

CITY OF LYNN HAVEN  
GENERAL EMPLOYEES' RETIREMENT SYSTEM

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



April 14, 2022

VIA E-MAIL

Ms. Lauren Boatwright, Trust Manager  
Trustmark National Bank  
227 Belleville Avenue  
Brewton, AL 36426

Re: City of Lynn Haven General Employees' Retirement System  
Section 112.664, Florida Statutes Compliance

Dear Lauren:

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:   
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Drew D. Ballard, ASA, EA, MAAA  
Enrolled Actuary #20-8193

Enclosures

cc via email: Stu Kaufman, 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**

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.50%	5.50%
<u>Total Pension Liability</u>		
Service Cost	753,642	1,113,603
Interest	1,638,860	1,507,733
Changes of Benefit Terms	20,840	18,572
Differences Between Expected and Actual Experience	(292,341)	(262,744)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,155,502)	(1,155,502)
Net Change in Total Pension Liability	965,499	1,221,662
Total Pension Liability - Beginning	21,654,732	26,858,897
Total Pension Liability - Ending (a)	<u>\$ 22,620,231</u>	<u>\$ 28,080,559</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	786,782	786,782
Contributions - Employee	236,766	236,766
Net Investment Income	3,976,723	3,976,723
Benefit Payments, Including Refunds of Employee Contributions	(1,155,502)	(1,155,502)
Administrative Expenses	(35,857)	(35,857)
Net Change in Plan Fiduciary Net Position	3,808,912	3,808,912
Plan Fiduciary Net Position - Beginning	19,456,925	19,456,925
Plan Fiduciary Net Position - Ending (b)	<u>\$ 23,265,837</u>	<u>\$ 23,265,837</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (645,606)</u>	<u>\$ 4,814,722</u>

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

Table 1  
Plan Assumptions: Discount Rate = 7.50%

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	23,233,885	-	1,832,932	-	1,673,806	23,074,759
2022	23,074,759	-	1,439,607	-	1,676,622	23,311,774
2023	23,311,774	-	1,505,685	-	1,691,920	23,498,009
2024	23,498,009	-	1,573,362	-	1,703,350	23,627,997
2025	23,627,997	-	1,601,333	-	1,712,050	23,738,714
2026	23,738,714	-	1,633,468	-	1,719,149	23,824,395
2027	23,824,395	-	1,670,658	-	1,724,180	23,877,917
2028	23,877,917	-	1,689,675	-	1,727,481	23,915,723
2029	23,915,723	-	1,712,940	-	1,729,444	23,932,227
2030	23,932,227	-	1,728,288	-	1,730,106	23,934,045
2031	23,934,045	-	1,724,017	-	1,730,403	23,940,431
2032	23,940,431	-	1,735,332	-	1,730,457	23,935,556
2033	23,935,556	-	1,729,340	-	1,730,316	23,936,532
2034	23,936,532	-	1,719,146	-	1,730,772	23,948,158
2035	23,948,158	-	1,703,330	-	1,732,237	23,977,065
2036	23,977,065	-	1,677,381	-	1,735,378	24,035,062
2037	24,035,062	-	1,646,802	-	1,740,875	24,129,135
2038	24,129,135	-	1,618,907	-	1,748,976	24,259,204
2039	24,259,204	-	1,582,315	-	1,760,103	24,436,992
2040	24,436,992	-	1,540,975	-	1,774,988	24,671,005
2041	24,671,005	-	1,496,124	-	1,794,221	24,969,102
2042	24,969,102	-	1,449,208	-	1,818,337	25,338,231
2043	25,338,231	-	1,401,992	-	1,847,793	25,784,032
2044	25,784,032	-	1,350,063	-	1,883,175	26,317,144
2045	26,317,144	-	1,296,511	-	1,925,167	26,945,800
2046	26,945,800	-	1,238,844	-	1,974,478	27,681,434
2047	27,681,434	-	1,178,861	-	2,031,900	28,534,473
2048	28,534,473	-	1,116,222	-	2,098,227	29,516,478
2049	29,516,478	-	1,050,139	-	2,174,356	30,640,695
2050	30,640,695	-	983,402	-	2,261,175	31,918,468
2051	31,918,468	-	916,507	-	2,359,516	33,361,477
2052	33,361,477	-	849,869	-	2,470,241	34,981,849
2053	34,981,849	-	783,857	-	2,594,244	36,792,236
2054	36,792,236	-	719,680	-	2,732,430	38,804,986
2055	38,804,986	-	657,805	-	2,885,706	41,032,887
2056	41,032,887	-	598,382	-	3,055,027	43,489,532
2057	43,489,532	-	541,970	-	3,241,391	46,188,953
2058	46,188,953	-	488,964	-	3,445,835	49,145,824
2059	49,145,824	-	439,666	-	3,669,449	52,375,607
2060	52,375,607	-	394,037	-	3,913,394	55,894,964
2061	55,894,964	-	352,067	-	4,178,920	59,721,817
2062	59,721,817	-	313,680	-	4,467,373	63,875,510
2063	63,875,510	-	278,818	-	4,780,208	68,376,900
2064	68,376,900	-	247,352	-	5,118,992	73,248,540
2065	73,248,540	-	219,121	-	5,485,423	78,514,842
2066	78,514,842	-	193,977	-	5,881,339	84,202,204
2067	84,202,204	-	171,700	-	6,308,727	90,339,231
2068	90,339,231	-	152,028	-	6,769,741	96,956,944
2069	96,956,944	-	134,699	-	7,266,720	104,088,965
2070	104,088,965	-	119,443	-	7,802,193	111,771,715
2071	111,771,715	-	106,013	-	8,378,903	120,044,605
2072	120,044,605	-	94,188	-	8,999,813	128,950,230

