

CITY OF HAINES CITY  
MUNICIPAL FIREFIGHTERS' RETIREMENT TRUST FUND

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



April 20, 2023

VIA E-MAIL

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

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

Dear Omar:

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.

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:



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

Enclosures

cc via email: Caleb Hynson, Plan Administrator  
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**

	ACTUAL	HYPOTHETICAL	
Discount Rate:	7.00%	5.00%	9.00%
<u>Total Pension Liability</u>			
Service Cost	244,619	361,580	177,839
Interest	676,062	636,641	687,811
Change in Excess State Money / Reserve for future UAAL Increases	(23,541)	(23,541)	(23,541)
13th Check Allocation	934	934	934
Share Plan Allocation	16,031	16,031	16,031
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(166,750)	(158,526)	(162,913)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(602,146)	(602,146)	(602,146)
Net Change in Total Pension Liability	145,209	230,973	94,015
Total Pension Liability - Beginning	9,738,020	12,695,852	7,789,118
Total Pension Liability - Ending (a)	<u>\$ 9,883,229</u>	<u>\$ 12,926,825</u>	<u>\$ 7,883,133</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	201,730	201,730	201,730
Contributions - State	160,312	160,312	160,312
Contributions - Employee	167,691	167,691	167,691
Net Investment Income	(1,462,659)	(1,462,659)	(1,462,659)
Benefit Payments, Including Refunds of Employee Contributions	(602,146)	(602,146)	(602,146)
Administrative Expenses	(52,463)	(52,463)	(52,463)
Net Change in Plan Fiduciary Net Position	(1,587,535)	(1,587,535)	(1,587,535)
Plan Fiduciary Net Position - Beginning	9,620,393	9,620,393	9,620,393
Plan Fiduciary Net Position - Ending (b)	<u>\$ 8,032,858</u>	<u>\$ 8,032,858</u>	<u>\$ 8,032,858</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,850,371</u>	<u>\$ 4,893,967</u>	<u>\$ (149,725)</u>

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

Table 1  
Plan Assumptions: Discount Rate = 7.00%

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	7,995,803	-	714,175	-	534,710	7,816,338
2023	7,816,338	-	592,394	-	526,410	7,750,354
2024	7,750,354	-	589,291	-	521,900	7,682,963
2025	7,682,963	-	579,201	-	517,535	7,621,297
2026	7,621,297	-	586,662	-	512,958	7,547,593
2027	7,547,593	-	601,634	-	507,274	7,453,233
2028	7,453,233	-	602,515	-	500,638	7,351,356
2029	7,351,356	-	600,977	-	493,561	7,243,940
2030	7,243,940	-	595,876	-	486,220	7,134,284
2031	7,134,284	-	599,313	-	478,424	7,013,395
2032	7,013,395	-	616,552	-	469,358	6,866,201
2033	6,866,201	-	614,198	-	459,137	6,711,140
2034	6,711,140	-	630,006	-	447,730	6,528,864
2035	6,528,864	-	622,544	-	435,231	6,341,551
2036	6,341,551	-	642,247	-	421,430	6,120,734
2037	6,120,734	-	683,407	-	404,532	5,841,859
2038	5,841,859	-	731,608	-	383,324	5,493,575
2039	5,493,575	-	728,411	-	359,056	5,124,220
2040	5,124,220	-	738,536	-	332,847	4,718,531
2041	4,718,531	-	726,285	-	304,877	4,297,123
2042	4,297,123	-	753,438	-	274,428	3,818,113
2043	3,818,113	-	752,932	-	240,915	3,306,096
2044	3,306,096	-	733,097	-	205,768	2,778,767
2045	2,778,767	-	716,813	-	169,425	2,231,379
2046	2,231,379	-	701,991	-	131,627	1,661,015
2047	1,661,015	-	675,187	-	92,640	1,078,468
2048	1,078,468	-	649,775	-	52,751	481,444
2049	481,444	-	625,173	-	-	-

\*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 27.77

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.00% 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 = 5.00%

