

June 25, 2015

VIA EMAIL

Mr. Scott Baur  
Resource Centers, LLC  
4360 Northlake Blvd. Suite 206  
Palm Beach Gardens, FL 33410

Re: Town of Lake Park Retired Police Officers' Pension Fund  
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Scott:

Please find enclosed the annual disclosures that satisfy the October 1, 2014 financial reporting requirements made under Section 112.664.


Our office will submit this information electronically to the Department of Management Services by the June 28, 2015 deadline. 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.

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: 

Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #14-7778

DHL/lke  
Enclosures

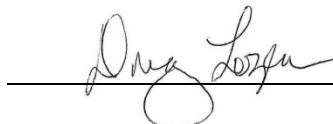
cc via email: Bonni Jensen, Board Attorney

TOWN OF LAKE PARK  
RETIRED POLICE OFFICERS' PENSION 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:



Date: 6/25/2015

Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #14-7778



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, 2014 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 AND RELATED RATIOS

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Static 9/30/2014	7.50% RP-2000 Generational 9/30/2014	5.50% RP-2000 Generational 9/30/2014
<u>Total Pension Liability</u>			
Service Cost	-	-	-
Interest	126,439	130,606	111,902
Change in Excess State Money	-	-	-
Change in Funding Standard Account	-	-	-
Share Plan Allocation	-	-	-
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions - Buy Back	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(156,529)	(156,529)	(156,529)
Net Change in Total Pension Liability	(30,090)	(25,923)	(44,627)
Total Pension Liability - Beginning	1,764,115	1,819,679	2,112,853
Total Pension Liability - Ending (a)	<u>1,734,025</u>	<u>\$ 1,793,756</u>	<u>\$ 2,068,226</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	52,328	52,328	52,328
Contributions - State	-	-	-
Contributions - Employee	-	-	-
Contributions - Buy Back	-	-	-
Net Investment Income	170,788	170,788	170,788
Benefit Payments, Including Refunds of Employee Contributions	(156,529)	(156,529)	(156,529)
Administrative Expense	(15,671)	(15,671)	(15,671)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	50,916	50,916	50,916
Plan Fiduciary Net Position - Beginning	1,423,896	1,423,896	1,423,896
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,474,812</u>	<u>\$ 1,474,812</u>	<u>\$ 1,474,812</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 259,213</u>	<u>\$ 318,944</u>	<u>\$ 593,414</u>

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

Table 1  
Plan Assumptions: 7.50% and RP-2000 Static Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	1,474,812	-	155,665	-	104,773	1,423,920
2015	1,423,920	-	153,701	-	101,030	1,371,249
2016	1,371,249	-	151,558	-	97,160	1,316,851
2017	1,316,851	-	149,224	-	93,168	1,260,795
2018	1,260,795	-	146,683	-	89,059	1,203,171
2019	1,203,171	-	143,927	-	84,841	1,144,085
2020	1,144,085	-	140,956	-	80,521	1,083,650
2021	1,083,650	-	137,763	-	76,108	1,021,995
2022	1,021,995	-	134,345	-	71,612	959,262
2023	959,262	-	130,692	-	67,044	895,614
2024	895,614	-	126,799	-	62,416	831,231
2025	831,231	-	122,669	-	57,742	766,304
2026	766,304	-	118,302	-	53,036	701,038
2027	701,038	-	113,704	-	48,314	635,648
2028	635,648	-	108,874	-	43,591	570,365
2029	570,365	-	103,811	-	38,884	505,438
2030	505,438	-	98,513	-	34,214	441,139
2031	441,139	-	92,992	-	29,598	377,745
2032	377,745	-	87,261	-	25,059	315,543
2033	315,543	-	81,343	-	20,615	254,815
2034	254,815	-	75,271	-	16,288	195,832
2035	195,832	-	69,090	-	12,097	138,839
2036	138,839	-	62,858	-	8,056	84,037
2037	84,037	-	56,651	-	4,178	31,564
2038	31,564	-	50,560	-	-	-

