

CITY OF WINTER GARDEN
PENSION PLAN FOR GENERAL EMPLOYEES

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



July 20, 2023

VIA E-MAIL

Ariel Kenon
City of Winter Garden
300 West Plant Street
Winter Garden, FL 34787-3009

Re: City of Winter Garden Pension Plan for General Employees
Section 112.664, Florida Statutes Compliance

Dear Ariel:

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.

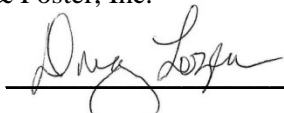
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the 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:



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

Enclosures

cc via email: Stu Kaufman, Board Attorney

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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.00%	5.00%
<u>Total Pension Liability</u>		
Service Cost	1,169,127	1,846,666
Interest	2,776,173	2,586,684
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(373,681)	(546,548)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,046,219)	(2,046,219)
Net Change in Total Pension Liability	1,525,400	1,840,583
Total Pension Liability - Beginning	39,513,596	50,910,126
Total Pension Liability - Ending (a)	<u>\$ 41,038,996</u>	<u>\$ 52,750,709</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,563,484	1,563,484
Contributions - Employee	250,871	250,871
Net Investment Income	(6,150,669)	(6,150,669)
Benefit Payments, Including Refunds of Employee Contributions	(2,046,219)	(2,046,219)
Administrative Expenses	(42,205)	(42,205)
Net Change in Plan Fiduciary Net Position	(6,424,738)	(6,424,738)
Plan Fiduciary Net Position - Beginning	37,985,968	37,985,968
Plan Fiduciary Net Position - Ending (b)	<u>\$ 31,561,230</u>	<u>\$ 31,561,230</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 9,477,766</u>	<u>\$ 21,189,479</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.00%

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	31,238,181	-	2,342,785	-	2,104,675	31,000,071
2023	31,000,071	-	2,307,156	-	2,089,255	30,782,170
2024	30,782,170	-	2,349,392	-	2,072,523	30,505,301
2025	30,505,301	-	2,400,811	-	2,051,343	30,155,833
2026	30,155,833	-	2,501,025	-	2,023,372	29,678,180
2027	29,678,180	-	2,576,883	-	1,987,282	29,088,579
2028	29,088,579	-	2,653,861	-	1,943,315	28,378,033
2029	28,378,033	-	2,705,705	-	1,891,763	27,564,091
2030	27,564,091	-	2,742,969	-	1,833,482	26,654,604
2031	26,654,604	-	2,780,096	-	1,768,519	25,643,027
2032	25,643,027	-	2,782,077	-	1,697,639	24,558,589
2033	24,558,589	-	2,865,578	-	1,618,806	23,311,817
2034	23,311,817	-	2,935,474	-	1,529,086	21,905,429
2035	21,905,429	-	2,956,532	-	1,429,901	20,378,798
2036	20,378,798	-	3,014,144	-	1,321,021	18,685,675
2037	18,685,675	-	2,976,981	-	1,203,803	16,912,497
2038	16,912,497	-	2,979,061	-	1,079,608	15,013,044
2039	15,013,044	-	2,977,467	-	946,702	12,982,279
2040	12,982,279	-	2,963,636	-	805,032	10,823,675
2041	10,823,675	-	2,902,892	-	656,056	8,576,839
2042	8,576,839	-	2,858,971	-	500,315	6,218,183
2043	6,218,183	-	2,807,252	-	337,019	3,747,950
2044	3,747,950	-	2,762,646	-	165,664	1,150,968
2045	1,150,968	-	2,712,215	-	-	-

*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 23.42

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.80% 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 = 5.00%

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	31,238,181	-	2,342,785	-	1,503,339	30,398,735
2023	30,398,735	-	2,307,156	-	1,462,258	29,553,837
2024	29,553,837	-	2,349,392	-	1,418,957	28,623,402
2025	28,623,402	-	2,400,811	-	1,371,150	27,593,741
2026	27,593,741	-	2,501,025	-	1,317,161	26,409,877
2027	26,409,877	-	2,576,883	-	1,256,072	25,089,066
2028	25,089,066	-	2,653,861	-	1,188,107	23,623,312
2029	23,623,312	-	2,705,705	-	1,113,523	22,031,130
2030	22,031,130	-	2,742,969	-	1,032,982	20,321,143
2031	20,321,143	-	2,780,096	-	946,555	18,487,602
2032	18,487,602	-	2,782,077	-	854,828	16,560,353
2033	16,560,353	-	2,865,578	-	756,378	14,451,153
2034	14,451,153	-	2,935,474	-	649,171	12,164,850
2035	12,164,850	-	2,956,532	-	534,329	9,742,647
2036	9,742,647	-	3,014,144	-	411,779	7,140,282
2037	7,140,282	-	2,976,981	-	282,590	4,445,891
2038	4,445,891	-	2,979,061	-	147,818	1,614,648
2039	1,614,648	-	2,977,467	-	-	-

