

MIDWAY FIRE PROTECTION DISTRICT  
FIREFIGHTERS' PENSION TRUST FUND

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



October 13, 2023

VIA E-MAIL

Ms. Missy Scarborough  
Financial Administrator, CDM  
Midway Fire Protection District  
1322 College Parkway  
Gulf Breeze, FL 32563

Re: Midway Fire Protection District Firefighters' Pension Fund  
Section 112.664, Florida Statutes Compliance

Dear Missy:

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: Pedro Herrera, Board Attorney  
cc via email: Jessica A. De la Torre Vila, Legal Assistant

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:	7.00%	5.00%
<u>Total Pension Liability</u>		
Service Cost	542,837	854,258
Interest	679,266	665,883
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	378,607	513,928
Changes of Assumptions	-	-
Contributions - Buy Back	10,454	10,454
Benefit Payments, Including Refunds of Employee Contributions	(50,282)	(50,282)
Net Change in Total Pension Liability	1,560,882	1,994,241
Total Pension Liability - Beginning	9,186,106	12,488,553
Total Pension Liability - Ending (a)	<u>\$ 10,746,988</u>	<u>\$ 14,482,794</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	320,199	320,199
Contributions - State	173,475	173,475
Contributions - Employee	238,490	238,490
Contributions - Buy Back	10,454	10,454
Net Investment Income	(1,334,881)	(1,334,881)
Benefit Payments, Including Refunds of Employee Contributions	(50,282)	(50,282)
Administrative Expenses	(19,393)	(19,393)
Net Change in Plan Fiduciary Net Position	(661,938)	(661,938)
Plan Fiduciary Net Position - Beginning	9,475,095	9,475,095
Plan Fiduciary Net Position - Ending (b)	<u>\$ 8,813,157</u>	<u>\$ 8,813,157</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,933,831</u>	<u>\$ 5,669,637</u>

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

Table 1  
Plan Assumptions: Discount Rate = 7.00%

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	8,813,157	-	114,593	-	612,910	9,311,474
2023	9,311,474	-	92,033	-	648,582	9,868,023
2024	9,868,023	-	106,373	-	687,039	10,448,689
2025	10,448,689	-	174,405	-	725,304	10,999,588
2026	10,999,588	-	210,554	-	762,602	11,551,636
2027	11,551,636	-	335,047	-	796,888	12,013,477
2028	12,013,477	-	377,634	-	827,726	12,463,569
2029	12,463,569	-	518,492	-	854,303	12,799,380
2030	12,799,380	-	635,294	-	873,721	13,037,807
2031	13,037,807	-	761,130	-	886,007	13,162,684
2032	13,162,684	-	778,659	-	894,135	13,278,160
2033	13,278,160	-	791,451	-	901,770	13,388,479
2034	13,388,479	-	801,776	-	909,131	13,495,834
2035	13,495,834	-	797,903	-	916,782	13,614,713
2036	13,614,713	-	814,139	-	924,535	13,725,109
2037	13,725,109	-	807,820	-	932,484	13,849,773
2038	13,849,773	-	815,248	-	940,950	13,975,475
2039	13,975,475	-	811,888	-	949,867	14,113,454
2040	14,113,454	-	805,435	-	959,752	14,267,771
2041	14,267,771	-	799,745	-	970,753	14,438,779
2042	14,438,779	-	794,357	-	982,912	14,627,334
2043	14,627,334	-	786,880	-	996,373	14,836,827
2044	14,836,827	-	777,256	-	1,011,374	15,070,945
2045	15,070,945	-	769,642	-	1,028,029	15,329,332
2046	15,329,332	-	762,354	-	1,046,371	15,613,349
2047	15,613,349	-	749,332	-	1,066,708	15,930,725
2048	15,930,725	-	734,088	-	1,089,458	16,286,095
2049	16,286,095	-	718,395	-	1,114,883	16,682,583
2050	16,682,583	-	701,406	-	1,143,232	17,124,409
2051	17,124,409	-	683,428	-	1,174,789	17,615,770
2052	17,615,770	-	664,487	-	1,209,847	18,161,130
2053	18,161,130	-	644,389	-	1,248,725	18,765,466
2054	18,765,466	-	623,117	-	1,291,774	19,434,123
2055	19,434,123	-	600,342	-	1,339,377	20,173,158
2056	20,173,158	-	576,575	-	1,391,941	20,988,524
2057	20,988,524	-	551,959	-	1,449,878	21,886,443
2058	21,886,443	-	526,373	-	1,513,628	22,873,698
2059	22,873,698	-	499,906	-	1,583,662	23,957,454
2060	23,957,454	-	472,708	-	1,660,477	25,145,223
2061	25,145,223	-	444,955	-	1,744,592	26,444,860
2062	26,444,860	-	416,829	-	1,836,551	27,864,582
2063	27,864,582	-	388,540	-	1,936,922	29,412,964
2064	29,412,964	-	360,312	-	2,046,297	31,098,949
2065	31,098,949	-	332,366	-	2,165,294	32,931,877
2066	32,931,877	-	304,917	-	2,294,559	34,921,519
2067	34,921,519	-	278,167	-	2,434,770	37,078,122
2068	37,078,122	-	252,301	-	2,586,638	39,412,459
2069	39,412,459	-	227,480	-	2,750,910	41,935,889
2070	41,935,889	-	203,858	-	2,928,377	44,660,408

