

DESTIN FIRE CONTROL DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2020 VALUATION DATE



March 31, 2021

VIA E-MAIL

Kathryn Wagner
Destin Fire Control District
Firefighters' Retirement Trust Fund
848 Airport Road
Destin, FL 32541

Re: Destin Fire Control District Firefighters' Retirement Trust Fund
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Kathryn:

Please find enclosed the annual disclosures that satisfy the October 1, 2020 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: 

Drew D. Ballard, EA, MAAA
Enrolled Actuary #20-8193

Enclosures

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, 2020 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, 2020

	ACTUAL	HYPOTHETICAL	
	7.40%	5.40%	9.40%
<u>Total Pension Liability</u>			
Service Cost	424,591	677,185	277,510
Interest	2,142,548	2,034,798	2,177,630
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(154,309)	(156,222)	(156,920)
Changes of Assumptions	(576,891)	(1,070,532)	(323,339)
Benefit Payments, Including Refunds of Employee Contributions	(1,063,624)	(1,063,624)	(1,063,624)
Net Change in Total Pension Liability	772,315	421,605	911,257
Total Pension Liability - Beginning	29,060,566	37,536,067	23,420,575
Total Pension Liability - Ending (a)	<u>\$ 29,832,881</u>	<u>\$ 37,957,672</u>	<u>\$ 24,331,832</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,389,228	1,389,228	1,389,228
Contributions - State	258,595	258,595	258,595
Contributions - Employee	132,786	132,786	132,786
Net Investment Income	2,271,078	2,271,078	2,271,078
Benefit Payments, Including Refunds of Employee Contributions	(1,063,624)	(1,063,624)	(1,063,624)
Administrative Expenses	(47,086)	(47,086)	(47,086)
Net Change in Plan Fiduciary Net Position	2,940,977	2,940,977	2,940,977
Plan Fiduciary Net Position - Beginning	22,130,769	22,130,769	22,130,769
Plan Fiduciary Net Position - Ending (b)	<u>\$ 25,071,746</u>	<u>\$ 25,071,746</u>	<u>\$ 25,071,746</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,761,135</u>	<u>\$ 12,885,926</u>	<u>\$ (739,914)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.40%

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
2020	25,071,746	-	2,034,639	-	1,780,028	24,817,135
2021	24,817,135	-	1,792,426	-	1,770,148	24,794,857
2022	24,794,857	-	1,963,896	-	1,762,155	24,593,116
2023	24,593,116	-	2,036,966	-	1,744,523	24,300,673
2024	24,300,673	-	2,077,478	-	1,721,383	23,944,578
2025	23,944,578	-	2,171,683	-	1,691,547	23,464,442
2026	23,464,442	-	2,158,021	-	1,656,522	22,962,943
2027	22,962,943	-	2,218,160	-	1,617,186	22,361,969
2028	22,361,969	-	2,266,194	-	1,570,937	21,666,712
2029	21,666,712	-	2,316,178	-	1,517,638	20,868,172
2030	20,868,172	-	2,345,701	-	1,457,454	19,979,925
2031	19,979,925	-	2,368,838	-	1,390,867	19,001,954
2032	19,001,954	-	2,388,644	-	1,317,765	17,931,075
2033	17,931,075	-	2,409,359	-	1,237,753	16,759,469
2034	16,759,469	-	2,428,629	-	1,150,341	15,481,181
2035	15,481,181	-	2,441,504	-	1,055,272	14,094,949
2036	14,094,949	-	2,454,118	-	952,224	12,593,055
2037	12,593,055	-	2,462,750	-	840,764	10,971,069
2038	10,971,069	-	2,459,596	-	720,854	9,232,327
2039	9,232,327	-	2,460,101	-	592,168	7,364,394
2040	7,364,394	-	2,455,010	-	454,130	5,363,514
2041	5,363,514	-	2,445,612	-	306,412	3,224,314
2042	3,224,314	-	2,430,561	-	148,668	942,421
2043	942,421	-	2,408,694	-	-	-

*All DROP Balances paid in 2020.