*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 17.54

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.80% 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 = 9.00%

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	31,238,181	-	2,342,785	-	2,706,011	31,601,407
2023	31,601,407	-	2,307,156	-	2,740,305	32,034,556
2024	32,034,556	-	2,349,392	-	2,777,387	32,462,551
2025	32,462,551	-	2,400,811	-	2,813,593	32,875,333
2026	32,875,333	-	2,501,025	-	2,846,234	33,220,542
2027	33,220,542	-	2,576,883	-	2,873,889	33,517,548
2028	33,517,548	-	2,653,861	-	2,897,156	33,760,843
2029	33,760,843	-	2,705,705	-	2,916,719	33,971,857
2030	33,971,857	-	2,742,969	-	2,934,034	34,162,922
2031	34,162,922	-	2,780,096	-	2,949,559	34,332,385
2032	34,332,385	-	2,782,077	-	2,964,721	34,515,029
2033	34,515,029	-	2,865,578	-	2,977,402	34,626,853
2034	34,626,853	-	2,935,474	-	2,984,320	34,675,699
2035	34,675,699	-	2,956,532	-	2,987,769	34,706,936
2036	34,706,936	-	3,014,144	-	2,987,988	34,680,780
2037	34,680,780	-	2,976,981	-	2,987,306	34,691,105
2038	34,691,105	-	2,979,061	-	2,988,142	34,700,186
2039	34,700,186	-	2,977,467	-	2,989,031	34,711,750
2040	34,711,750	-	2,963,636	-	2,990,694	34,738,808
2041	34,738,808	-	2,902,892	-	2,995,863	34,831,779
2042	34,831,779	-	2,858,971	-	3,006,206	34,979,014
2043	34,979,014	-	2,807,252	-	3,021,785	35,193,547
2044	35,193,547	-	2,762,646	-	3,043,100	35,474,001
2045	35,474,001	-	2,712,215	-	3,070,610	35,832,396
2046	35,832,396	-	2,655,003	-	3,105,441	36,282,834
2047	36,282,834	-	2,597,530	-	3,148,566	36,833,870
2048	36,833,870	-	2,491,364	-	3,202,937	37,545,443
2049	37,545,443	-	2,381,301	-	3,271,931	38,436,073
2050	38,436,073	-	2,288,174	-	3,356,279	39,504,178
2051	39,504,178	-	2,183,038	-	3,457,139	40,778,279
2052	40,778,279	-	2,070,099	-	3,576,891	42,285,071
2053	42,285,071	-	1,963,441	-	3,717,302	44,038,932
2054	44,038,932	-	1,851,761	-	3,880,175	46,067,346
2055	46,067,346	-	1,741,293	-	4,067,703	48,393,756
2056	48,393,756	-	1,632,604	-	4,281,971	51,043,123
2057	51,043,123	-	1,530,951	-	4,524,988	54,037,160
2058	54,037,160	-	1,430,074	-	4,798,991	57,406,077
2059	57,406,077	-	1,332,097	-	5,106,603	61,180,583
2060	61,180,583	-	1,237,177	-	5,450,580	65,393,986
2061	65,393,986	-	1,144,352	-	5,833,963	70,083,597
2062	70,083,597	-	1,055,542	-	6,260,024	75,288,079
2063	75,288,079	-	970,622	-	6,732,249	81,049,706
2064	81,049,706	-	890,024	-	7,254,422	87,414,104
2065	87,414,104	-	813,450	-	7,830,664	94,431,318
2066	94,431,318	-	741,136	-	8,465,468	102,155,650
2067	102,155,650	-	672,937	-	9,163,726	110,646,439
2068	110,646,439	-	608,912	-	9,930,778	119,968,305

