



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS

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April 12, 2016

VIA EMAIL

Susy Pita, Plan Administrator  
Police Officers' Pension Trust Fund Board  
City of Auburndale  
21629 Stirling Pass  
Leesburg, FL 34748

Re: City of Auburndale Municipal Police Officers' Pension Trust Fund  
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Susy:

Please find enclosed the annual disclosures that satisfy the October 1, 2015 financial reporting requirements made under Section 112.664.

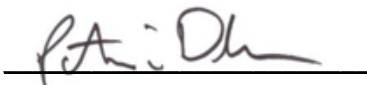
Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made 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 #14-6595

PTD/lke  
Enclosures

cc via email: H. Lee Dehner, Board Attorney

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: 4/12/2016

Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #14-6595



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, 2015 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.

	ACTUAL	HYPOTHETICAL		
	7.75% RP-2000 Static 9/30/2015	7.75% RP-2000 Generational 9/30/2015	5.75% RP-2000 Generational 9/30/2015	9.75% RP-2000 Generational 9/30/2015
<b><u>GASB 67: Schedule of Changes in Net Pension Liability</u></b>				
<b><u>Total Pension Liability</u></b>				
Service Cost	351,180	363,209	560,806	243,553
Interest	907,055	931,881	893,203	941,185
Change in Excess State Money	4,550	4,550	4,550	4,550
Changes of Benefit Terms	16,945	17,451	23,334	13,495
Differences Between Expected and Actual Experience	82,678	80,607	112,432	56,538
Changes of Assumptions	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(609,037)	(609,037)	(609,037)	(609,037)
Net Change in Total Pension Liability	753,371	788,661	985,288	650,284
Total Pension Liability - Beginning	11,709,939	12,017,743	15,323,964	9,770,267
Total Pension Liability - Ending (a)	\$ 12,463,310	\$ 12,806,404	\$ 16,309,252	\$ 10,420,551
<b><u>Plan Fiduciary Net Position</u></b>				
Contributions - Employer	438,271	438,271	438,271	438,271
Contributions - State	117,600	117,600	117,600	117,600
Contributions - Employee	91,074	91,074	91,074	91,074
Net Investment Income	(37,482)	(37,482)	(37,482)	(37,482)
Benefit Payments, Including Refunds of Employee Contributions	(609,037)	(609,037)	(609,037)	(609,037)
Administrative Expenses	(41,680)	(41,680)	(41,680)	(41,680)
Net Change in Plan Fiduciary Net Position	(41,254)	(41,254)	(41,254)	(41,254)
Plan Fiduciary Net Position - Beginning	9,976,814	9,976,814	9,976,814	9,976,814
Plan Fiduciary Net Position - Ending (b)	\$ 9,935,560	\$ 9,935,560	\$ 9,935,560	\$ 9,935,560
Net Pension Liability - Ending (a) - (b)	\$ 2,527,750	\$ 2,870,844	\$ 6,373,692	\$ 484,991

**GASB 68: Pension Expense for Fiscal Year Ending September 30, 2015**

Pension Expense	\$ 313,097	\$ 347,492	\$ 661,285	\$ 86,866
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## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: 7.75% and RP-2000 Static 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
2015	9,935,560	-	965,428	-	732,596	9,702,728
2016	9,702,728	-	597,545	-	728,807	9,833,990
2017	9,833,990	-	674,509	-	735,997	9,895,478
2018	9,895,478	-	754,301	-	737,670	9,878,847
2019	9,878,847	-	772,547	-	735,674	9,841,974
2020	9,841,974	-	804,906	-	731,563	9,768,631
2021	9,768,631	-	822,382	-	725,202	9,671,451
2022	9,671,451	-	817,889	-	717,844	9,571,406
2023	9,571,406	-	852,773	-	708,739	9,427,372
2024	9,427,372	-	909,511	-	695,378	9,213,239
2025	9,213,239	-	931,857	-	677,917	8,959,299
2026	8,959,299	-	930,988	-	658,270	8,686,581
2027	8,686,581	-	980,412	-	635,219	8,341,388
2028	8,341,388	-	994,857	-	607,907	7,954,438
2029	7,954,438	-	991,983	-	578,030	7,540,485
2030	7,540,485	-	987,456	-	546,124	7,099,153
2031	7,099,153	-	976,959	-	512,327	6,634,521
2032	6,634,521	-	969,405	-	476,611	6,141,727
2033	6,141,727	-	958,613	-	438,838	5,621,952
2034	5,621,952	-	944,556	-	399,100	5,076,496
2035	5,076,496	-	930,850	-	357,358	4,503,004
2036	4,503,004	-	915,139	-	313,521	3,901,386
2037	3,901,386	-	896,694	-	267,611	3,272,303
2038	3,272,303	-	878,670	-	219,555	2,613,188
2039	2,613,188	-	860,213	-	169,189	1,922,164
2040	1,922,164	-	840,841	-	116,385	1,197,708
2041	1,197,708	-	820,660	-	61,022	438,070
2042	438,070	-	799,380	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 27.55

