

CITY OF AUBURNDALE  
RETIREMENT PLAN FOR GENERAL EMPLOYEES

SECTION 112.664, FLORIDA STATUTES COMPLIANCE  
DETERMINED AS OF THE  
OCTOBER 1, 2021 VALUATION DATE



December 28, 2021

VIA E-MAIL

Susy Pita, Plan Administrator  
City of Auburndale  
Retirement Plan for General Employees  
22233 Drawbridge Dr.  
Leesburg, FL 34748

Re: City of Auburndale Retirement Plan for General Employees  
Section 112.664, Florida Statutes Compliance

Dear Susy:

Please find enclosed the annual disclosures that satisfy the October 1, 2021 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.

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.

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: 

Drew D. Ballard, EA, MAAA  
Enrolled Actuary #20-8193

Enclosures

cc via email: Scott Christiansen, Board Attorney  
cc via email: Christopher Reeder, Finance Director

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, 2021 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, 2021

	ACTUAL	HYPOTHETICAL	
Discount Rate:	7.25%	5.25%	9.25%
<u>Total Pension Liability</u>			
Service Cost	141,402	230,235	91,063
Interest	1,998,938	1,815,941	2,101,528
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(344,594)	(405,073)	(310,480)
Changes of Assumptions	649,657	928,914	474,971
Benefit Payments, Including Refunds of Employee Contributions	(1,670,665)	(1,670,665)	(1,670,665)
Net Change in Total Pension Liability	774,738	899,352	686,417
Total Pension Liability - Beginning	27,346,434	33,622,203	22,865,619
Total Pension Liability - Ending (a)	<u>\$ 28,121,172</u>	<u>\$ 34,521,555</u>	<u>\$ 23,552,036</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,347,267	1,347,267	1,347,267
Contributions - Employee	36,963	36,963	36,963
Net Investment Income	4,560,419	4,560,419	4,560,419
Benefit Payments, Including Refunds of Employee Contributions	(1,670,665)	(1,670,665)	(1,670,665)
Administrative Expenses	(79,650)	(79,650)	(79,650)
Net Change in Plan Fiduciary Net Position	4,194,334	4,194,334	4,194,334
Plan Fiduciary Net Position - Beginning	21,864,052	21,864,052	21,864,052
Plan Fiduciary Net Position - Ending (b)	<u>\$ 26,058,386</u>	<u>\$ 26,058,386</u>	<u>\$ 26,058,386</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,062,786</u>	<u>\$ 8,463,169</u>	<u>\$ (2,506,350)</u>

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

Table 1  
Plan Assumptions: Discount Rate = 7.25%

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
2021	26,058,386	-	2,248,815	-	1,807,713	25,617,284
2022	25,617,284	-	2,023,401	-	1,783,905	25,377,788
2023	25,377,788	-	2,096,880	-	1,763,878	25,044,786
2024	25,044,786	-	2,158,403	-	1,737,505	24,623,888
2025	24,623,888	-	2,186,954	-	1,705,955	24,142,889
2026	24,142,889	-	2,201,394	-	1,670,559	23,612,054
2027	23,612,054	-	2,163,217	-	1,633,457	23,082,294
2028	23,082,294	-	2,171,665	-	1,594,743	22,505,372
2029	22,505,372	-	2,195,412	-	1,552,056	21,862,016
2030	21,862,016	-	2,124,284	-	1,507,991	21,245,723
2031	21,245,723	-	2,161,091	-	1,461,975	20,546,607
2032	20,546,607	-	2,140,563	-	1,412,034	19,818,078
2033	19,818,078	-	2,119,716	-	1,359,971	19,058,333
2034	19,058,333	-	2,103,767	-	1,305,468	18,260,034
2035	18,260,034	-	2,047,006	-	1,249,648	17,462,676
2036	17,462,676	-	2,022,818	-	1,192,717	16,632,575
2037	16,632,575	-	1,999,483	-	1,133,380	15,766,472
2038	15,766,472	-	1,946,969	-	1,072,492	14,891,995
2039	14,891,995	-	1,869,938	-	1,011,884	14,033,941
2040	14,033,941	-	1,829,771	-	951,132	13,155,302
2041	13,155,302	-	1,768,777	-	889,641	12,276,166
2042	12,276,166	-	1,707,576	-	828,122	11,396,712
2043	11,396,712	-	1,648,580	-	766,501	10,514,633
2044	10,514,633	-	1,580,591	-	705,014	9,639,056
2045	9,639,056	-	1,511,207	-	644,050	8,771,899
2046	8,771,899	-	1,440,696	-	583,737	7,914,940
2047	7,914,940	-	1,369,327	-	524,195	7,069,808
2048	7,069,808	-	1,297,366	-	465,532	6,237,974
2049	6,237,974	-	1,225,102	-	407,843	5,420,715
2050	5,420,715	-	1,152,838	-	351,211	4,619,088
2051	4,619,088	-	1,080,887	-	295,702	3,833,903
2052	3,833,903	-	1,009,551	-	241,362	3,065,714
2053	3,065,714	-	939,168	-	188,219	2,314,765
2054	2,314,765	-	870,115	-	136,279	1,580,929
2055	1,580,929	-	802,814	-	85,515	863,630
2056	863,630	-	737,740	-	35,870	161,760
2057	161,760	-	675,274	-	-	-

