

CITY OF EDGEWATER  
GENERAL EMPLOYEES' RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE  
DETERMINED AS OF THE  
OCTOBER 1, 2021 VALUATION DATE



June 28, 2022

VIA E-MAIL

Ms. Michelle Rodriguez, Plan Administrator  
Foster & Foster, Inc.  
2503 Del Prado Blvd. S., Suite 502  
Cape Coral, FL 33904

Re: City of Edgewater General Employees' Retirement Plan  
Section 112.664, Florida Statutes Compliance

Dear Michelle:

Please find enclosed the annual disclosures that satisfy the October 1, 2021 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.

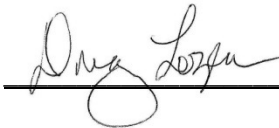
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should 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 #20-7778

Enclosures

cc via email: Bonni Jensen, 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, 2021 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, 2021

	ACTUAL	HYPOTHETICAL	
	6.25%	4.25%	8.25%
Discount Rate:	6.25%	4.25%	8.25%
<u>Total Pension Liability</u>			
Service Cost	18,922	29,607	12,385
Interest	1,210,245	1,041,806	1,316,378
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	57,121	82,788	38,794
Changes of Assumptions	843,369	1,190,704	618,548
Benefit Payments, Including Refunds of Employee Contributions	(1,505,269)	(1,505,269)	(1,505,269)
Net Change in Total Pension Liability	624,388	839,636	480,836
Total Pension Liability - Beginning	18,663,267	22,655,784	15,784,567
Total Pension Liability - Ending (a)	<u>\$ 19,287,655</u>	<u>\$ 23,495,420</u>	<u>\$ 16,265,403</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	793,823	793,823	793,823
Contributions - Employee	2,564	2,564	2,564
Net Investment Income	2,189,050	2,189,050	2,189,050
Benefit Payments, Including Refunds of Employee Contributions	(1,505,269)	(1,505,269)	(1,505,269)
Administrative Expenses	(45,538)	(45,538)	(45,538)
Net Change in Plan Fiduciary Net Position	1,434,630	1,434,630	1,434,630
Plan Fiduciary Net Position - Beginning	12,949,298	12,949,298	12,949,298
Plan Fiduciary Net Position - Ending (b)	<u>\$ 14,383,928</u>	<u>\$ 14,383,928</u>	<u>\$ 14,383,928</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,903,727</u>	<u>\$ 9,111,492</u>	<u>\$ 1,881,475</u>

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

Table 1  
Plan Assumptions: Discount Rate = 6.25%

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
2021	14,383,928	-	1,550,825	-	850,532	13,683,635
2022	13,683,635	-	1,543,122	-	807,005	12,947,518
2023	12,947,518	-	1,533,649	-	761,293	12,175,162
2024	12,175,162	-	1,521,357	-	713,405	11,367,210
2025	11,367,210	-	1,525,908	-	662,766	10,504,068
2026	10,504,068	-	1,520,972	-	608,974	9,592,070
2027	9,592,070	-	1,504,737	-	552,481	8,639,814
2028	8,639,814	-	1,502,041	-	493,050	7,630,823
2029	7,630,823	-	1,479,535	-	430,691	6,581,979
2030	6,581,979	-	1,453,118	-	365,964	5,494,825
2031	5,494,825	-	1,426,106	-	298,861	4,367,580
2032	4,367,580	-	1,397,576	-	229,300	3,199,304
2033	3,199,304	-	1,367,031	-	157,237	1,989,510
2034	1,989,510	-	1,333,294	-	82,679	738,895
2035	738,895	-	1,297,721	-	-	-

Number of Years Expected Benefit Payments Sustained: 14.57

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.25% 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 = 4.25%

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
2021	14,383,928	-	1,550,825	-	578,362	13,411,465
2022	13,411,465	-	1,543,122	-	537,196	12,405,539
2023	12,405,539	-	1,533,649	-	494,645	11,366,535
2024	11,366,535	-	1,521,357	-	450,749	10,295,927
2025	10,295,927	-	1,525,908	-	405,151	9,175,170
2026	9,175,170	-	1,520,972	-	357,624	8,011,822
2027	8,011,822	-	1,504,737	-	308,527	6,815,612
2028	6,815,612	-	1,502,041	-	257,745	5,571,316
2029	5,571,316	-	1,479,535	-	205,341	4,297,122
2030	4,297,122	-	1,453,118	-	151,749	2,995,753
2031	2,995,753	-	1,426,106	-	97,015	1,666,662
2032	1,666,662	-	1,397,576	-	41,135	310,221
2033	310,221	-	1,367,031	-	-	-

