

CITY OF EDGEWATER  
GENERAL EMPLOYEES' RETIREMENT PLAN

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



July 19, 2023

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, 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.

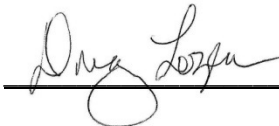
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should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

	ACTUAL	HYPOTHETICAL	
	6.25%	4.25%	8.25%
Discount Rate:			
<b><u>Total Pension Liability</u></b>			
Service Cost	21,934	34,566	14,272
Interest	1,159,603	967,897	1,280,708
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(172,428)	(182,376)	(164,319)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,511,876)	(1,511,876)	(1,511,876)
Net Change in Total Pension Liability	(502,767)	(691,789)	(381,215)
Total Pension Liability - Beginning	19,287,655	23,495,420	16,265,403
Total Pension Liability - Ending (a)	<u>\$ 18,784,888</u>	<u>\$ 22,803,631</u>	<u>\$ 15,884,188</u>
<b><u>Plan Fiduciary Net Position</u></b>			
Contributions - Employer	755,895	755,895	755,895
Contributions - Employee	2,759	2,759	2,759
Net Investment Income	(2,344,112)	(2,344,112)	(2,344,112)
Benefit Payments, Including Refunds of Employee Contributions	(1,511,876)	(1,511,876)	(1,511,876)
Administrative Expenses	(53,397)	(53,397)	(53,397)
Net Change in Plan Fiduciary Net Position	(3,150,731)	(3,150,731)	(3,150,731)
Plan Fiduciary Net Position - Beginning	14,383,928	14,383,928	14,383,928
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,233,197</u>	<u>\$ 11,233,197</u>	<u>\$ 11,233,197</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,551,691</u>	<u>\$ 11,570,434</u>	<u>\$ 4,650,991</u>

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 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
2022	11,233,197	-	1,552,561	-	653,557	10,334,193
2023	10,334,193	-	1,543,709	-	597,646	9,388,130
2024	9,388,130	-	1,531,788	-	538,890	8,395,232
2025	8,395,232	-	1,539,079	-	476,606	7,332,759
2026	7,332,759	-	1,534,709	-	410,338	6,208,388
2027	6,208,388	-	1,518,767	-	340,563	5,030,184
2028	5,030,184	-	1,518,504	-	266,933	3,778,613
2029	3,778,613	-	1,496,073	-	189,411	2,471,951
2030	2,471,951	-	1,469,822	-	108,565	1,110,694
2031	1,110,694	-	1,442,829	-	-	-

Number of Years Expected Benefit Payments Sustained: 9.77

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.**

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 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
2022	11,233,197	-	1,552,561	-	444,419	10,125,055
2023	10,125,055	-	1,543,709	-	397,511	8,978,857
2024	8,978,857	-	1,531,788	-	349,051	7,796,120
2025	7,796,120	-	1,539,079	-	298,630	6,555,671
2026	6,555,671	-	1,534,709	-	246,003	5,266,965
2027	5,266,965	-	1,518,767	-	191,572	3,939,770
2028	3,939,770	-	1,518,504	-	135,172	2,556,438
2029	2,556,438	-	1,496,073	-	76,857	1,137,222
2030	1,137,222	-	1,469,822	-	-	-

Number of Years Expected Benefit Payments Sustained: 8.77

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
2022	11,233,197	-	1,552,561	-	862,696	10,543,332
2023	10,543,332	-	1,543,709	-	806,147	9,805,770
2024	9,805,770	-	1,531,788	-	745,790	9,019,772
2025	9,019,772	-	1,539,079	-	680,644	8,161,337
2026	8,161,337	-	1,534,709	-	610,004	7,236,632
2027	7,236,632	-	1,518,767	-	534,373	6,252,238
2028	6,252,238	-	1,518,504	-	453,171	5,186,905
2029	5,186,905	-	1,496,073	-	366,207	4,057,039
2030	4,057,039	-	1,469,822	-	274,076	2,861,293
2031	2,861,293	-	1,442,829	-	176,540	1,595,004
2032	1,595,004	-	1,414,234	-	73,251	254,021
2033	254,021	-	1,383,583	-	-	-

Number of Years Expected Benefit Payments Sustained: 11.18

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, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
	6.25%	4.25%	8.25%
Investment Rate of Return:	6.25%	4.25%	8.25%
Minimum Required Contribution (Fixed \$)	\$780,410	\$968,672	\$580,521
Minimum Required Contribution (% of Payroll)	653.7%	811.4%	486.3%
Expected Member Contribution	3,078	3,048	3,108
Expected Sponsor Contribution (Fixed \$)	\$777,332	\$965,624	\$577,413
Expected Sponsor Contribution (% of Payroll)	651.2%	808.9%	483.8%

**ASSETS**

Actuarial Value	12,849,833	12,849,833	12,849,833
Market Value	11,233,197	11,233,197	11,233,197

**LIABILITIES**

Present Value of Benefits			
Active Members			
Retirement Benefits	615,192	842,410	465,925
Disability Benefits	34,737	44,178	28,134
Death Benefits	1,394	1,805	1,111
Vested Benefits	0	0	0
Refund of Contributions	0	0	0
Service Retirees	16,934,073	20,509,069	14,346,827
Beneficiaries	817,121	980,747	696,978
Disability Retirees	0	0	0
Terminated Vested	618,456	775,543	508,638
Total:	19,020,973	23,153,752	16,047,613

Present Value of Future Salaries	533,204	554,204	513,809
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Present Value of Future Member Contributions	13,330	13,855	12,845
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Total Normal Cost	23,556	37,139	15,319
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Present Value of Future Normal Costs (Entry Age Normal)	109,426	179,310	68,574
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Total Actuarial Accrued Liability (EAN)	18,911,547	22,974,442	15,979,039
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Unfunded Actuarial Accrued Liability (UAAL)	6,061,714	10,124,609	3,129,206
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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	6.25%	4.25%	8.25%
<b><u>PENSION COST</u></b>			
Normal Cost <sup>1</sup>	25,264	39,445	16,589
Administrative Expenses <sup>1</sup>	53,054	52,540	53,569
Payment Required To Amortize UAAL <sup>1</sup>	702,092	876,687	510,363
Minimum Required Contribution	\$780,410	\$968,672	\$580,521

<sup>1</sup> Contributions developed as of 10/1/2022 displayed above have been adjusted to account for assumed salary increase and interest components.