

MIDWAY FIRE PROTECTION DISTRICT
FIREFIGHTERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2021 VALUATION DATE



July 22, 2022

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, 2021 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, ASA, EA, MAAA
Enrolled Actuary #20-8193

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, 2021 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, 2021

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.00%	5.00%
<u>Total Pension Liability</u>		
Service Cost	462,959	728,428
Interest	559,889	552,632
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	643,595	899,079
Changes of Assumptions	-	-
Contributions - Buy Back	4,915	4,915
Benefit Payments, Including Refunds of Employee Contributions	(41,423)	(41,423)
Net Change in Total Pension Liability	1,629,935	2,143,631
Total Pension Liability - Beginning	7,556,171	10,344,922
Total Pension Liability - Ending (a)	<u>\$ 9,186,106</u>	<u>\$ 12,488,553</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	230,000	230,000
Contributions - State	153,220	153,220
Contributions - Employee	208,825	208,825
Contributions - Buy Back	4,915	4,915
Net Investment Income	1,446,976	1,446,976
Benefit Payments, Including Refunds of Employee Contributions	(41,423)	(41,423)
Administrative Expenses	(21,646)	(21,646)
Net Change in Plan Fiduciary Net Position	1,980,867	1,980,867
Plan Fiduciary Net Position - Beginning	7,494,228	7,494,228
Plan Fiduciary Net Position - Ending (b)	<u>\$ 9,475,095</u>	<u>\$ 9,475,095</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (288,989)</u>	<u>\$ 3,013,458</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
2021	9,475,095	-	96,232	-	659,889	10,038,752
2022	10,038,752	-	80,568	-	699,893	10,658,077
2023	10,658,077	-	90,810	-	742,887	11,310,154
2024	11,310,154	-	102,955	-	788,107	11,995,306
2025	11,995,306	-	160,240	-	834,063	12,669,129
2026	12,669,129	-	193,747	-	880,058	13,355,440
2027	13,355,440	-	301,261	-	924,337	13,978,516
2028	13,978,516	-	339,307	-	966,620	14,605,829
2029	14,605,829	-	456,971	-	1,006,414	15,155,272
2030	15,155,272	-	557,781	-	1,041,347	15,638,838
2031	15,638,838	-	660,931	-	1,071,586	16,049,493
2032	16,049,493	-	673,837	-	1,099,880	16,475,536
2033	16,475,536	-	685,021	-	1,129,312	16,919,827
2034	16,919,827	-	693,115	-	1,160,129	17,386,841
2035	17,386,841	-	689,256	-	1,192,955	17,890,540
2036	17,890,540	-	701,407	-	1,227,789	18,416,922
2037	18,416,922	-	694,950	-	1,264,861	18,986,833
2038	18,986,833	-	699,028	-	1,304,612	19,592,417
2039	19,592,417	-	694,213	-	1,347,172	20,245,376
2040	20,245,376	-	686,986	-	1,393,132	20,951,522
2041	20,951,522	-	679,238	-	1,442,833	21,715,117
2042	21,715,117	-	672,973	-	1,496,504	22,538,648
2043	22,538,648	-	666,051	-	1,554,394	23,426,991
2044	23,426,991	-	657,509	-	1,616,877	24,386,359
2045	24,386,359	-	649,858	-	1,684,300	25,420,801
2046	25,420,801	-	642,397	-	1,756,972	26,535,376
2047	26,535,376	-	630,875	-	1,835,396	27,739,897
2048	27,739,897	-	617,956	-	1,920,164	29,042,105
2049	29,042,105	-	604,643	-	2,011,785	30,449,247
2050	30,449,247	-	590,199	-	2,110,790	31,969,838
2051	31,969,838	-	575,023	-	2,217,763	33,612,578
2052	33,612,578	-	558,920	-	2,333,318	35,386,976
2053	35,386,976	-	541,754	-	2,458,127	37,303,349
2054	37,303,349	-	523,588	-	2,592,909	39,372,670
2055	39,372,670	-	504,231	-	2,738,439	41,606,878
2056	41,606,878	-	483,957	-	2,895,543	44,018,464
2057	44,018,464	-	462,913	-	3,065,091	46,620,642
2058	46,620,642	-	441,012	-	3,248,010	49,427,640
2059	49,427,640	-	418,362	-	3,445,292	52,454,570
2060	52,454,570	-	395,095	-	3,657,992	55,717,467
2061	55,717,467	-	371,363	-	3,887,225	59,233,329
2062	59,233,329	-	347,328	-	4,134,177	63,020,178
2063	63,020,178	-	323,171	-	4,400,101	67,097,108
2064	67,097,108	-	299,089	-	4,686,329	71,484,348
2065	71,484,348	-	275,272	-	4,994,270	76,203,346
2066	76,203,346	-	251,911	-	5,325,417	81,276,852
2067	81,276,852	-	229,182	-	5,681,358	86,729,028
2068	86,729,028	-	207,247	-	6,063,778	92,585,559
2069	92,585,559	-	186,243	-	6,474,471	98,873,787
2070	98,873,787	-	166,301	-	6,915,345	105,622,831
2071	105,622,831	-	147,540	-	7,388,434	112,863,725
2072	112,863,725	-	130,024	-	7,895,910	120,629,611

