

July 2, 2019

VIA EMAIL

Commander Dale Coleman, Chairman  
Oviedo Police Officers' Retirement Fund  
400 Alexandria Boulevard  
Oviedo, FL 32765

Re: City of Oviedo Police Officers' Retirement Fund  
Section 112.664, Florida Statutes Compliance

Dear Dale:

Please find enclosed the annual disclosures that satisfy the October 1, 2018 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: 

Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #17-7778

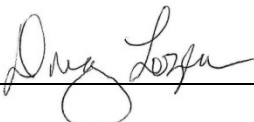
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Enclosures

cc via email: Scott R. Christiansen, Board Attorney

CITY OF OVIEDO  
POLICE OFFICERS' RETIREMENT 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:  Date: 7/2/2019

Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #17-7778



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, 2018 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, 2018

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	773,196	1,202,963
Interest	1,803,908	1,729,728
Share Plan Allocation	107,535	107,535
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	107,847	234,941
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(784,493)	(784,493)
Net Change in Total Pension Liability	2,007,993	2,490,674
Total Pension Liability - Beginning	23,246,804	29,623,025
Total Pension Liability - Ending (a)	<u>\$ 25,254,797</u>	<u>\$ 32,113,699</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	608,469	608,469
Contributions - State	323,492	323,492
Contributions - Employee	261,584	261,584
Net Investment Income	1,890,921	1,890,921
Benefit Payments, Including Refunds of Employee Contributions	(784,493)	(784,493)
Administrative Expenses	(46,586)	(46,586)
Net Change in Plan Fiduciary Net Position	2,253,387	2,253,387
Plan Fiduciary Net Position - Beginning	23,054,493	23,054,493
Plan Fiduciary Net Position - Ending (b)	<u>\$ 25,307,880</u>	<u>\$ 25,307,880</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (53,083)</u>	<u>\$ 6,805,819</u>

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

Table 1  
Plan 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
2018	25,307,880	-	1,720,964	-	1,894,673	25,481,589
2019	25,481,589	-	1,314,939	-	1,923,869	26,090,519
2020	26,090,519	-	1,358,432	-	1,969,376	26,701,463
2021	26,701,463	-	1,411,753	-	2,014,658	27,304,368
2022	27,304,368	-	1,444,736	-	2,060,105	27,919,737
2023	27,919,737	-	1,496,541	-	2,105,789	28,528,985
2024	28,528,985	-	1,544,285	-	2,151,155	29,135,855
2025	29,135,855	-	1,648,625	-	2,194,145	29,681,375
2026	29,681,375	-	1,725,156	-	2,233,457	30,189,676
2027	30,189,676	-	1,807,317	-	2,269,666	30,652,025
2028	30,652,025	-	1,817,366	-	2,305,109	31,139,768
2029	31,139,768	-	1,848,211	-	2,341,714	31,633,271
2030	31,633,271	-	1,862,909	-	2,379,391	32,149,753
2031	32,149,753	-	1,877,711	-	2,418,845	32,690,887
2032	32,690,887	-	1,901,001	-	2,459,880	33,249,766
2033	33,249,766	-	1,914,996	-	2,502,651	33,837,421
2034	33,837,421	-	1,919,566	-	2,548,017	34,465,872
2035	34,465,872	-	1,916,062	-	2,596,858	35,146,668
2036	35,146,668	-	1,900,667	-	2,650,216	35,896,217
2037	35,896,217	-	1,880,073	-	2,709,104	36,725,248
2038	36,725,248	-	1,853,329	-	2,774,390	37,646,309
2039	37,646,309	-	1,822,438	-	2,846,969	38,670,840
2040	38,670,840	-	1,786,065	-	2,927,780	39,812,555
2041	39,812,555	-	1,744,231	-	3,017,884	41,086,208
2042	41,086,208	-	1,699,030	-	3,118,344	42,505,522
2043	42,505,522	-	1,649,328	-	3,230,266	44,086,460
2044	44,086,460	-	1,597,324	-	3,354,804	45,843,940
2045	45,843,940	-	1,542,976	-	3,493,115	47,794,079
2046	47,794,079	-	1,487,749	-	3,646,391	49,952,721
2047	49,952,721	-	1,431,417	-	3,815,868	52,337,172
2048	52,337,172	-	1,374,687	-	4,002,862	54,965,347
2049	54,965,347	-	1,317,351	-	4,208,767	57,856,763
2050	57,856,763	-	1,260,045	-	4,435,072	61,031,790
2051	61,031,790	-	1,202,662	-	4,683,361	64,512,489
2052	64,512,489	-	1,145,408	-	4,955,333	68,322,414
2053	68,322,414	-	1,088,422	-	5,252,811	72,486,803
2054	72,486,803	-	1,031,790	-	5,577,745	77,032,758
2055	77,032,758	-	975,622	-	5,932,233	81,989,369
2056	81,989,369	-	919,919	-	6,318,529	87,387,979
2057	87,387,979	-	864,964	-	6,739,051	93,262,066
2058	93,262,066	-	810,946	-	7,196,386	99,647,506
2059	99,647,506	-	758,009	-	7,693,309	106,582,806
2060	106,582,806	-	706,577	-	8,232,788	114,109,017
2061	114,109,017	-	657,039	-	8,817,989	122,269,967
2062	122,269,967	-	609,492	-	9,452,305	131,112,780
2063	131,112,780	-	564,045	-	10,139,384	140,688,119
2064	140,688,119	-	520,867	-	10,883,146	151,050,398
2065	151,050,398	-	479,849	-	11,687,812	162,258,361
2066	162,258,361	-	441,011	-	12,557,934	174,375,284
2067	174,375,284	-	404,233	-	13,498,420	187,469,471