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

Table 1  
Plan Assumptions: Discount Rate = 7.00%

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
2071	44,660,408	-	181,574	-	3,119,873	47,598,707
2072	47,598,707	-	160,710	-	3,326,285	50,764,282
2073	50,764,282	-	141,328	-	3,548,553	54,171,507
2074	54,171,507	-	123,482	-	3,787,684	57,835,709
2075	57,835,709	-	107,188	-	4,044,748	61,773,269
2076	61,773,269	-	92,409	-	4,320,895	66,001,755
2077	66,001,755	-	79,102	-	4,617,354	70,540,007
2078	70,540,007	-	67,227	-	4,935,448	75,408,228
2079	75,408,228	-	56,728	-	5,276,590	80,628,090
2080	80,628,090	-	47,532	-	5,642,303	86,222,861
2081	86,222,861	-	39,553	-	6,034,216	92,217,524
2082	92,217,524	-	32,683	-	6,454,083	98,638,924
2083	98,638,924	-	26,818	-	6,903,786	105,515,892
2084	105,515,892	-	21,861	-	7,385,347	112,879,378
2085	112,879,378	-	17,703	-	7,900,937	120,762,612
2086	120,762,612	-	14,241	-	8,452,884	129,201,255
2087	129,201,255	-	11,379	-	9,043,690	138,233,566
2088	138,233,566	-	9,032	-	9,676,034	147,900,568
2089	147,900,568	-	7,122	-	10,352,790	158,246,236
2090	158,246,236	-	5,584	-	11,077,041	169,317,693
2091	169,317,693	-	4,353	-	11,852,086	181,165,426
2092	181,165,426	-	3,371	-	12,681,462	193,843,517
2093	193,843,517	-	2,591	-	13,568,956	207,409,882
2094	207,409,882	-	1,975	-	14,518,623	221,926,530
2095	221,926,530	-	1,490	-	15,534,805	237,459,845
2096	237,459,845	-	1,112	-	16,622,150	254,080,883
2097	254,080,883	-	819	-	17,785,633	271,865,697
2098	271,865,697	-	593	-	19,030,578	290,895,682
2099	290,895,682	-	422	-	20,362,683	311,257,943
2100	311,257,943	-	295	-	21,788,046	333,045,694
2101	333,045,694	-	201	-	23,313,192	356,358,685
2102	356,358,685	-	134	-	24,945,103	381,303,654
2103	381,303,654	-	87	-	26,691,253	407,994,820
2104	407,994,820	-	55	-	28,559,635	436,554,400
2105	436,554,400	-	33	-	30,558,807	467,113,174
2106	467,113,174	-	20	-	32,697,921	499,811,075
2107	499,811,075	-	11	-	34,986,775	534,797,839
2108	534,797,839	-	6	-	37,435,849	572,233,682
2109	572,233,682	-	3	-	40,056,358	612,290,037
2110	612,290,037	-	2	-	42,860,303	655,150,338
2111	655,150,338	-	1	-	45,860,524	701,010,861
2112	701,010,861	-	-	-	49,070,760	750,081,621

