

OCEAN CITY-WRIGHT FIRE CONTROL DISTRICT
FIREFIGHTERS' PENSION TRUST FUND

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



March 29, 2023

VIA E-MAIL

Jennifer Benedict, Secretary
Ocean City-Wright Fire Control District
Firefighters' Pension Trust Fund
233 Racetrack Rd. NE.
Ft. Walton Beach, FL 32547

Re: Ocean City-Wright Fire Control District Firefighters' Pension Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Jennifer:

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 #20-6938

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

	ACTUAL	HYPOTHETICAL	
	6.80%	4.80%	8.80%
Discount Rate:			
<u>Total Pension Liability</u>			
Service Cost	697,264	1,122,481	451,317
Interest	1,672,852	1,555,268	1,713,792
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(505,618)	(494,069)	(495,931)
Changes of Assumptions	329,360	551,500	212,243
Contributions - Buy Back	31,404	31,404	31,404
Benefit Payments, Including Refunds of Employee Contributions	(1,421,283)	(1,421,283)	(1,421,283)
Net Change in Total Pension Liability	803,979	1,345,301	491,542
Total Pension Liability - Beginning	23,911,261	30,693,516	19,301,462
Total Pension Liability - Ending (a)	<u>\$ 24,715,240</u>	<u>\$ 32,038,817</u>	<u>\$ 19,793,004</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,304,851	1,304,851	1,304,851
Contributions - State	369,467	369,467	369,467
Contributions - Employee	247,237	247,237	247,237
Contributions - Buy Back	31,404	31,404	31,404
Net Investment Income	(2,984,481)	(2,984,481)	(2,984,481)
Benefit Payments, Including Refunds of Employee Contributions	(1,421,283)	(1,421,283)	(1,421,283)
Administrative Expenses	(44,971)	(44,971)	(44,971)
Net Change in Plan Fiduciary Net Position	(2,497,776)	(2,497,776)	(2,497,776)
Plan Fiduciary Net Position - Beginning	19,777,296	19,777,296	19,777,296
Plan Fiduciary Net Position - Ending (b)	<u>\$ 17,279,520</u>	<u>\$ 17,279,520</u>	<u>\$ 17,279,520</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,435,720</u>	<u>\$ 14,759,297</u>	<u>\$ 2,513,484</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.80%

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	17,279,496	-	1,473,187	-	1,124,917	16,931,226
2023	16,931,226	-	1,453,825	-	1,101,893	16,579,294
2024	16,579,294	-	1,494,243	-	1,076,588	16,161,639
2025	16,161,639	-	1,490,468	-	1,048,316	15,719,487
2026	15,719,487	-	1,485,412	-	1,018,421	15,252,496
2027	15,252,496	-	1,551,300	-	984,426	14,685,622
2028	14,685,622	-	1,550,725	-	945,898	14,080,795
2029	14,080,795	-	1,564,110	-	904,314	13,420,999
2030	13,420,999	-	1,568,135	-	859,311	12,712,175
2031	12,712,175	-	1,585,093	-	810,535	11,937,617
2032	11,937,617	-	1,607,911	-	757,089	11,086,795
2033	11,086,795	-	1,643,939	-	698,008	10,140,864
2034	10,140,864	-	1,680,928	-	632,427	9,092,363
2035	9,092,363	-	1,685,871	-	560,961	7,967,453
2036	7,967,453	-	1,694,929	-	484,159	6,756,683
2037	6,756,683	-	1,684,230	-	402,191	5,474,644
2038	5,474,644	-	1,692,864	-	314,718	4,096,498
2039	4,096,498	-	1,689,606	-	221,115	2,628,007
2040	2,628,007	-	1,669,882	-	121,928	1,080,053
2041	1,080,053	-	1,665,712	-	-	-

Number of Years Expected Benefit Payments Sustained: 19.65

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.80% 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 = 4.80%

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	17,279,496	-	1,473,187	-	794,059	16,600,368
2023	16,600,368	-	1,453,825	-	761,926	15,908,469
2024	15,908,469	-	1,494,243	-	727,745	15,141,971
2025	15,141,971	-	1,490,468	-	691,043	14,342,546
2026	14,342,546	-	1,485,412	-	652,792	13,509,926
2027	13,509,926	-	1,551,300	-	611,245	12,569,871
2028	12,569,871	-	1,550,725	-	566,136	11,585,282
2029	11,585,282	-	1,564,110	-	518,555	10,539,727
2030	10,539,727	-	1,568,135	-	468,272	9,439,864
2031	9,439,864	-	1,585,093	-	415,071	8,269,842
2032	8,269,842	-	1,607,911	-	358,363	7,020,294
2033	7,020,294	-	1,643,939	-	297,520	5,673,875
2034	5,673,875	-	1,680,928	-	232,004	4,224,951
2035	4,224,951	-	1,685,871	-	162,337	2,701,417
2036	2,701,417	-	1,694,929	-	88,990	1,095,478
2037	1,095,478	-	1,684,230	-	-	-

