



May 31, 2018

VIA EMAIL

Susy Pita, Plan Administrator
21629 Stirling Pass
Leesburg, FL 34748

Re: City of Winter Garden Pension Plan for Firefighters and Police Officers
Section 112.664, Florida Statutes Compliance

Dear Susy:

Please find enclosed the annual disclosures that satisfy the October 1, 2017 financial reporting requirements made under Section 112.664.

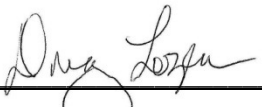
Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made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

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778


DHL/1ke
Enclosures

cc via email: Scott R. Christiansen, Board Attorney

CITY OF WINTER GARDEN
PENSION PLAN FOR FIREFIGHTERS AND POLICE OFFICERS

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:  Date: 5/31/2018
Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778



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, 2017 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, 2017

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.25% RP-2000 Generational	5.25% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	1,249,018	2,031,428
Interest	2,588,829	2,524,939
Share Plan Allocation	145,812	145,812
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(97,499)	(352,704)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,470,879)	(1,470,879)
Net Change in Total Pension Liability	2,415,281	2,878,596
Total Pension Liability - Beginning	35,194,410	46,798,095
Total Pension Liability - Ending (a)	<u>\$ 37,609,691</u>	<u>\$ 49,676,691</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	939,856	939,856
Contributions - State	569,430	569,430
Contributions - Employee	240,164	240,164
Net Investment Income	3,780,423	3,780,423
Benefit Payments, Including Refunds of Employee Contributions	(1,470,879)	(1,470,879)
Administrative Expenses	(63,529)	(63,529)
Net Change in Plan Fiduciary Net Position	3,995,465	3,995,465
Plan Fiduciary Net Position - Beginning	34,037,332	34,037,332
Plan Fiduciary Net Position - Ending (b)	<u>\$ 38,032,797</u>	<u>\$ 38,032,797</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (423,106)</u>	<u>\$ 11,643,894</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.25% 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
2017	37,909,109	-	2,143,590	-	2,670,705	38,436,224
2018	38,436,224	-	1,688,709	-	2,725,411	39,472,926
2019	39,472,926	-	1,694,223	-	2,800,372	40,579,075
2020	40,579,075	-	1,813,388	-	2,876,248	41,641,935
2021	41,641,935	-	1,822,303	-	2,952,982	42,772,614
2022	42,772,614	-	1,859,534	-	3,033,606	43,946,686
2023	43,946,686	-	1,999,205	-	3,113,664	45,061,145
2024	45,061,145	-	2,088,805	-	3,191,214	46,163,554
2025	46,163,554	-	2,137,028	-	3,269,390	47,295,916
2026	47,295,916	-	2,187,754	-	3,349,648	48,457,810
2027	48,457,810	-	2,240,322	-	3,431,980	49,649,468
2028	49,649,468	-	2,317,668	-	3,515,571	50,847,371
2029	50,847,371	-	2,327,368	-	3,602,067	52,122,070
2030	52,122,070	-	2,395,262	-	3,692,022	53,418,830
2031	53,418,830	-	2,567,013	-	3,779,811	54,631,628
2032	54,631,628	-	2,662,778	-	3,864,267	55,833,117
2033	55,833,117	-	2,791,003	-	3,946,727	56,988,841
2034	56,988,841	-	2,839,962	-	4,028,742	58,177,621
2035	58,177,621	-	2,883,762	-	4,113,341	59,407,200
2036	59,407,200	-	2,899,634	-	4,201,910	60,709,476
2037	60,709,476	-	2,927,937	-	4,295,299	62,076,838
2038	62,076,838	-	2,926,748	-	4,394,476	63,544,566
2039	63,544,566	-	2,899,411	-	4,501,877	65,147,032
2040	65,147,032	-	2,880,895	-	4,618,727	66,884,864
2041	66,884,864	-	2,825,631	-	4,746,724	68,805,957
2042	68,805,957	-	2,778,988	-	4,887,694	70,914,663
2043	70,914,663	-	2,715,342	-	5,042,882	73,242,203
2044	73,242,203	-	2,653,318	-	5,213,877	75,802,762
2045	75,802,762	-	2,578,899	-	5,402,215	78,626,078
2046	78,626,078	-	2,507,236	-	5,609,503	81,728,345
2047	81,728,345	-	2,429,313	-	5,837,242	85,136,274
2048	85,136,274	-	2,352,546	-	6,087,100	88,870,828
2049	88,870,828	-	2,275,138	-	6,360,661	92,956,351
2050	92,956,351	-	2,195,834	-	6,659,736	97,420,253
2051	97,420,253	-	2,117,801	-	6,986,198	102,288,650
2052	102,288,650	-	2,038,528	-	7,342,030	107,592,152
2053	107,592,152	-	1,959,202	-	7,729,410	113,362,360
2054	113,362,360	-	1,879,433	-	8,150,642	119,633,569
2055	119,633,569	-	1,799,480	-	8,608,203	126,442,292
2056	126,442,292	-	1,718,649	-	9,104,765	133,828,408
2057	133,828,408	-	1,637,086	-	9,643,215	141,834,537
2058	141,834,537	-	1,554,710	-	10,226,646	150,506,473
2059	150,506,473	-	1,471,824	-	10,858,366	159,893,015
2060	159,893,015	-	1,388,434	-	11,541,913	170,046,494
2061	170,046,494	-	1,304,954	-	12,281,066	181,022,606
2062	181,022,606	-	1,221,746	-	13,079,851	192,880,711
2063	192,880,711	-	1,139,465	-	13,942,546	205,683,792
2064	205,683,792	-	1,058,739	-	14,873,696	219,498,749
2065	219,498,749	-	979,990	-	15,878,135	234,396,894
2066	234,396,894	-	903,434	-	16,961,025	250,454,485