\*All DROP Balances paid in 2021.

Number of Years Expected Benefit Payments Sustained: 36.24

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.25% 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: Discount Rate = 5.25%

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
2021	26,058,386	-	2,248,815	-	1,309,034	25,118,605
2022	25,118,605	-	2,023,401	-	1,265,612	24,360,816
2023	24,360,816	-	2,096,880	-	1,223,900	23,487,836
2024	23,487,836	-	2,158,403	-	1,176,453	22,505,886
2025	22,505,886	-	2,186,954	-	1,124,151	21,443,083
2026	21,443,083	-	2,201,394	-	1,067,975	20,309,664
2027	20,309,664	-	2,163,217	-	1,009,473	19,155,920
2028	19,155,920	-	2,171,665	-	948,680	17,932,935
2029	17,932,935	-	2,195,412	-	883,850	16,621,373
2030	16,621,373	-	2,124,284	-	816,860	15,313,949
2031	15,313,949	-	2,161,091	-	747,254	13,900,112
2032	13,900,112	-	2,140,563	-	673,566	12,433,115
2033	12,433,115	-	2,119,716	-	597,096	10,910,495
2034	10,910,495	-	2,103,767	-	517,577	9,324,305
2035	9,324,305	-	2,047,006	-	435,792	7,713,091
2036	7,713,091	-	2,022,818	-	351,838	6,042,111
2037	6,042,111	-	1,999,483	-	264,724	4,307,352
2038	4,307,352	-	1,946,969	-	175,028	2,535,411
2039	2,535,411	-	1,869,938	-	84,023	749,496
2040	749,496	-	1,829,771	-	-	-

\*All DROP Balances paid in 2021.

Number of Years Expected Benefit Payments Sustained: 19.41

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.25% 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: Discount Rate = 9.25%