Number of Years Expected Benefit Payments Sustained: 23.39

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.40% 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: 5.40%

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
2020	25,071,746	-	2,034,639	-	1,298,939	24,336,046
2021	24,336,046	-	1,792,426	-	1,265,751	23,809,371
2022	23,809,371	-	1,963,896	-	1,232,681	23,078,156
2023	23,078,156	-	2,036,966	-	1,191,222	22,232,412
2024	22,232,412	-	2,077,478	-	1,144,458	21,299,392
2025	21,299,392	-	2,171,683	-	1,091,532	20,219,241
2026	20,219,241	-	2,158,021	-	1,033,572	19,094,792
2027	19,094,792	-	2,218,160	-	971,228	17,847,860
2028	17,847,860	-	2,266,194	-	902,597	16,484,263
2029	16,484,263	-	2,316,178	-	827,613	14,995,698
2030	14,995,698	-	2,345,701	-	746,434	13,396,431
2031	13,396,431	-	2,368,838	-	659,449	11,687,042
2032	11,687,042	-	2,388,644	-	566,607	9,865,005
2033	9,865,005	-	2,409,359	-	467,658	7,923,304
2034	7,923,304	-	2,428,629	-	362,285	5,856,960
2035	5,856,960	-	2,441,504	-	250,355	3,665,811
2036	3,665,811	-	2,454,118	-	131,693	1,343,386
2037	1,343,386	-	2,462,750	-	-	-

*All DROP Balances paid in 2020.

Number of Years Expected Benefit Payments Sustained: 17.55

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.40% 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: 9.40%

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
2020	25,071,746	-	2,034,639	-	2,261,116	25,298,223
2021	25,298,223	-	1,792,426	-	2,293,789	25,799,586
2022	25,799,586	-	1,963,896	-	2,332,858	26,168,548
2023	26,168,548	-	2,036,966	-	2,364,106	26,495,688
2024	26,495,688	-	2,077,478	-	2,392,953	26,811,163
2025	26,811,163	-	2,171,683	-	2,418,180	27,057,660
2026	27,057,660	-	2,158,021	-	2,441,993	27,341,632
2027	27,341,632	-	2,218,160	-	2,465,860	27,589,332
2028	27,589,332	-	2,266,194	-	2,486,886	27,810,024
2029	27,810,024	-	2,316,178	-	2,505,282	27,999,128
2030	27,999,128	-	2,345,701	-	2,521,670	28,175,097
2031	28,175,097	-	2,368,838	-	2,537,124	28,343,383
2032	28,343,383	-	2,388,644	-	2,552,012	28,506,751
2033	28,506,751	-	2,409,359	-	2,566,395	28,663,787
2034	28,663,787	-	2,428,629	-	2,580,250	28,815,408
2035	28,815,408	-	2,441,504	-	2,593,898	28,967,802
2036	28,967,802	-	2,454,118	-	2,607,630	29,121,314
2037	29,121,314	-	2,462,750	-	2,621,654	29,280,218
2038	29,280,218	-	2,459,596	-	2,636,739	29,457,361
2039	29,457,361	-	2,460,101	-	2,653,367	29,650,627
2040	29,650,627	-	2,455,010	-	2,671,773	29,867,390
2041	29,867,390	-	2,445,612	-	2,692,591	30,114,369
2042	30,114,369	-	2,430,561	-	2,716,514	30,400,322
2043	30,400,322	-	2,408,694	-	2,744,422	30,736,050
2044	30,736,050	-	2,382,311	-	2,777,220	31,130,959
2045	31,130,959	-	2,347,962	-	2,815,956	31,598,953
2046	31,598,953	-	2,306,431	-	2,861,899	32,154,421
2047	32,154,421	-	2,258,738	-	2,916,355	32,812,038
2048	32,812,038	-	2,205,208	-	2,980,687	33,587,517
2049	33,587,517	-	2,146,185	-	3,056,356	34,497,688
2050	34,497,688	-	2,082,242	-	3,144,917	35,560,363
2051	35,560,363	-	2,013,741	-	3,248,028	36,794,650
2052	36,794,650	-	1,941,237	-	3,367,459	38,220,872
2053	38,220,872	-	1,865,351	-	3,505,090	39,860,611
2054	39,860,611	-	1,786,554	-	3,662,929	41,736,986
2055	41,736,986	-	1,705,646	-	3,843,111	43,874,451
2056	43,874,451	-	1,623,125	-	4,047,912	46,299,238
2057	46,299,238	-	1,539,277	-	4,279,782	49,039,743
2058	49,039,743	-	1,454,285	-	4,541,384	52,126,842
2059	52,126,842	-	1,368,434	-	4,835,607	55,594,015
2060	55,594,015	-	1,282,029	-	5,165,582	59,477,568
2061	59,477,568	-	1,195,467	-	5,534,704	63,816,805
2062	63,816,805	-	1,109,184	-	5,946,648	68,654,269
2063	68,654,269	-	1,023,674	-	6,405,389	74,035,984
2064	74,035,984	-	939,540	-	6,915,224	80,011,668
2065	80,011,668	-	857,349	-	7,480,801	86,635,120
2066	86,635,120	-	777,684	-	8,107,150	93,964,586
2067	93,964,586	-	701,023	-	8,799,723	102,063,286
2068	102,063,286	-	627,752	-	9,564,445	110,999,979
2069	110,999,979	-	558,197	-	10,407,763	120,849,545
2070	120,849,545	-	492,641	-	11,336,703	131,693,607
2071	131,693,607	-	431,326	-	12,358,927	143,621,208
2072	143,621,208	-	374,508	-	13,482,792	156,729,492

