

CITY OF AUBURNDALE RETIREMENT PLAN FOR GENERAL EMPLOYEES

GASB 67/68 DISCLOSURE INFORMATION
MEASUREMENT DATE: SEPTEMBER 30, 2023

GASB 68 REPORTING
AS OF SEPTEMBER 30, 2024



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS



November 27, 2023

Board of Trustees
City of Auburndale Retirement Plan for General Employees

RE: GASB Statements No. 67 and No. 68 – City of Auburndale Retirement Plan for General Employees

Dear Board:

We are pleased to present this report of the GASB Statements No. 67 and No. 68 measured as of September 30, 2023 for the City of Auburndale Retirement Plan for General Employees.

The calculation of the liability associated with the benefits referenced in this report was performed to satisfy the requirements of GASB No. 67 and No. 68 and is not applicable for other purposes, such as determining the plan's funding requirements. Use of the results for other purposes may not be applicable and may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2022. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ending September 30, 2023 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

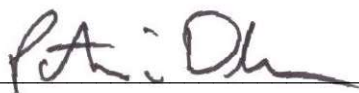
In conducting the valuation, we have relied on personnel and plan design information supplied by the City and asset information supplied by the custodian bank. The actuarial assumptions and methods are described in the Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at (293) 433-5500.

Respectfully submitted,
Foster & Foster, Inc.



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

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I. SUMMARY

| | | |
|--------------------------------------------------------------------|-------------------|-------------------|
| Valuation Date | 10/01/2022 | 10/01/2021 |
| GASB 67/68 Measurement Date | 09/30/2023 | 09/30/2022 |
| GASB 68 Reporting Date | 09/30/2024 | 09/30/2023 |
| Plan Membership: | | |
| Inactives Currently Receiving Benefits | 101 | 100 |
| Inactives Not Yet Receiving Benefits | 12 | 12 |
| Active Plan Members | <u>22</u> | <u>25</u> |
| Total | 135 | 137 |
| Covered Payroll | \$ 1,297,742 | \$ 1,439,547 |
| Net Pension Liability | | |
| Total Pension Liability | \$ 29,094,249 | \$ 29,006,317 |
| Plan Fiduciary Net Position | <u>23,399,799</u> | <u>21,581,297</u> |
| Net Pension Liability | \$ 5,694,450 | \$ 7,425,020 |
| Plan Fiduciary Net Position | | |
| As a Percentage of Total Pension Liability | 80.43% | 74.40% |
| Net Pension Liability | | |
| As a Percentage of Covered Payroll | 438.80% | 515.79% |
| Total Pension Expense | \$ 893,677 | \$ 1,669,473 |
| Development of Single Discount Rate | | |
| Single Discount Rate | 7.25% | 7.25% |
| Long-Term Expected Rate of Return | 7.25% | 7.25% |
| High-quality Municipal Bond Rate | 4.87% | 1.93% |
| Number of Years Future Benefit Payments Are Expected to be Paid | All Years | All Years |

II. FIDUCIARY NET POSITION

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

| <u>ASSETS</u> | MARKET VALUE |
|------------------------------------------|----------------|
| Cash and Cash Equivalents: | |
| Short Term Investments | 260,526 |
| Total Cash and Equivalents | 260,526 |
| Receivables: | |
| Member Contributions in Transit | 1,126 |
| City Contributions in Transit | 311,727 |
| Investment Income | 27,041 |
| Total Receivables | 339,894 |
| Investments: | |
| U. S. Bonds and Bills | 1,242,595 |
| Federal Agency Guaranteed Securities | 2,201,604 |
| Corporate Bonds | 1,312,085 |
| Mutual Funds: | |
| Equity | 15,764,286 |
| Pooled/Common/Commingled Funds: | |
| Real Estate | 2,285,265 |
| Total Investments | 22,805,835 |
| Total Assets | 23,406,255 |
| <u>LIABILITIES</u> | |
| Payables: | |
| Investment Expenses | 6,250 |
| Administrative Expenses | 206 |
| Total Liabilities | 6,456 |
| NET POSITION RESTRICTED FOR PENSIONS | 23,399,799 |

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023
Market Value Basis

ADDITIONS

Contributions:

| | |
|--------|-----------|
| Member | 25,955 |
| City | 1,246,906 |

Total Contributions 1,272,861

Investment Income:

| | |
|-------------------------------------------|-----------|
| Net Increase in Fair Value of Investments | 1,996,430 |
| Interest & Dividends | 486,132 |
| Less Investment Expense ¹ | (76,752) |

