

CITY OF WINTER HAVEN
GENERAL EMPLOYEES' PENSION PLAN

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



February 7, 2025

Mr. Caleb Hynson, Administrative Director
801 West Bay Drive, Suite 502
Largo, FL 33770

Re: City of Winter Haven General Employees' Pension Plan
Section 112.664, Florida Statutes Compliance

Dear Caleb:

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.



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

Enclosures

cc via email: Bonni Jensen, 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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.50%	4.50%	8.50%
<u>Total Pension Liability</u>			
Service Cost	694,100	1,095,595	472,936
Interest	5,917,054	5,158,155	6,348,441
Changes of Benefit Terms	-	-	-
Experience Gains/Losses	1,781,356	2,621,588	1,210,386
Changes of Assumptions	-	-	-
Benefit Payments	(5,753,302)	(5,753,302)	(5,753,302)
Net Change in Total Pension Liability	2,639,208	3,122,036	2,278,461
Total Pension Liability - Beginning	93,214,139	116,406,718	77,091,253
Total Pension Liability - Ending (a)	<u>\$ 95,853,347</u>	<u>\$ 119,528,754</u>	<u>\$ 79,369,714</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	2,131,084	2,131,084	2,131,084
Contributions - Employee	452,186	452,186	452,186
Net Investment Income	15,573,150	15,573,150	15,573,150
Benefit Payments	(5,753,302)	(5,753,302)	(5,753,302)
Administrative Expense	(118,149)	(118,149)	(118,149)
Net Change in Plan Fiduciary Net Position	12,284,969	12,284,969	12,284,969
Plan Fiduciary Net Position - Beginning	71,081,983	71,081,983	71,081,983
Plan Fiduciary Net Position - Ending (b)	<u>\$ 83,366,952</u>	<u>\$ 83,366,952</u>	<u>\$ 83,366,952</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 12,486,395</u>	<u>\$ 36,161,802</u>	<u>\$ (3,997,238)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 6.50%

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	83,281,602	-	7,758,344	-	5,161,158	80,684,416
2025	80,684,416	-	6,445,088	-	5,035,022	79,274,350
2026	79,274,350	-	6,592,800	-	4,938,567	77,620,117
2027	77,620,117	-	6,702,448	-	4,827,478	75,745,147
2028	75,745,147	-	6,774,714	-	4,703,256	73,673,689
2029	73,673,689	-	6,822,350	-	4,567,063	71,418,402
2030	71,418,402	-	6,832,504	-	4,420,140	69,006,038
2031	69,006,038	-	6,894,489	-	4,261,322	66,372,871
2032	66,372,871	-	6,853,864	-	4,091,486	63,610,493
2033	63,610,493	-	6,819,162	-	3,913,059	60,704,390
2034	60,704,390	-	6,739,594	-	3,726,749	57,691,545
2035	57,691,545	-	6,630,614	-	3,534,455	54,595,386
2036	54,595,386	-	6,510,590	-	3,337,106	51,421,902
2037	51,421,902	-	6,431,383	-	3,133,404	48,123,923
2038	48,123,923	-	6,401,898	-	2,919,993	44,642,018
2039	44,642,018	-	6,245,673	-	2,698,747	41,095,092
2040	41,095,092	-	6,119,850	-	2,472,286	37,447,528
2041	37,447,528	-	5,979,796	-	2,239,746	33,707,478
2042	33,707,478	-	5,798,565	-	2,002,533	29,911,446
2043	29,911,446	-	5,615,322	-	1,761,746	26,057,870
2044	26,057,870	-	5,433,572	-	1,517,170	22,141,468
2045	22,141,468	-	5,243,387	-	1,268,785	18,166,866
2046	18,166,866	-	5,093,348	-	1,015,312	14,088,830
2047	14,088,830	-	4,910,803	-	756,173	9,934,200
2048	9,934,200	-	4,700,601	-	492,953	5,726,552
2049	5,726,552	-	4,486,056	-	226,429	1,466,925
2050	1,466,925	-	4,271,026	-	-	-

*All DROP Balances paid in 2024.

