

CITY OF HAINES CITY  
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST 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: Patrick T. Donlan Date: 5/31/2017

Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #17-6595



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, 2016 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.

**GASB 67: SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
FISCAL YEAR SEPTEMBER 30, 2016

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	386,608	610,275	283,145
Interest	753,430	758,308	783,154
Change in Excess State Money	(36,548)	(36,548)	(36,548)
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	196,061	228,303	155,841
Changes of Assumptions	352,225	(96,584)	(75,489)
Benefit Payments, Including Refunds of Employee Contributions	(679,205)	(679,205)	(679,205)
Net Change in Total Pension Liability	972,571	784,549	430,898
Total Pension Liability - Beginning	10,102,756	13,620,775	8,404,212
Total Pension Liability - Ending (a)	<u>\$ 11,075,327</u>	<u>\$ 14,405,324</u>	<u>\$ 8,835,110</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	446,063	446,063	446,063
Contributions - State	140,102	140,102	140,102
Contributions - Employee	223,621	223,621	223,621
Net Investment Income	748,956	748,956	748,956
Benefit Payments, Including Refunds of Employee Contributions	(679,205)	(679,205)	(679,205)
Administrative Expenses	(41,206)	(41,206)	(41,206)
Net Change in Plan Fiduciary Net Position	838,331	838,331	838,331
Plan Fiduciary Net Position - Beginning	7,852,058	7,852,058	7,852,058
Plan Fiduciary Net Position - Ending (b)	<u>\$ 8,690,389</u>	<u>\$ 8,690,389</u>	<u>\$ 8,690,389</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,384,938</u>	<u>\$ 5,714,935</u>	<u>\$ 144,721</u>

**GASB 68: PENSION EXPENSE**  
FISCAL YEAR SEPTEMBER 30, 2016

	ACTUAL	HYPOTHETICAL	
	7.50%	5.50%	9.50%
Pension Expense	<u>\$ 426,293</u>	<u>\$ 695,671</u>	<u>\$ 276,431</u>

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

Table 1  
Plan Assumptions: 7.50% 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
2016	8,648,924	-	653,200	-	624,174	8,619,898
2017	8,619,898	-	641,457	-	622,438	8,600,879
2018	8,600,879	-	646,839	-	620,809	8,574,849
2019	8,574,849	-	697,830	-	616,945	8,493,964
2020	8,493,964	-	710,365	-	610,409	8,394,008
2021	8,394,008	-	712,421	-	602,835	8,284,422
2022	8,284,422	-	746,629	-	593,333	8,131,126
2023	8,131,126	-	738,750	-	582,131	7,974,507
2024	7,974,507	-	781,959	-	568,765	7,761,313
2025	7,761,313	-	782,679	-	552,748	7,531,382
2026	7,531,382	-	789,394	-	535,251	7,277,239
2027	7,277,239	-	779,147	-	516,575	7,014,667
2028	7,014,667	-	777,856	-	496,930	6,733,741
2029	6,733,741	-	776,904	-	475,897	6,432,734
2030	6,432,734	-	811,273	-	452,032	6,073,493
2031	6,073,493	-	833,375	-	424,260	5,664,378
2032	5,664,378	-	822,935	-	393,968	5,235,411
2033	5,235,411	-	826,382	-	361,667	4,770,696
2034	4,770,696	-	823,167	-	326,933	4,274,462
2035	4,274,462	-	831,973	-	289,386	3,731,875
2036	3,731,875	-	826,400	-	248,901	3,154,376
2037	3,154,376	-	819,705	-	205,839	2,540,510
2038	2,540,510	-	804,567	-	160,367	1,896,310
2039	1,896,310	-	798,072	-	112,296	1,210,534
2040	1,210,534	-	776,284	-	61,679	495,929
2041	495,929	-	757,239	-	-	-

Number of Years Expected Benefit Payments Sustained: 25.65

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: 5.50% 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
2016	8,648,924	-	653,200	-	457,728	8,453,452
2017	8,453,452	-	641,457	-	447,300	8,259,295
2018	8,259,295	-	646,839	-	436,473	8,048,929
2019	8,048,929	-	697,830	-	423,501	7,774,600
2020	7,774,600	-	710,365	-	408,068	7,472,303
2021	7,472,303	-	712,421	-	391,385	7,151,267
2022	7,151,267	-	746,629	-	372,787	6,777,425
2023	6,777,425	-	738,750	-	352,443	6,391,118
2024	6,391,118	-	781,959	-	330,008	5,939,167
2025	5,939,167	-	782,679	-	305,131	5,461,619
2026	5,461,619	-	789,394	-	278,681	4,950,906
2027	4,950,906	-	779,147	-	250,873	4,422,632
2028	4,422,632	-	777,856	-	221,854	3,866,630
2029	3,866,630	-	776,904	-	191,300	3,281,026
2030	3,281,026	-	811,273	-	158,146	2,627,899
2031	2,627,899	-	833,375	-	121,617	1,916,141
2032	1,916,141	-	822,935	-	82,757	1,175,963
2033	1,175,963	-	826,382	-	41,952	391,533
2034	391,533	-	823,167	-	-	-

