

DESTIN FIRE CONTROL DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2023 VALUATION DATE



FOSTER & FOSTER

ACTUARIES AND CONSULTANTS

January 10, 2024

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, 2023 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.

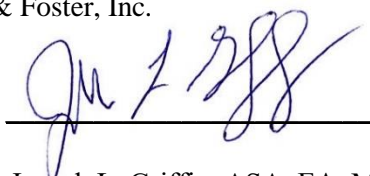
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the 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, 2023 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, 2023

	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
	7.40%	5.40%	9.40%
Discount Rate:			
<u>Total Pension Liability</u>			
Service Cost	425,792	673,010	279,804
Interest	2,434,583	2,269,394	2,513,732
Changes of Benefit Terms	284,034	412,269	202,120
Differences Between Expected and Actual Experience	483,806	870,357	247,975
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,459,355)	(1,459,355)	(1,459,355)
Net Change in Total Pension Liability	2,168,860	2,765,675	1,784,276
Total Pension Liability - Beginning	33,203,658	42,082,478	27,191,702
Total Pension Liability - Ending (a)	\$ 35,372,518	\$ 44,848,153	\$ 28,975,978
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	545,643	545,643	545,643
Contributions - State	342,717	342,717	342,717
Contributions - Employee	196,309	196,309	196,309
Net Investment Income	2,652,095	2,652,095	2,652,095
Benefit Payments, Including Refunds of Employee Contributions	(1,459,355)	(1,459,355)	(1,459,355)
Administrative Expenses	(37,524)	(37,524)	(37,524)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	2,239,885	2,239,885	2,239,885
Plan Fiduciary Net Position - Beginning	26,017,472	26,017,472	26,017,472
Plan Fiduciary Net Position - Ending (b)	\$ 28,257,357	\$ 28,257,357	\$ 28,257,357
Net Pension Liability - Ending (a) - (b)	\$ 7,115,161	\$ 16,590,796	\$ 718,621

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
2023	28,257,357	-	2,760,351	-	1,988,911	27,485,917
2024	27,485,917	-	2,277,034	-	1,949,708	27,158,591
2025	27,158,591	-	2,406,211	-	1,920,706	26,673,086
2026	26,673,086	-	2,403,565	-	1,884,876	26,154,397
2027	26,154,397	-	2,483,424	-	1,843,539	25,514,512
2028	25,514,512	-	2,541,368	-	1,794,043	24,767,187
2029	24,767,187	-	2,612,179	-	1,736,121	23,891,129
2030	23,891,129	-	2,682,257	-	1,668,700	22,877,572
2031	22,877,572	-	2,726,834	-	1,592,047	21,742,785
2032	21,742,785	-	2,772,336	-	1,506,390	20,476,839
2033	20,476,839	-	2,760,684	-	1,413,141	19,129,296
2034	19,129,296	-	2,787,091	-	1,312,446	17,654,651
2035	17,654,651	-	2,804,621	-	1,202,673	16,052,703
2036	16,052,703	-	2,826,931	-	1,083,304	14,309,076
2037	14,309,076	-	2,841,591	-	953,733	12,421,218
2038	12,421,218	-	2,843,976	-	813,943	10,391,185
2039	10,391,185	-	2,850,968	-	663,462	8,203,679
2040	8,203,679	-	2,850,472	-	501,605	5,854,812
2041	5,854,812	-	2,849,636	-	327,820	3,332,996
2042	3,332,996	-	2,841,444	-	141,508	633,060
2043	633,060	-	2,823,611	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 20.22

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
2023	28,257,357	-	2,760,351	-	1,451,368	26,948,374
2024	26,948,374	-	2,277,034	-	1,393,732	26,065,072
2025	26,065,072	-	2,406,211	-	1,342,546	25,001,407
2026	25,001,407	-	2,403,565	-	1,285,180	23,883,022
2027	23,883,022	-	2,483,424	-	1,222,631	22,622,229
2028	22,622,229	-	2,541,368	-	1,152,983	21,233,844
2029	21,233,844	-	2,612,179	-	1,076,099	19,697,764
2030	19,697,764	-	2,682,257	-	991,258	18,006,765
2031	18,006,765	-	2,726,834	-	898,741	16,178,672
2032	16,178,672	-	2,772,336	-	798,795	14,205,131
2033	14,205,131	-	2,760,684	-	692,539	12,136,986
2034	12,136,986	-	2,787,091	-	580,146	9,930,041
2035	9,930,041	-	2,804,621	-	460,497	7,585,917
2036	7,585,917	-	2,826,931	-	333,312	5,092,298
2037	5,092,298	-	2,841,591	-	198,261	2,448,968
2038	2,448,968	-	2,843,976	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 15.86