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
2021	26,058,386	-	2,248,815	-	2,306,393	26,115,964
2022	26,115,964	-	2,023,401	-	2,322,144	26,414,707
2023	26,414,707	-	2,096,880	-	2,346,380	26,664,207
2024	26,664,207	-	2,158,403	-	2,366,613	26,872,417
2025	26,872,417	-	2,186,954	-	2,384,552	27,070,015
2026	27,070,015	-	2,201,394	-	2,402,162	27,270,783
2027	27,270,783	-	2,163,217	-	2,422,499	27,530,065
2028	27,530,065	-	2,171,665	-	2,446,092	27,804,492
2029	27,804,492	-	2,195,412	-	2,470,378	28,079,458
2030	28,079,458	-	2,124,284	-	2,499,102	28,454,276
2031	28,454,276	-	2,161,091	-	2,532,070	28,825,255
2032	28,825,255	-	2,140,563	-	2,567,335	29,252,027
2033	29,252,027	-	2,119,716	-	2,607,776	29,740,087
2034	29,740,087	-	2,103,767	-	2,653,659	30,289,979
2035	30,289,979	-	2,047,006	-	2,707,149	30,950,122
2036	30,950,122	-	2,022,818	-	2,769,331	31,696,635
2037	31,696,635	-	1,999,483	-	2,839,463	32,536,615
2038	32,536,615	-	1,946,969	-	2,919,590	33,509,236
2039	33,509,236	-	1,869,938	-	3,013,120	34,652,418
2040	34,652,418	-	1,829,771	-	3,120,722	35,943,369
2041	35,943,369	-	1,768,777	-	3,242,956	37,417,548
2042	37,417,548	-	1,707,576	-	3,382,148	39,092,120
2043	39,092,120	-	1,648,580	-	3,539,774	40,983,314
2044	40,983,314	-	1,580,591	-	3,717,854	43,120,577
2045	43,120,577	-	1,511,207	-	3,918,760	45,528,130
2046	45,528,130	-	1,440,696	-	4,144,720	48,232,154
2047	48,232,154	-	1,369,327	-	4,398,143	51,260,970
2048	51,260,970	-	1,297,366	-	4,681,637	54,645,241
2049	54,645,241	-	1,225,102	-	4,998,024	58,418,163
2050	58,418,163	-	1,152,838	-	5,350,361	62,615,686
2051	62,615,686	-	1,080,887	-	5,741,960	67,276,759
2052	67,276,759	-	1,009,551	-	6,176,408	72,443,616
2053	72,443,616	-	939,168	-	6,657,598	78,162,046
2054	78,162,046	-	870,115	-	7,189,746	84,481,677
2055	84,481,677	-	802,814	-	7,777,425	91,456,288
2056	91,456,288	-	737,740	-	8,425,586	99,144,134
2057	99,144,134	-	675,274	-	9,139,601	107,608,461
2058	107,608,461	-	615,728	-	9,925,305	116,918,038
2059	116,918,038	-	559,364	-	10,789,048	127,147,722
2060	127,147,722	-	506,362	-	11,737,745	138,379,105
2061	138,379,105	-	456,869	-	12,778,937	150,701,173
2062	150,701,173	-	410,942	-	13,920,852	164,211,083
2063	164,211,083	-	368,578	-	15,172,478	179,014,983
2064	179,014,983	-	329,746	-	16,543,635	195,228,872
2065	195,228,872	-	294,349	-	18,045,057	212,979,580
2066	212,979,580	-	262,243	-	19,688,482	232,405,819
2067	232,405,819	-	233,200	-	21,486,753	253,659,372
2068	253,659,372	-	206,965	-	23,453,920	276,906,327
2069	276,906,327	-	183,298	-	25,605,358	302,328,387
2070	302,328,387	-	161,949	-	27,957,886	330,124,324

