

CITY OF LYNN HAVEN
GENERAL EMPLOYEES' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2024 VALUATION DATE



February 13, 2025

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, 2024 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), Florida Statutes, 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.

Respectfully submitted,

Foster & Foster, Inc.



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

Enclosures

cc via email: Sean Sendra, 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, 2024 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, 2024

	ACTUAL	HYPOTHETICAL
Discount Rate:	7.40%	5.40%
<u>Total Pension Liability</u>		
Service Cost	907,213	1,349,053
Interest	1,867,298	1,710,266
Changes of Benefit Terms	-	-
Experience Gains/Losses	(200,124)	(271,807)
Changes of Assumptions	-	-
Benefit Payments	(1,848,982)	(1,848,982)
Net Change in Total Pension Liability	725,405	938,530
Total Pension Liability - Beginning	25,251,021	31,247,033
Total Pension Liability - Ending (a)	\$ 25,976,426	\$ 32,185,563
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	904,483	904,483
Contributions - Employee	280,013	280,013
Net Investment Income	4,990,498	4,990,498
Benefit Payments	(1,848,982)	(1,848,982)
Administrative Expense	(65,877)	(65,877)
Net Change in Plan Fiduciary Net Position	4,260,135	4,260,135
Plan Fiduciary Net Position - Beginning	21,303,024	21,303,024
Plan Fiduciary Net Position - Ending (b)	\$ 25,563,159	\$ 25,563,159
Net Pension Liability - Ending (a) - (b)	\$ 413,267	\$ 6,622,404

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 7.40%

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
2024	25,542,500	-	2,342,349	-	1,803,478	25,003,629
2025	25,003,629	-	1,827,499	-	1,782,651	24,958,781
2026	24,958,781	-	1,829,815	-	1,779,247	24,908,213
2027	24,908,213	-	1,833,732	-	1,775,360	24,849,841
2028	24,849,841	-	1,848,786	-	1,770,483	24,771,538
2029	24,771,538	-	1,888,198	-	1,763,230	24,646,570
2030	24,646,570	-	1,939,482	-	1,752,085	24,459,173
2031	24,459,173	-	1,962,116	-	1,737,381	24,234,438
2032	24,234,438	-	2,001,976	-	1,719,275	23,951,737
2033	23,951,737	-	2,012,594	-	1,697,963	23,637,106
2034	23,637,106	-	2,014,315	-	1,674,616	23,297,407
2035	23,297,407	-	2,014,580	-	1,649,469	22,932,296
2036	22,932,296	-	2,007,004	-	1,622,731	22,548,023
2037	22,548,023	-	1,989,566	-	1,594,940	22,153,397
2038	22,153,397	-	1,959,939	-	1,566,834	21,760,292
2039	21,760,292	-	1,917,879	-	1,539,300	21,381,713
2040	21,381,713	-	1,874,073	-	1,512,906	21,020,546
2041	21,020,546	-	1,828,420	-	1,487,869	20,679,995
2042	20,679,995	-	1,785,560	-	1,464,254	20,358,689
2043	20,358,689	-	1,759,808	-	1,441,430	20,040,311
2044	20,040,311	-	1,701,692	-	1,420,020	19,758,639
2045	19,758,639	-	1,647,298	-	1,401,189	19,512,530
2046	19,512,530	-	1,585,302	-	1,385,271	19,312,499
2047	19,312,499	-	1,519,472	-	1,372,904	19,165,931
2048	19,165,931	-	1,447,293	-	1,364,729	19,083,367
2049	19,083,367	-	1,376,474	-	1,361,240	19,068,133
2050	19,068,133	-	1,302,414	-	1,362,853	19,128,572
2051	19,128,572	-	1,224,804	-	1,370,197	19,273,965
2052	19,273,965	-	1,150,647	-	1,383,699	19,507,017
2053	19,507,017	-	1,070,506	-	1,403,911	19,840,422
2054	19,840,422	-	992,400	-	1,431,472	20,279,494
2055	20,279,494	-	920,432	-	1,466,627	20,825,689
2056	20,825,689	-	851,193	-	1,509,607	21,484,103
2057	21,484,103	-	782,196	-	1,560,882	22,262,789
2058	22,262,789	-	719,161	-	1,620,837	23,164,465
2059	23,164,465	-	658,104	-	1,689,821	24,196,182
2060	24,196,182	-	600,079	-	1,768,315	25,364,418
2061	25,364,418	-	546,406	-	1,856,750	26,674,762
2062	26,674,762	-	491,567	-	1,955,744	28,138,939
2063	28,138,939	-	444,504	-	2,065,835	29,760,270
2064	29,760,270	-	401,101	-	2,187,419	31,546,588
2065	31,546,588	-	362,029	-	2,321,052	33,505,611
2066	33,505,611	-	324,710	-	2,467,401	35,648,302
2067	35,648,302	-	291,307	-	2,627,196	37,984,191
2068	37,984,191	-	261,915	-	2,801,139	40,523,415
2069	40,523,415	-	235,476	-	2,990,020	43,277,959
2070	43,277,959	-	211,022	-	3,194,761	46,261,698
2071	46,261,698	-	189,873	-	3,416,340	49,488,165
2072	49,488,165	-	170,805	-	3,655,804	52,973,164
2073	52,973,164	-	153,633	-	3,914,330	56,733,861
2074	56,733,861	-	138,192	-	4,193,193	60,788,862

