

DESTIN FIRE CONTROL DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND

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



April 7, 2023

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
Section 112.664, Florida Statutes Compliance

Dear Kathryn:

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.

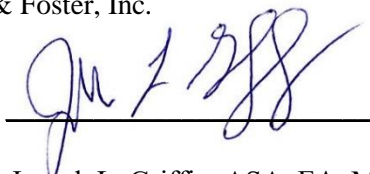
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the 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:



Joseph L. Griffin, ASA, EA, MAAA
Enrolled Actuary #23-6938

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, 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

Discount Rate:	ACTUAL	HYPOTHETICAL	
	7.40%	5.40%	9.40%
<u>Total Pension Liability</u>			
Service Cost	410,316	647,084	270,279
Interest	2,315,225	2,165,869	2,383,594
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	565,322	771,644	414,437
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,927,428)	(1,927,428)	(1,927,428)
Net Change in Total Pension Liability	1,363,435	1,657,169	1,140,882
Total Pension Liability - Beginning	31,840,223	40,425,309	26,050,820
Total Pension Liability - Ending (a)	\$ 33,203,658	\$ 42,082,478	\$ 27,191,702
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	749,784	749,784	749,784
Contributions - State	307,533	307,533	307,533
Contributions - Employee	150,285	150,285	150,285
Net Investment Income	(3,639,270)	(3,639,270)	(3,639,270)
Benefit Payments, Including Refunds of Employee Contributions	(1,927,428)	(1,927,428)	(1,927,428)
Administrative Expenses	(31,044)	(31,044)	(31,044)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	(4,390,140)	(4,390,140)	(4,390,140)
Plan Fiduciary Net Position - Beginning	30,407,612	30,407,612	30,407,612
Plan Fiduciary Net Position - Ending (b)	\$ 26,017,472	\$ 26,017,472	\$ 26,017,472
Net Pension Liability - Ending (a) - (b)	\$ 7,186,186	\$ 16,065,006	\$ 1,174,230

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 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
2022	26,017,472	-	2,420,851	-	1,835,721	25,432,342
2023	25,432,342	-	2,162,941	-	1,801,964	25,071,365
2024	25,071,365	-	2,206,775	-	1,773,630	24,638,220
2025	24,638,220	-	2,320,349	-	1,737,375	24,055,246
2026	24,055,246	-	2,313,369	-	1,694,494	23,436,371
2027	23,436,371	-	2,385,859	-	1,646,015	22,696,527
2028	22,696,527	-	2,440,151	-	1,589,257	21,845,633
2029	21,845,633	-	2,501,227	-	1,524,031	20,868,437
2030	20,868,437	-	2,561,847	-	1,449,476	19,756,066
2031	19,756,066	-	2,601,911	-	1,365,678	18,519,833
2032	18,519,833	-	2,598,526	-	1,274,322	17,195,629
2033	17,195,629	-	2,622,675	-	1,175,438	15,748,392
2034	15,748,392	-	2,646,204	-	1,067,471	14,169,659
2035	14,169,659	-	2,662,248	-	950,052	12,457,463
2036	12,457,463	-	2,680,089	-	822,689	10,600,063
2037	10,600,063	-	2,692,085	-	684,798	8,592,776
2038	8,592,776	-	2,692,219	-	536,253	6,436,810
2039	6,436,810	-	2,696,853	-	376,540	4,116,497
2040	4,116,497	-	2,695,221	-	204,898	1,626,174
2041	1,626,174	-	2,690,180	-	-	-

*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 19.60

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: Discount Rate = 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
2022	26,017,472	-	2,420,851	-	1,339,581	24,936,202
2023	24,936,202	-	2,162,941	-	1,288,156	24,061,417
2024	24,061,417	-	2,206,775	-	1,239,734	23,094,376
2025	23,094,376	-	2,320,349	-	1,184,447	21,958,474
2026	21,958,474	-	2,313,369	-	1,123,297	20,768,402
2027	20,768,402	-	2,385,859	-	1,057,076	19,439,619
2028	19,439,619	-	2,440,151	-	983,855	17,983,323
2029	17,983,323	-	2,501,227	-	903,566	16,385,662
2030	16,385,662	-	2,561,847	-	815,656	14,639,471
2031	14,639,471	-	2,601,911	-	720,280	12,757,840
2032	12,757,840	-	2,598,526	-	618,763	10,778,077
2033	10,778,077	-	2,622,675	-	511,204	8,666,606
2034	8,666,606	-	2,646,204	-	396,549	6,416,951
2035	6,416,951	-	2,662,248	-	274,635	4,029,338
2036	4,029,338	-	2,680,089	-	145,222	1,494,471
2037	1,494,471	-	2,692,085	-	-	-

