

CITY OF HAINES CITY
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2023 VALUATION DATE





July 19, 2024

VIA E-MAIL

Mr. Omar DeJesus
City of Haines City
620 E. Main St.
Haines City, FL 33844

Re: City of Haines City Municipal Police Officers' Retirement Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Omar:

Please find enclosed the annual disclosures that satisfy the October 1, 2023 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.

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:

A handwritten signature in black ink, appearing to read 'P.T. Donlan'.

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #23-6595

Enclosures

cc via email: Caleb Hynson, Plan Administrator

cc via email: Adam Levinson, 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, 2023 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, 2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.25%	5.25%	9.25%
<u>Total Pension Liability</u>			
Service Cost	621,246	953,326	428,084
Interest	1,184,254	1,125,627	1,195,815
Change in Excess State Money	116,318	116,318	116,318
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience	453,549	524,851	414,027
Changes of Assumptions	102,378	154,782	70,417
Contributions - Buy Back	59,374	59,374	59,374
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,069,223)</u>	<u>(1,069,223)</u>	<u>(1,069,223)</u>
Net Change in Total Pension Liability	1,467,896	1,865,055	1,214,812
Total Pension Liability - Beginning	<u>16,414,730</u>	<u>21,098,240</u>	<u>13,243,454</u>
Total Pension Liability - Ending (a)	<u>\$ 17,882,626</u>	<u>\$ 22,963,295</u>	<u>\$ 14,458,266</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	594,777	594,777	594,777
Contributions - State	313,459	313,459	313,459
Contributions - Employee	374,543	374,543	374,543
Contributions - Buy Back	59,374	59,374	59,374
Net Investment Income	1,213,514	1,213,514	1,213,514
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,069,223)</u>	<u>(1,069,223)</u>	<u>(1,069,223)</u>
Administrative Expenses	<u>(71,997)</u>	<u>(71,997)</u>	<u>(71,997)</u>
Net Change in Plan Fiduciary Net Position	1,414,447	1,414,447	1,414,447
Plan Fiduciary Net Position - Beginning	<u>13,051,246</u>	<u>13,051,246</u>	<u>13,051,246</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 14,465,693</u>	<u>\$ 14,465,693</u>	<u>\$ 14,465,693</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,416,933</u>	<u>\$ 8,497,602</u>	<u>\$ (7,427)</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
2023	14,465,693	-	1,322,645	-	1,000,817	14,143,865
2024	14,143,865	-	1,057,289	-	987,103	14,073,679
2025	14,073,679	-	1,044,393	-	982,482	14,011,768
2026	14,011,768	-	1,020,933	-	978,844	13,969,679
2027	13,969,679	-	1,001,370	-	976,502	13,944,811
2028	13,944,811	-	1,016,498	-	974,151	13,902,464
2029	13,902,464	-	1,015,116	-	971,131	13,858,479
2030	13,858,479	-	1,062,528	-	966,223	13,762,174
2031	13,762,174	-	1,088,669	-	958,293	13,631,798
2032	13,631,798	-	1,092,428	-	948,705	13,488,075
2033	13,488,075	-	1,181,804	-	935,045	13,241,316
2034	13,241,316	-	1,211,014	-	916,096	12,946,398
2035	12,946,398	-	1,270,100	-	892,573	12,568,871
2036	12,568,871	-	1,274,428	-	865,045	12,159,488
2037	12,159,488	-	1,257,268	-	835,987	11,738,207
2038	11,738,207	-	1,256,238	-	805,481	11,287,450
2039	11,287,450	-	1,276,155	-	772,080	10,783,375
2040	10,783,375	-	1,251,076	-	736,443	10,268,742
2041	10,268,742	-	1,235,593	-	699,694	9,732,843
2042	9,732,843	-	1,238,675	-	660,729	9,154,897
2043	9,154,897	-	1,212,049	-	619,793	8,562,641
2044	8,562,641	-	1,190,216	-	577,646	7,950,071
2045	7,950,071	-	1,160,210	-	534,323	7,324,184
2046	7,324,184	-	1,132,855	-	489,937	6,681,266
2047	6,681,266	-	1,103,970	-	444,373	6,021,669
2048	6,021,669	-	1,073,628	-	397,652	5,345,693
2049	5,345,693	-	1,043,959	-	349,719	4,651,453
2050	4,651,453	-	1,009,878	-	300,622	3,942,197
2051	3,942,197	-	974,560	-	250,481	3,218,118
2052	3,218,118	-	939,099	-	199,271	2,478,290
2053	2,478,290	-	903,758	-	146,915	1,721,447
2054	1,721,447	-	866,853	-	93,381	947,975
2055	947,975	-	830,137	-	38,636	156,474
2056	156,474	-	793,282	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 33.20