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

Table 1  
Plan Assumptions: Discount Rate = 7.50%

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
2073	128,950,230	-	83,767	-	9,668,126	138,534,589
2074	138,534,589	-	74,573	-	10,387,298	148,847,314
2075	148,847,314	-	66,449	-	11,161,057	159,941,922
2076	159,941,922	-	59,256	-	11,993,422	171,876,088
2077	171,876,088	-	52,868	-	12,888,724	184,711,944
2078	184,711,944	-	47,173	-	13,851,627	198,516,398
2079	198,516,398	-	42,073	-	14,887,152	213,361,477
2080	213,361,477	-	37,484	-	16,000,705	229,324,698
2081	229,324,698	-	33,334	-	17,198,102	246,489,466
2082	246,489,466	-	29,564	-	18,485,601	264,945,503
2083	264,945,503	-	26,122	-	19,869,933	284,789,314
2084	284,789,314	-	22,964	-	21,358,337	306,124,687
2085	306,124,687	-	20,054	-	22,958,600	329,063,233
2086	329,063,233	-	17,375	-	24,679,091	353,724,949
2087	353,724,949	-	14,917	-	26,528,812	380,238,844
2088	380,238,844	-	12,674	-	28,517,438	408,743,608
2089	408,743,608	-	10,646	-	30,655,371	439,388,333
2090	439,388,333	-	8,831	-	32,953,794	472,333,296
2091	472,333,296	-	7,228	-	35,424,726	507,750,794
2092	507,750,794	-	5,834	-	38,081,091	545,826,051
2093	545,826,051	-	4,638	-	40,936,780	586,758,193
2094	586,758,193	-	3,630	-	44,006,728	630,761,291
2095	630,761,291	-	2,795	-	47,306,992	678,065,488
2096	678,065,488	-	2,118	-	50,854,832	728,918,202
2097	728,918,202	-	1,577	-	54,668,806	783,585,431
2098	783,585,431	-	1,154	-	58,768,864	842,353,141
2099	842,353,141	-	829	-	63,176,454	905,528,766
2100	905,528,766	-	586	-	67,914,635	973,442,815
2101	973,442,815	-	406	-	73,008,196	1,046,450,605
2102	1,046,450,605	-	276	-	78,483,785	1,124,934,114
2103	1,124,934,114	-	184	-	84,370,052	1,209,303,982
2104	1,209,303,982	-	120	-	90,697,794	1,300,001,656
2105	1,300,001,656	-	77	-	97,500,121	1,397,501,700
2106	1,397,501,700	-	48	-	104,812,626	1,502,314,278
2107	1,502,314,278	-	30	-	112,673,570	1,614,987,818
2108	1,614,987,818	-	18	-	121,124,086	1,736,111,886
2109	1,736,111,886	-	10	-	130,208,391	1,866,320,267
2110	1,866,320,267	-	6	-	139,974,020	2,006,294,281
2111	2,006,294,281	-	3	-	150,472,071	2,156,766,349
2112	2,156,766,349	-	2	-	161,757,476	2,318,523,823
2113	2,318,523,823	-	1	-	173,889,287	2,492,413,109
2114	2,492,413,109	-	1	-	186,930,983	2,679,344,091
2115	2,679,344,091	-	-	-	200,950,807	2,880,294,898

\*All DROP Balances paid in 2021.