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
2073	120,629,611	-	113,804	-	8,440,090	128,955,897
2074	128,955,897	-	98,920	-	9,023,451	137,880,428
2075	137,880,428	-	85,383	-	9,648,642	147,443,687
2076	147,443,687	-	73,156	-	10,318,498	157,689,029
2077	157,689,029	-	62,197	-	11,036,055	168,662,887
2078	168,662,887	-	52,469	-	11,804,566	180,414,984
2079	180,414,984	-	43,918	-	12,627,512	192,998,578
2080	192,998,578	-	36,478	-	13,508,624	206,470,724
2081	206,470,724	-	30,069	-	14,451,898	220,892,553
2082	220,892,553	-	24,597	-	15,461,618	236,329,574
2083	236,329,574	-	19,966	-	16,542,371	252,851,979
2084	252,851,979	-	16,091	-	17,699,075	270,534,963
2085	270,534,963	-	12,877	-	18,936,997	289,459,083
2086	289,459,083	-	10,232	-	20,261,778	309,710,629
2087	309,710,629	-	8,073	-	21,679,461	331,382,017
2088	331,382,017	-	6,326	-	23,196,520	354,572,211
2089	354,572,211	-	4,926	-	24,819,882	379,387,167
2090	379,387,167	-	3,813	-	26,556,968	405,940,322
2091	405,940,322	-	2,936	-	28,415,720	434,353,106
2092	434,353,106	-	2,248	-	30,404,639	464,755,497
2093	464,755,497	-	1,710	-	32,532,825	497,286,612
2094	497,286,612	-	1,291	-	34,810,018	532,095,339
2095	532,095,339	-	966	-	37,246,640	569,341,013
2096	569,341,013	-	715	-	39,853,846	609,194,144
2097	609,194,144	-	524	-	42,643,572	651,837,192
2098	651,837,192	-	378	-	45,628,590	697,465,404
2099	697,465,404	-	268	-	48,822,569	746,287,705
2100	746,287,705	-	187	-	52,240,133	798,527,651
2101	798,527,651	-	127	-	55,896,931	854,424,455
2102	854,424,455	-	85	-	59,809,709	914,234,079
2103	914,234,079	-	55	-	63,996,384	978,230,408
2104	978,230,408	-	35	-	68,476,127	1,046,706,500
2105	1,046,706,500	-	21	-	73,269,454	1,119,975,933
2106	1,119,975,933	-	12	-	78,398,315	1,198,374,236
2107	1,198,374,236	-	7	-	83,886,196	1,282,260,425
2108	1,282,260,425	-	4	-	89,758,230	1,372,018,651
2109	1,372,018,651	-	2	-	96,041,306	1,468,059,955
2110	1,468,059,955	-	1	-	102,764,197	1,570,824,151
2111	1,570,824,151	-	1	-	109,957,691	1,680,781,841
2112	1,680,781,841	-	-	-	117,654,729	1,798,436,570