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
2023	14,465,693	-	1,322,645	-	724,729	13,867,777
2024	13,867,777	-	1,057,289	-	700,304	13,510,792
2025	13,510,792	-	1,044,393	-	681,901	13,148,300
2026	13,148,300	-	1,020,933	-	663,486	12,790,853
2027	12,790,853	-	1,001,370	-	645,234	12,434,717
2028	12,434,717	-	1,016,498	-	626,140	12,044,359
2029	12,044,359	-	1,015,116	-	605,682	11,634,925
2030	11,634,925	-	1,062,528	-	582,942	11,155,339
2031	11,155,339	-	1,088,669	-	557,078	10,623,748
2032	10,623,748	-	1,092,428	-	529,071	10,060,391
2033	10,060,391	-	1,181,804	-	497,148	9,375,735
2034	9,375,735	-	1,211,014	-	460,437	8,625,158
2035	8,625,158	-	1,270,100	-	419,481	7,774,539
2036	7,774,539	-	1,274,428	-	374,710	6,874,821
2037	6,874,821	-	1,257,268	-	327,925	5,945,478
2038	5,945,478	-	1,256,238	-	279,161	4,968,401
2039	4,968,401	-	1,276,155	-	227,342	3,919,588
2040	3,919,588	-	1,251,076	-	172,938	2,841,450
2041	2,841,450	-	1,235,593	-	116,742	1,722,599
2042	1,722,599	-	1,238,675	-	57,921	541,845
2043	541,845	-	1,212,049	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 20.45