Number of Years Expected Benefit Payments Sustained: 15.65

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.80% 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 = 8.80%

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	17,279,496	-	1,473,187	-	1,455,775	17,262,084
2023	17,262,084	-	1,453,825	-	1,455,095	17,263,354
2024	17,263,354	-	1,494,243	-	1,453,428	17,222,539
2025	17,222,539	-	1,490,468	-	1,450,003	17,182,074
2026	17,182,074	-	1,485,412	-	1,446,664	17,143,326
2027	17,143,326	-	1,551,300	-	1,440,355	17,032,381
2028	17,032,381	-	1,550,725	-	1,430,618	16,912,274
2029	16,912,274	-	1,564,110	-	1,419,459	16,767,623
2030	16,767,623	-	1,568,135	-	1,406,553	16,606,041
2031	16,606,041	-	1,585,093	-	1,391,588	16,412,536
2032	16,412,536	-	1,607,911	-	1,373,555	16,178,180
2033	16,178,180	-	1,643,939	-	1,351,347	15,885,588
2034	15,885,588	-	1,680,928	-	1,323,971	15,528,631
2035	15,528,631	-	1,685,871	-	1,292,341	15,135,101
2036	15,135,101	-	1,694,929	-	1,257,312	14,697,484
2037	14,697,484	-	1,684,230	-	1,219,272	14,232,526
2038	14,232,526	-	1,692,864	-	1,177,976	13,717,638
2039	13,717,638	-	1,689,606	-	1,132,809	13,160,841
2040	13,160,841	-	1,669,882	-	1,084,679	12,575,638
2041	12,575,638	-	1,665,712	-	1,033,365	11,943,291
2042	11,943,291	-	1,638,756	-	978,904	11,283,439
2043	11,283,439	-	1,629,866	-	921,229	10,574,802
2044	10,574,802	-	1,607,056	-	859,872	9,827,618
2045	9,827,618	-	1,585,430	-	795,071	9,037,259
2046	9,037,259	-	1,552,102	-	726,986	8,212,143
2047	8,212,143	-	1,510,224	-	656,219	7,358,138
2048	7,358,138	-	1,491,493	-	581,890	6,448,535
2049	6,448,535	-	1,448,108	-	503,754	5,504,181
2050	5,504,181	-	1,397,302	-	422,887	4,529,766
2051	4,529,766	-	1,348,742	-	339,275	3,520,299
2052	3,520,299	-	1,294,781	-	252,816	2,478,334
2053	2,478,334	-	1,238,373	-	163,605	1,403,566
2054	1,403,566	-	1,179,568	-	71,613	295,611
2055	295,611	-	1,120,188	-	-	-

Number of Years Expected Benefit Payments Sustained: 33.26

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.80% 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	
	6.80%	4.80%	8.80%
Investment Rate of Return:	6.80%	4.80%	8.80%
Minimum Required Contribution (Fixed \$)	\$1,247,762	\$1,959,244	\$700,680
Minimum Required Contribution (% of Payroll)	35.0%	55.0%	19.7%
Expected Member Contribution	249,296	249,296	249,296
Expected State Money	369,637	369,637	369,637
Expected Sponsor Contribution (Fixed \$)	\$628,829	\$1,340,311	\$81,747
Expected Sponsor Contribution (% of Payroll)	17.6%	37.6%	2.3%

ASSETS

Actuarial Value ¹	19,220,917	19,220,917	19,220,917
Market Value ¹	17,279,496	17,279,496	17,279,496

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	10,377,910	16,554,543	6,874,540
Disability Benefits	331,260	488,573	236,587
Death Benefits	57,467	82,037	41,454
Vested Benefits	1,660,297	3,084,599	942,800
Refund of Contributions	329,081	349,829	310,493
Service Retirees	16,677,556	20,645,169	13,909,528
Beneficiaries	193,956	217,452	174,755
Disability Retirees	520,040	684,782	416,393
Terminated Vested	568,698	880,017	382,246
Share Plan Balances ¹	0	0	0
Total:	30,716,265	42,987,001	23,288,796
Present Value of Future Salaries	31,831,062	36,105,973	28,430,468
Present Value of Future Member Contributions	2,228,174	2,527,418	1,990,133
Total Normal Cost	666,460	1,076,118	431,956
Present Value of Future Normal Costs (Entry Age Normal)	5,685,441	10,448,419	3,277,267
Total Actuarial Accrued Liability (EAN) ¹	25,030,824	32,538,582	20,011,529
Unfunded Actuarial Accrued Liability (UAAL)	5,809,907	13,317,665	790,612

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

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
	6.80%	4.80%	8.80%
Investment Rate of Return:	6.80%	4.80%	8.80%
<u>PENSION COST</u>			
Normal Cost (with interest)	689,120	1,101,945	450,962
Administrative Expenses (with interest)	39,165	38,786	39,544
Payment Required To Amortize UAAL (with interest)	519,477	818,513	210,174
Minimum Required Contribution	\$1,247,762	\$1,959,244	\$700,680

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