

CITY OF LYNN HAVEN  
POLICE OFFICERS' RETIREMENT SYSTEM

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



October 13, 2023

VIA E-MAIL

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

Re: City of Lynn Haven Police Officers' Retirement System  
Section 112.664, Florida Statutes Compliance

Dear Lauren:

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.

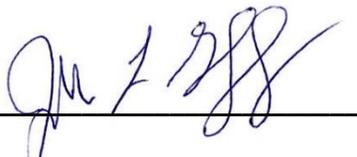
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should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

Joseph L. Griffin, ASA, EA, MAAA  
Enrolled Actuary #23-6938

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, 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**

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.25%	5.25%
<u>Total Pension Liability</u>		
Service Cost	349,459	526,157
Interest	737,064	674,377
Share Plan Allocation	50,115	50,115
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(110,787)	(119,653)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(574,556)	(574,556)
Net Change in Total Pension Liability	451,295	556,440
Total Pension Liability - Beginning	10,104,213	12,606,402
Total Pension Liability - Ending (a)	<u>\$ 10,555,508</u>	<u>\$ 13,162,842</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	200,636	200,636
Contributions - State	190,230	190,230
Contributions - Employee	100,754	100,754
Net Investment Income	(1,743,389)	(1,743,389)
Benefit Payments, Including Refunds of Employee Contributions	(574,556)	(574,556)
Administrative Expenses	(30,528)	(30,528)
Net Change in Plan Fiduciary Net Position	(1,856,853)	(1,856,853)
Plan Fiduciary Net Position - Beginning	12,910,474	12,910,474
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,053,621</u>	<u>\$ 11,053,621</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (498,113)</u>	<u>\$ 2,109,221</u>

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

Table 1  
Plan Assumptions: Discount Rate = 7.25%

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	11,003,722	-	1,041,163	-	760,028	10,722,587
2023	10,722,587	-	712,616	-	751,555	10,761,526
2024	10,761,526	-	699,909	-	754,839	10,816,456
2025	10,816,456	-	694,728	-	759,009	10,880,737
2026	10,880,737	-	703,411	-	763,355	10,940,681
2027	10,940,681	-	715,926	-	767,247	10,992,002
2028	10,992,002	-	721,571	-	770,763	11,041,194
2029	11,041,194	-	726,449	-	774,153	11,088,898
2030	11,088,898	-	738,694	-	777,167	11,127,371
2031	11,127,371	-	754,728	-	779,376	11,152,019
2032	11,152,019	-	744,215	-	781,544	11,189,348
2033	11,189,348	-	741,482	-	784,349	11,232,215
2034	11,232,215	-	733,645	-	787,741	11,286,311
2035	11,286,311	-	725,240	-	791,968	11,353,039
2036	11,353,039	-	716,180	-	797,134	11,433,993
2037	11,433,993	-	706,058	-	803,370	11,531,305
2038	11,531,305	-	692,634	-	810,912	11,649,583
2039	11,649,583	-	686,911	-	819,694	11,782,366
2040	11,782,366	-	677,655	-	829,657	11,934,368
2041	11,934,368	-	677,775	-	840,672	12,097,265
2042	12,097,265	-	671,962	-	852,693	12,277,996
2043	12,277,996	-	656,935	-	866,341	12,487,402
2044	12,487,402	-	635,210	-	882,310	12,734,502
2045	12,734,502	-	613,468	-	901,013	13,022,047
2046	13,022,047	-	588,466	-	922,767	13,356,348
2047	13,356,348	-	561,723	-	947,973	13,742,598
2048	13,742,598	-	533,819	-	976,987	14,185,766
2049	14,185,766	-	504,779	-	1,010,170	14,691,157
2050	14,691,157	-	475,695	-	1,047,865	15,263,327
2051	15,263,327	-	446,039	-	1,090,422	15,907,710
2052	15,907,710	-	416,811	-	1,138,200	16,629,099
2053	16,629,099	-	388,228	-	1,191,536	17,432,407
2054	17,432,407	-	360,640	-	1,250,776	18,322,543
2055	18,322,543	-	333,876	-	1,316,281	19,304,948
2056	19,304,948	-	308,218	-	1,388,436	20,385,166
2057	20,385,166	-	283,830	-	1,467,636	21,568,972
2058	21,568,972	-	260,786	-	1,554,297	22,862,483
2059	22,862,483	-	239,145	-	1,648,861	24,272,199
2060	24,272,199	-	218,948	-	1,751,798	25,805,049
2061	25,805,049	-	200,191	-	1,863,609	27,468,467
2062	27,468,467	-	182,814	-	1,984,837	29,270,490
2063	29,270,490	-	166,757	-	2,116,066	31,219,799
2064	31,219,799	-	151,978	-	2,257,926	33,325,747
2065	33,325,747	-	138,426	-	2,411,099	35,598,420
2066	35,598,420	-	126,036	-	2,576,317	38,048,701
2067	38,048,701	-	114,740	-	2,754,371	40,688,332
2068	40,688,332	-	104,456	-	2,946,118	43,529,994
2069	43,529,994	-	95,099	-	3,152,477	46,587,372
2070	46,587,372	-	86,587	-	3,374,446	49,875,231