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 9.25%

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
2023	14,465,693	-	1,322,645	-	1,276,904	14,419,952
2024	14,419,952	-	1,057,289	-	1,284,946	14,647,609
2025	14,647,609	-	1,044,393	-	1,306,601	14,909,817
2026	14,909,817	-	1,020,933	-	1,331,940	15,220,824
2027	15,220,824	-	1,001,370	-	1,361,613	15,581,067
2028	15,581,067	-	1,016,498	-	1,394,236	15,958,805
2029	15,958,805	-	1,015,116	-	1,429,240	16,372,929
2030	16,372,929	-	1,062,528	-	1,465,354	16,775,755
2031	16,775,755	-	1,088,669	-	1,501,406	17,188,492
2032	17,188,492	-	1,092,428	-	1,539,411	17,635,475
2033	17,635,475	-	1,181,804	-	1,576,623	18,030,294
2034	18,030,294	-	1,211,014	-	1,611,793	18,431,073
2035	18,431,073	-	1,270,100	-	1,646,132	18,807,105
2036	18,807,105	-	1,274,428	-	1,680,715	19,213,392
2037	19,213,392	-	1,257,268	-	1,719,090	19,675,214
2038	19,675,214	-	1,256,238	-	1,761,856	20,180,832
2039	20,180,832	-	1,276,155	-	1,807,705	20,712,382
2040	20,712,382	-	1,251,076	-	1,858,033	21,319,339
2041	21,319,339	-	1,235,593	-	1,914,893	21,998,639
2042	21,998,639	-	1,238,675	-	1,977,585	22,737,549
2043	22,737,549	-	1,212,049	-	2,047,166	23,572,666
2044	23,572,666	-	1,190,216	-	2,125,424	24,507,874
2045	24,507,874	-	1,160,210	-	2,213,319	25,560,983
2046	25,560,983	-	1,132,855	-	2,311,996	26,740,124
2047	26,740,124	-	1,103,970	-	2,422,403	28,058,557
2048	28,058,557	-	1,073,628	-	2,545,761	29,530,690
2049	29,530,690	-	1,043,959	-	2,683,306	31,170,037
2050	31,170,037	-	1,009,878	-	2,836,522	32,996,681
2051	32,996,681	-	974,560	-	3,007,120	35,029,241
2052	35,029,241	-	939,099	-	3,196,771	37,286,913
2053	37,286,913	-	903,758	-	3,407,241	39,790,396
2054	39,790,396	-	866,853	-	3,640,520	42,564,063
2055	42,564,063	-	830,137	-	3,898,782	45,632,708
2056	45,632,708	-	793,282	-	4,184,336	49,023,762
2057	49,023,762	-	756,582	-	4,499,706	52,766,886
2058	52,766,886	-	719,935	-	4,847,640	56,894,591
2059	56,894,591	-	683,255	-	5,231,149	61,442,485
2060	61,442,485	-	647,186	-	5,653,498	66,448,797
2061	66,448,797	-	611,471	-	6,118,233	71,955,559
2062	71,955,559	-	576,114	-	6,629,244	78,008,689
2063	78,008,689	-	541,332	-	7,190,767	84,658,124
2064	84,658,124	-	507,282	-	7,807,415	91,958,257
2065	91,958,257	-	474,012	-	8,484,216	99,968,461
2066	99,968,461	-	441,627	-	9,226,657	108,753,491
2067	108,753,491	-	410,199	-	10,040,726	118,384,018
2068	118,384,018	-	379,794	-	10,932,956	128,937,180
2069	128,937,180	-	350,447	-	11,910,481	140,497,214
2070	140,497,214	-	322,203	-	12,981,090	153,156,101
2071	153,156,101	-	295,121	-	14,153,290	167,014,270
2072	167,014,270	-	269,266	-	15,436,366	182,181,370
2073	182,181,370	-	244,694	-	16,840,460	198,777,136
2074	198,777,136	-	221,464	-	18,376,642	216,932,314

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 9.25%

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
2075	216,932,314	-	199,626	-	20,057,006	236,789,694
2076	236,789,694	-	179,202	-	21,894,759	258,505,251
2077	258,505,251	-	160,196	-	23,904,327	282,249,382
2078	282,249,382	-	142,586	-	26,101,473	308,208,269
2079	308,208,269	-	126,333	-	28,503,422	336,585,358
2080	336,585,358	-	111,398	-	31,128,993	367,602,953
2081	367,602,953	-	97,746	-	33,998,752	401,503,959
2082	401,503,959	-	85,322	-	37,135,170	438,553,807
2083	438,553,807	-	74,060	-	40,562,802	479,042,549
2084	479,042,549	-	63,903	-	44,308,480	523,287,126
2085	523,287,126	-	54,805	-	48,401,524	571,633,845
2086	571,633,845	-	46,719	-	52,873,970	624,461,096
2087	624,461,096	-	39,590	-	57,760,820	682,182,326
2088	682,182,326	-	33,354	-	63,100,323	745,249,295
2089	745,249,295	-	27,946	-	68,934,267	814,155,616
2090	814,155,616	-	23,297	-	75,308,317	889,440,636
2091	889,440,636	-	19,321	-	82,272,365	971,693,680
2092	971,693,680	-	15,931	-	89,880,929	1,061,558,678
2093	1,061,558,678	-	13,047	-	98,193,574	1,159,739,205
2094	1,159,739,205	-	10,600	-	107,275,386	1,267,003,991
2095	1,267,003,991	-	8,533	-	117,197,475	1,384,192,933
2096	1,384,192,933	-	6,794	-	128,037,532	1,512,223,671
2097	1,512,223,671	-	5,339	-	139,880,443	1,652,098,775
2098	1,652,098,775	-	4,132	-	152,818,946	1,804,913,589
2099	1,804,913,589	-	3,144	-	166,954,362	1,971,864,807
2100	1,971,864,807	-	2,347	-	182,397,386	2,154,259,846
2101	2,154,259,846	-	1,716	-	199,268,956	2,353,527,086
2102	2,353,527,086	-	1,226	-	217,701,199	2,571,227,059
2103	2,571,227,059	-	856	-	237,838,463	2,809,064,666
2104	2,809,064,666	-	582	-	259,838,455	3,068,902,539
2105	3,068,902,539	-	386	-	283,873,467	3,352,775,620
2106	3,352,775,620	-	248	-	310,131,733	3,662,907,105
2107	3,662,907,105	-	156	-	338,818,900	4,001,725,849
2108	4,001,725,849	-	96	-	370,159,637	4,371,885,390
2109	4,371,885,390	-	57	-	404,399,396	4,776,284,729
2110	4,776,284,729	-	33	-	441,806,336	5,218,091,032
2111	5,218,091,032	-	19	-	482,673,420	5,700,764,433
2112	5,700,764,433	-	11	-	527,320,710	6,228,085,132
2113	6,228,085,132	-	6	-	576,097,874	6,804,183,000
2114	6,804,183,000	-	3	-	629,386,927	7,433,569,924
2115	7,433,569,924	-	2	-	687,605,218	8,121,175,140
2116	8,121,175,140	-	1	-	751,208,700	8,872,383,839
2117	8,872,383,839	-	-	-	820,695,505	9,693,079,344