Number of Years Expected Benefit Payments Sustained: 26.34

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.50% 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: Investment Rate of Return = 4.50%

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	83,281,602	-	7,758,344	-	3,573,109	79,096,367
2025	79,096,367	-	6,445,088	-	3,414,322	76,065,601
2026	76,065,601	-	6,592,800	-	3,274,614	72,747,415
2027	72,747,415	-	6,702,448	-	3,122,829	69,167,796
2028	69,167,796	-	6,774,714	-	2,960,120	65,353,202
2029	65,353,202	-	6,822,350	-	2,787,391	61,318,243
2030	61,318,243	-	6,832,504	-	2,605,590	57,091,329
2031	57,091,329	-	6,894,489	-	2,413,984	52,610,824
2032	52,610,824	-	6,853,864	-	2,213,275	47,970,235
2033	47,970,235	-	6,819,162	-	2,005,229	43,156,302
2034	43,156,302	-	6,739,594	-	1,790,393	38,207,101
2035	38,207,101	-	6,630,614	-	1,570,131	33,146,618
2036	33,146,618	-	6,510,590	-	1,345,110	27,981,138
2037	27,981,138	-	6,431,383	-	1,114,445	22,664,200
2038	22,664,200	-	6,401,898	-	875,846	17,138,148
2039	17,138,148	-	6,245,673	-	630,689	11,523,164
2040	11,523,164	-	6,119,850	-	380,846	5,784,160
2041	5,784,160	-	5,979,796	-	-	-

*All DROP Balances paid in 2024.

Number of Years Expected Benefit Payments Sustained: 17.97

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.50% 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: Investment Rate of Return = 8.50%

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	83,281,602	-	7,758,344	-	6,749,207	82,272,465
2025	82,272,465	-	6,445,088	-	6,719,243	82,546,620
2026	82,546,620	-	6,592,800	-	6,736,269	82,690,089
2027	82,690,089	-	6,702,448	-	6,743,804	82,731,445
2028	82,731,445	-	6,774,714	-	6,744,247	82,700,978
2029	82,700,978	-	6,822,350	-	6,739,633	82,618,261
2030	82,618,261	-	6,832,504	-	6,732,171	82,517,928
2031	82,517,928	-	6,894,489	-	6,721,008	82,344,447
2032	82,344,447	-	6,853,864	-	6,707,989	82,198,572
2033	82,198,572	-	6,819,162	-	6,697,064	82,076,474
2034	82,076,474	-	6,739,594	-	6,690,068	82,026,948
2035	82,026,948	-	6,630,614	-	6,690,489	82,086,823
2036	82,086,823	-	6,510,590	-	6,700,680	82,276,913
2037	82,276,913	-	6,431,383	-	6,720,204	82,565,734
2038	82,565,734	-	6,401,898	-	6,746,007	82,909,843
2039	82,909,843	-	6,245,673	-	6,781,896	83,446,066
2040	83,446,066	-	6,119,850	-	6,832,822	84,159,038
2041	84,159,038	-	5,979,796	-	6,899,377	85,078,619
2042	85,078,619	-	5,798,565	-	6,985,244	86,265,298
2043	86,265,298	-	5,615,322	-	7,093,899	87,743,875
2044	87,743,875	-	5,433,572	-	7,227,303	89,537,606
2045	89,537,606	-	5,243,387	-	7,387,853	91,682,072
2046	91,682,072	-	5,093,348	-	7,576,509	94,165,233
2047	94,165,233	-	4,910,803	-	7,795,336	97,049,766
2048	97,049,766	-	4,700,601	-	8,049,455	100,398,620
2049	100,398,620	-	4,486,056	-	8,343,225	104,255,789
2050	104,255,789	-	4,271,026	-	8,680,223	108,664,986
2051	108,664,986	-	4,045,589	-	9,064,586	113,683,983
2052	113,683,983	-	3,835,357	-	9,500,136	119,348,762
2053	119,348,762	-	3,610,490	-	9,991,199	125,729,471
2054	125,729,471	-	3,390,335	-	10,542,916	132,882,052
2055	132,882,052	-	3,168,642	-	11,160,307	140,873,717
2056	140,873,717	-	2,947,182	-	11,849,011	149,775,546
2057	149,775,546	-	2,729,344	-	12,614,924	159,661,126
2058	159,661,126	-	2,520,260	-	13,464,085	170,604,951
2059	170,604,951	-	2,314,804	-	14,403,042	182,693,189
2060	182,693,189	-	2,117,440	-	15,438,930	196,014,679
2061	196,014,679	-	1,929,033	-	16,579,264	210,664,910
2062	210,664,910	-	1,750,374	-	17,832,126	226,746,662
2063	226,746,662	-	1,581,978	-	19,206,232	244,370,916
2064	244,370,916	-	1,424,470	-	20,710,988	263,657,434
2065	263,657,434	-	1,277,992	-	22,356,567	284,736,009
2066	284,736,009	-	1,142,594	-	24,154,001	307,747,416
2067	307,747,416	-	1,018,127	-	26,115,260	332,844,549
2068	332,844,549	-	904,288	-	28,253,354	360,193,615
2069	360,193,615	-	800,725	-	30,582,426	389,975,316
2070	389,975,316	-	706,956	-	33,117,856	422,386,216
2071	422,386,216	-	622,420	-	35,876,376	457,640,172
2072	457,640,172	-	546,516	-	38,876,188	495,969,844
2073	495,969,844	-	478,615	-	42,137,096	537,628,325
2074	537,628,325	-	418,084	-	45,680,639	582,890,880