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.75% 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: 7.75% 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
2015	9,935,560	-	965,693	-	732,585	9,702,452
2016	9,702,452	-	598,398	-	728,752	9,832,806
2017	9,832,806	-	676,024	-	735,847	9,892,629
2018	9,892,629	-	756,588	-	737,361	9,873,402
2019	9,873,402	-	775,610	-	735,134	9,832,926
2020	9,832,926	-	808,804	-	730,711	9,754,833
2021	9,754,833	-	827,154	-	723,947	9,651,626
2022	9,651,626	-	823,473	-	716,091	9,544,244
2023	9,544,244	-	859,257	-	706,383	9,391,370
2024	9,391,370	-	916,906	-	692,301	9,166,765
2025	9,166,765	-	940,273	-	673,989	8,900,481
2026	8,900,481	-	940,561	-	653,341	8,613,261
2027	8,613,261	-	991,885	-	629,092	8,250,468
2028	8,250,468	-	1,008,752	-	600,322	7,842,038
2029	7,842,038	-	1,007,626	-	568,712	7,403,124
2030	7,403,124	-	1,005,304	-	534,787	6,932,607
2031	6,932,607	-	996,893	-	498,647	6,434,361
2032	6,434,361	-	991,673	-	460,236	5,902,924
2033	5,902,924	-	983,820	-	419,354	5,338,458
2034	5,338,458	-	973,230	-	376,018	4,741,246
2035	4,741,246	-	962,719	-	330,141	4,108,668
2036	4,108,668	-	950,419	-	281,593	3,439,842
2037	3,439,842	-	936,322	-	230,305	2,733,825
2038	2,733,825	-	922,272	-	176,133	1,987,686
2039	1,987,686	-	907,824	-	118,867	1,198,729
2040	1,198,729	-	892,727	-	58,308	364,310
2041	364,310	-	877,081	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 26.42

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.75% 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: 5.75% 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
2015	9,935,560	-	965,693	-	543,531	9,513,398
2016	9,513,398	-	598,398	-	529,816	9,444,816
2017	9,444,816	-	676,024	-	523,641	9,292,433
2018	9,292,433	-	756,588	-	512,563	9,048,408
2019	9,048,408	-	775,610	-	497,985	8,770,783
2020	8,770,783	-	808,804	-	481,067	8,443,046
2021	8,443,046	-	827,154	-	461,694	8,077,586
2022	8,077,586	-	823,473	-	440,786	7,694,899
2023	7,694,899	-	859,257	-	417,753	7,253,395
2024	7,253,395	-	916,906	-	390,709	6,727,198
2025	6,727,198	-	940,273	-	359,781	6,146,706
2026	6,146,706	-	940,561	-	326,394	5,532,539
2027	5,532,539	-	991,885	-	289,604	4,830,258
2028	4,830,258	-	1,008,752	-	248,738	4,070,244
2029	4,070,244	-	1,007,626	-	205,070	3,267,688
2030	3,267,688	-	1,005,304	-	158,990	2,421,374
2031	2,421,374	-	996,893	-	110,568	1,535,049
2032	1,535,049	-	991,673	-	59,755	603,131
2033	603,131	-	983,820	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 18.61