*All DROP Balances paid in 2023.

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 9.25% 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, 2025**

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.25%	5.25%	9.25%
Minimum Required Contribution (Fixed \$)	\$1,177,768	\$1,795,769	\$711,138
Minimum Required Contribution (% of Payroll)	28.3%	43.1%	17.0%
Expected Member Contribution	391,875	391,875	391,875
Expected State Money	211,315	211,315	211,315
Expected Sponsor Contribution (Fixed \$)	\$574,578	\$1,192,579	\$107,948
Expected Sponsor Contribution (% of Payroll)	13.8%	28.6%	2.5%

ASSETS

Actuarial Value ¹	15,480,394	15,480,394	15,480,394
Market Value ¹	14,465,693	14,465,693	14,465,693

LIABILITIES

Present Value of Benefits

Actives			
Retirement Benefits	8,322,550	12,959,037	5,620,268
Disability Benefits	288,752	401,877	216,155
Death Benefits	45,239	63,015	33,483
Vested Benefits	2,290,974	3,908,625	1,413,610
Refund of Contributions	487,681	512,367	465,248
Service Retirees	8,516,256	10,299,720	7,234,506
DROP Retirees ¹	699,924	811,486	618,188
Beneficiaries	268,482	307,899	237,865
Disability Retirees	1,144,117	1,439,282	948,735
Terminated Vested	617,452	812,954	489,584
Excess State Monies Reserve	395,023	395,023	395,023
Total:	23,076,450	31,911,285	17,672,665

