

CITY OF PERRY
POLICE OFFICERS' RETIREMENT TRUST FUND

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



June 30, 2023

VIA E-MAIL

Michelle Rodriguez, Plan Administrator
City of Perry
Police Officers' Retirement Trust Fund
2503 Del Prado Blvd. S. Suite 502
Cape Coral, FL 33904

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

Dear Michelle:

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.

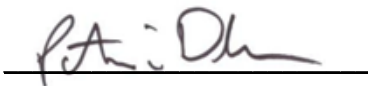
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should 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), 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: Adam Levinson, Board Attorney
cc via email: Penny Staffney, Finance Director

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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.25%	5.25%
<u>Total Pension Liability</u>		
Service Cost	188,929	292,546
Interest	709,760	644,475
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	35,487	76,016
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(577,856)	(577,856)
Net Change in Total Pension Liability	356,320	435,181
Total Pension Liability - Beginning	9,889,798	12,272,096
Total Pension Liability - Ending (a)	<u>\$ 10,246,118</u>	<u>\$ 12,707,277</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	253,732	253,732
Contributions - State	67,764	67,764
Contributions - Employee	38,094	38,094
Net Investment Income	(1,632,694)	(1,632,694)
Benefit Payments, Including Refunds of Employee Contributions	(577,856)	(577,856)
Administrative Expenses	(36,071)	(36,071)
Net Change in Plan Fiduciary Net Position	(1,887,031)	(1,887,031)
Plan Fiduciary Net Position - Beginning	10,902,870	10,902,870
Plan Fiduciary Net Position - Ending (b)	<u>\$ 9,015,839</u>	<u>\$ 9,015,839</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,230,279</u>	<u>\$ 3,691,438</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
2022	9,006,471	-	708,476	-	627,287	8,925,282
2023	8,925,282	-	701,225	-	621,664	8,845,721
2024	8,845,721	-	754,105	-	613,978	8,705,594
2025	8,705,594	-	786,153	-	602,658	8,522,099
2026	8,522,099	-	810,861	-	588,458	8,299,696
2027	8,299,696	-	815,181	-	572,178	8,056,693
2028	8,056,693	-	807,297	-	554,846	7,804,242
2029	7,804,242	-	816,739	-	536,201	7,523,704
2030	7,523,704	-	807,330	-	516,203	7,232,577
2031	7,232,577	-	759,311	-	496,837	6,970,103
2032	6,970,103	-	740,298	-	478,497	6,708,302
2033	6,708,302	-	729,049	-	459,924	6,439,177
2034	6,439,177	-	714,173	-	440,952	6,165,956
2035	6,165,956	-	708,530	-	421,348	5,878,774
2036	5,878,774	-	698,609	-	400,887	5,581,052
2037	5,581,052	-	688,083	-	379,683	5,272,652
2038	5,272,652	-	676,398	-	357,748	4,954,002
2039	4,954,002	-	665,978	-	335,023	4,623,047
2040	4,623,047	-	653,068	-	311,497	4,281,476
2041	4,281,476	-	637,060	-	287,314	3,931,730
2042	3,931,730	-	619,079	-	262,609	3,575,260
2043	3,575,260	-	601,189	-	237,413	3,211,484
2044	3,211,484	-	581,684	-	211,747	2,841,547
2045	2,841,547	-	561,705	-	185,650	2,465,492
2046	2,465,492	-	541,253	-	159,128	2,083,367
2047	2,083,367	-	520,468	-	132,177	1,695,076
2048	1,695,076	-	499,377	-	104,791	1,300,490
2049	1,300,490	-	477,784	-	76,966	899,672
2050	899,672	-	456,226	-	48,688	492,134
2051	492,134	-	434,558	-	19,927	77,503
2052	77,503	-	412,840	-	-	-

Number of Years Expected Benefit Payments Sustained: 30.19

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
2022	9,006,471	-	708,476	-	454,242	8,752,237
2023	8,752,237	-	701,225	-	441,085	8,492,097
2024	8,492,097	-	754,105	-	426,040	8,164,032
2025	8,164,032	-	786,153	-	407,975	7,785,854
2026	7,785,854	-	810,861	-	387,472	7,362,465
2027	7,362,465	-	815,181	-	365,131	6,912,415
2028	6,912,415	-	807,297	-	341,710	6,446,828
2029	6,446,828	-	816,739	-	317,019	5,947,108
2030	5,947,108	-	807,330	-	291,031	5,430,809
2031	5,430,809	-	759,311	-	265,186	4,936,684
2032	4,936,684	-	740,298	-	239,743	4,436,129
2033	4,436,129	-	729,049	-	213,759	3,920,839
2034	3,920,839	-	714,173	-	187,097	3,393,763
2035	3,393,763	-	708,530	-	159,574	2,844,807
2036	2,844,807	-	698,609	-	131,014	2,277,212
2037	2,277,212	-	688,083	-	101,491	1,690,620
2038	1,690,620	-	676,398	-	71,002	1,085,224
2039	1,085,224	-	665,978	-	39,492	458,738
2040	458,738	-	653,068	-	-	-

Number of Years Expected Benefit Payments Sustained: 18.70

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.

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

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.25%	5.25%
Minimum Required Contribution (Fixed \$)	\$240,687	\$524,883
Minimum Required Contribution (% of Payroll)	19.6%	42.9%
Expected Member Contribution	37,966	37,966
Expected State Money	67,764	67,764
Expected Sponsor Contribution (Fixed \$)	\$134,957	\$419,153
Expected Sponsor Contribution (% of Payroll)	11.0%	34.3%

ASSETS

Actuarial Value ¹	10,172,154	10,172,154
Market Value ¹	9,006,471	9,006,471

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	4,083,048	5,913,654
Disability Benefits	50,740	69,441
Death Benefits	12,863	17,245
Vested Benefits	616,496	1,022,041
Refund of Contributions	41,772	44,367
Service Retirees	5,234,101	6,287,211
Beneficiaries	760,333	845,144
Disability Retirees	0	0
Terminated Vested	956,716	1,241,067
Share Plan Balances ¹	0	0
Total:	11,756,069	15,440,170
Present Value of Future Salaries	9,107,201	10,158,300
Present Value of Future Member Contributions	282,323	314,907
Total Normal Cost	231,368	356,451
Present Value of Future Normal Costs (Entry Age Normal)	1,692,006	2,953,267
Total Actuarial Accrued Liability (EAN) ¹	10,064,063	12,486,903
Unfunded Actuarial Accrued Liability (UAAL)	(108,091)	2,314,749

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

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.25%	5.25%
<u>PENSION COST</u>		
Normal Cost (with interest)	239,755	365,808
Administrative Expenses (with interest)	40,963	40,568
Payment Required To Amortize UAAL (with interest)	(40,031)	118,507
Minimum Required Contribution	\$240,687	\$524,883

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