Net Investment Income 2,405,810

Total Additions 3,678,671

DEDUCTIONS

Distributions to Members:

| | |
|---------------------------------|-----------|
| Benefit Payments | 1,797,261 |
| Lump Sum DROP Distributions | 0 |
| Refunds of Member Contributions | 0 |

Total Distributions 1,797,261

Administrative Expense 62,908

Total Deductions 1,860,169

Net Increase in Net Position 1,818,502

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 21,581,297

End of the Year 23,399,799

¹ Investment related expenses include investment advisory, custodial and performance monitoring fees.

III. GASB EXHIBITS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

| GASB 67/68 Measurement Date | 09/30/2023 | 09/30/2022 | 09/30/2021 |
|-------------------------------------------|---------------|---------------|---------------|
| GASB 68 Reporting Period Ending | 09/30/2024 | 09/30/2023 | 09/30/2022 |
| Total Pension Liability | | | |
| Service Cost | 103,758 | 128,798 | 141,402 |
| Interest | 2,045,330 | 1,983,224 | 1,998,938 |
| Changes in Benefit Terms | 0 | 0 | 0 |
| Experience Gains/Losses | (263,895) | 563,430 | (344,594) |
| Changes of Assumptions | 0 | 0 | 649,657 |
| Benefit Payments | (1,797,261) | (1,790,307) | (1,670,665) |
| Net Change in Total Pension Liability | 87,932 | 885,145 | 774,738 |
| Total Pension Liability – Beginning | 29,006,317 | 28,121,172 | 27,346,434 |
| Total Pension Liability – Ending (a) | \$ 29,094,249 | \$ 29,006,317 | \$ 28,121,172 |
| Plan Fiduciary Net Position | | | |
| Contributions – Employer | 1,246,906 | 1,226,881 | 1,347,267 |
| Contributions – Employee | 25,955 | 28,791 | 36,963 |
| Net Investment Income | 2,405,810 | (3,881,843) | 4,560,419 |
| Benefit Payments | (1,797,261) | (1,790,307) | (1,670,665) |
| Administrative Expense | (62,908) | (60,611) | (79,650) |
| Other | 0 | 0 | 0 |
| Net Change in Plan Fiduciary Net Position | 1,818,502 | (4,477,089) | 4,194,334 |
| Plan Fiduciary Net Position – Beginning | 21,581,297 | 26,058,386 | 21,864,052 |
| Adjustment to beginning of year | 0 | 0 | 0 |
| Plan Fiduciary Net Position – Ending (b) | \$ 23,399,799 | \$ 21,581,297 | \$ 26,058,386 |
| Net Pension Liability – Ending (a) – (b) | \$ 5,694,450 | \$ 7,425,020 | \$ 2,062,786 |
| Plan Fiduciary Net Position | | | |
| As % of Total Pension Liability | 80.43% | 74.40% | 92.66% |
| Covered Payroll | \$ 1,297,742 | \$ 1,439,547 | \$ 1,848,125 |
| Net Pension Liability | | | |
| As % of Covered Payroll | 438.80% | 515.79% | 111.62% |

SENSITIVITY TO CHANGES IN DISCOUNT RATE

| | | |
|----------------------------------------|--------------|--------------|
| GASB 67/68 Measurement Date | 09/30/2023 | 09/30/2022 |
| GASB 68 Reporting Date | 09/30/2024 | 09/30/2023 |
| Discount Rate | 7.25% | 7.25% |
| + 1% Discount Rate | 8.25% | 8.25% |
| - 1% Discount Rate | 6.25% | 6.25% |
| Sponsor's Net Pension Liability | | |
| Current Discount Rate | \$ 5,694,450 | \$ 7,425,020 |
| 1% Increase in Discount Rate | 3,205,130 | 4,898,565 |
| 1% Decrease in Discount Rate | 8,636,482 | 10,412,060 |

FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
YEAR-END SEPTEMBER 30, 2023

For the year ended September 30, 2023, the Sponsor will recognize a Pension Expense of \$1,669,473. On September 30, 2023, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between actual and expected experience | 0 | 0 |
| Changes of assumptions | 0 | 0 |
| Net difference between projected and actual earnings on pension plan investments | 2,923,845 | 0 |
| Employer contributions subsequent to the measurement date | <u>1,246,906</u> | <u>0</u> |
| Total | \$ 4,170,751 | \$ 0 |

