

**CITY OF AUBURNDALE
MUNICIPAL POLICE OFFICERS' PENSION TRUST FUND**

**SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2022 VALUATION DATE**



June 23, 2023

VIA E-MAIL

Susy Pita, Plan Administrator
City of Auburndale
Municipal Police Officers' Pension Trust Fund
233 Seaside Landings Dr. S.
Flagler Beach, FL 32136

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, 2022 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: 

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #23-6595

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, 2022 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, 2022

	ACTUAL	HYPOTHETICAL	
Discount Rate:	7.25%	5.25%	9.25%
<u>Total Pension Liability</u>			
Service Cost	429,198	657,974	290,828
Interest	1,285,733	1,210,684	1,309,563
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(158,915)	(49,221)	(163,472)
Changes of Assumptions	261,338	466,419	150,272
Benefit Payments, Including Refunds of Employee Contributions	(780,865)	(780,865)	(780,865)
Net Change in Total Pension Liability	1,036,489	1,504,991	806,326
Total Pension Liability - Beginning	17,104,346	21,744,896	13,884,481
Total Pension Liability - Ending (a)	<u>\$ 18,140,835</u>	<u>\$ 23,249,887</u>	<u>\$ 14,690,807</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	447,614	447,614	447,614
Contributions - State	198,534	198,534	198,534
Contributions - Employee	123,067	123,067	123,067
Net Investment Income	(2,953,049)	(2,953,049)	(2,953,049)
Benefit Payments, Including Refunds of Employee Contributions	(780,865)	(780,865)	(780,865)
Administrative Expenses	(61,953)	(61,953)	(61,953)
Net Change in Plan Fiduciary Net Position	(3,026,652)	(3,026,652)	(3,026,652)
Plan Fiduciary Net Position - Beginning	17,270,872	17,270,872	17,270,872
Plan Fiduciary Net Position - Ending (b)	<u>\$ 14,244,220</u>	<u>\$ 14,244,220</u>	<u>\$ 14,244,220</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,896,615</u>	<u>\$ 9,005,667</u>	<u>\$ 446,587</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
2022	14,244,220	-	1,160,016	-	990,655	14,074,859
2023	14,074,859	-	1,023,254	-	983,334	14,034,939
2024	14,034,939	-	1,094,599	-	977,854	13,918,194
2025	13,918,194	-	1,136,572	-	967,868	13,749,490
2026	13,749,490	-	1,163,415	-	954,664	13,540,739
2027	13,540,739	-	1,223,913	-	937,337	13,254,163
2028	13,254,163	-	1,278,001	-	914,599	12,890,761
2029	12,890,761	-	1,328,040	-	886,439	12,449,160
2030	12,449,160	-	1,352,295	-	853,543	11,950,408
2031	11,950,408	-	1,350,935	-	817,433	11,416,906
2032	11,416,906	-	1,357,332	-	778,522	10,838,096
2033	10,838,096	-	1,370,757	-	736,072	10,203,411
2034	10,203,411	-	1,376,990	-	689,831	9,516,252
2035	9,516,252	-	1,375,177	-	640,078	8,781,153
2036	8,781,153	-	1,367,766	-	587,052	8,000,439
2037	8,000,439	-	1,356,731	-	530,850	7,174,558
2038	7,174,558	-	1,356,341	-	470,988	6,289,205
2039	6,289,205	-	1,346,654	-	407,151	5,349,702
2040	5,349,702	-	1,333,592	-	339,511	4,355,621
2041	4,355,621	-	1,319,911	-	267,936	3,303,646
2042	3,303,646	-	1,301,373	-	192,340	2,194,613
2043	2,194,613	-	1,284,824	-	112,535	1,022,324
2044	1,022,324	-	1,264,930	-	-	-

*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 22.81

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
2022	14,244,220	-	1,160,016	-	717,371	13,801,575
2023	13,801,575	-	1,023,254	-	697,722	13,476,043
2024	13,476,043	-	1,094,599	-	678,759	13,060,203
2025	13,060,203	-	1,136,572	-	655,826	12,579,457
2026	12,579,457	-	1,163,415	-	629,882	12,045,924
2027	12,045,924	-	1,223,913	-	600,283	11,422,294
2028	11,422,294	-	1,278,001	-	566,123	10,710,416
2029	10,710,416	-	1,328,040	-	527,436	9,909,812
2030	9,909,812	-	1,352,295	-	484,767	9,042,284
2031	9,042,284	-	1,350,935	-	439,258	8,130,607
2032	8,130,607	-	1,357,332	-	391,227	7,164,502
2033	7,164,502	-	1,370,757	-	340,154	6,133,899
2034	6,133,899	-	1,376,990	-	285,884	5,042,793
2035	5,042,793	-	1,375,177	-	228,648	3,896,264
2036	3,896,264	-	1,367,766	-	168,650	2,697,148
2037	2,697,148	-	1,356,731	-	105,986	1,446,403
2038	1,446,403	-	1,356,341	-	40,332	130,394
2039	130,394	-	1,346,654	-	-	-