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	7,995,803	-	714,175	-	381,936	7,663,564
2023	7,663,564	-	592,394	-	368,368	7,439,538
2024	7,439,538	-	589,291	-	357,245	7,207,492
2025	7,207,492	-	579,201	-	345,895	6,974,186
2026	6,974,186	-	586,662	-	334,043	6,721,567
2027	6,721,567	-	601,634	-	321,038	6,440,971
2028	6,440,971	-	602,515	-	306,986	6,145,442
2029	6,145,442	-	600,977	-	292,248	5,836,713
2030	5,836,713	-	595,876	-	276,939	5,517,776
2031	5,517,776	-	599,313	-	260,906	5,179,369
2032	5,179,369	-	616,552	-	243,555	4,806,372
2033	4,806,372	-	614,198	-	224,964	4,417,138
2034	4,417,138	-	630,006	-	205,107	3,992,239
2035	3,992,239	-	622,544	-	184,048	3,553,743
2036	3,553,743	-	642,247	-	161,631	3,073,127
2037	3,073,127	-	683,407	-	136,571	2,526,291
2038	2,526,291	-	731,608	-	108,024	1,902,707
2039	1,902,707	-	728,411	-	76,925	1,251,221
2040	1,251,221	-	738,536	-	44,098	556,783
2041	556,783	-	726,285	-	-	-

\*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 19.77

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% 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 = 9.00%

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	7,995,803	-	714,175	-	687,484	7,969,112
2023	7,969,112	-	592,394	-	690,562	8,067,280
2024	8,067,280	-	589,291	-	699,537	8,177,526
2025	8,177,526	-	579,201	-	709,913	8,308,238
2026	8,308,238	-	586,662	-	721,342	8,442,918
2027	8,442,918	-	601,634	-	732,789	8,574,073
2028	8,574,073	-	602,515	-	744,553	8,716,111
2029	8,716,111	-	600,977	-	757,406	8,872,540
2030	8,872,540	-	595,876	-	771,714	9,048,378
2031	9,048,378	-	599,313	-	787,385	9,236,450
2032	9,236,450	-	616,552	-	803,536	9,423,434
2033	9,423,434	-	614,198	-	820,470	9,629,706
2034	9,629,706	-	630,006	-	838,323	9,838,023
2035	9,838,023	-	622,544	-	857,408	10,072,887
2036	10,072,887	-	642,247	-	877,659	10,308,299
2037	10,308,299	-	683,407	-	896,994	10,521,886
2038	10,521,886	-	731,608	-	914,047	10,704,325
2039	10,704,325	-	728,411	-	930,611	10,906,525
2040	10,906,525	-	738,536	-	948,353	11,116,342
2041	11,116,342	-	726,285	-	967,788	11,357,845
2042	11,357,845	-	753,438	-	988,301	11,592,708
2043	11,592,708	-	752,932	-	1,009,462	11,849,238
2044	11,849,238	-	733,097	-	1,033,442	12,149,583
2045	12,149,583	-	716,813	-	1,061,206	12,493,976
2046	12,493,976	-	701,991	-	1,092,868	12,884,853
2047	12,884,853	-	675,187	-	1,129,253	13,338,919
2048	13,338,919	-	649,775	-	1,171,263	13,860,407
2049	13,860,407	-	625,173	-	1,219,304	14,454,538
2050	14,454,538	-	598,420	-	1,273,980	15,130,098
2051	15,130,098	-	572,818	-	1,335,932	15,893,212
2052	15,893,212	-	545,879	-	1,405,825	16,753,158
2053	16,753,158	-	519,690	-	1,484,398	17,717,866
2054	17,717,866	-	494,907	-	1,572,337	18,795,296
2055	18,795,296	-	470,625	-	1,670,399	19,995,070
2056	19,995,070	-	446,822	-	1,779,449	21,327,697
2057	21,327,697	-	424,343	-	1,900,397	22,803,751
2058	22,803,751	-	402,585	-	2,034,221	24,435,387
2059	24,435,387	-	381,785	-	2,182,005	26,235,607
2060	26,235,607	-	361,895	-	2,344,919	28,218,631
2061	28,218,631	-	342,831	-	2,524,249	30,400,049
2062	30,400,049	-	324,501	-	2,721,402	32,796,950
2063	32,796,950	-	306,976	-	2,937,912	35,427,886
2064	35,427,886	-	290,131	-	3,175,454	38,313,209
2065	38,313,209	-	273,874	-	3,435,864	41,475,199
2066	41,475,199	-	258,115	-	3,721,153	44,938,237
2067	44,938,237	-	242,772	-	4,033,517	48,728,982
2068	48,728,982	-	227,780	-	4,375,358	52,876,560
2069	52,876,560	-	213,100	-	4,749,301	57,412,761
2070	57,412,761	-	198,713	-	5,158,206	62,372,254