The outcome of the deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended September 30:

| | |
|------------|--------------|
| 2024 | \$ 687,377 |
| 2025 | \$ 523,537 |
| 2026 | \$ 563,031 |
| 2027 | \$ 1,149,900 |
| 2028 | \$ 0 |
| Thereafter | \$ 0 |

PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
YEAR-END SEPTEMBER 30, 2024

For the year ended September 30, 2024, the Sponsor will recognize a Pension Expense of \$893,677. On September 30, 2024, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between actual and expected experience | 0 | 0 |
| Changes of assumptions | 0 | 0 |
| Net difference between projected and actual earnings on pension plan investments | 1,546,504 | 0 |
| Employer contributions subsequent to the measurement date | TBD | 0 |
| Total | \$ TBD | \$ 0 |

The outcome of the deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended September 30:

| | | |
|------------|----|-----------|
| 2025 | \$ | 351,046 |
| 2026 | \$ | 390,540 |
| 2027 | \$ | 977,409 |
| 2028 | \$ | (172,491) |
| 2029 | \$ | 0 |
| Thereafter | \$ | 0 |

IV. SUPPLEMENTARY GASB 68 EXPENSE DETAIL

FINAL COMPONENTS OF PENSION EXPENSE
YEAR-END SEPTEMBER 30, 2023

| | Net Pension Liability | Deferred Outflows | Deferred Inflows | Pension Expense |
|---------------------------------------------------------|--------------------------|----------------------|---------------------|--------------------|
| Beginning Balance | \$ 2,062,786 | \$ 1,879,390 | \$ 2,648,306 | |
| Employer Contributions made after September 30, 2022 | 0 | 1,246,906 | 0 | 0 |
| Total Pension Liability Factors: | | | | |
| Service Cost | 128,798 | 0 | 0 | 128,798 |
| Interest | 1,983,224 | 0 | 0 | 1,983,224 |
| Changes in Benefit Terms | 0 | 0 | 0 | 0 |
| Experience Gains/Losses | 563,430 | 563,430 | 0 | 0 |
| Current Year Amortization | 0 | (563,430) | (172,297) | 391,133 |
| Changes of Assumptions | 0 | 0 | 0 | 0 |
| Current Year Amortization | 0 | (324,829) | 0 | 324,829 |
| Benefit Payments | (1,790,307) | 0 | 0 | 0 |
| Net Change | <u>885,145</u> | <u>922,077</u> | <u>(172,297)</u> | <u>2,827,984</u> |
| Plan Fiduciary Net Position: | | | | |
| Contributions - Employer | 1,226,881 | (1,226,881) | 0 | 0 |
| Contributions – Employee | 28,791 | 0 | 0 | (28,791) |
| Projected Net Investment Income | 1,867,655 | 0 | 0 | (1,867,655) |
| Difference in Projected and Actual Earnings | (5,749,498) | 5,749,498 | 0 | 0 |
| Current Year Amortization | 0 | (1,313,738) | (636,414) | 677,324 |
| Benefit Payments | (1,790,307) | 0 | 0 | 0 |
| Administrative Expenses | (60,611) | 0 | 0 | 60,611 |
| Other | 0 | 0 | 0 | 0 |
| Net Change | <u>(4,477,089)</u> | <u>3,208,879</u> | <u>(636,414)</u> | <u>(1,158,511)</u> |
| Adjustment to beginning of year | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Ending Balance | \$ 7,425,020 | \$ 6,010,346 | \$ 1,839,595 | \$ 1,669,473 |