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.75% 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 4  
Hypothetical Assumptions: 9.75% 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
2015	9,935,560	-	965,693	-	921,640	9,891,507
2016	9,891,507	-	598,398	-	935,250	10,228,359
2017	10,228,359	-	676,024	-	964,309	10,516,644
2018	10,516,644	-	756,588	-	988,489	10,748,545
2019	10,748,545	-	775,610	-	1,010,172	10,983,107
2020	10,983,107	-	808,804	-	1,031,424	11,205,727
2021	11,205,727	-	827,154	-	1,052,235	11,430,808
2022	11,430,808	-	823,473	-	1,074,359	11,681,694
2023	11,681,694	-	859,257	-	1,097,076	11,919,513
2024	11,919,513	-	916,906	-	1,117,453	12,120,060
2025	12,120,060	-	940,273	-	1,135,868	12,315,655
2026	12,315,655	-	940,561	-	1,154,924	12,530,018
2027	12,530,018	-	991,885	-	1,173,322	12,711,455
2028	12,711,455	-	1,008,752	-	1,190,190	12,892,893
2029	12,892,893	-	1,007,626	-	1,207,935	13,093,202
2030	13,093,202	-	1,005,304	-	1,227,579	13,315,477
2031	13,315,477	-	996,893	-	1,249,660	13,568,244
2032	13,568,244	-	991,673	-	1,274,560	13,851,131
2033	13,851,131	-	983,820	-	1,302,524	14,169,835
2034	14,169,835	-	973,230	-	1,334,114	14,530,719
2035	14,530,719	-	962,719	-	1,369,813	14,937,813
2036	14,937,813	-	950,419	-	1,410,104	15,397,498
2037	15,397,498	-	936,322	-	1,455,610	15,916,786
2038	15,916,786	-	922,272	-	1,506,926	16,501,440
2039	16,501,440	-	907,824	-	1,564,634	17,158,250
2040	17,158,250	-	892,727	-	1,629,409	17,894,932
2041	17,894,932	-	877,081	-	1,701,998	18,719,849
2042	18,719,849	-	860,636	-	1,783,229	19,642,442
2043	19,642,442	-	843,473	-	1,874,019	20,672,988
2044	20,672,988	-	825,593	-	1,975,369	21,822,764
2045	21,822,764	-	806,882	-	2,088,384	23,104,266
2046	23,104,266	-	787,143	-	2,214,293	24,531,416
2047	24,531,416	-	766,306	-	2,354,456	26,119,566
2048	26,119,566	-	744,278	-	2,510,374	27,885,662
2049	27,885,662	-	721,015	-	2,683,703	29,848,350
2050	29,848,350	-	696,426	-	2,876,263	32,028,187
2051	32,028,187	-	670,378	-	3,090,067	34,447,876
2052	34,447,876	-	643,036	-	3,327,320	37,132,160
2053	37,132,160	-	614,324	-	3,590,437	40,108,273
2054	40,108,273	-	584,327	-	3,882,071	43,406,017
2055	43,406,017	-	553,456	-	4,205,106	47,057,667
2056	47,057,667	-	521,856	-	4,562,682	51,098,493
2057	51,098,493	-	489,864	-	4,958,222	55,566,851
2058	55,566,851	-	457,646	-	5,395,458	60,504,663
2059	60,504,663	-	425,189	-	5,878,477	65,957,951
2060	65,957,951	-	392,956	-	6,411,744	71,976,739
2061	71,976,739	-	361,038	-	7,000,131	78,615,832
2062	78,615,832	-	329,623	-	7,648,974	85,935,183
2063	85,935,183	-	299,230	-	8,364,093	94,000,046
2064	94,000,046	-	269,847	-	9,151,849	102,882,048
2065	102,882,048	-	241,773	-	10,019,213	112,659,488
2066	112,659,488	-	215,331	-	10,973,803	123,417,960