*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 15.56

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: Discount Rate = 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
2022	26,017,472	-	2,420,851	-	2,331,862	25,928,483
2023	25,928,483	-	2,162,941	-	2,335,619	26,101,161
2024	26,101,161	-	2,206,775	-	2,349,791	26,244,177
2025	26,244,177	-	2,320,349	-	2,357,896	26,281,724
2026	26,281,724	-	2,313,369	-	2,361,754	26,330,109
2027	26,330,109	-	2,385,859	-	2,362,895	26,307,145
2028	26,307,145	-	2,440,151	-	2,358,185	26,225,179
2029	26,225,179	-	2,501,227	-	2,347,609	26,071,561
2030	26,071,561	-	2,561,847	-	2,330,320	25,840,034
2031	25,840,034	-	2,601,911	-	2,306,673	25,544,796
2032	25,544,796	-	2,598,526	-	2,279,080	25,225,350
2033	25,225,350	-	2,622,675	-	2,247,917	24,850,592
2034	24,850,592	-	2,646,204	-	2,211,584	24,415,972
2035	24,415,972	-	2,662,248	-	2,169,976	23,923,700
2036	23,923,700	-	2,680,089	-	2,122,864	23,366,475
2037	23,366,475	-	2,692,085	-	2,069,921	22,744,311
2038	22,744,311	-	2,692,219	-	2,011,431	22,063,523
2039	22,063,523	-	2,696,853	-	1,947,219	21,313,889
2040	21,313,889	-	2,695,221	-	1,876,830	20,495,498
2041	20,495,498	-	2,690,180	-	1,800,138	19,605,456
2042	19,605,456	-	2,678,013	-	1,717,046	18,644,489
2043	18,644,489	-	2,658,091	-	1,627,652	17,614,050
2044	17,614,050	-	2,638,680	-	1,531,703	16,507,073
2045	16,507,073	-	2,606,391	-	1,429,164	15,329,846
2046	15,329,846	-	2,566,962	-	1,320,358	14,083,242
2047	14,083,242	-	2,520,363	-	1,205,368	12,768,247
2048	12,768,247	-	2,468,990	-	1,084,173	11,383,430
2049	11,383,430	-	2,410,127	-	956,766	9,930,069
2050	9,930,069	-	2,345,417	-	823,192	8,407,844
2051	8,407,844	-	2,276,153	-	683,358	6,815,049
2052	6,815,049	-	2,202,256	-	537,109	5,149,902
2053	5,149,902	-	2,124,689	-	384,230	3,409,443
2054	3,409,443	-	2,043,553	-	224,441	1,590,331
2055	1,590,331	-	1,960,082	-	-	-

*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 33.81

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, 2024**

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.40%	5.40%	9.40%
Minimum Required Contribution (Fixed \$)	\$1,087,088	\$1,925,483	\$368,587
Minimum Required Contribution (% of Payroll)	50.2%	89.0%	17.0%
Expected Member Contribution	152,517	151,046	153,987
Expected State Money	307,533	307,533	307,533
Expected Sponsor Contribution (Fixed \$)	\$627,038	\$1,466,904	\$0
Expected Sponsor Contribution (% of Payroll)	29.0%	67.8%	0.0%

ASSETS

Actuarial Value ¹	28,604,789	28,604,789	28,604,789
Market Value ¹	26,017,472	26,017,472	26,017,472

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	13,850,266	19,444,790	10,470,113
Disability Benefits	72,625	109,813	50,967
Death Benefits	25,272	36,176	18,331
Vested Benefits	494,675	826,545	317,017
Refund of Contributions	89,291	96,031	83,300
Service Retirees	18,102,288	22,743,135	14,910,969
DROP Retirees ¹	2,570,848	3,292,738	2,106,459
Beneficiaries	228,878	237,202	221,092
Disability Retirees	744,309	959,045	606,609
Terminated Vested	476,574	626,239	377,458
Share Plan Balances ¹	0	0	0
Total:	36,655,026	48,371,714	29,162,315
Present Value of Future Salaries	17,415,923	20,248,135	15,265,941
Present Value of Future Member Contributions	1,184,283	1,376,873	1,038,084
Total Normal Cost	415,118	657,743	271,855
Present Value of Future Normal Costs (Entry Age Normal)	2,950,447	5,394,163	1,704,903
Total Actuarial Accrued Liability (EAN) ¹	33,704,579	42,977,551	27,457,412
Unfunded Actuarial Accrued Liability (UAAL)	5,099,790	14,372,762	(1,147,377)

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

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.40%	5.40%	9.40%
<u>PENSION COST</u>			
Normal Cost ²	452,518	710,088	299,205
Administrative Expenses ²	32,486	32,173	32,799
Payment Required To Amortize UAAL ²	602,084	1,183,222	36,583
Minimum Required Contribution	\$1,087,088	\$1,925,483	\$368,587

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

² Contributions developed as of 10/1/2022 displayed above have been adjusted to account for assumed salary increase and interest components.