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
2023	28,257,357	-	2,760,351	-	2,526,455	28,023,461
2024	28,023,461	-	2,277,034	-	2,527,185	28,273,612
2025	28,273,612	-	2,406,211	-	2,544,628	28,412,029
2026	28,412,029	-	2,403,565	-	2,557,763	28,566,227
2027	28,566,227	-	2,483,424	-	2,568,504	28,651,307
2028	28,651,307	-	2,541,368	-	2,573,779	28,683,718
2029	28,683,718	-	2,612,179	-	2,573,497	28,645,036
2030	28,645,036	-	2,682,257	-	2,566,567	28,529,346
2031	28,529,346	-	2,726,834	-	2,553,597	28,356,109
2032	28,356,109	-	2,772,336	-	2,535,174	28,118,947
2033	28,118,947	-	2,760,684	-	2,513,429	27,871,692
2034	27,871,692	-	2,787,091	-	2,488,946	27,573,547
2035	27,573,547	-	2,804,621	-	2,460,096	27,229,022
2036	27,229,022	-	2,826,931	-	2,426,662	26,828,753
2037	26,828,753	-	2,841,591	-	2,388,348	26,375,510
2038	26,375,510	-	2,843,976	-	2,345,631	25,877,165
2039	25,877,165	-	2,850,968	-	2,298,458	25,324,655
2040	25,324,655	-	2,850,472	-	2,246,545	24,720,728
2041	24,720,728	-	2,849,636	-	2,189,816	24,060,908
2042	24,060,908	-	2,841,444	-	2,128,177	23,347,641
2043	23,347,641	-	2,823,611	-	2,061,969	22,585,999
2044	22,585,999	-	2,810,532	-	1,990,989	21,766,456
2045	21,766,456	-	2,781,523	-	1,915,315	20,900,248
2046	20,900,248	-	2,745,138	-	1,835,602	19,990,712
2047	19,990,712	-	2,701,309	-	1,752,165	19,041,568
2048	19,041,568	-	2,653,572	-	1,665,190	18,053,186
2049	18,053,186	-	2,595,172	-	1,575,026	17,033,040
2050	17,033,040	-	2,530,547	-	1,482,170	15,984,663
2051	15,984,663	-	2,460,005	-	1,386,938	14,911,596
2052	14,911,596	-	2,384,459	-	1,289,620	13,816,757
2053	13,816,757	-	2,305,031	-	1,190,439	12,702,165
2054	12,702,165	-	2,220,943	-	1,089,619	11,570,841
2055	11,570,841	-	2,134,295	-	987,347	10,423,893
2056	10,423,893	-	2,044,775	-	883,742	9,262,860
2057	9,262,860	-	1,952,954	-	778,920	8,088,826
2058	8,088,826	-	1,858,801	-	672,986	6,903,011
2059	6,903,011	-	1,762,913	-	566,026	5,706,124
2060	5,706,124	-	1,665,507	-	458,097	4,498,714
2061	4,498,714	-	1,566,996	-	349,230	3,280,948
2062	3,280,948	-	1,467,852	-	239,420	2,052,516
2063	2,052,516	-	1,368,631	-	128,611	812,496
2064	812,496	-	1,270,083	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 41.64

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, 2025

Valuation Date: 10/1/2023

	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
	7.40%	5.40%	9.40%
Investment Rate of Return:			
Minimum Required Contribution (Fixed \$)	\$1,366,388	\$2,269,377	\$597,105
Minimum Required Contribution (% of Payroll)	60.7%	101.8%	26.3%
Expected Member Contribution	180,080	178,344	181,817
Expected State Money	342,717	342,717	342,717
Expected Sponsor Contribution (Fixed \$)	\$843,590	\$1,748,316	\$72,571
Expected Sponsor Contribution (% of Payroll)	37.5%	78.4%	3.2%

ASSETS

Actuarial Value ¹	29,764,305	29,764,305	29,764,305
Market Value ¹	28,257,357	28,257,357	28,257,357

LIABILITIES

Present Value of Benefits

Actives

Retirement Benefits	16,400,704	23,290,697	12,277,826
Disability Benefits	86,949	131,208	60,712
Death Benefits	33,346	48,518	23,754
Vested Benefits	650,616	1,101,721	410,670
Refund of Contributions	105,831	113,673	98,861

Service Retirees	19,139,590	23,965,550	15,804,208
DROP Retirees ¹	2,759,625	3,478,751	2,293,959
Beneficiaries	179,527	184,401	174,913
Disability Retirees	738,719	948,921	603,291
Terminated Vested	274,899	357,551	220,622
Share Plan Balances ¹	0	0	0

Total:	40,369,806	53,620,991	31,968,816
--------	------------	------------	------------

Present Value of Future Salaries	18,392,986	21,322,901	16,157,751
----------------------------------	------------	------------	------------

Present Value of Future Member Contributions	1,471,439	1,705,832	1,292,620
---	-----------	-----------	-----------

Total Normal Cost	484,679	762,496	319,418
-------------------	---------	---------	---------

Present Value of Future Normal Costs (Entry Age Normal)	3,987,320	7,293,891	2,300,568
--	-----------	-----------	-----------

Total Actuarial Accrued Liability (EAN) ¹	36,382,486	46,327,100	29,668,248
--	------------	------------	------------

Unfunded Actuarial Accrued Liability (UAAL)	6,618,181	16,562,795	(96,057)
--	-----------	------------	----------

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2025

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.40%	5.40%	9.40%
<u>PENSION COST</u>			
Normal Cost ²	527,894	822,472	351,253
Administrative Expenses ²	37,341	36,981	37,701
Payment Required To Amortize UAAL ²	<u>801,153</u>	<u>1,409,924</u>	<u>208,151</u>
Minimum Required Contribution	\$1,366,388	\$2,269,377	\$597,105

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2023.

² Contributions developed as of 10/1/2023 displayed above have been adjusted to account for assumed salary increase and interest components.