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
2021	9,475,095	-	96,232	-	471,349	9,850,212
2022	9,850,212	-	80,568	-	490,496	10,260,140
2023	10,260,140	-	90,810	-	510,737	10,680,067
2024	10,680,067	-	102,955	-	531,429	11,108,541
2025	11,108,541	-	160,240	-	551,421	11,499,722
2026	11,499,722	-	193,747	-	570,142	11,876,117
2027	11,876,117	-	301,261	-	586,274	12,161,130
2028	12,161,130	-	339,307	-	599,574	12,421,397
2029	12,421,397	-	456,971	-	609,646	12,574,072
2030	12,574,072	-	557,781	-	614,759	12,631,050
2031	12,631,050	-	660,931	-	615,029	12,585,148
2032	12,585,148	-	673,837	-	612,411	12,523,722
2033	12,523,722	-	685,021	-	609,061	12,447,762
2034	12,447,762	-	693,115	-	605,060	12,359,707
2035	12,359,707	-	689,256	-	600,754	12,271,205
2036	12,271,205	-	701,407	-	596,025	12,165,823
2037	12,165,823	-	694,950	-	590,917	12,061,790
2038	12,061,790	-	699,028	-	585,614	11,948,376
2039	11,948,376	-	694,213	-	580,063	11,834,226
2040	11,834,226	-	686,986	-	574,537	11,721,777
2041	11,721,777	-	679,238	-	569,108	11,611,647
2042	11,611,647	-	672,973	-	563,758	11,502,432
2043	11,502,432	-	666,051	-	558,470	11,394,851
2044	11,394,851	-	657,509	-	553,305	11,290,647
2045	11,290,647	-	649,858	-	548,286	11,189,075
2046	11,189,075	-	642,397	-	543,394	11,090,072
2047	11,090,072	-	630,875	-	538,732	10,997,929
2048	10,997,929	-	617,956	-	534,448	10,914,421
2049	10,914,421	-	604,643	-	530,605	10,840,383
2050	10,840,383	-	590,199	-	527,264	10,777,448
2051	10,777,448	-	575,023	-	524,497	10,726,922
2052	10,726,922	-	558,920	-	522,373	10,690,375
2053	10,690,375	-	541,754	-	520,975	10,669,596
2054	10,669,596	-	523,588	-	520,390	10,666,398
2055	10,666,398	-	504,231	-	520,714	10,682,881
2056	10,682,881	-	483,957	-	522,045	10,720,969
2057	10,720,969	-	462,913	-	524,476	10,782,532
2058	10,782,532	-	441,012	-	528,101	10,869,621
2059	10,869,621	-	418,362	-	533,022	10,984,281
2060	10,984,281	-	395,095	-	539,337	11,128,523
2061	11,128,523	-	371,363	-	547,142	11,304,302
2062	11,304,302	-	347,328	-	556,532	11,513,506
2063	11,513,506	-	323,171	-	567,596	11,757,931
2064	11,757,931	-	299,089	-	580,419	12,039,261
2065	12,039,261	-	275,272	-	595,081	12,359,070
2066	12,359,070	-	251,911	-	611,656	12,718,815
2067	12,718,815	-	229,182	-	630,211	13,119,844
2068	13,119,844	-	207,247	-	650,811	13,563,408
2069	13,563,408	-	186,243	-	673,514	14,050,679
2070	14,050,679	-	166,301	-	698,376	14,582,754
2071	14,582,754	-	147,540	-	725,449	15,160,663
2072	15,160,663	-	130,024	-	754,783	15,785,422