Present Value of Future Salaries	30,226,261	33,625,859	27,460,046
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Present Value of Future Member Contributions	2,841,269	3,160,831	2,581,244
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Total Normal Cost	732,006	1,123,696	502,770
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Present Value of Future Normal Costs (Entry Age Normal)	4,935,573	8,630,738	3,009,146
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Total Actuarial Accrued Liability (EAN) ¹	18,140,877	23,280,547	14,663,519
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Unfunded Actuarial Accrued Liability (UAAL)	2,660,483	7,800,153	(816,875)
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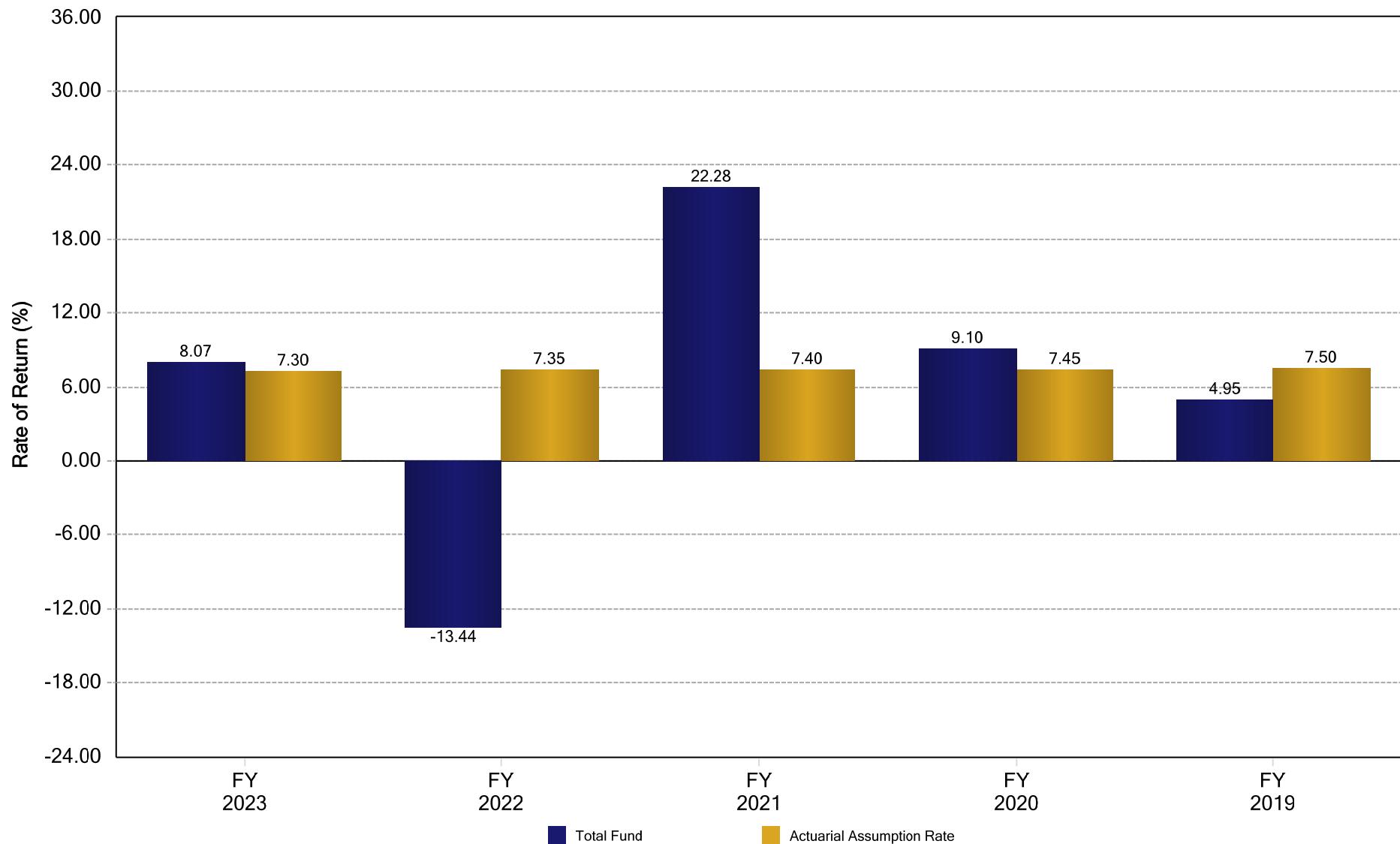
**ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2025**

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.25%	5.25%	9.25%
<u>PENSION COST</u>			
Normal Cost (with interest)	758,541	1,153,193	526,023
Administrative Expenses (with interest)	66,393	65,752	67,033
Payment Required To Amortize UAAL (with interest)	352,834	576,824	118,082
Minimum Required Contribution	<u>\$1,177,768</u>	<u>\$1,795,769</u>	<u>\$711,138</u>

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2023.

Haines City Municipal Police Officers Retirement Trust Fund
Fiscal Year Rates of Return
September 30, 2023



Disclosure: Actuarial assumption rate as of September 30, 2023. Past performance is not indicative of future results.

Haines City Municipal Police Officers Retirement Trust Fund
Historical Asset Allocation
September 30, 2023