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 7.40%

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
2075	60,788,862	-	124,325	-	4,493,776	65,158,313
2076	65,158,313	-	111,886	-	4,817,575	69,864,002
2077	69,864,002	-	100,726	-	5,166,209	74,929,485
2078	74,929,485	-	90,705	-	5,541,426	80,380,206
2079	80,380,206	-	81,685	-	5,945,113	86,243,634
2080	86,243,634	-	73,538	-	6,379,308	92,549,404
2081	92,549,404	-	66,147	-	6,846,208	99,329,465
2082	99,329,465	-	59,400	-	7,348,183	106,618,248
2083	106,618,248	-	53,201	-	7,887,782	114,452,829
2084	114,452,829	-	47,469	-	8,467,753	122,873,113
2085	122,873,113	-	42,148	-	9,091,051	131,922,016
2086	131,922,016	-	37,207	-	9,760,853	141,645,662
2087	141,645,662	-	32,630	-	10,480,572	152,093,604
2088	152,093,604	-	28,405	-	11,253,876	163,319,075
2089	163,319,075	-	24,526	-	12,084,704	175,379,253
2090	175,379,253	-	20,991	-	12,977,288	188,335,550
2091	188,335,550	-	17,796	-	13,936,172	202,253,926
2092	202,253,926	-	14,933	-	14,966,238	217,205,231
2093	217,205,231	-	12,394	-	16,072,729	233,265,566
2094	233,265,566	-	10,165	-	17,261,276	250,516,677
2095	250,516,677	-	8,235	-	18,537,929	269,046,371
2096	269,046,371	-	6,587	-	19,909,188	288,948,972
2097	288,948,972	-	5,197	-	21,382,032	310,325,807
2098	310,325,807	-	4,042	-	22,963,960	333,285,725
2099	333,285,725	-	3,099	-	24,663,029	357,945,655
2100	357,945,655	-	2,341	-	26,487,892	384,431,206
2101	384,431,206	-	1,741	-	28,447,845	412,877,310
2102	412,877,310	-	1,273	-	30,552,874	443,428,911
2103	443,428,911	-	916	-	32,813,706	476,241,701
2104	476,241,701	-	649	-	35,241,862	511,482,914
2105	511,482,914	-	452	-	37,849,719	549,332,181
2106	549,332,181	-	310	-	40,650,570	589,982,441
2107	589,982,441	-	209	-	43,658,693	633,640,925
2108	633,640,925	-	138	-	46,889,423	680,530,210
2109	680,530,210	-	90	-	50,359,232	730,889,352
2110	730,889,352	-	57	-	54,085,810	784,975,105
2111	784,975,105	-	35	-	58,088,156	843,063,226
2112	843,063,226	-	21	-	62,386,678	905,449,883
2113	905,449,883	-	13	-	67,003,291	972,453,161
2114	972,453,161	-	7	-	71,961,534	1,044,414,688
2115	1,044,414,688	-	4	-	77,286,687	1,121,701,371
2116	1,121,701,371	-	2	-	83,005,901	1,204,707,270
2117	1,204,707,270	-	1	-	89,148,338	1,293,855,607
2118	1,293,855,607	-	1	-	95,745,315	1,389,600,921
2119	1,389,600,921	-	-	-	102,830,468	1,492,431,389

*All DROP Balances paid in 2024.