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3  
Hypothetical Assumptions: Discount Rate = 9.00%

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	62,372,254	-	184,603	-	5,605,196	67,792,847
2072	67,792,847	-	170,764	-	6,093,672	73,715,755
2073	73,715,755	-	157,204	-	6,627,344	80,185,895
2074	80,185,895	-	143,947	-	7,210,253	87,252,201
2075	87,252,201	-	131,035	-	7,846,802	94,967,968
2076	94,967,968	-	118,538	-	8,541,783	103,391,213
2077	103,391,213	-	106,522	-	9,300,416	112,585,107
2078	112,585,107	-	95,062	-	10,128,382	122,618,427
2079	122,618,427	-	84,235	-	11,031,868	133,566,060
2080	133,566,060	-	74,087	-	12,017,611	145,509,584
2081	145,509,584	-	64,648	-	13,092,953	158,537,889
2082	158,537,889	-	55,920	-	14,265,894	172,747,863
2083	172,747,863	-	47,913	-	15,545,152	188,245,102
2084	188,245,102	-	40,635	-	16,940,231	205,144,698
2085	205,144,698	-	34,100	-	18,461,488	223,572,086
2086	223,572,086	-	28,300	-	20,120,214	243,664,000
2087	243,664,000	-	23,208	-	21,928,716	265,569,508
2088	265,569,508	-	18,796	-	23,900,410	289,451,122
2089	289,451,122	-	15,027	-	26,049,925	315,486,020
2090	315,486,020	-	11,856	-	28,393,208	343,867,372
2091	343,867,372	-	9,227	-	30,947,648	374,805,793
2092	374,805,793	-	7,080	-	33,732,203	408,530,916
2093	408,530,916	-	5,354	-	36,767,542	445,293,104
2094	445,293,104	-	3,991	-	40,076,200	485,365,313
2095	485,365,313	-	2,933	-	43,682,746	529,045,126
2096	529,045,126	-	2,125	-	47,613,966	576,656,967
2097	576,656,967	-	1,516	-	51,899,059	628,554,510
2098	628,554,510	-	1,066	-	56,569,858	685,123,302
2099	685,123,302	-	738	-	61,661,064	746,783,628
2100	746,783,628	-	503	-	67,210,504	813,993,629
2101	813,993,629	-	338	-	73,259,411	887,252,702
2102	887,252,702	-	224	-	79,852,733	967,105,211
2103	967,105,211	-	146	-	87,039,462	1,054,144,527
2104	1,054,144,527	-	93	-	94,873,003	1,149,017,437
2105	1,149,017,437	-	59	-	103,411,567	1,252,428,945
2106	1,252,428,945	-	36	-	112,718,603	1,365,147,512
2107	1,365,147,512	-	22	-	122,863,275	1,488,010,765
2108	1,488,010,765	-	13	-	133,920,968	1,621,931,720
2109	1,621,931,720	-	8	-	145,973,854	1,767,905,566
2110	1,767,905,566	-	4	-	159,111,501	1,927,017,063
2111	1,927,017,063	-	2	-	173,431,536	2,100,448,597
2112	2,100,448,597	-	1	-	189,040,374	2,289,488,970
2113	2,289,488,970	-	1	-	206,054,007	2,495,542,976
2114	2,495,542,976	-	-	-	224,598,868	2,720,141,844