Number of Years Expected Benefit Payments Sustained: 24.62

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.**

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

Table 2  
Hypothetical Assumptions: 7.50% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	1,474,812	-	155,758	-	104,770	1,423,824
2015	1,423,824	-	154,001	-	101,012	1,370,835
2016	1,370,835	-	152,078	-	97,110	1,315,867
2017	1,315,867	-	149,974	-	93,066	1,258,959
2018	1,258,959	-	147,674	-	88,884	1,200,169
2019	1,200,169	-	145,177	-	84,569	1,139,561
2020	1,139,561	-	142,481	-	80,124	1,077,204
2021	1,077,204	-	139,584	-	75,556	1,013,176
2022	1,013,176	-	136,485	-	70,870	947,561
2023	947,561	-	133,164	-	66,073	880,470
2024	880,470	-	129,601	-	61,175	812,044
2025	812,044	-	125,807	-	56,186	742,423
2026	742,423	-	121,788	-	51,115	671,750
2027	671,750	-	117,544	-	45,973	600,179
2028	600,179	-	113,085	-	40,773	527,867
2029	527,867	-	108,404	-	35,525	454,988
2030	454,988	-	103,514	-	30,242	381,716
2031	381,716	-	98,403	-	24,939	308,252
2032	308,252	-	93,065	-	19,629	234,816
2033	234,816	-	87,530	-	14,329	161,615
2034	161,615	-	81,769	-	9,055	88,901
2035	88,901	-	75,784	-	3,826	16,943
2036	16,943	-	69,655	-	-	-

Number of Years Expected Benefit Payments Sustained: 22.24

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.**

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

Table 3  
Hypothetical Assumptions: 5.50% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	1,474,812	-	155,758	-	76,831	1,395,885
2015	1,395,885	-	154,001	-	72,539	1,314,423
2016	1,314,423	-	152,078	-	68,111	1,230,456
2017	1,230,456	-	149,974	-	63,551	1,144,033
2018	1,144,033	-	147,674	-	58,861	1,055,220
2019	1,055,220	-	145,177	-	54,045	964,088
2020	964,088	-	142,481	-	49,107	870,714
2021	870,714	-	139,584	-	44,051	775,181
2022	775,181	-	136,485	-	38,882	677,578
2023	677,578	-	133,164	-	33,605	578,019
2024	578,019	-	129,601	-	28,227	476,645
2025	476,645	-	125,807	-	22,756	373,594
2026	373,594	-	121,788	-	17,199	269,005
2027	269,005	-	117,544	-	11,563	163,024
2028	163,024	-	113,085	-	5,856	55,795
2029	55,795	-	108,404	-	-	-

Number of Years Expected Benefit Payments Sustained: 15.51

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.**

**ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2015**

Valuation Date: 10/1/2014

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational
Expected Sponsor Contribution (Fixed \$)	\$39,097	\$43,841	\$61,004

**ASSETS**

Actuarial Value <sup>1</sup>	1,474,812	1,474,812	1,474,812
Market Value <sup>1</sup>	1,474,812	1,474,812	1,474,812

**LIABILITIES**

Present Value of Benefits

Active Members

Retirement Benefits	0	0	0
Disability Benefits	0	0	0
Death Benefits	0	0	0
Vested Benefits	0	0	0
Refund of Contributions	0	0	0

Service Retirees	711,973	741,055	862,904
DROP Retirees <sup>1</sup>	0	0	0
Beneficiaries	116,878	119,166	144,671
Terminated Vested	0	0	0
Disability Retirees	687,791	714,477	848,229
PV Future Non-Investment Expenses	148,705	148,705	165,950
Total:	1,665,347	1,723,403	2,021,754

Present Value of Future Salaries	0	0	0
----------------------------------	---	---	---

Present Value of Future

Member Contributions	0	0	0
----------------------	---	---	---

Total Normal Cost (Entry Age Normal)	0	0	0
--------------------------------------	---	---	---

Present Value of Future

Normal Costs (Entry Age Normal)	0	0	0
---------------------------------	---	---	---

Total Actuarial Accrued Liability <sup>1</sup>	1,665,347	1,723,403	2,021,754
--	-----------	-----------	-----------

Unfunded Actuarial Accrued Liability (Entry Age Normal)	190,535	248,591	546,942
---	---------	---------	---------



ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2015

Valuation Date: 10/1/2014

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational
<b><u>PENSION COST</u></b>			
Normal Cost (with interest)	0	0	0
Payment Required To Amortize UAAL (with interest)	39,097	43,841	61,004
Total Required Contribution	\$39,097	\$43,841	\$61,004