Number of Years Expected Benefit Payments Sustained: 18.48

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.**

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

Table 3  
Hypothetical Assumptions: 9.50% 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
2016	8,648,924	-	653,200	-	790,621	8,786,345
2017	8,786,345	-	641,457	-	804,234	8,949,122
2018	8,949,122	-	646,839	-	819,442	9,121,725
2019	9,121,725	-	697,830	-	833,417	9,257,312
2020	9,257,312	-	710,365	-	845,702	9,392,649
2021	9,392,649	-	712,421	-	858,462	9,538,690
2022	9,538,690	-	746,629	-	870,711	9,662,772
2023	9,662,772	-	738,750	-	882,873	9,806,895
2024	9,806,895	-	781,959	-	894,512	9,919,448
2025	9,919,448	-	782,679	-	905,170	10,041,939
2026	10,041,939	-	789,394	-	916,488	10,169,033
2027	10,169,033	-	779,147	-	929,049	10,318,935
2028	10,318,935	-	777,856	-	943,351	10,484,430
2029	10,484,430	-	776,904	-	959,118	10,666,644
2030	10,666,644	-	811,273	-	974,796	10,830,167
2031	10,830,167	-	833,375	-	989,281	10,986,073
2032	10,986,073	-	822,935	-	1,004,588	11,167,726
2033	11,167,726	-	826,382	-	1,021,681	11,363,025
2034	11,363,025	-	823,167	-	1,040,387	11,580,245
2035	11,580,245	-	831,973	-	1,060,605	11,808,877
2036	11,808,877	-	826,400	-	1,082,589	12,065,066
2037	12,065,066	-	819,705	-	1,107,245	12,352,606
2038	12,352,606	-	804,567	-	1,135,281	12,683,320
2039	12,683,320	-	798,072	-	1,167,007	13,052,255
2040	13,052,255	-	776,284	-	1,203,091	13,479,062
2041	13,479,062	-	757,239	-	1,244,542	13,966,365
2042	13,966,365	-	738,682	-	1,291,717	14,519,400
2043	14,519,400	-	718,341	-	1,345,222	15,146,281
2044	15,146,281	-	695,801	-	1,405,846	15,856,326
2045	15,856,326	-	671,740	-	1,474,443	16,659,029
2046	16,659,029	-	647,974	-	1,551,829	17,562,884
2047	17,562,884	-	623,447	-	1,638,860	18,578,297
2048	18,578,297	-	599,020	-	1,736,485	19,715,762
2049	19,715,762	-	573,485	-	1,845,757	20,988,034
2050	20,988,034	-	548,728	-	1,967,799	22,407,105
2051	22,407,105	-	523,666	-	2,103,801	23,987,240
2052	23,987,240	-	498,645	-	2,255,102	25,743,697
2053	25,743,697	-	473,481	-	2,423,161	27,693,377
2054	27,693,377	-	448,425	-	2,609,571	29,854,523
2055	29,854,523	-	423,409	-	2,816,068	32,247,182
2056	32,247,182	-	398,507	-	3,044,553	34,893,228
2057	34,893,228	-	373,796	-	3,297,101	37,816,533
2058	37,816,533	-	349,272	-	3,575,980	41,043,241
2059	41,043,241	-	324,968	-	3,883,672	44,601,945
2060	44,601,945	-	301,014	-	4,222,887	48,523,818
2061	48,523,818	-	277,551	-	4,596,579	52,842,846
2062	52,842,846	-	254,730	-	5,007,971	57,596,087
2063	57,596,087	-	232,782	-	5,460,571	62,823,876
2064	62,823,876	-	211,871	-	5,958,204	68,570,209
2065	68,570,209	-	192,025	-	6,505,049	74,883,233
2066	74,883,233	-	173,395	-	7,105,671	81,815,509
2067	81,815,509	-	155,994	-	7,765,064	89,424,579