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.40%

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
2073	156,729,492	-	322,498	-	14,717,415	171,124,409
2074	171,124,409	-	275,468	-	16,072,747	186,921,688
2075	186,921,688	-	233,488	-	17,559,665	204,247,865
2076	204,247,865	-	196,470	-	19,190,065	223,241,460
2077	223,241,460	-	164,164	-	20,976,982	244,054,278
2078	244,054,278	-	136,277	-	22,934,697	266,852,698
2079	266,852,698	-	112,495	-	25,078,866	291,819,069
2080	291,819,069	-	92,472	-	27,426,646	319,153,243
2081	319,153,243	-	75,848	-	29,996,840	349,074,235
2082	349,074,235	-	62,237	-	32,810,053	381,822,051
2083	381,822,051	-	51,242	-	35,888,864	417,659,673
2084	417,659,673	-	42,464	-	39,258,013	456,875,222
2085	456,875,222	-	35,527	-	42,944,601	499,784,296
2086	499,784,296	-	30,086	-	46,978,310	546,732,520
2087	546,732,520	-	25,834	-	51,391,643	598,098,329
2088	598,098,329	-	22,519	-	56,220,185	654,295,995
2089	654,295,995	-	19,929	-	61,502,887	715,778,953
2090	715,778,953	-	17,891	-	67,282,381	783,043,443
2091	783,043,443	-	16,266	-	73,605,319	856,632,496
2092	856,632,496	-	14,946	-	80,522,752	937,140,302
2093	937,140,302	-	13,852	-	88,090,537	1,025,216,987
2094	1,025,216,987	-	12,930	-	96,369,789	1,121,573,846
2095	1,121,573,846	-	12,139	-	105,427,371	1,226,989,078
2096	1,226,989,078	-	11,453	-	115,336,435	1,342,314,060
2097	1,342,314,060	-	10,849	-	126,177,012	1,468,480,223
2098	1,468,480,223	-	10,308	-	138,036,656	1,606,506,571
2099	1,606,506,571	-	9,815	-	151,011,156	1,757,507,912
2100	1,757,507,912	-	9,356	-	165,205,304	1,922,703,860
2101	1,922,703,860	-	8,920	-	180,733,744	2,103,428,684
2102	2,103,428,684	-	8,496	-	197,721,897	2,301,142,085
2103	2,301,142,085	-	8,074	-	216,306,977	2,517,440,988
2104	2,517,440,988	-	7,648	-	236,639,093	2,754,072,433
2105	2,754,072,433	-	7,213	-	258,882,470	3,012,947,690
2106	3,012,947,690	-	6,767	-	283,216,765	3,296,157,688
2107	3,296,157,688	-	6,309	-	309,838,526	3,605,989,905
2108	3,605,989,905	-	5,842	-	338,962,776	3,944,946,839
2109	3,944,946,839	-	5,371	-	370,824,750	4,315,766,218
2110	4,315,766,218	-	4,900	-	405,681,794	4,721,443,112
2111	4,721,443,112	-	4,435	-	443,815,444	5,165,254,121
2112	5,165,254,121	-	3,976	-	485,533,701	5,650,783,846
2113	5,650,783,846	-	3,521	-	531,173,516	6,181,953,841
2114	6,181,953,841	-	3,075	-	581,103,517	6,763,054,283
2115	6,763,054,283	-	2,644	-	635,726,978	7,398,778,617
2116	7,398,778,617	-	2,235	-	695,485,085	8,094,261,467
2117	8,094,261,467	-	1,855	-	760,860,491	8,855,120,103
2118	8,855,120,103	-	1,507	-	832,381,219	9,687,499,815
2119	9,687,499,815	-	1,196	-	910,624,926	10,598,123,545
2120	10,598,123,545	-	925	-	996,223,570	11,594,346,190
2121	11,594,346,190	-	697	-	1,089,868,509	12,684,214,002
2122	12,684,214,002	-	510	-	1,192,316,092	13,876,529,584
2123	13,876,529,584	-	360	-	1,304,393,764	15,180,922,988
2124	15,180,922,988	-	246	-	1,427,006,749	16,607,929,491
2125	16,607,929,491	-	162	-	1,561,145,365	18,169,074,694