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Investment Rate of Return = 8.50%

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	582,890,880	-	364,327	-	49,530,241	632,056,794
2076	632,056,794	-	316,784	-	53,711,364	685,451,374
2077	685,451,374	-	274,904	-	58,251,683	743,428,153
2078	743,428,153	-	238,169	-	63,181,271	806,371,255
2079	806,371,255	-	206,064	-	68,532,799	874,697,990
2080	874,697,990	-	178,082	-	74,341,761	948,861,669
2081	948,861,669	-	153,741	-	80,646,708	1,029,354,636
2082	1,029,354,636	-	132,567	-	87,489,510	1,116,711,579
2083	1,116,711,579	-	114,123	-	94,915,634	1,211,513,090
2084	1,211,513,090	-	98,050	-	102,974,446	1,314,389,486
2085	1,314,389,486	-	84,044	-	111,719,534	1,426,024,976
2086	1,426,024,976	-	71,859	-	121,209,069	1,547,162,186
2087	1,547,162,186	-	61,279	-	131,506,181	1,678,607,088
2088	1,678,607,088	-	52,106	-	142,679,388	1,821,234,370
2089	1,821,234,370	-	44,168	-	154,803,044	1,975,993,246
2090	1,975,993,246	-	37,326	-	167,957,840	2,143,913,760
2091	2,143,913,760	-	31,438	-	182,231,333	2,326,113,655
2092	2,326,113,655	-	26,380	-	197,718,540	2,523,805,815
2093	2,523,805,815	-	22,046	-	214,522,557	2,738,306,326
2094	2,738,306,326	-	18,341	-	232,755,258	2,971,043,243
2095	2,971,043,243	-	15,186	-	252,538,030	3,223,566,087
2096	3,223,566,087	-	12,504	-	274,002,586	3,497,556,169
2097	3,497,556,169	-	10,229	-	297,291,840	3,794,837,780
2098	3,794,837,780	-	8,307	-	322,560,858	4,117,390,331
2099	4,117,390,331	-	6,692	-	349,977,894	4,467,361,533
2100	4,467,361,533	-	5,340	-	379,725,503	4,847,081,696
2101	4,847,081,696	-	4,215	-	412,001,765	5,259,079,246
2102	5,259,079,246	-	3,285	-	447,021,596	5,706,097,557
2103	5,706,097,557	-	2,527	-	485,018,185	6,191,113,215
2104	6,191,113,215	-	1,916	-	526,244,542	6,717,355,841
2105	6,717,355,841	-	1,428	-	570,975,186	7,288,329,599
2106	7,288,329,599	-	1,045	-	619,507,972	7,907,836,526
2107	7,907,836,526	-	749	-	672,166,073	8,580,001,850
2108	8,580,001,850	-	526	-	729,300,135	9,309,301,459
2109	9,309,301,459	-	360	-	791,290,609	10,100,591,708
2110	10,100,591,708	-	239	-	858,550,285	10,959,141,754
2111	10,959,141,754	-	154	-	931,527,043	11,890,668,643
2112	11,890,668,643	-	96	-	1,010,706,831	12,901,375,378
2113	12,901,375,378	-	58	-	1,096,616,905	13,997,992,225
2114	13,997,992,225	-	34	-	1,189,829,338	15,187,821,529
2115	15,187,821,529	-	19	-	1,290,964,829	16,478,786,339
2116	16,478,786,339	-	10	-	1,400,696,838	17,879,483,167
2117	17,879,483,167	-	5	-	1,519,756,069	19,399,239,231
2118	19,399,239,231	-	3	-	1,648,935,335	21,048,174,563

