirees	5,352,454	6,561,634	4,508,188
DROP Retirees <sup>1</sup>	1,366,984	1,684,501	1,158,879
Beneficiaries	0	0	0
Disability Retirees	624,871	786,411	516,374
Terminated Vested	1,356,675	1,852,051	1,035,610
Share Plan Balances <sup>1</sup>	0	0	0
Total:	17,693,056	23,884,431	13,780,091
Present Value of Future Salaries	13,084,059	14,499,680	11,919,096
Present Value of Future Member Contributions	732,707	811,982	667,469
Total Normal Cost	424,564	648,957	288,040
Present Value of Future Normal Costs (Entry Age Normal)	2,959,909	5,059,926	1,814,458
Total Actuarial Accrued Liability <sup>1</sup>	14,733,147	18,824,505	11,965,633
Unfunded Actuarial Accrued Liability (UAAL)	2,163,443	6,254,801	(604,071)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<b><u>PENSION COST</u></b>			
Normal Cost (with interest)	440,485	666,803	301,722
Administrative Expenses (with interest)	48,227	47,762	48,692
Payment Required To Amortize UAAL (with interest)	193,096	370,441	8,076
Minimum Required Contribution	\$681,808	\$1,085,006	\$358,490

<sup>1</sup> The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2018.