PRELIMINARY COMPONENTS OF PENSION EXPENSE
YEAR-END SEPTEMBER 30, 2024

| | Net Pension Liability | Deferred Outflows | Deferred Inflows | Pension Expense |
|----------------------------------------------------------------------|--------------------------|----------------------|---------------------|--------------------|
| Beginning Balance | \$ 7,425,020 | \$ 6,010,346 | \$ 1,839,595 | |
| Employer Contributions made after September 30, 2023 ¹ | 0 | TBD | 0 | 0 |
| Total Pension Liability Factors: | | | | |
| Service Cost | 103,758 | 0 | 0 | 103,758 |
| Interest | 2,045,330 | 0 | 0 | 2,045,330 |
| Changes in Benefit Terms | 0 | 0 | 0 | 0 |
| Experience Gains/Losses | (263,895) | 0 | 263,895 | 0 |
| Current Year Amortization | 0 | 0 | (263,895) | (263,895) |
| Changes of Assumptions | 0 | 0 | 0 | 0 |
| Current Year Amortization | 0 | 0 | 0 | 0 |
| Benefit Payments | (1,797,261) | 0 | 0 | 0 |
| Net Change | <u>87,932</u> | <u>0</u> | <u>0</u> | <u>1,885,193</u> |
| Plan Fiduciary Net Position: | | | | |
| Contributions - Employer | 1,246,906 | (1,246,906) | 0 | 0 |
| Contributions – Employee | 25,955 | 0 | 0 | (25,955) |
| Projected Net Investment Income | 1,543,354 | 0 | 0 | (1,543,354) |
| Difference in Projected and Actual Earnings | 862,456 | 0 | 862,456 | 0 |
| Current Year Amortization | 0 | (1,313,740) | (798,855) | 514,885 |
| Benefit Payments | (1,797,261) | 0 | 0 | 0 |
| Administrative Expenses | (62,908) | 0 | 0 | 62,908 |
| Other | 0 | 0 | 0 | 0 |
| Net Change | <u>1,818,502</u> | <u>(2,560,646)</u> | <u>63,601</u> | <u>(991,516)</u> |
| Adjustment to beginning of year | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Ending Balance | \$ 5,694,450 | \$ TBD | \$ 1,903,196 | \$ 893,677 |

¹ Employer contributions made subsequent to the September 30, 2023 measurement date, but made on or before September 30, 2024 need to be added.

AMORTIZATION SCHEDULE – EXPERIENCE

| Year | Initial Base | Recognition Period | 2023 | 2024 | 2025 | 2026 | 2027 | Thereafter |
|--------------------------------------------|--------------|--------------------|------------|--------------|------|------|------|------------|
| 2023 | \$ (263,895) | 1 | \$ 0 | \$ (263,895) | \$ 0 | \$ 0 | \$ 0 | 0 |
| 2022 | 563,430 | 1 | 563,430 | 0 | 0 | 0 | 0 | 0 |
| 2021 | (344,594) | 2 | (172,297) | 0 | 0 | 0 | 0 | 0 |
| Net Increase (Decrease) in Pension Expense | | | \$ 391,133 | \$ (263,895) | \$ 0 | \$ 0 | \$ 0 | 0 |

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

| Year | Initial Base | Recognition Period | 2023 | 2024 | 2025 | 2026 | 2027 | Thereafter |
|--------------------------------------------|-----------------|-----------------------|------------|------|------|------|------|------------|
| 2021 | \$ 649,657 | 2 | \$ 324,829 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Net Increase (Decrease) in Pension Expense | | | \$ 324,829 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |

AMORTIZATION SCHEDULE – INVESTMENTS

| Year | Initial Base | Recognition Period | 2023 | 2024 | 2025 | 2026 | 2027 | Thereafter |
|--------------------------------------------|--------------|--------------------|------------|--------------|--------------|--------------|--------------|--------------|
| 2023 | \$ (862,456) | 5 | \$ 0 | \$ (172,492) | \$ (172,491) | \$ (172,491) | \$ (172,491) | \$ (172,491) |
| 2022 | 5,749,498 | 5 | 1,149,898 | 1,149,900 | 1,149,900 | 1,149,900 | 1,149,900 | 0 |
| 2021 | (2,934,343) | 5 | (586,869) | (586,869) | (586,869) | (586,869) | 0 | 0 |
| 2020 | (197,471) | 5 | (39,494) | (39,494) | (39,494) | 0 | 0 | 0 |
| 2019 | 819,199 | 5 | 163,840 | 163,840 | 0 | 0 | 0 | 0 |
| 2018 | (50,253) | 5 | (10,051) | 0 | 0 | 0 | 0 | 0 |
| Net Increase (Decrease) in Pension Expense | | | \$ 677,324 | \$ 514,885 | \$ 351,046 | \$ 390,540 | \$ 977,409 | \$ (172,491) |

V. ADDITIONAL INFORMATION

SCHEDULE OF CONTRIBUTIONS

| Plan Year Ended | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contrib. as % of Covered Payroll |
|-----------------|-------------------------------------|-----------------------------------------------------------------------|----------------------------------|-----------------|----------------------------------|
| 09/30/2023 | \$ 1,246,906 | \$ 1,246,906 | \$ 0 | \$ 1,297,742 | 96.08% |
| 09/30/2022 | \$ 1,226,881 | \$ 1,226,881 | \$ 0 | \$ 1,439,547 | 85.23% |