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.40%

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
2126	18,169,074,694	-	102	-	1,707,893,016	19,876,967,608
2127	19,876,967,608	-	62	-	1,868,434,952	21,745,402,498
2128	21,745,402,498	-	36	-	2,044,067,833	23,789,470,295
2129	23,789,470,295	-	20	-	2,236,210,207	26,025,680,482
2130	26,025,680,482	-	11	-	2,446,413,965	28,472,094,436
2131	28,472,094,436	-	6	-	2,676,376,877	31,148,471,307
2132	31,148,471,307	-	3	-	2,927,956,303	34,076,427,607
2133	34,076,427,607	-	1	-	3,203,184,195	37,279,611,801
2134	37,279,611,801	-	1	-	3,504,283,509	40,783,895,309
2135	40,783,895,309	-	-	-	3,833,686,159	44,617,581,468

*All DROP Balances paid in 2020.

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 9.40% 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, 2022

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL	
	7.40%	5.40%	9.40%
Minimum Required Contribution (Fixed \$)	\$1,132,301	\$1,896,557	\$480,113
Minimum Required Contribution (% of Payroll)	57.3%	95.8%	24.2%
Expected Member Contribution	139,655	138,308	141,001
Expected State Money	258,595	258,595	258,595
Expected Sponsor Contribution (Fixed \$)	\$734,051	\$1,499,654	\$80,517
Expected Sponsor Contribution (% of Payroll)	36.8%	75.3%	3.7%

ASSETS

Actuarial Value ¹	24,632,508	24,632,508	24,632,508
Market Value ¹	25,071,746	25,071,746	25,071,746

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	10,941,700	15,623,494	8,124,541
Disability Benefits	64,964	96,324	46,343
Death Benefits	23,333	32,675	17,231
Vested Benefits	460,631	731,384	309,008
Refund of Contributions	73,964	80,828	67,947
Service Retirees	14,052,356	17,634,992	11,573,753
DROP Retirees ¹	4,883,093	6,287,476	3,971,834
Beneficiaries	314,089	331,252	298,414
Disability Retirees	748,638	967,551	609,051
Terminated Vested	1,663,692	2,118,191	1,308,532
Share Plan Balances ¹	0	0	0
Total:	33,226,460	43,904,167	26,326,654
Present Value of Future Salaries	15,392,650	17,699,987	13,618,895
Present Value of Future Member Contributions	1,046,700	1,203,599	926,085
Total Normal Cost	408,110	643,368	268,553
Present Value of Future Normal Costs (Entry Age Normal)	2,832,869	5,038,949	1,676,480
Total Actuarial Accrued Liability ¹	30,393,591	38,865,218	24,650,174
Unfunded Actuarial Accrued Liability (UAAL)	5,761,083	14,232,710	17,666

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2022

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL	
	7.40%	5.40%	9.40%
<u>PENSION COST</u>			
Normal Cost ²	445,005	694,767	295,656
Administrative Expenses ²	52,522	52,015	53,028
Payment Required To Amortize UAAL ²	634,774	1,149,775	131,429
Minimum Required Contribution	\$1,132,301	\$1,896,557	\$480,113

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2020.

² Contributions developed as of 10/1/2020 displayed above have been adjusted to account for assumed salary increase and interest components.