\*All DROP and 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 9.00% 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

	ACTUAL	HYPOTHETICAL	
	7.00%	5.00%	9.00%
Investment Rate of Return:			
Minimum Required Contribution (Fixed \$)	\$443,619	\$725,383	\$214,794
Minimum Required Contribution (% of Payroll)	23.8%	38.9%	11.5%
Expected Member Contribution	167,739	167,739	167,739
Expected State Money	128,249	128,249	128,249
Expected Sponsor Contribution (Fixed \$)	\$147,631	\$429,395	\$0
Expected Sponsor Contribution (% of Payroll)	7.9%	23.0%	0.0%

**ASSETS**

Actuarial Value <sup>1</sup>	9,075,526	9,075,526	9,075,526
Market Value <sup>1</sup>	7,995,803	7,995,803	7,995,803

**LIABILITIES**

Present Value of Benefits			
Active Members			
Retirement Benefits	2,804,146	4,235,968	1,940,487
Disability Benefits	166,700	226,866	127,325
Death Benefits	21,335	28,842	16,190
Vested Benefits	1,451,773	2,485,752	886,185
Refund of Contributions	205,008	215,331	195,639
Service Retirees	5,531,940	6,682,239	4,695,773
DROP Retirees <sup>1</sup>	373,547	449,074	319,777
Beneficiaries	282,455	330,180	245,811
Disability Retirees	159,729	184,535	140,447
Terminated Vested	475,955	738,698	324,116
Share Plan Balances <sup>1</sup>	62,510	62,510	62,510
13th Check Allocation	16,031	16,031	16,031
Total:	11,551,129	15,656,026	8,970,291
Present Value of Future Salaries	10,993,332	11,968,906	10,175,799
Present Value of Future			
Member Contributions	989,400	1,077,202	915,822
Total Normal Cost	256,664	382,717	183,371
Present Value of Future			
Normal Costs (Entry Age Normal)	1,414,551	2,313,775	928,689
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	10,136,578	13,342,251	8,041,602
Unfunded Actuarial Accrued	1,061,052	4,266,725	(1,033,924)
Liability (UAAL)			

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.00%	5.00%	9.00%
<b><u>PENSION COST</u></b>			
Normal Cost (with interest)	265,647	392,285	191,623
Administrative Expenses (with interest)	50,659	50,170	51,149
Payment Required To Amortize UAAL (with interest)	127,313	282,928	(27,978)
Minimum Required Contribution	\$443,619	\$725,383	\$214,794

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

## FIVE-YEAR HISTORY OF RATES OF RETURN AND ASSET ALLOCATION

## RATES OF RETURN FOR THE FISCAL YEARS ENDING SEPTEMBER 30

Fiscal Year Ending	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Investment Return	-15.25%	20.41%	11.23%	4.90%	9.77%
Actuarial Assumption Rate	7.00%	7.00%	7.00%	7.25%	7.50%

## ASSET ALLOCATIONS FOR THE FISCAL YEARS ENDING SEPTEMBER 30

Fiscal Year Ending	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Asset Class					
Domestic Equity	50.41%	50.66%	51.80%	50.14%	49.78%
International Equity	11.71%	16.13%	15.41%	14.93%	12.19%
Domestic Fixed Income	16.89%	17.86%	19.06%	18.89%	17.26%
Global Fixed Income	3.85%	3.87%	4.56%	4.41%	4.16%
Real Estate	15.07%	10.49%	8.28%	8.98%	9.21%
Total Alternatives	0.00%	0.00%	0.00%	0.00%	4.56%
Cash & Equivalents	2.07%	0.98%	0.90%	2.64%	2.84%

It is important to note that the above historical investment returns and asset classes were provided by the Board's investment consultant, and were not audited by Foster & Foster.