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 9.00%

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	119,968,305	-	548,992	-	10,772,443	130,191,756
2070	130,191,756	-	493,097	-	11,695,069	141,393,728
2071	141,393,728	-	441,176	-	12,705,583	153,658,135
2072	153,658,135	-	393,081	-	13,811,544	167,076,598
2073	167,076,598	-	348,653	-	15,021,204	181,749,149
2074	181,749,149	-	307,734	-	16,343,575	197,784,990
2075	197,784,990	-	270,179	-	17,788,491	215,303,302
2076	215,303,302	-	235,859	-	19,366,684	234,434,127
2077	234,434,127	-	204,663	-	21,089,862	255,319,326
2078	255,319,326	-	176,487	-	22,970,797	278,113,636
2079	278,113,636	-	151,203	-	25,023,423	302,985,856
2080	302,985,856	-	128,667	-	27,262,937	330,120,126
2081	330,120,126	-	108,719	-	29,705,919	359,717,326
2082	359,717,326	-	91,203	-	32,370,455	391,996,578
2083	391,996,578	-	75,964	-	35,276,274	427,196,888
2084	427,196,888	-	62,827	-	38,444,893	465,578,954
2085	465,578,954	-	51,601	-	41,899,784	507,427,137
2086	507,427,137	-	42,095	-	45,666,548	553,051,590
2087	553,051,590	-	34,113	-	49,773,108	602,790,585
2088	602,790,585	-	27,475	-	54,249,916	657,013,026
2089	657,013,026	-	22,007	-	59,130,182	716,121,201
2090	716,121,201	-	17,537	-	64,450,119	780,553,783
2091	780,553,783	-	13,907	-	70,249,215	850,789,091
2092	850,789,091	-	10,979	-	76,570,524	927,348,636
2093	927,348,636	-	8,626	-	83,460,989	1,010,800,999
2094	1,010,800,999	-	6,741	-	90,971,787	1,101,766,045
2095	1,101,766,045	-	5,235	-	99,158,708	1,200,919,518
2096	1,200,919,518	-	4,036	-	108,082,575	1,308,998,057
2097	1,308,998,057	-	3,085	-	117,809,686	1,426,804,658
2098	1,426,804,658	-	2,331	-	128,412,314	1,555,214,641
2099	1,555,214,641	-	1,739	-	139,969,239	1,695,182,141
2100	1,695,182,141	-	1,277	-	152,566,335	1,847,747,199
2101	1,847,747,199	-	922	-	166,297,206	2,014,043,483
2102	2,014,043,483	-	653	-	181,263,884	2,195,306,714
2103	2,195,306,714	-	452	-	197,577,584	2,392,883,846
2104	2,392,883,846	-	306	-	215,359,532	2,608,243,072
2105	2,608,243,072	-	202	-	234,741,867	2,842,984,737
2106	2,842,984,737	-	129	-	255,868,621	3,098,853,229
2107	3,098,853,229	-	81	-	278,896,787	3,377,749,935
2108	3,377,749,935	-	49	-	303,997,492	3,681,747,378
2109	3,681,747,378	-	29	-	331,357,263	4,013,104,612
2110	4,013,104,612	-	17	-	361,179,414	4,374,284,009
2111	4,374,284,009	-	10	-	393,685,560	4,767,969,559
2112	4,767,969,559	-	5	-	429,117,260	5,197,086,814
2113	5,197,086,814	-	3	-	467,737,813	5,664,824,624
2114	5,664,824,624	-	2	-	509,834,216	6,174,658,838

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 9.00%

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
2115	6,174,658,838	-	1	-	555,719,295	6,730,378,132
2116	6,730,378,132	-	-	-	605,734,032	7,336,112,164

*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 9.80% 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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.00%	5.00%
Minimum Required Contribution (Fixed \$)	\$1,995,344	\$3,386,082
Minimum Required Contribution (% of Payroll)	21.34%	36.21%
Expected Member Contribution	233,765	233,765
Expected Sponsor Contribution (Fixed \$)	\$1,761,579	\$3,152,317
Expected Sponsor Contribution (% of Payroll)	18.84%	33.71%

ASSETS

Actuarial Value ¹	36,162,987	36,162,987
Market Value ¹	31,238,181	31,238,181

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	23,509,370	34,799,745
Disability Benefits	375,315	523,898
Death Benefits	230,410	317,367
Vested Benefits	4,056,094	6,681,493
Refund of Contributions	63,582	65,052
Service Retirees	18,238,861	21,716,787
DROP Retirees ¹	798,796	943,975
Beneficiaries	640,814	729,028
Disability Retirees	413,252	496,046
Terminated Vested	2,623,406	3,716,610
Total:	<u>50,949,900</u>	<u>69,990,001</u>
Present Value of Future Salaries	70,078,752	78,807,561
Present Value of Future Member Contributions	1,751,969	1,970,189
Total Normal Cost	1,118,341	1,789,337
Present Value of Future Normal Costs (Entry Age Normal)	7,538,810	13,950,497
Total Actuarial Accrued Liability (EAN) ¹	43,411,090	56,039,504
Unfunded Actuarial Accrued Liability (UAAL)	7,248,103	19,876,517

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

	Valuation Date: 10/1/2022	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.00%	5.00%
<u>PENSION COST</u>		
Normal Cost (with interest)	1,157,483	1,834,070
Administrative Expenses (with interest)	47,864	47,401
Payment Required To Amortize UAAL (with interest)	789,997	1,504,611
Minimum Required Contribution	\$1,995,344	\$3,386,082

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