*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 8.50% 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, 2026

Valuation Date: 10/1/2024

	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
Investment Rate of Return:	6.50%	4.50%	8.50%
Minimum Required Contribution (Fixed \$)	\$2,544,920	\$4,235,000	\$990,722
Minimum Required Contribution (% of Payroll)	42.90%	71.40%	16.70%
Expected Member Contribution	428,715	424,563	432,868
Expected Sponsor Contribution (Fixed \$)	\$2,116,205	\$3,810,437	\$557,854
Expected Sponsor Contribution (% of Payroll)	35.90%	64.40%	9.70%

ASSETS

Actuarial Value ¹	79,202,894	79,202,894	79,202,894
Market Value ¹	83,281,602	83,281,602	83,281,602

LIABILITIES

Present Value of Benefits			
Actives			
Retirement Benefits	26,902,111	38,251,227	19,890,715
Disability Benefits	324,391	437,663	249,272
Death Benefits	149,155	186,896	121,767
Vested Benefits	1,268,546	2,020,517	842,847
Refund of Contributions	264,593	268,101	261,247
Service Retirees	51,315,626	61,745,875	43,717,761
DROP Retirees ¹	7,500,627	9,096,344	6,406,151
Beneficiaries	6,456,875	7,658,867	5,572,678
Disability Retirees	1,187,703	1,409,257	1,025,464
Terminated Vested	3,901,890	5,238,851	3,028,907
Total:	99,271,517	126,313,598	81,116,809
Present Value of Future Salaries	35,529,955	39,363,011	32,434,826
Present Value of Future Member Contributions	2,487,097	2,755,411	2,270,438
Total Normal Cost	580,659	956,258	374,491
Present Value of Future Normal Costs (Entry Age Normal)	2,980,778	5,823,117	1,633,066
Total Actuarial Accrued Liability (EAN) ¹	96,290,739	120,490,481	79,483,743
Unfunded Actuarial Accrued Liability (UAAL)	17,087,845	41,287,587	280,849

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

	Valuation Date: 10/1/2024		
	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
Investment Rate of Return:	6.50%	4.50%	8.50%
<u>PENSION COST</u>			
Normal Cost ²	623,632	1,017,080	406,101
Administrative Expenses ²	110,648	109,577	111,720
Payment Required To Amortize UAAL ²	1,810,640	3,108,343	472,901
Minimum Required Contribution	\$2,544,920	\$4,235,000	\$990,722

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.