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 7.00% 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 = 5.00%

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	8,813,157	-	114,593	-	437,793	9,136,357
2023	9,136,357	-	92,033	-	454,517	9,498,841
2024	9,498,841	-	106,373	-	472,283	9,864,751
2025	9,864,751	-	174,405	-	488,877	10,179,223
2026	10,179,223	-	210,554	-	503,697	10,472,366
2027	10,472,366	-	335,047	-	515,242	10,652,561
2028	10,652,561	-	377,634	-	523,187	10,798,114
2029	10,798,114	-	518,492	-	526,943	10,806,565
2030	10,806,565	-	635,294	-	524,446	10,695,717
2031	10,695,717	-	761,130	-	515,758	10,450,345
2032	10,450,345	-	778,659	-	503,051	10,174,737
2033	10,174,737	-	791,451	-	488,951	9,872,237
2034	9,872,237	-	801,776	-	473,567	9,544,028
2035	9,544,028	-	797,903	-	457,254	9,203,379
2036	9,203,379	-	814,139	-	439,815	8,829,055
2037	8,829,055	-	807,820	-	421,257	8,442,492
2038	8,442,492	-	815,248	-	401,743	8,028,987
2039	8,028,987	-	811,888	-	381,152	7,598,251
2040	7,598,251	-	805,435	-	359,777	7,152,593
2041	7,152,593	-	799,745	-	337,636	6,690,484
2042	6,690,484	-	794,357	-	314,665	6,210,792
2043	6,210,792	-	786,880	-	290,868	5,714,780
2044	5,714,780	-	777,256	-	266,308	5,203,832
2045	5,203,832	-	769,642	-	240,951	4,675,141
2046	4,675,141	-	762,354	-	214,698	4,127,485
2047	4,127,485	-	749,332	-	187,641	3,565,794
2048	3,565,794	-	734,088	-	159,938	2,991,644
2049	2,991,644	-	718,395	-	131,622	2,404,871
2050	2,404,871	-	701,406	-	102,708	1,806,173
2051	1,806,173	-	683,428	-	73,223	1,195,968
2052	1,195,968	-	664,487	-	43,186	574,667
2053	574,667	-	644,389	-	-	-

Number of Years Expected Benefit Payments Sustained: 31.89

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% 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:	7.00%	5.00%
Minimum Required Contribution (Fixed \$)	\$889,179	\$1,704,758
Minimum Required Contribution (% of Payroll)	34.0%	65.1%
Expected Member Contribution	261,769	261,769
Expected State Money	173,475	173,475
Expected Sponsor Contribution (Fixed \$)	\$453,935	\$1,269,514
Expected Sponsor Contribution (% of Payroll)	17.4%	48.5%

**ASSETS**

Actuarial Value <sup>1</sup>	9,889,044	9,889,044
Market Value <sup>1</sup>	8,813,157	8,813,157

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	12,893,742	19,072,803
Disability Benefits	252,668	361,789
Death Benefits	90,892	121,605
Vested Benefits	2,045,049	3,168,243
Refund of Contributions	132,488	140,988
Service Retirees	352,945	440,425
DROP Retirees <sup>1</sup>	0	0
Beneficiaries	0	0
Disability Retirees	167,745	206,909
Terminated Vested	350,489	467,676
Total:	16,286,018	23,980,438
Present Value of Future Salaries	20,368,781	22,683,222
Present Value of Future Member Contributions	2,036,878	2,268,322
Total Normal Cost	822,105	1,626,174
Present Value of Future Normal Costs (Entry Age Normal)	4,661,481	8,272,003
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	11,624,537	15,708,435
Unfunded Actuarial Accrued Liability (UAAL)	0	0



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

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.00%	5.00%
<b><u>PENSION COST</u></b>		
Normal Cost (with interest)	850,879	1,666,828
Administrative Expenses (with interest)	38,300	37,930
Payment Required To Amortize UAAL (with interest)	0	0
Minimum Required Contribution	\$889,179	\$1,704,758

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