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
2073	15,785,422	-	113,804	-	786,426	16,458,044
2074	16,458,044	-	98,920	-	820,429	17,179,553
2075	17,179,553	-	85,383	-	856,843	17,951,013
2076	17,951,013	-	73,156	-	895,722	18,773,579
2077	18,773,579	-	62,197	-	937,124	19,648,506
2078	19,648,506	-	52,469	-	981,114	20,577,151
2079	20,577,151	-	43,918	-	1,027,760	21,560,993
2080	21,560,993	-	36,478	-	1,077,138	22,601,653
2081	22,601,653	-	30,069	-	1,129,331	23,700,915
2082	23,700,915	-	24,597	-	1,184,431	24,860,749
2083	24,860,749	-	19,966	-	1,242,538	26,083,321
2084	26,083,321	-	16,091	-	1,303,764	27,370,994
2085	27,370,994	-	12,877	-	1,368,228	28,726,345
2086	28,726,345	-	10,232	-	1,436,061	30,152,174
2087	30,152,174	-	8,073	-	1,507,407	31,651,508
2088	31,651,508	-	6,326	-	1,582,417	33,227,599
2089	33,227,599	-	4,926	-	1,661,257	34,883,930
2090	34,883,930	-	3,813	-	1,744,101	36,624,218
2091	36,624,218	-	2,936	-	1,831,138	38,452,420
2092	38,452,420	-	2,248	-	1,922,565	40,372,737
2093	40,372,737	-	1,710	-	2,018,594	42,389,621
2094	42,389,621	-	1,291	-	2,119,449	44,507,779
2095	44,507,779	-	966	-	2,225,365	46,732,178
2096	46,732,178	-	715	-	2,336,591	49,068,054
2097	49,068,054	-	524	-	2,453,390	51,520,920
2098	51,520,920	-	378	-	2,576,037	54,096,579
2099	54,096,579	-	268	-	2,704,822	56,801,133
2100	56,801,133	-	187	-	2,840,052	59,640,998
2101	59,640,998	-	127	-	2,982,047	62,622,918
2102	62,622,918	-	85	-	3,131,144	65,753,977
2103	65,753,977	-	55	-	3,287,697	69,041,619
2104	69,041,619	-	35	-	3,452,080	72,493,664
2105	72,493,664	-	21	-	3,624,683	76,118,326
2106	76,118,326	-	12	-	3,805,916	79,924,230
2107	79,924,230	-	7	-	3,996,211	83,920,434
2108	83,920,434	-	4	-	4,196,022	88,116,452
2109	88,116,452	-	2	-	4,405,823	92,522,273
2110	92,522,273	-	1	-	4,626,114	97,148,386
2111	97,148,386	-	1	-	4,857,419	102,005,804
2112	102,005,804	-	-	-	5,100,290	107,106,094

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 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, 2023

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.00%	5.00%
Minimum Required Contribution (Fixed \$)	\$711,633	\$1,416,849
Minimum Required Contribution (% of Payroll)	31.2%	62.1%
Expected Member Contribution	228,175	228,175
Expected State Money	153,220	153,220
Expected Sponsor Contribution (Fixed \$)	\$330,238	\$1,035,454
Expected Sponsor Contribution (% of Payroll)	14.5%	45.4%

ASSETS

Actuarial Value ¹	8,788,900	8,788,900
Market Value ¹	9,475,095	9,475,095

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	10,834,510	16,204,297
Disability Benefits	204,002	294,138
Death Benefits	75,849	101,803
Vested Benefits	1,841,710	2,840,357
Refund of Contributions	120,466	128,632
Service Retirees	355,511	445,090
DROP Retirees ¹	0	0
Beneficiaries	0	0
Disability Retirees	169,321	209,353
Terminated Vested	324,827	441,710
Share Plan Balances ¹	0	0
Total:	13,926,196	20,665,380
Present Value of Future Salaries	18,146,365	20,212,750
Present Value of Future Member Contributions	1,814,637	2,021,275
Total Normal Cost	645,970	1,340,694
Present Value of Future Normal Costs (Entry Age Normal)	4,177,603	7,410,702
Total Actuarial Accrued Liability (EAN) ¹	9,748,593	13,254,678
Unfunded Actuarial Accrued Liability (UAAL)	0	0

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2023

	Valuation Date: 10/1/2021	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.00%	5.00%
<u>PENSION COST</u>		
Normal Cost (with interest)	668,579	1,374,211
Administrative Expenses (with interest)	43,054	42,638
Payment Required To Amortize UAAL (with interest)	0	0
Minimum Required Contribution	\$711,633	\$1,416,849

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2021.