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.25% 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
2067	250,454,485	-	829,393	-	18,127,885	267,752,977
2068	267,752,977	-	758,050	-	19,384,612	286,379,539
2069	286,379,539	-	689,453	-	20,737,524	306,427,610
2070	306,427,610	-	623,813	-	22,193,389	327,997,186
2071	327,997,186	-	561,022	-	23,759,459	351,195,623
2072	351,195,623	-	501,258	-	25,443,512	376,137,877
2073	376,137,877	-	444,822	-	27,253,871	402,946,926
2074	402,946,926	-	391,712	-	29,199,453	431,754,667
2075	431,754,667	-	341,914	-	31,289,819	462,702,572
2076	462,702,572	-	295,516	-	33,535,224	495,942,280
2077	495,942,280	-	252,531	-	35,946,661	531,636,410
2078	531,636,410	-	213,124	-	38,535,914	569,959,200
2079	569,959,200	-	177,545	-	41,315,606	611,097,261
2080	611,097,261	-	145,864	-	44,299,264	655,250,661
2081	655,250,661	-	118,176	-	47,501,389	702,633,874
2082	702,633,874	-	94,379	-	50,937,535	753,477,030
2083	753,477,030	-	74,273	-	54,624,392	808,027,149
2084	808,027,149	-	57,521	-	58,579,883	866,549,511
2085	866,549,511	-	43,807	-	62,823,252	929,328,956
2086	929,328,956	-	32,833	-	67,375,159	996,671,282
2087	996,671,282	-	24,180	-	72,257,791	1,068,904,893
2088	1,068,904,893	-	17,530	-	77,494,969	1,146,382,332
2089	1,146,382,332	-	12,471	-	83,112,267	1,229,482,128
2090	1,229,482,128	-	8,722	-	89,137,138	1,318,610,544
2091	1,318,610,544	-	5,978	-	95,599,048	1,414,203,614
2092	1,414,203,614	-	4,034	-	102,529,616	1,516,729,196
2093	1,516,729,196	-	2,669	-	109,962,770	1,626,689,297
2094	1,626,689,297	-	1,741	-	117,934,911	1,744,622,467
2095	1,744,622,467	-	1,117	-	126,485,088	1,871,106,438
2096	1,871,106,438	-	709	-	135,655,191	2,006,760,920
2097	2,006,760,920	-	444	-	145,490,151	2,152,250,627
2098	2,152,250,627	-	275	-	156,038,160	2,308,288,512
2099	2,308,288,512	-	168	-	167,350,911	2,475,639,255
2100	2,475,639,255	-	102	-	179,483,842	2,655,122,995
2101	2,655,122,995	-	61	-	192,496,415	2,847,619,349
2102	2,847,619,349	-	36	-	206,452,401	3,054,071,714
2103	3,054,071,714	-	22	-	221,420,198	3,275,491,890
2104	3,275,491,890	-	13	-	237,473,162	3,512,965,039
2105	3,512,965,039	-	7	-	254,689,965	3,767,654,997
2106	3,767,654,997	-	4	-	273,154,987	4,040,809,980
2107	4,040,809,980	-	2	-	292,958,723	4,333,768,701
2108	4,333,768,701	-	1	-	314,198,231	4,647,966,931
2109	4,647,966,931	-	1	-	336,977,602	4,984,944,532
2110	4,984,944,532	-	-	-	361,408,479	5,346,353,011