*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 17.10

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
2022	14,244,220	-	1,160,016	-	1,263,940	14,348,144
2023	14,348,144	-	1,023,254	-	1,279,878	14,604,768
2024	14,604,768	-	1,094,599	-	1,300,316	14,810,485
2025	14,810,485	-	1,136,572	-	1,317,403	14,991,316
2026	14,991,316	-	1,163,415	-	1,332,889	15,160,790
2027	15,160,790	-	1,223,913	-	1,345,767	15,282,644
2028	15,282,644	-	1,278,001	-	1,354,537	15,359,180
2029	15,359,180	-	1,328,040	-	1,359,302	15,390,442
2030	15,390,442	-	1,352,295	-	1,361,072	15,399,219
2031	15,399,219	-	1,350,935	-	1,361,947	15,410,231
2032	15,410,231	-	1,357,332	-	1,362,670	15,415,569
2033	15,415,569	-	1,370,757	-	1,362,543	15,407,355
2034	15,407,355	-	1,376,990	-	1,361,495	15,391,860
2035	15,391,860	-	1,375,177	-	1,360,145	15,376,828
2036	15,376,828	-	1,367,766	-	1,359,097	15,368,159
2037	15,368,159	-	1,356,731	-	1,358,806	15,370,234
2038	15,370,234	-	1,356,341	-	1,359,016	15,372,909
2039	15,372,909	-	1,346,654	-	1,359,711	15,385,966
2040	15,385,966	-	1,333,592	-	1,361,523	15,413,897
2041	15,413,897	-	1,319,911	-	1,364,740	15,458,726
2042	15,458,726	-	1,301,373	-	1,369,744	15,527,097
2043	15,527,097	-	1,284,824	-	1,376,833	15,619,106
2044	15,619,106	-	1,264,930	-	1,386,264	15,740,440
2045	15,740,440	-	1,241,929	-	1,398,551	15,897,062
2046	15,897,062	-	1,217,804	-	1,414,155	16,093,413
2047	16,093,413	-	1,192,297	-	1,433,497	16,334,613
2048	16,334,613	-	1,165,857	-	1,457,031	16,625,787
2049	16,625,787	-	1,137,820	-	1,485,261	16,973,228
2050	16,973,228	-	1,111,275	-	1,518,627	17,380,580
2051	17,380,580	-	1,084,641	-	1,557,539	17,853,478
2052	17,853,478	-	1,053,639	-	1,602,716	18,402,555
2053	18,402,555	-	1,020,014	-	1,655,061	19,037,602
2054	19,037,602	-	985,167	-	1,715,414	19,767,849
2055	19,767,849	-	949,213	-	1,784,625	20,603,261
2056	20,603,261	-	913,171	-	1,863,567	21,553,657
2057	21,553,657	-	875,210	-	1,953,235	22,631,682
2058	22,631,682	-	836,460	-	2,054,744	23,849,966
2059	23,849,966	-	797,109	-	2,169,256	25,222,113
2060	25,222,113	-	757,139	-	2,298,028	26,763,002
2061	26,763,002	-	716,730	-	2,442,429	28,488,701
2062	28,488,701	-	676,217	-	2,603,930	30,416,414
2063	30,416,414	-	635,725	-	2,784,116	32,564,805
2064	32,564,805	-	595,422	-	2,984,706	34,954,089
2065	34,954,089	-	555,482	-	3,207,562	37,606,169
2066	37,606,169	-	516,010	-	3,454,705	40,544,864
2067	40,544,864	-	477,176	-	3,728,331	43,796,019
2068	43,796,019	-	439,069	-	4,030,825	47,387,775