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 7.40% 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: Investment Rate of Return = 5.40%

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
2024	25,542,500	-	2,342,349	-	1,316,052	24,516,203
2025	24,516,203	-	1,827,499	-	1,274,532	23,963,236
2026	23,963,236	-	1,829,815	-	1,244,610	23,378,031
2027	23,378,031	-	1,833,732	-	1,212,903	22,757,202
2028	22,757,202	-	1,848,786	-	1,178,972	22,087,388
2029	22,087,388	-	1,888,198	-	1,141,738	21,340,928
2030	21,340,928	-	1,939,482	-	1,100,044	20,501,490
2031	20,501,490	-	1,962,116	-	1,054,103	19,593,477
2032	19,593,477	-	2,001,976	-	1,003,994	18,595,495
2033	18,595,495	-	2,012,594	-	949,817	17,532,718
2034	17,532,718	-	2,014,315	-	892,380	16,410,783
2035	16,410,783	-	2,014,580	-	831,789	15,227,992
2036	15,227,992	-	2,007,004	-	768,122	13,989,110
2037	13,989,110	-	1,989,566	-	701,694	12,701,238
2038	12,701,238	-	1,959,939	-	632,948	11,374,247
2039	11,374,247	-	1,917,879	-	562,427	10,018,795
2040	10,018,795	-	1,874,073	-	490,415	8,635,137
2041	8,635,137	-	1,828,420	-	416,930	7,223,647
2042	7,223,647	-	1,785,560	-	341,867	5,779,954
2043	5,779,954	-	1,759,808	-	264,603	4,284,749
2044	4,284,749	-	1,701,692	-	185,431	2,768,488
2045	2,768,488	-	1,647,298	-	105,021	1,226,211
2046	1,226,211	-	1,585,302	-	-	-

*All DROP Balances paid in 2024.

Number of Years Expected Benefit Payments Sustained: 22.77

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.40% 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, 2026

Valuation Date: 10/1/2024

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.40%	5.40%
Minimum Required Contribution (Fixed \$)	\$1,460,219	\$2,351,195
Minimum Required Contribution (% of Payroll)	24.3%	39.0%
Expected Member Contribution	312,464	309,451
Expected Sponsor Contribution (Fixed \$)	\$1,147,755	\$2,041,744
Expected Sponsor Contribution (% of Payroll)	19.3%	34.0%

ASSETS

Actuarial Value ¹	23,949,198	23,949,198
Market Value ¹	25,542,500	25,542,500

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	11,697,147	17,899,432
Disability Benefits	216,306	297,111
Death Benefits	119,964	159,077
Vested Benefits	1,283,141	1,993,824
Refund of Contributions	202,914	209,318
Service Retirees	15,497,604	18,588,923
DROP Retirees ¹	2,826,431	3,313,882
Beneficiaries	188,800	214,789
Disability Retirees	85,928	101,816
Terminated Vested	772,328	1,067,187
Total:	32,890,563	43,845,359
Present Value of Future Salaries	42,563,819	48,184,979
Present Value of Future Member Contributions	2,128,191	2,409,249
Total Normal Cost	960,874	1,414,754
Present Value of Future Normal Costs (Entry Age Normal)	6,617,004	11,385,314
Total Actuarial Accrued Liability (EAN) ¹	26,273,559	32,460,045
Unfunded Actuarial Accrued Liability (UAAL)	2,324,361	8,510,847

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2026

	Valuation Date: 10/1/2024	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.40%	5.40%
<u>PENSION COST</u>		
Normal Cost ²	1,057,906	1,542,600
Administrative Expenses ²	69,345	68,677
Payment Required To Amortize UAAL ²	332,968	739,918
Minimum Required Contribution	\$1,460,219	\$2,351,195

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2024.

² Contributions developed as of 10/1/2024 displayed above have been adjusted to account for assumed salary increase and interest components.