Number of Years Expected Benefit Payments Sustained: 12.23

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.25% 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 = 8.25%

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
2021	14,383,928	-	1,550,825	-	1,122,703	13,955,806
2022	13,955,806	-	1,543,122	-	1,087,700	13,500,384
2023	13,500,384	-	1,533,649	-	1,050,519	13,017,254
2024	13,017,254	-	1,521,357	-	1,011,167	12,507,064
2025	12,507,064	-	1,525,908	-	968,889	11,950,045
2026	11,950,045	-	1,520,972	-	923,139	11,352,212
2027	11,352,212	-	1,504,737	-	874,487	10,721,962
2028	10,721,962	-	1,502,041	-	822,603	10,042,524
2029	10,042,524	-	1,479,535	-	767,477	9,330,466
2030	9,330,466	-	1,453,118	-	709,822	8,587,170
2031	8,587,170	-	1,426,106	-	649,615	7,810,679
2032	7,810,679	-	1,397,576	-	586,731	6,999,834
2033	6,999,834	-	1,367,031	-	521,096	6,153,899
2034	6,153,899	-	1,333,294	-	452,698	5,273,303
2035	5,273,303	-	1,297,721	-	381,517	4,357,099
2036	4,357,099	-	1,259,633	-	307,501	3,404,967
2037	3,404,967	-	1,218,926	-	230,629	2,416,670
2038	2,416,670	-	1,175,644	-	150,880	1,391,906
2039	1,391,906	-	1,129,915	-	68,223	330,214
2040	330,214	-	1,081,958	-	-	-

Number of Years Expected Benefit Payments Sustained: 19.31

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.25% 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, 2023

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL	
	6.25%	4.25%	8.25%
Investment Rate of Return:	6.25%	4.25%	8.25%
Minimum Required Contribution (Fixed \$)	\$722,651	\$917,999	\$516,407
Minimum Required Contribution (% of Payroll)	651.5%	827.6%	465.5%
Expected Member Contribution	2,860	2,832	2,888
Expected Sponsor Contribution (Fixed \$)	\$719,791	\$915,167	\$513,519
Expected Sponsor Contribution (% of Payroll)	649.0%	825.1%	463.0%

**ASSETS**

Actuarial Value	13,164,327	13,164,327	13,164,327
Market Value	14,383,928	14,383,928	14,383,928

**LIABILITIES**

Present Value of Benefits			
Active Members			
Retirement Benefits	563,973	787,090	419,243
Disability Benefits	36,262	46,666	29,048
Death Benefits	1,439	1,888	1,134
Vested Benefits	0	0	0
Refund of Contributions	0	0	0
Service Retirees	17,099,294	20,788,995	14,444,336
Beneficiaries	793,646	954,149	675,981
Disability Retirees	0	0	0
Terminated Vested	762,297	956,211	627,006
Total:	19,256,911	23,534,999	16,196,748
Present Value of Future Salaries	585,885	614,315	559,922
Present Value of Future Member Contributions	14,647	15,358	13,998
Total Normal Cost	21,930	34,562	14,266
Present Value of Future Normal Costs (Entry Age Normal)	131,515	214,497	83,112
Total Actuarial Accrued Liability (EAN)	19,125,396	23,320,502	16,113,636
Unfunded Actuarial Accrued Liability (UAAL)	5,961,069	10,156,175	2,949,309



ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2023

	Valuation Date: 10/1/2021		
	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	6.25%	4.25%	8.25%
<b><u>PENSION COST</u></b>			
Normal Cost <sup>1</sup>	23,520	36,708	15,449
Administrative Expenses <sup>1</sup>	50,199	49,713	50,686
Payment Required To Amortize UAAL <sup>1</sup>	648,932	831,578	450,272
Minimum Required Contribution	\$722,651	\$917,999	\$516,407

<sup>1</sup> Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase and interest components.