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
2069	47,387,775	-	401,850	-	4,364,784	51,350,709
2070	51,350,709	-	365,714	-	4,733,026	55,718,021
2071	55,718,021	-	330,875	-	5,138,614	60,525,760
2072	60,525,760	-	297,529	-	5,584,872	65,813,103
2073	65,813,103	-	265,863	-	6,075,416	71,622,656
2074	71,622,656	-	236,058	-	6,614,178	78,000,776
2075	78,000,776	-	208,245	-	7,205,440	84,997,971
2076	84,997,971	-	182,466	-	7,853,873	92,669,378
2077	92,669,378	-	158,729	-	8,564,576	101,075,225
2078	101,075,225	-	137,058	-	9,343,119	110,281,286
2079	110,281,286	-	117,464	-	10,195,586	120,359,408
2080	120,359,408	-	99,942	-	11,128,623	131,388,089
2081	131,388,089	-	84,427	-	12,149,493	143,453,155
2082	143,453,155	-	70,826	-	13,266,141	156,648,470
2083	156,648,470	-	59,039	-	14,487,253	171,076,684
2084	171,076,684	-	48,935	-	15,822,330	186,850,079
2085	186,850,079	-	40,349	-	17,281,766	204,091,496
2086	204,091,496	-	33,114	-	18,876,932	222,935,314
2087	222,935,314	-	27,071	-	20,620,265	243,528,508
2088	243,528,508	-	22,068	-	22,525,366	266,031,806
2089	266,031,806	-	17,955	-	24,607,112	290,620,963
2090	290,620,963	-	14,589	-	26,881,764	317,488,138
2091	317,488,138	-	11,834	-	29,367,105	346,843,409
2092	346,843,409	-	9,575	-	32,082,572	378,916,406
2093	378,916,406	-	7,719	-	35,049,411	413,958,098
2094	413,958,098	-	6,190	-	38,290,838	452,242,746
2095	452,242,746	-	4,928	-	41,832,226	494,070,044
2096	494,070,044	-	3,890	-	45,701,299	539,767,453
2097	539,767,453	-	3,039	-	49,928,349	589,692,763
2098	589,692,763	-	2,346	-	54,546,472	644,236,889
2099	644,236,889	-	1,786	-	59,591,830	703,826,933
2100	703,826,933	-	1,340	-	65,103,929	768,929,522
2101	768,929,522	-	989	-	71,125,935	840,054,468
2102	840,054,468	-	718	-	77,705,005	917,758,755
2103	917,758,755	-	512	-	84,892,661	1,002,650,904
2104	1,002,650,904	-	358	-	92,745,192	1,095,395,738
2105	1,095,395,738	-	246	-	101,324,094	1,196,719,586
2106	1,196,719,586	-	166	-	110,696,554	1,307,415,974
2107	1,307,415,974	-	110	-	120,935,973	1,428,351,837
2108	1,428,351,837	-	71	-	132,122,542	1,560,474,308
2109	1,560,474,308	-	44	-	144,343,871	1,704,818,135
2110	1,704,818,135	-	27	-	157,695,676	1,862,513,784
2111	1,862,513,784	-	16	-	172,282,524	2,034,796,292
2112	2,034,796,292	-	9	-	188,218,657	2,223,014,940
2113	2,223,014,940	-	5	-	205,628,882	2,428,643,817
2114	2,428,643,817	-	3	-	224,649,553	2,653,293,367
2115	2,653,293,367	-	1	-	245,429,636	2,898,723,002

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
2116	2,898,723,002	-	1	-	268,131,878	3,166,854,879
2117	3,166,854,879	-	-	-	292,934,076	3,459,788,955

*All DROP Balances paid in 2022.

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, 2024

Valuation Date: 10/1/2022

Investment Rate of Return:	ACTUAL	HYPOTHETICAL	
	7.25%	5.25%	9.25%
Minimum Required Contribution (Fixed \$)	\$664,129	\$1,239,419	\$354,416
Minimum Required Contribution (% of Payroll)	31.9%	59.5%	17.0%
Expected Member Contribution	116,670	116,670	116,670
Expected State Money	198,534	198,534	198,534
Expected Sponsor Contribution (Fixed \$)	\$348,925	\$924,215	\$39,212
Expected Sponsor Contribution (% of Payroll)	16.8%	44.4%	1.9%

ASSETS

Actuarial Value ¹	16,591,549	16,591,549	16,591,549
Market Value ¹	14,244,220	14,244,220	14,244,220

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	8,162,216	11,870,745	5,944,975
Disability Benefits	240,498	336,396	179,817
Death Benefits	24,832	33,392	18,891
Vested Benefits	1,177,733	1,949,231	757,176
Refund of Contributions	146,350	156,556	137,269
Service Retirees	7,813,491	9,683,673	6,520,800
DROP Retirees ¹	846,116	1,056,739	708,660
Beneficiaries	0	0	0
Disability Retirees	628,943	791,316	519,762
Terminated Vested	2,207,332	2,946,550	1,720,504
Share Plan Balances ¹	0	0	0
Total:	21,247,511	28,824,598	16,507,854
Present Value of Future Salaries	16,408,901	18,296,827	14,867,416
Present Value of Future Member Contributions	918,898	1,024,622	832,575
Total Normal Cost	425,706	669,557	282,740
Present Value of Future Normal Costs (Entry Age Normal)	3,184,579	5,630,493	1,901,207
Total Actuarial Accrued Liability (EAN) ¹	18,062,932	23,194,105	14,606,647
Unfunded Actuarial Accrued Liability (UAAL)	1,471,383	6,602,556	(1,984,902)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.25%	5.25%	9.25%
<u>PENSION COST</u>			
Normal Cost (with interest)	441,138	687,133	295,817
Administrative Expenses (with interest)	58,039	57,479	58,599
Payment Required To Amortize UAAL (with interest)	164,952	494,807	(58,599)
Minimum Required Contribution	\$664,129	\$1,239,419	\$354,416 ²

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2022.

² Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.