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

Table 4  
Hypothetical Assumptions: 9.75% 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	123,417,960	-	190,339	-	12,023,972	135,251,593
2068	135,251,593	-	166,849	-	13,178,896	148,263,640
2069	148,263,640	-	144,998	-	14,448,636	162,567,278
2070	162,567,278	-	124,817	-	15,844,225	178,286,686
2071	178,286,686	-	106,407	-	17,377,765	195,558,044
2072	195,558,044	-	89,683	-	19,062,537	214,530,898
2073	214,530,898	-	74,584	-	20,913,127	235,369,441
2074	235,369,441	-	61,354	-	22,945,529	258,253,616
2075	258,253,616	-	49,840	-	25,177,298	283,381,074
2076	283,381,074	-	39,914	-	27,627,709	310,968,869
2077	310,968,869	-	31,562	-	30,317,926	341,255,233
2078	341,255,233	-	24,558	-	33,271,188	374,501,863
2079	374,501,863	-	18,814	-	36,513,014	410,996,063
2080	410,996,063	-	14,233	-	40,071,422	451,053,252
2081	451,053,252	-	10,583	-	43,977,176	495,019,845
2082	495,019,845	-	7,735	-	48,264,058	543,276,168
2083	543,276,168	-	5,572	-	52,969,155	596,239,751
2084	596,239,751	-	3,942	-	58,133,184	654,368,993
2085	654,368,993	-	2,747	-	63,800,843	718,167,089
2086	718,167,089	-	1,883	-	70,021,199	788,186,405
2087	788,186,405	-	1,265	-	76,848,113	865,033,253
2088	865,033,253	-	836	-	84,340,701	949,373,118
2089	949,373,118	-	545	-	92,563,852	1,041,936,425
2090	1,041,936,425	-	349	-	101,588,784	1,143,524,860
2091	1,143,524,860	-	219	-	111,493,663	1,255,018,304
2092	1,255,018,304	-	136	-	122,364,278	1,377,382,446
2093	1,377,382,446	-	83	-	134,294,784	1,511,677,147
2094	1,511,677,147	-	51	-	147,388,519	1,659,065,615
2095	1,659,065,615	-	30	-	161,758,896	1,820,824,481
2096	1,820,824,481	-	18	-	177,530,386	1,998,354,849
2097	1,998,354,849	-	10	-	194,839,597	2,193,194,436
2098	2,193,194,436	-	6	-	213,836,457	2,407,030,887
2099	2,407,030,887	-	4	-	234,685,511	2,641,716,394
2100	2,641,716,394	-	2	-	257,567,348	2,899,283,740
2101	2,899,283,740	-	1	-	282,680,165	3,181,963,904
2102	3,181,963,904	-	-	-	310,241,481	3,492,205,385

\*All DROP Balances paid in 2015.

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 9.75% 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, 2017

Valuation Date: 10/1/2015

	ACTUAL		HYPOTHETICAL	
	7.75% RP-2000 Static	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$649,983	\$685,944	\$1,042,239	\$403,574
Total Required Contribution (% of Payroll)	39.5%	41.8%	63.5%	24.6%
Expected Member Contribution	91,855	91,855	91,855	91,855
Expected State Money	114,277	114,277	114,277	114,277
Expected Sponsor Contribution (Fixed \$)	\$443,851	\$479,812	\$836,107	\$197,442
Expected Sponsor Contribution (% of Payroll)	26.9%	29.2%	50.9%	12.0%

**ASSETS**

Actuarial Value <sup>1</sup>	10,316,481	10,316,481	10,316,481	10,316,481
Market Value <sup>1</sup>	9,935,560	9,935,560	9,935,560	9,935,560

**LIABILITIES**

## Present Value of Benefits

## Active Members

Retirement Benefits	7,093,962	7,332,719	10,496,191	5,353,461
Disability Benefits	54,103	56,289	76,652	42,986
Death Benefits	26,350	19,658	25,217	15,561
Vested Benefits	1,143,486	1,180,559	1,778,896	820,891
Refund of Contributions	51,921	51,934	54,815	49,352
Service Retirees	3,087,586	3,193,828	3,845,989	2,724,977
DROP Retirees <sup>1</sup>	2,371,485	2,405,926	2,924,168	2,055,472
Beneficiaries	80,316	80,539	83,043	78,210
Disability Retirees	625,549	634,398	802,783	522,352
Terminated Vested	334,230	341,998	444,481	271,938
Excess State Monies Reserve / Share Plan	37,083	37,083	37,083	37,083
Total:	14,906,071	15,334,931	20,569,318	11,972,283

Present Value of Future Salaries	10,549,984	10,558,735	11,485,826	9,771,221
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Present Value of Future Member Contributions	590,799	591,289	643,206	547,188
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Total Normal Cost	447,566	461,429	659,071	344,177
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Present Value of Future Normal Costs (Entry Age Normal)	2,322,988	2,414,614	4,059,393	1,494,597
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Total Actuarial Accrued Liability <sup>1</sup>	12,027,382	12,364,616	15,954,224	9,921,984
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Unfunded Actuarial Accrued Liability (UAAL)	1,710,901	2,048,135	5,637,743	(394,497)
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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2017

Valuation Date: 10/1/2015

	ACTUAL	HYPOTHETICAL		
	7.75% RP-2000 Static	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
<b><u>PENSION COST</u></b>				
Normal Cost (with interest)	464,909	479,309	678,019	360,956
Administrative Expenses (with interest)	43,295	43,295	42,878	43,712
Payment Required To Amortize UAAL (with interest)	141,779	163,340	321,342	(1,094)
Total Required Contribution	\$649,983	\$685,944	\$1,042,239	\$403,574

<sup>1</sup> The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2015.