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 7.50% 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 = 5.50%

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	23,233,885	-	1,832,932	-	1,227,458	22,628,411
2022	22,628,411	-	1,439,607	-	1,204,973	22,393,777
2023	22,393,777	-	1,505,685	-	1,190,251	22,078,343
2024	22,078,343	-	1,573,362	-	1,171,041	21,676,022
2025	21,676,022	-	1,601,333	-	1,148,145	21,222,834
2026	21,222,834	-	1,633,468	-	1,122,336	20,711,702
2027	20,711,702	-	1,670,658	-	1,093,201	20,134,245
2028	20,134,245	-	1,689,675	-	1,060,917	19,505,487
2029	19,505,487	-	1,712,940	-	1,025,696	18,818,243
2030	18,818,243	-	1,728,288	-	987,475	18,077,430
2031	18,077,430	-	1,724,017	-	946,848	17,300,261
2032	17,300,261	-	1,735,332	-	903,793	16,468,722
2033	16,468,722	-	1,729,340	-	858,223	15,597,605
2034	15,597,605	-	1,719,146	-	810,592	14,689,051
2035	14,689,051	-	1,703,330	-	761,056	13,746,777
2036	13,746,777	-	1,677,381	-	709,945	12,779,341
2037	12,779,341	-	1,646,802	-	657,577	11,790,116
2038	11,790,116	-	1,618,907	-	603,936	10,775,145
2039	10,775,145	-	1,582,315	-	549,119	9,741,949
2040	9,741,949	-	1,540,975	-	493,430	8,694,404
2041	8,694,404	-	1,496,124	-	437,049	7,635,329
2042	7,635,329	-	1,449,208	-	380,090	6,566,211
2043	6,566,211	-	1,401,992	-	322,587	5,486,806
2044	5,486,806	-	1,350,063	-	264,648	4,401,391
2045	4,401,391	-	1,296,511	-	206,422	3,311,302
2046	3,311,302	-	1,238,844	-	148,053	2,220,511
2047	2,220,511	-	1,178,861	-	89,709	1,131,359
2048	1,131,359	-	1,116,222	-	31,529	46,666
2049	46,666	-	1,050,139	-	-	-

\*All DROP Balances paid in 2021.

Number of Years Expected Benefit Payments Sustained: 28.04

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% 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
Investment Rate of Return:	7.50%	5.50%
Minimum Required Contribution (Fixed \$)	\$984,162	\$1,748,929
Minimum Required Contribution (% of Payroll)	20.1%	35.9%
Expected Member Contribution	252,816	250,379
Expected Sponsor Contribution (Fixed \$)	\$731,346	\$1,498,550
Expected Sponsor Contribution (% of Payroll)	15.1%	30.9%

**ASSETS**

Actuarial Value <sup>1</sup>	21,436,940	21,436,940
Market Value <sup>1</sup>	23,233,885	23,233,885

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	11,988,374	17,573,997
Disability Benefits	188,051	263,447
Death Benefits	84,454	112,281
Vested Benefits	552,256	926,926
Refund of Contributions	216,561	230,293
Service Retirees	10,842,540	13,020,448
DROP Retirees <sup>1</sup>	2,092,449	2,476,771
Beneficiaries	241,433	273,088
Disability Retirees	92,286	111,094
Terminated Vested	971,566	1,266,009
Total:	27,269,970	36,254,354
Present Value of Future Salaries	32,715,428	37,023,187
Present Value of Future Member Contributions	1,635,771	1,851,159
Total Normal Cost	715,471	1,072,155
Present Value of Future Normal Costs (Entry Age Normal)	4,722,839	8,273,238
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	22,547,131	27,981,116
Unfunded Actuarial Accrued Liability (UAAL)	1,110,191	6,544,176

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

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.50%	5.50%
<b><u>PENSION COST</u></b>		
Normal Cost <sup>2</sup>	786,617	1,167,407
Administrative Expenses <sup>2</sup>	41,173	40,776
Payment Required To Amortize UAAL <sup>2</sup>	156,372	540,746
Minimum Required Contribution	\$984,162	\$1,748,929

<sup>1</sup> The asset values and liabilities include accumulated DROP Balances as of 9/30/2021.

<sup>2</sup> Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase