

MIDWAY FIRE PROTECTION DISTRICT
FIREFIGHTERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2019 VALUATION DATE



August 27, 2020

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, 2019 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: 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, 2019 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, 2019

	ACTUAL	HYPOTHETICAL
	7.00% RP-2000 Generational	5.00% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	339,987	546,833
Interest	431,520	438,281
Changes of Benefit Terms	(1,230)	(1,611)
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Contributions - Buy Back	31,850	31,850
Benefit Payments, Including Refunds of Employee Contributions	(31,770)	(31,770)
Net Change in Total Pension Liability	770,357	983,583
Total Pension Liability - Beginning	5,841,702	8,236,285
Total Pension Liability - Ending (a)	<u>\$ 6,612,059</u>	<u>\$ 9,219,868</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	139,050	139,050
Contributions - State	124,987	124,987
Contributions - Employee	146,939	146,939
Contributions - Buy Back	31,850	31,850
Net Investment Income	332,427	332,427
Benefit Payments, Including Refunds of Employee Contributions	(31,770)	(31,770)
Administrative Expenses	(21,708)	(21,708)
Net Change in Plan Fiduciary Net Position	721,775	721,775
Plan Fiduciary Net Position - Beginning	5,901,922	5,901,922
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,623,697</u>	<u>\$ 6,623,697</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (11,638)</u>	<u>\$ 2,596,171</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.00% and RP-2000 Generational Mortality

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
2019	6,623,697	-	66,594	-	461,328	7,018,431
2020	7,018,431	-	54,038	-	489,399	7,453,792
2021	7,453,792	-	59,559	-	519,681	7,913,914
2022	7,913,914	-	73,296	-	551,409	8,392,027
2023	8,392,027	-	85,442	-	584,451	8,891,036
2024	8,891,036	-	94,031	-	619,081	9,416,086
2025	9,416,086	-	134,659	-	654,413	9,935,840
2026	9,935,840	-	172,234	-	689,481	10,453,087
2027	10,453,087	-	232,561	-	723,576	10,944,102
2028	10,944,102	-	271,804	-	756,574	11,428,872
2029	11,428,872	-	354,666	-	787,608	11,861,814
2030	11,861,814	-	431,252	-	815,233	12,245,795
2031	12,245,795	-	507,847	-	839,431	12,577,379
2032	12,577,379	-	514,887	-	862,395	12,924,887
2033	12,924,887	-	523,261	-	886,428	13,288,054
2034	13,288,054	-	522,383	-	911,880	13,677,551
2035	13,677,551	-	518,854	-	939,269	14,097,966
2036	14,097,966	-	526,460	-	968,432	14,539,938
2037	14,539,938	-	520,539	-	999,577	15,018,976
2038	15,018,976	-	520,226	-	1,033,120	15,531,870
2039	15,531,870	-	513,788	-	1,069,248	16,087,330
2040	16,087,330	-	505,545	-	1,108,419	16,690,204
2041	16,690,204	-	498,364	-	1,150,872	17,342,712
2042	17,342,712	-	493,406	-	1,196,721	18,046,027
2043	18,046,027	-	488,837	-	1,246,113	18,803,303
2044	18,803,303	-	483,215	-	1,299,319	19,619,407
2045	19,619,407	-	477,183	-	1,356,657	20,498,881
2046	20,498,881	-	471,159	-	1,418,431	21,446,153
2047	21,446,153	-	464,119	-	1,484,987	22,467,021
2048	22,467,021	-	456,439	-	1,556,716	23,567,298
2049	23,567,298	-	448,591	-	1,634,010	24,752,717
2050	24,752,717	-	440,183	-	1,717,284	26,029,818
2051	26,029,818	-	431,407	-	1,806,988	27,405,399
2052	27,405,399	-	422,112	-	1,903,604	28,886,891
2053	28,886,891	-	412,214	-	2,007,655	30,482,332
2054	30,482,332	-	401,835	-	2,119,699	32,200,196
2055	32,200,196	-	390,854	-	2,240,334	34,049,676
2056	34,049,676	-	379,152	-	2,370,207	36,040,731
2057	36,040,731	-	366,854	-	2,510,011	38,183,888
2058	38,183,888	-	353,900	-	2,660,486	40,490,474
2059	40,490,474	-	340,290	-	2,822,423	42,972,607
2060	42,972,607	-	326,023	-	2,996,672	45,643,256
2061	45,643,256	-	311,143	-	3,184,138	48,516,251
2062	48,516,251	-	295,703	-	3,385,788	51,606,336
2063	51,606,336	-	279,716	-	3,602,653	54,929,273
2064	54,929,273	-	263,207	-	3,835,837	58,501,903
2065	58,501,903	-	246,303	-	4,086,513	62,342,113
2066	62,342,113	-	229,155	-	4,355,927	66,468,885
2067	66,468,885	-	211,782	-	4,645,410	70,902,513
2068	70,902,513	-	194,217	-	4,956,378	75,664,674
2069	75,664,674	-	176,645	-	5,290,345	80,778,374
2070	80,778,374	-	159,295	-	5,648,911	86,267,990
2071	86,267,990	-	142,332	-	6,033,778	92,159,436

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.00% and RP-2000 Generational Mortality

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
2072	92,159,436	-	125,868	-	6,446,755	98,480,323
2073	98,480,323	-	110,127	-	6,889,768	105,259,964
2074	105,259,964	-	95,379	-	7,364,859	112,529,444
2075	112,529,444	-	81,687	-	7,874,202	120,321,959
2076	120,321,959	-	69,071	-	8,420,120	128,673,008
2077	128,673,008	-	57,656	-	9,005,093	137,620,445
2078	137,620,445	-	47,615	-	9,631,765	147,204,595
2079	147,204,595	-	38,899	-	10,302,960	157,468,656
2080	157,468,656	-	31,370	-	11,021,708	168,458,994
2081	168,458,994	-	25,014	-	11,791,254	180,225,234
2082	180,225,234	-	19,705	-	12,615,077	192,820,606
2083	192,820,606	-	15,343	-	13,496,905	206,302,168
2084	206,302,168	-	11,830	-	14,440,738	220,731,076
2085	220,731,076	-	9,053	-	15,450,858	236,172,881
2086	236,172,881	-	6,861	-	16,531,862	252,697,882
2087	252,697,882	-	5,171	-	17,688,671	270,381,382
2088	270,381,382	-	3,872	-	18,926,561	289,304,071
2089	289,304,071	-	2,888	-	20,251,184	309,552,367
2090	309,552,367	-	2,140	-	21,668,591	331,218,818
2091	331,218,818	-	1,582	-	23,185,262	354,402,498
2092	354,402,498	-	1,158	-	24,808,134	379,209,474
2093	379,209,474	-	840	-	26,544,634	405,753,268
2094	405,753,268	-	604	-	28,402,708	434,155,372
2095	434,155,372	-	429	-	30,390,861	464,545,804
2096	464,545,804	-	300	-	32,518,196	497,063,700
2097	497,063,700	-	206	-	34,794,452	531,857,946
2098	531,857,946	-	139	-	37,230,051	569,087,858
2099	569,087,858	-	91	-	39,836,147	608,923,914
2100	608,923,914	-	58	-	42,624,672	651,548,528
2101	651,548,528	-	36	-	45,608,396	697,156,888
2102	697,156,888	-	22	-	48,800,981	745,957,847
2103	745,957,847	-	13	-	52,217,049	798,174,883
2104	798,174,883	-	8	-	55,872,242	854,047,117
2105	854,047,117	-	5	-	59,783,298	913,830,410
2106	913,830,410	-	3	-	63,968,129	977,798,536
2107	977,798,536	-	2	-	68,445,897	1,046,244,431
2108	1,046,244,431	-	1	-	73,237,110	1,119,481,540
2109	1,119,481,540	-	1	-	78,363,708	1,197,845,247
2110	1,197,845,247	-	-	-	83,849,167	1,281,694,414

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: 5.00% and RP-2000 Generational Mortality

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
2019	6,623,697	-	66,594	-	329,520	6,886,623
2020	6,886,623	-	54,038	-	342,980	7,175,565
2021	7,175,565	-	59,559	-	357,289	7,473,295
2022	7,473,295	-	73,296	-	371,832	7,771,831
2023	7,771,831	-	85,442	-	386,456	8,072,845
2024	8,072,845	-	94,031	-	401,291	8,380,105
2025	8,380,105	-	134,659	-	415,639	8,661,085
2026	8,661,085	-	172,234	-	428,748	8,917,599
2027	8,917,599	-	232,561	-	440,066	9,125,104
2028	9,125,104	-	271,804	-	449,460	9,302,760
2029	9,302,760	-	354,666	-	456,271	9,404,365
2030	9,404,365	-	431,252	-	459,437	9,432,550
2031	9,432,550	-	507,847	-	458,931	9,383,634
2032	9,383,634	-	514,887	-	456,310	9,325,057
2033	9,325,057	-	523,261	-	453,171	9,254,967
2034	9,254,967	-	522,383	-	449,689	9,182,273
2035	9,182,273	-	518,854	-	446,142	9,109,561
2036	9,109,561	-	526,460	-	442,317	9,025,418
2037	9,025,418	-	520,539	-	438,257	8,943,136
2038	8,943,136	-	520,226	-	434,151	8,857,061
2039	8,857,061	-	513,788	-	430,008	8,773,281
2040	8,773,281	-	505,545	-	426,025	8,693,761
2041	8,693,761	-	498,364	-	422,229	8,617,626
2042	8,617,626	-	493,406	-	418,546	8,542,766
2043	8,542,766	-	488,837	-	414,917	8,468,846
2044	8,468,846	-	483,215	-	411,362	8,396,993
2045	8,396,993	-	477,183	-	407,920	8,327,730
2046	8,327,730	-	471,159	-	404,608	8,261,179
2047	8,261,179	-	464,119	-	401,456	8,198,516
2048	8,198,516	-	456,439	-	398,515	8,140,592
2049	8,140,592	-	448,591	-	395,815	8,087,816
2050	8,087,816	-	440,183	-	393,386	8,041,019
2051	8,041,019	-	431,407	-	391,266	8,000,878
2052	8,000,878	-	422,112	-	389,491	7,968,257
2053	7,968,257	-	412,214	-	388,108	7,944,151
2054	7,944,151	-	401,835	-	387,162	7,929,478
2055	7,929,478	-	390,854	-	386,703	7,925,327
2056	7,925,327	-	379,152	-	386,788	7,932,963
2057	7,932,963	-	366,854	-	387,477	7,953,586
2058	7,953,586	-	353,900	-	388,832	7,988,518
2059	7,988,518	-	340,290	-	390,919	8,039,147
2060	8,039,147	-	326,023	-	393,807	8,106,931
2061	8,106,931	-	311,143	-	397,568	8,193,356
2062	8,193,356	-	295,703	-	402,275	8,299,928
2063	8,299,928	-	279,716	-	408,004	8,428,216
2064	8,428,216	-	263,207	-	414,831	8,579,840
2065	8,579,840	-	246,303	-	422,834	8,756,371
2066	8,756,371	-	229,155	-	432,090	8,959,306
2067	8,959,306	-	211,782	-	442,671	9,190,195
2068	9,190,195	-	194,217	-	454,654	9,450,632
2069	9,450,632	-	176,645	-	468,115	9,742,102
2070	9,742,102	-	159,295	-	483,123	10,065,930
2071	10,065,930	-	142,332	-	499,738	10,423,336

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 5.00% and RP-2000 Generational Mortality

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
2072	10,423,336	-	125,868	-	518,020	10,815,488
2073	10,815,488	-	110,127	-	538,021	11,243,382
2074	11,243,382	-	95,379	-	559,785	11,707,788
2075	11,707,788	-	81,687	-	583,347	12,209,448
2076	12,209,448	-	69,071	-	608,746	12,749,123
2077	12,749,123	-	57,656	-	636,015	13,327,482
2078	13,327,482	-	47,615	-	665,184	13,945,051
2079	13,945,051	-	38,899	-	696,280	14,602,432
2080	14,602,432	-	31,370	-	729,337	15,300,399
2081	15,300,399	-	25,014	-	764,395	16,039,780
2082	16,039,780	-	19,705	-	801,496	16,821,571
2083	16,821,571	-	15,343	-	840,695	17,646,923
2084	17,646,923	-	11,830	-	882,050	18,517,143
2085	18,517,143	-	9,053	-	925,631	19,433,721
2086	19,433,721	-	6,861	-	971,515	20,398,375
2087	20,398,375	-	5,171	-	1,019,789	21,412,993
2088	21,412,993	-	3,872	-	1,070,553	22,479,674
2089	22,479,674	-	2,888	-	1,123,912	23,600,698
2090	23,600,698	-	2,140	-	1,179,981	24,778,539
2091	24,778,539	-	1,582	-	1,238,887	26,015,844
2092	26,015,844	-	1,158	-	1,300,763	27,315,449
2093	27,315,449	-	840	-	1,365,751	28,680,360
2094	28,680,360	-	604	-	1,434,003	30,113,759
2095	30,113,759	-	429	-	1,505,677	31,619,007
2096	31,619,007	-	300	-	1,580,943	33,199,650
2097	33,199,650	-	206	-	1,659,977	34,859,421
2098	34,859,421	-	139	-	1,742,968	36,602,250
2099	36,602,250	-	91	-	1,830,110	38,432,269
2100	38,432,269	-	58	-	1,921,612	40,353,823
2101	40,353,823	-	36	-	2,017,690	42,371,477
2102	42,371,477	-	22	-	2,118,573	44,490,028
2103	44,490,028	-	13	-	2,224,501	46,714,516
2104	46,714,516	-	8	-	2,335,726	49,050,234
2105	49,050,234	-	5	-	2,452,512	51,502,741
2106	51,502,741	-	3	-	2,575,137	54,077,875
2107	54,077,875	-	2	-	2,703,894	56,781,767
2108	56,781,767	-	1	-	2,839,088	59,620,854
2109	59,620,854	-	1	-	2,981,043	62,601,896
2110	62,601,896	-	-	-	3,130,095	65,731,991

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, 2021**

Valuation Date: 10/1/2019

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00% RP-2000 Generational	5.00% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$425,137	\$949,153
Minimum Required Contribution (% of Payroll)	27.5%	61.4%
Expected Member Contribution	154,625	154,625
Expected State Money	124,987	124,987
Expected Sponsor Contribution (Fixed \$)	\$145,525	\$669,541
Expected Sponsor Contribution (% of Payroll)	9.4%	43.3%

ASSETS

Actuarial Value ¹	6,699,165	6,699,165
Market Value ¹	6,623,697	6,623,697

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	7,411,532	11,324,410
Disability Benefits	114,711	160,551
Death Benefits	70,130	93,968
Vested Benefits	1,569,655	2,428,071
Refund of Contributions	51,715	55,063
Service Retirees	364,613	461,827
DROP Retirees ¹	0	0
Beneficiaries	0	0
Disability Retirees	162,894	199,670
Terminated Vested	113,266	171,511
Share Plan Balances ¹	0	0
Total:	<u>9,858,516</u>	<u>14,895,071</u>
Present Value of Future Salaries	12,734,854	14,099,089
Present Value of Future Member Contributions	1,273,485	1,409,909
Total Normal Cost	383,605	898,847
Present Value of Future Normal Costs (Entry Age Normal)	2,853,792	5,156,557
Total Actuarial Accrued Liability ¹	7,004,724	9,738,514
Unfunded Actuarial Accrued Liability (UAAL)	0	0

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2021

Valuation Date: 10/1/2019

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	397,031	921,318
Administrative Expenses (with interest)	28,106	27,835
Payment Required To Amortize UAAL (with interest)	<u>0</u>	<u>0</u>
Minimum Required Contribution	\$425,137	\$949,153

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2019.