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

Table 1  
Plan Assumptions: Discount Rate = 7.25%

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
2071	49,875,231	-	78,827	-	3,613,097	53,409,501
2072	53,409,501	-	71,735	-	3,869,588	57,207,354
2073	57,207,354	-	65,237	-	4,145,168	61,287,285
2074	61,287,285	-	59,263	-	4,441,180	65,669,202
2075	65,669,202	-	53,757	-	4,759,068	70,374,513
2076	70,374,513	-	48,666	-	5,100,388	75,426,235
2077	75,426,235	-	43,947	-	5,466,809	80,849,097
2078	80,849,097	-	39,555	-	5,860,126	86,669,668
2079	86,669,668	-	35,457	-	6,282,266	92,916,477
2080	92,916,477	-	31,629	-	6,735,298	99,620,146
2081	99,620,146	-	28,057	-	7,221,444	106,813,533
2082	106,813,533	-	24,737	-	7,743,084	114,531,880
2083	114,531,880	-	21,668	-	8,302,776	122,812,988
2084	122,812,988	-	18,847	-	8,903,258	131,697,399
2085	131,697,399	-	16,272	-	9,547,472	141,228,599
2086	141,228,599	-	13,941	-	10,238,568	151,453,226
2087	151,453,226	-	11,844	-	10,979,930	162,421,312
2088	162,421,312	-	9,969	-	11,775,184	174,186,527
2089	174,186,527	-	8,302	-	12,628,222	186,806,447
2090	186,806,447	-	6,833	-	13,543,220	200,342,834
2091	200,342,834	-	5,552	-	14,524,654	214,861,936
2092	214,861,936	-	4,451	-	15,577,329	230,434,814
2093	230,434,814	-	3,517	-	16,706,397	247,137,694
2094	247,137,694	-	2,736	-	17,917,384	265,052,342
2095	265,052,342	-	2,095	-	19,216,219	284,266,466
2096	284,266,466	-	1,577	-	20,609,262	304,874,151
2097	304,874,151	-	1,166	-	22,103,334	326,976,319
2098	326,976,319	-	846	-	23,705,752	350,681,225
2099	350,681,225	-	603	-	25,424,367	376,104,989
2100	376,104,989	-	421	-	27,267,596	403,372,164
2101	403,372,164	-	289	-	29,244,471	432,616,346
2102	432,616,346	-	194	-	31,364,678	463,980,830
2103	463,980,830	-	128	-	33,638,606	497,619,308
2104	497,619,308	-	83	-	36,077,397	533,696,622
2105	533,696,622	-	52	-	38,693,003	572,389,573
2106	572,389,573	-	32	-	41,498,243	613,887,784
2107	613,887,784	-	19	-	44,506,864	658,394,629
2108	658,394,629	-	11	-	47,733,610	706,128,228
2109	706,128,228	-	7	-	51,194,296	757,322,517
2110	757,322,517	-	4	-	54,905,882	812,228,395
2111	812,228,395	-	2	-	58,886,559	871,114,952
2112	871,114,952	-	1	-	63,155,834	934,270,785
2113	934,270,785	-	1	-	67,734,632	1,002,005,416
2114	1,002,005,416	-	-	-	72,645,393	1,074,650,809

\*All Share Balances paid in 2022.