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

Table 1  
Plan 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
2068	187,469,471	-	369,414	-	14,514,569	201,614,626
2069	201,614,626	-	336,649	-	15,612,088	216,890,065
2070	216,890,065	-	305,907	-	16,797,126	233,381,284
2071	233,381,284	-	277,013	-	18,076,315	251,180,586
2072	251,180,586	-	249,875	-	19,456,813	270,387,524
2073	270,387,524	-	224,515	-	20,946,333	291,109,342
2074	291,109,342	-	200,683	-	22,553,198	313,461,857
2075	313,461,857	-	178,228	-	24,286,388	337,570,017
2076	337,570,017	-	157,104	-	26,155,589	363,568,502
2077	363,568,502	-	137,329	-	28,171,237	391,602,410
2078	391,602,410	-	118,793	-	30,344,584	421,828,201
2079	421,828,201	-	101,515	-	32,687,752	454,414,438
2080	454,414,438	-	85,557	-	35,213,804	489,542,685
2081	489,542,685	-	71,004	-	37,936,807	527,408,488
2082	527,408,488	-	57,988	-	40,871,911	568,222,411
2083	568,222,411	-	46,535	-	44,035,434	612,211,310
2084	612,211,310	-	36,666	-	47,444,956	659,619,600
2085	659,619,600	-	28,417	-	51,119,418	710,710,601
2086	710,710,601	-	21,673	-	55,079,232	765,768,160
2087	765,768,160	-	16,278	-	59,346,402	825,098,284
2088	825,098,284	-	12,031	-	63,944,651	889,030,904
2089	889,030,904	-	8,765	-	68,899,555	957,921,694
2090	957,921,694	-	6,285	-	74,238,688	1,032,154,097
2091	1,032,154,097	-	4,441	-	79,991,770	1,112,141,426
2092	1,112,141,426	-	3,087	-	86,190,841	1,198,329,180
2093	1,198,329,180	-	2,114	-	92,870,430	1,291,197,496
2094	1,291,197,496	-	1,428	-	100,067,751	1,391,263,819
2095	1,391,263,819	-	954	-	107,822,909	1,499,085,774
2096	1,499,085,774	-	626	-	116,179,123	1,615,264,271
2097	1,615,264,271	-	406	-	125,182,965	1,740,446,830
2098	1,740,446,830	-	258	-	134,884,619	1,875,331,191
2099	1,875,331,191	-	162	-	145,338,161	2,020,669,190
2100	2,020,669,190	-	100	-	156,601,858	2,177,270,948
2101	2,177,270,948	-	61	-	168,738,496	2,346,009,383
2102	2,346,009,383	-	37	-	181,815,726	2,527,825,072
2103	2,527,825,072	-	22	-	195,906,442	2,723,731,492
2104	2,723,731,492	-	13	-	211,089,190	2,934,820,669
2105	2,934,820,669	-	8	-	227,448,602	3,162,269,263
2106	3,162,269,263	-	4	-	245,075,868	3,407,345,127
2107	3,407,345,127	-	2	-	264,069,247	3,671,414,372
2108	3,671,414,372	-	1	-	284,534,614	3,955,948,985
2109	3,955,948,985	-	-	-	306,586,046	4,262,535,031

\*All Share Balances paid in 2018.