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

Table 3  
Hypothetical Assumptions: Discount Rate = 9.25%

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
2071	330,124,324	-	142,683	-	30,529,901	360,511,542
2072	360,511,542	-	125,256	-	33,341,525	393,727,811
2073	393,727,811	-	109,467	-	36,414,760	430,033,104
2074	430,033,104	-	95,174	-	39,773,660	469,711,590
2075	469,711,590	-	82,274	-	43,444,517	513,073,833
2076	513,073,833	-	70,659	-	47,456,062	560,459,236
2077	560,459,236	-	60,227	-	51,839,694	612,238,703
2078	612,238,703	-	50,900	-	56,629,726	668,817,529
2079	668,817,529	-	42,596	-	61,863,651	730,638,584
2080	730,638,584	-	35,260	-	67,582,438	798,185,762
2081	798,185,762	-	28,833	-	73,830,849	871,987,778
2082	871,987,778	-	23,265	-	80,657,793	952,622,306
2083	952,622,306	-	18,503	-	88,116,708	1,040,720,511
2084	1,040,720,511	-	14,486	-	96,265,977	1,136,972,002
2085	1,136,972,002	-	11,147	-	105,169,395	1,242,130,250
2086	1,242,130,250	-	8,420	-	114,896,659	1,357,018,489
2087	1,357,018,489	-	6,239	-	125,523,922	1,482,536,172
2088	1,482,536,172	-	4,531	-	137,134,386	1,619,666,027
2089	1,619,666,027	-	3,220	-	149,818,959	1,769,481,766
2090	1,769,481,766	-	2,235	-	163,676,960	1,933,156,491
2091	1,933,156,491	-	1,516	-	178,816,905	2,111,971,880
2092	2,111,971,880	-	1,003	-	195,357,353	2,307,328,230
2093	2,307,328,230	-	647	-	213,427,831	2,520,755,414
2094	2,520,755,414	-	406	-	233,169,857	2,753,924,865
2095	2,753,924,865	-	249	-	254,738,038	3,008,662,654
2096	3,008,662,654	-	148	-	278,301,289	3,286,963,795
2097	3,286,963,795	-	86	-	304,044,147	3,591,007,856
2098	3,591,007,856	-	48	-	332,168,224	3,923,176,032
2099	3,923,176,032	-	26	-	362,893,782	4,286,069,788
2100	4,286,069,788	-	14	-	396,461,455	4,682,531,229
2101	4,682,531,229	-	7	-	433,134,138	5,115,665,360
2102	5,115,665,360	-	4	-	473,199,046	5,588,864,402
2103	5,588,864,402	-	2	-	516,969,957	6,105,834,357
2104	6,105,834,357	-	1	-	564,789,678	6,670,624,034
2105	6,670,624,034	-	-	-	617,032,723	7,287,656,757

\*All DROP Balances paid in 2021.

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 9.25% 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, 2023**

Valuation Date: 10/1/2021

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	
Investment Rate of Return:	7.25%	5.25%	9.25%
Minimum Required Contribution (Fixed \$)	\$1,273,115	\$1,750,993	\$802,384
Minimum Required Contribution (% of Payroll)	107.9%	148.4%	68.0%
Expected Member Contribution	26,209	25,480	26,945
Expected Sponsor Contribution (Fixed \$)	\$1,246,906	\$1,725,513	\$775,439
Expected Sponsor Contribution (% of Payroll)	105.9%	146.4%	66.0%

**ASSETS**

Actuarial Value <sup>1</sup>	23,963,693	23,963,693	23,963,693
Market Value <sup>1</sup>	26,058,386	26,058,386	26,058,386

**LIABILITIES**

Present Value of Benefits			
Active Members			
Retirement Benefits	8,534,116	11,126,006	6,801,229
Disability Benefits	283,101	375,311	221,017
Death Benefits	77,590	105,385	59,663
Vested Benefits	1,391,481	2,003,809	1,008,410
Refund of Contributions	0	0	0
Service Retirees	17,406,151	20,947,506	14,833,949
Beneficiaries	857,501	988,575	756,329
Disability Retirees	280,105	342,787	235,303
Terminated Vested	588,844	859,022	422,843
Total:	29,418,889	36,748,401	24,338,743
Present Value of Future Salaries	7,407,895	8,096,567	6,831,627
Present Value of Future			
Member Contributions	148,158	161,931	136,633
Total Normal Cost	125,889	215,370	76,459
Present Value of Future			
Normal Costs (Entry Age Normal)	695,485	1,324,462	383,649
Total Actuarial Accrued Liability <sup>1</sup>	28,723,404	35,423,939	23,955,094
Unfunded Actuarial Accrued	4,759,711	11,460,246	(8,599)
Liability (UAAL)			

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2023

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL	
	7.25%	5.25%	9.25%
Investment Rate of Return:			
<b><u>PENSION COST</u></b>			
Normal Cost <sup>2</sup>	139,825	232,557	87,309
Administrative Expenses <sup>2</sup>	89,836	87,336	92,359
Payment Required To Amortize UAAL <sup>2</sup>	1,043,454	1,431,100	622,716
Minimum Required Contribution	\$1,273,115	\$1,750,993	\$802,384

<sup>1</sup> The asset values and liabilities include accumulated DROP Balances as of 9/30/2021.

<sup>2</sup> Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed interest.