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 7.25% 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 = 5.25%

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	11,003,722	-	1,041,163	-	550,365	10,512,924
2023	10,512,924	-	712,616	-	533,222	10,333,530
2024	10,333,530	-	699,909	-	524,138	10,157,759
2025	10,157,759	-	694,728	-	515,046	9,978,077
2026	9,978,077	-	703,411	-	505,385	9,780,051
2027	9,780,051	-	715,926	-	494,660	9,558,785
2028	9,558,785	-	721,571	-	482,895	9,320,109
2029	9,320,109	-	726,449	-	470,236	9,063,896
2030	9,063,896	-	738,694	-	456,464	8,781,666
2031	8,781,666	-	754,728	-	441,226	8,468,164
2032	8,468,164	-	744,215	-	425,043	8,148,992
2033	8,148,992	-	741,482	-	408,358	7,815,868
2034	7,815,868	-	733,645	-	391,075	7,473,298
2035	7,473,298	-	725,240	-	373,311	7,121,369
2036	7,121,369	-	716,180	-	355,072	6,760,261
2037	6,760,261	-	706,058	-	336,380	6,390,583
2038	6,390,583	-	692,634	-	317,324	6,015,273
2039	6,015,273	-	686,911	-	297,770	5,626,132
2040	5,626,132	-	677,655	-	277,583	5,226,060
2041	5,226,060	-	677,775	-	256,577	4,804,862
2042	4,804,862	-	671,962	-	234,616	4,367,516
2043	4,367,516	-	656,935	-	212,050	3,922,631
2044	3,922,631	-	635,210	-	189,264	3,476,685
2045	3,476,685	-	613,468	-	166,422	3,029,639
2046	3,029,639	-	588,466	-	143,609	2,584,782
2047	2,584,782	-	561,723	-	120,956	2,144,015
2048	2,144,015	-	533,819	-	98,548	1,708,744
2049	1,708,744	-	504,779	-	76,459	1,280,424
2050	1,280,424	-	475,695	-	54,735	859,464
2051	859,464	-	446,039	-	33,413	446,838
2052	446,838	-	416,811	-	12,518	42,545
2053	42,545	-	388,228	-	-	-

\*All Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 31.11

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.25% 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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.25%	5.25%
Minimum Required Contribution (Fixed \$)	\$394,251	\$670,304
Minimum Required Contribution (% of Payroll)	21.0%	35.8%
Expected Member Contribution	97,145	96,208
Expected State Money	140,115	140,115
Expected Sponsor Contribution (Fixed \$)	\$156,991	\$433,981
Expected Sponsor Contribution (% of Payroll)	8.4%	23.2%

**ASSETS**

Actuarial Value <sup>1</sup>	11,916,797	11,916,797
Market Value <sup>1</sup>	11,003,722	11,003,722

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	6,279,105	9,601,249
Disability Benefits	85,895	124,672
Death Benefits	27,053	37,451
Vested Benefits	182,086	297,194
Refund of Contributions	149,060	156,153
Service Retirees	5,248,761	6,360,446
DROP Retirees <sup>1</sup>	0	0
Beneficiaries	678,498	813,570
Disability Retirees	0	0
Terminated Vested	460,265	641,035
Share Plan Balances <sup>1</sup>	291,102	291,102
Total:	<u>13,401,825</u>	<u>18,322,872</u>
Present Value of Future Salaries	14,383,073	16,360,301
Present Value of Future Member Contributions	719,154	818,015
Total Normal Cost	359,433	543,269
Present Value of Future Normal Costs (Entry Age Normal)	2,765,174	4,954,558
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	10,636,651	13,368,314
Unfunded Actuarial Accrued Liability (UAAL)	(1,280,146)	1,451,517

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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:	7.25%	5.25%
<b><u>PENSION COST</u></b>		
Normal Cost <sup>2</sup>	394,251	590,145
Administrative Expenses <sup>2</sup>	38,196	37,828
Payment Required To Amortize UAAL <sup>2</sup>	(162,364)	42,331
Minimum Required Contribution	\$394,251 <sup>3</sup>	\$670,304

<sup>1</sup> The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2022.

<sup>2</sup> Contributions developed as of 10/1/2022 displayed above have been adjusted to account for assumed salary increase and interest components.

<sup>3</sup> Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.