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 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: 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
2018	25,307,880	-	1,720,964	-	1,405,725	24,992,641
2019	24,992,641	-	1,314,939	-	1,399,272	25,076,974
2020	25,076,974	-	1,358,432	-	1,402,871	25,121,413
2021	25,121,413	-	1,411,753	-	1,403,893	25,113,553
2022	25,113,553	-	1,444,736	-	1,402,493	25,071,310
2023	25,071,310	-	1,496,541	-	1,398,575	24,973,344
2024	24,973,344	-	1,544,285	-	1,391,569	24,820,628
2025	24,820,628	-	1,648,625	-	1,379,788	24,551,791
2026	24,551,791	-	1,725,156	-	1,362,130	24,188,765
2027	24,188,765	-	1,807,317	-	1,338,894	23,720,342
2028	23,720,342	-	1,817,366	-	1,311,670	23,214,646
2029	23,214,646	-	1,848,211	-	1,281,706	22,648,141
2030	22,648,141	-	1,862,909	-	1,248,709	22,033,941
2031	22,033,941	-	1,877,711	-	1,212,967	21,369,197
2032	21,369,197	-	1,901,001	-	1,174,075	20,642,271
2033	20,642,271	-	1,914,996	-	1,131,874	19,859,149
2034	19,859,149	-	1,919,566	-	1,086,714	19,026,297
2035	19,026,297	-	1,916,062	-	1,038,925	18,149,160
2036	18,149,160	-	1,900,667	-	988,933	17,237,426
2037	17,237,426	-	1,880,073	-	937,100	16,294,453
2038	16,294,453	-	1,853,329	-	883,648	15,324,772
2039	15,324,772	-	1,822,438	-	828,779	14,331,113
2040	14,331,113	-	1,786,065	-	772,690	13,317,738
2041	13,317,738	-	1,744,231	-	715,623	12,289,130
2042	12,289,130	-	1,699,030	-	657,778	11,247,878
2043	11,247,878	-	1,649,328	-	599,335	10,197,885
2044	10,197,885	-	1,597,324	-	540,455	9,141,016
2045	9,141,016	-	1,542,976	-	481,248	8,079,288
2046	8,079,288	-	1,487,749	-	421,786	7,013,325
2047	7,013,325	-	1,431,417	-	362,113	5,944,021
2048	5,944,021	-	1,374,687	-	302,259	4,871,593
2049	4,871,593	-	1,317,351	-	242,243	3,796,485
2050	3,796,485	-	1,260,045	-	182,072	2,718,512
2051	2,718,512	-	1,202,662	-	121,738	1,637,588
2052	1,637,588	-	1,145,408	-	61,231	553,411
2053	553,411	-	1,088,422	-	-	-

\*All Share Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 35.51

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.**

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2018

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
Minimum Required Contribution (Fixed \$)	\$1,087,711	\$2,001,246
Minimum Required Contribution (% of Payroll)	25.53%	46.97%
Expected Member Contribution	255,611	255,611
Expected State Money	215,957	215,957
Expected Sponsor Contribution (Fixed \$)	\$616,143	\$1,529,678
Expected Sponsor Contribution (% of Payroll)	14.46%	35.90%
<hr/>		
<b><u>ASSETS</u></b>		
Actuarial Value <sup>1</sup>	24,592,290	24,592,290
Market Value <sup>1</sup>	25,307,880	25,307,880
 <b><u>LIABILITIES</u></b>		
Present Value of Benefits		
Active Members		
Retirement Benefits	21,209,367	31,267,311
Disability Benefits	214,692	300,108
Death Benefits	149,536	194,014
Vested Benefits	263,186	413,183
Refund of Contributions	126,495	133,100
Service Retirees	7,195,045	8,599,957
DROP Retirees <sup>1</sup>	0	0
Beneficiaries	0	0
Disability Retirees	1,819,277	2,205,048
Terminated Vested	447,631	582,668
Share Plan Balances <sup>1</sup>	483,883	483,883
Total:	<u>31,909,112</u>	<u>44,179,272</u>
Present Value of Future Salaries	37,736,722	42,815,209
Present Value of Future Member Contributions	2,264,203	2,568,913
Total Normal Cost	751,021	1,189,105
Present Value of Future Normal Costs (Entry Age Normal)	6,406,993	11,677,376
Total Actuarial Accrued Liability <sup>1</sup>	25,502,119	32,501,896
Unfunded Actuarial Accrued Liability (UAAL)	909,829	7,909,606



ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
<b><u>PENSION COST</u></b>		
Normal Cost (with interest)	780,123	1,223,292
Administrative Expenses (with interest)	48,391	47,925
Payment Required To Amortize UAAL (with interest)	259,197	730,029
Minimum Required Contribution	\$1,087,711	\$2,001,246

<sup>1</sup> The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2018.