*All DROP and Share Balances paid in 2017.

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 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: 5.25% 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
2017	37,909,109	-	2,143,590	-	1,933,959	37,699,478
2018	37,699,478	-	1,688,709	-	1,934,894	37,945,663
2019	37,945,663	-	1,694,223	-	1,947,674	38,199,114
2020	38,199,114	-	1,813,388	-	1,957,852	38,343,578
2021	38,343,578	-	1,822,303	-	1,965,202	38,486,477
2022	38,486,477	-	1,859,534	-	1,971,727	38,598,670
2023	38,598,670	-	1,999,205	-	1,973,951	38,573,416
2024	38,573,416	-	2,088,805	-	1,970,273	38,454,884
2025	38,454,884	-	2,137,028	-	1,962,784	38,280,640
2026	38,280,640	-	2,187,754	-	1,952,305	38,045,191
2027	38,045,191	-	2,240,322	-	1,938,564	37,743,433
2028	37,743,433	-	2,317,668	-	1,920,691	37,346,456
2029	37,346,456	-	2,327,368	-	1,899,596	36,918,684
2030	36,918,684	-	2,395,262	-	1,875,355	36,398,777
2031	36,398,777	-	2,567,013	-	1,843,552	35,675,316
2032	35,675,316	-	2,662,778	-	1,803,056	34,815,594
2033	34,815,594	-	2,791,003	-	1,754,555	33,779,146
2034	33,779,146	-	2,839,962	-	1,698,856	32,638,040
2035	32,638,040	-	2,883,762	-	1,637,798	31,392,076
2036	31,392,076	-	2,899,634	-	1,571,969	30,064,411
2037	30,064,411	-	2,927,937	-	1,501,523	28,637,997
2038	28,637,997	-	2,926,748	-	1,426,668	27,137,917
2039	27,137,917	-	2,899,411	-	1,348,631	25,587,137
2040	25,587,137	-	2,880,895	-	1,267,701	23,973,943
2041	23,973,943	-	2,825,631	-	1,184,459	22,332,771
2042	22,332,771	-	2,778,988	-	1,099,522	20,653,305
2043	20,653,305	-	2,715,342	-	1,013,021	18,950,984
2044	18,950,984	-	2,653,318	-	925,277	17,222,943
2045	17,222,943	-	2,578,899	-	836,508	15,480,552
2046	15,480,552	-	2,507,236	-	746,914	13,720,230
2047	13,720,230	-	2,429,313	-	656,543	11,947,460
2048	11,947,460	-	2,352,546	-	565,487	10,160,401
2049	10,160,401	-	2,275,138	-	473,699	8,358,962
2050	8,358,962	-	2,195,834	-	381,205	6,544,333
2051	6,544,333	-	2,117,801	-	287,985	4,714,517
2052	4,714,517	-	2,038,528	-	194,001	2,869,990
2053	2,869,990	-	1,959,202	-	99,245	1,010,033
2054	1,010,033	-	1,879,433	-	-	-

*All DROP and Share Balances paid in 2017.

Number of Years Expected Benefit Payments Sustained: 37.54

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.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2019

Valuation Date: 10/1/2017

	ACTUAL	HYPOTHETICAL
	7.25%	5.25%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	1,383,540	2,242,991
Administrative Expenses (with interest)	65,832	65,197
Payment Required To Amortize UAAL (with interest)	159,319	970,042
Total Required Contribution	\$1,608,691	\$3,278,230

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2017.