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending September 30, 2023:

| | |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Calculation Timing | The Actuarially Determined Contribution is calculated using a October 1, 2021 valuation date. |
| Interest Rate | 7.25% |
| Assumptions | All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the October 1, 2021 Actuarial Valuation Report for the City of Auburndale Retirement Plan for General Employees prepared by Foster & Foster Actuaries and Consultants. |

INVESTMENT DISCLOSURES

Schedule of Investment Returns

For the year ended September 30, 2023, the annual money-weighted return on Pension Plan investments, net of pension plan investment expense, was 11.36 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

| Fiscal Year Ended | Annual Money-Weighted Rate of Return Net of Investment Expense |
|-------------------|-------------------------------------------------------------------|
| 09/30/2023 | 11.36% |
| 09/30/2022 | -15.15% |

Support for Long-Term Expected Rate of Return

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of September 30, 2023, as provided by AndCo Consulting, are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|-------------------------|-------------------|----------------------------------------------|
| Domestic Equity | 45.00% | 7.50% |
| International Equity | 15.00% | 8.50% |
| | | 2.50% |
| Fixed Income (Core) | 15.00% | 2.50% |
| Fixed Income (Non-Core) | 10.00% | 2.50% |
| Real Estate | 10.00% | 4.50% |
| Alternative | 5.00% | 6.03% |
| Total | 100.00% | |

Inflation rate of investment advisor 2.50%

Concentrations

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

ASSUMPTIONS

| | |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date | 10/01/2022 |
| GASB 67/68 Measurement Date | 09/30/2023 |
| GASB 68 Reporting Date | 09/30/2024 |
| Discount Rate | 7.25% |
| Long-Term Rate of Return | 7.25% |
| Mortality | |
| <i>Healthy Active Lives:</i> | Female: PubG.H-2010 for Employees. Male: PubG.H-2010 for Employees, set back one year. |
| <i>Healthy Retiree Lives:</i> | Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. |
| <i>Beneficiary Lives:</i> | Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. |
| <i>Disabled Lives:</i> | PubG.H-2010 for Disabled Retirees, set forward three years. |
| | All rates are projected generationally with Mortality Improvement Scale MP-2018. |
| | The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2021 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics. |
| Salary Scale | 3.50% - 5.00% |
| Inflation | 2.50% |
| Latest Experience Study Date | August 20, 2014 |

A summary of other assumptions reflected in the valuation can be found in the October 1, 2022 Actuarial Valuation Report for the City of Auburndale Retirement Plan for General Employees prepared by Foster & Foster Actuaries and Consultants.

Changes in Assumptions

Total Pension Liability and Preliminary GASB 68 Pension Expense measured as of September 30, 2023 reflect no assumption changes.

Development of the Discount Rate

The projection of cash flows used to determine the Discount Rate assumed that current Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate.

Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments (7.25 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

No projected benefit payments were discounted using a high-quality municipal bond rate of 4.87 percent. The high-quality municipal bond rate was based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index.

The single equivalent Discount Rate was 7.25 percent.

SUMMARY OF CURRENT PLAN

Plan Description

The Restated Defined Benefit Retirement Income Plan for Employees of City of Auburndale, Florida is a single-employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of 7 Trustees, 3 of whom shall be legal residents of the City who are appointed by the City Commission, 3 of whom are Members of the plan who are elected by a majority of the General Employees who are Members of the plan and a seventh Trustee who is chosen by a majority of the first 6 Trustees. Each Trustee serves a two year term.

Eligible are full-time employees (excluding sworn police officers, or certified firefighters). The plan is closed for new participants as of October 1, 2006.

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the Actuarial Valuation as of October 1, 2022 for the City of Auburndale Retirement Plan for General Employees prepared by Foster & Foster Actuaries and Consultants.

Benefit Changes

No benefit changes have been reflected since the prior year.

Deferred Retirement Option Program

| | |
|-----------------|---------------------------------------------------------------------------------------|
| Eligibility: | Satisfaction of Normal Retirement requirements. |
| Participation: | Must end at age 62. |
| Rate of return: | 3.0% per annum, credited monthly, or the actual plan investment return (net of fees). |
| DROP balance: | The DROP balance as of September 30, 2023 is \$603,696. |