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

Table 3  
Hypothetical Assumptions: 9.50% 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	89,424,579	-	139,780	-	8,488,695	97,773,494
2069	97,773,494	-	124,779	-	9,282,555	106,931,270
2070	106,931,270	-	110,947	-	10,153,201	116,973,524
2071	116,973,524	-	98,228	-	11,107,819	127,983,115
2072	127,983,115	-	86,521	-	12,154,286	140,050,880
2073	140,050,880	-	75,790	-	13,301,234	153,276,324
2074	153,276,324	-	65,912	-	14,558,120	167,768,532
2075	167,768,532	-	56,885	-	15,935,309	183,646,956
2076	183,646,956	-	48,705	-	17,444,147	201,042,398
2077	201,042,398	-	41,328	-	19,097,065	220,098,135
2078	220,098,135	-	34,699	-	20,907,675	240,971,111
2079	240,971,111	-	28,788	-	22,890,888	263,833,211
2080	263,833,211	-	23,585	-	25,063,035	288,872,661
2081	288,872,661	-	19,069	-	27,441,997	316,295,589
2082	316,295,589	-	15,207	-	30,047,359	346,327,741
2083	346,327,741	-	11,941	-	32,900,568	379,216,368
2084	379,216,368	-	9,228	-	36,025,117	415,232,257
2085	415,232,257	-	7,017	-	39,446,731	454,671,971
2086	454,671,971	-	5,250	-	43,193,588	497,860,309
2087	497,860,309	-	3,853	-	47,296,546	545,153,002
2088	545,153,002	-	2,777	-	51,789,403	596,939,628
2089	596,939,628	-	1,962	-	56,709,171	653,646,837
2090	653,646,837	-	1,365	-	62,096,385	715,741,857
2091	715,741,857	-	929	-	67,995,432	783,736,360
2092	783,736,360	-	622	-	74,454,925	858,190,663
2093	858,190,663	-	407	-	81,528,094	939,718,350
2094	939,718,350	-	262	-	89,273,231	1,028,991,319
2095	1,028,991,319	-	166	-	97,754,167	1,126,745,320
2096	1,126,745,320	-	103	-	107,040,801	1,233,786,018
2097	1,233,786,018	-	63	-	117,209,669	1,350,995,624
2098	1,350,995,624	-	38	-	128,344,582	1,479,340,168
2099	1,479,340,168	-	23	-	140,537,315	1,619,877,460
2100	1,619,877,460	-	14	-	153,888,358	1,773,765,804
2101	1,773,765,804	-	8	-	168,507,751	1,942,273,547
2102	1,942,273,547	-	5	-	184,515,987	2,126,789,529
2103	2,126,789,529	-	3	-	202,045,005	2,328,834,531
2104	2,328,834,531	-	2	-	221,239,280	2,550,073,809
2105	2,550,073,809	-	1	-	242,257,012	2,792,330,820
2106	2,792,330,820	-	1	-	265,271,428	3,057,602,247
2107	3,057,602,247	-	-	-	290,472,213	3,348,074,460

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 9.50% 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, 2018

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$735,537	\$1,063,036	\$481,012
Total Required Contribution (% of Payroll)	32.6%	47.1%	21.3%
Expected Member Contribution	203,270	203,270	203,270
Expected State Money	124,637	124,637	124,637
Expected Sponsor Contribution (Fixed \$)	\$407,630	\$735,129	\$153,105
Expected Sponsor Contribution (% of Payroll)	18.1%	32.6%	6.8%
<b><u>ASSETS</u></b>			
Actuarial Value	8,897,313	8,897,313	8,897,313
Market Value	8,648,924	8,648,924	8,648,924
<b><u>LIABILITIES</u></b>			
Present Value of Benefits			
Active Members			
Retirement Benefits	4,772,245	7,040,690	3,404,341
Disability Benefits	170,685	231,999	130,492
Death Benefits	81,965	111,829	61,864
Vested Benefits	1,218,076	2,114,785	734,352
Refund of Contributions	285,480	300,119	272,313
Service Retirees	5,841,997	7,103,787	4,943,967
Beneficiaries	162,899	192,137	141,116
Disability Retirees	60,250	65,570	55,731
Terminated Vested	624,535	856,557	473,422
Excess State Monies Reserve	67,478	67,478	67,478
Total:	13,285,610	18,084,951	10,285,076
Present Value of Future Salaries	14,695,120	16,204,667	13,457,199
Present Value of Future Member Contributions	1,322,561	1,458,420	1,211,148
Total Normal Cost	352,431	536,042	245,280
Present Value of Future Normal Costs (Entry Age Normal)	2,036,931	3,498,626	1,269,420
Total Actuarial Accrued Liability	11,248,679	14,586,325	9,015,656
Unfunded Actuarial Accrued Liability (UAAL)	2,351,366	5,689,012	118,343



ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2018

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<b><u>PENSION COST</u></b>			
Normal Cost (with interest)	365,647	550,783	256,931
Administrative Expenses (with interest)	42,751	42,339	43,163
Payment Required To Amortize UAAL (with interest)	327,139	469,914	180,918
Total Required Contribution	\$735,537	\$1,063,036	\$481,012