

ENGLEWOOD AREA FIRE CONTROL DISTRICT
FIREFIGHTERS' PENSION TRUST FUND

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



July 20, 2022

VIA EMAIL

Shelly Baumann
Plan Administrator
14 Kelly Drive
Arcadia, FL 34266

Re: Englewood Area Fire Control District Firefighters' Pension Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Shelly:

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:  _____

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #20-7778

Enclosures

cc via email: Scott R. Christiansen, 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, 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:	7.35%	5.35%
<u>Total Pension Liability</u>		
Service Cost	1,039,531	1,660,345
Interest	3,033,671	2,872,636
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(161,538)	(114,133)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,457,000)	(1,457,000)
Net Change in Total Pension Liability	2,454,664	2,961,848
Total Pension Liability - Beginning	40,963,410	52,762,286
Total Pension Liability - Ending (a)	<u>\$ 43,418,074</u>	<u>\$ 55,724,134</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,779,000	1,779,000
Contributions - State	395,820	395,820
Contributions - Employee	375,396	375,396
Net Investment Income	8,445,267	8,445,267
Benefit Payments, Including Refunds of Employee Contributions	(1,457,000)	(1,457,000)
Administrative Expenses	(36,299)	(36,299)
Net Change in Plan Fiduciary Net Position	9,502,184	9,502,184
Plan Fiduciary Net Position - Beginning	37,022,606	37,022,606
Plan Fiduciary Net Position - Ending (b)	<u>\$ 46,524,790</u>	<u>\$ 46,524,790</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (3,106,716)</u>	<u>\$ 9,199,344</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.35%

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	45,441,638	-	3,072,724	-	3,227,038	45,595,952
2022	45,595,952	-	2,291,555	-	3,267,088	46,571,485
2023	46,571,485	-	2,366,596	-	3,336,032	47,540,921
2024	47,540,921	-	2,413,225	-	3,405,572	48,533,268
2025	48,533,268	-	2,608,862	-	3,471,320	49,395,726
2026	49,395,726	-	2,861,146	-	3,525,439	50,060,019
2027	50,060,019	-	2,974,158	-	3,570,111	50,655,972
2028	50,655,972	-	3,079,505	-	3,610,042	51,186,509
2029	51,186,509	-	3,190,074	-	3,644,973	51,641,408
2030	51,641,408	-	3,275,233	-	3,675,279	52,041,454
2031	52,041,454	-	3,319,696	-	3,703,048	52,424,806
2032	52,424,806	-	3,362,205	-	3,729,662	52,792,263
2033	52,792,263	-	3,387,902	-	3,755,726	53,160,087
2034	53,160,087	-	3,410,445	-	3,781,933	53,531,575
2035	53,531,575	-	3,435,403	-	3,808,320	53,904,492
2036	53,904,492	-	3,458,964	-	3,834,863	54,280,391
2037	54,280,391	-	3,486,893	-	3,861,465	54,654,963
2038	54,654,963	-	3,497,039	-	3,888,624	55,046,548
2039	55,046,548	-	3,496,959	-	3,917,408	55,466,997
2040	55,466,997	-	3,493,363	-	3,948,443	55,922,077
2041	55,922,077	-	3,485,710	-	3,982,173	56,418,540
2042	56,418,540	-	3,466,722	-	4,019,361	56,971,179
2043	56,971,179	-	3,447,705	-	4,060,678	57,584,152
2044	57,584,152	-	3,413,447	-	4,106,991	58,277,696
2045	58,277,696	-	3,371,700	-	4,159,501	59,065,497
2046	59,065,497	-	3,322,406	-	4,219,216	59,962,307
2047	59,962,307	-	3,265,388	-	4,287,227	60,984,146
2048	60,984,146	-	3,201,196	-	4,364,691	62,147,641
2049	62,147,641	-	3,129,809	-	4,452,831	63,470,663
2050	63,470,663	-	3,051,414	-	4,552,954	64,972,203
2051	64,972,203	-	2,966,479	-	4,666,439	66,672,163
2052	66,672,163	-	2,875,811	-	4,794,718	68,591,070
2053	68,591,070	-	2,779,616	-	4,939,293	70,750,747
2054	70,750,747	-	2,678,869	-	5,101,731	73,173,609
2055	73,173,609	-	2,573,946	-	5,283,668	75,883,331
2056	75,883,331	-	2,465,287	-	5,486,826	78,904,870
2057	78,904,870	-	2,353,309	-	5,713,024	82,264,585
2058	82,264,585	-	2,238,378	-	5,964,187	85,990,394
2059	85,990,394	-	2,120,938	-	6,242,349	90,111,805
2060	90,111,805	-	2,001,601	-	6,549,659	94,659,863
2061	94,659,863	-	1,881,165	-	6,888,367	99,667,065
2062	99,667,065	-	1,760,525	-	7,260,830	105,167,370
2063	105,167,370	-	1,640,553	-	7,669,511	111,196,328
2064	111,196,328	-	1,522,174	-	8,116,990	117,791,144
2065	117,791,144	-	1,406,396	-	8,605,964	124,990,712
2066	124,990,712	-	1,294,136	-	9,139,258	132,835,834
2067	132,835,834	-	1,186,287	-	9,719,838	141,369,385
2068	141,369,385	-	1,083,523	-	10,350,830	150,636,692
2069	150,636,692	-	986,176	-	11,035,555	160,686,071
2070	160,686,071	-	894,340	-	11,777,559	171,569,290
2071	171,569,290	-	807,928	-	12,580,651	183,342,013
2072	183,342,013	-	726,809	-	13,448,928	196,064,132

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.35%

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	196,064,132	-	650,809	-	14,386,796	209,800,119
2074	209,800,119	-	579,807	-	15,399,001	224,619,313
2075	224,619,313	-	513,691	-	16,490,641	240,596,263
2076	240,596,263	-	452,325	-	17,667,202	257,811,140
2077	257,811,140	-	395,638	-	18,934,579	276,350,081
2078	276,350,081	-	343,624	-	20,299,103	296,305,560
2079	296,305,560	-	296,336	-	21,767,568	317,776,792
2080	317,776,792	-	253,817	-	23,347,266	340,870,241
2081	340,870,241	-	215,988	-	25,046,025	365,700,278
2082	365,700,278	-	182,688	-	26,872,257	392,389,847
2083	392,389,847	-	153,660	-	28,835,007	421,071,194
2084	421,071,194	-	128,581	-	30,944,007	451,886,620
2085	451,886,620	-	107,085	-	33,209,731	484,989,266
2086	484,989,266	-	88,775	-	35,643,449	520,543,940
2087	520,543,940	-	73,253	-	38,257,288	558,727,975
2088	558,727,975	-	60,132	-	41,064,296	599,732,139
2089	599,732,139	-	49,065	-	44,078,509	643,761,583
2090	643,761,583	-	39,748	-	47,315,016	691,036,851
2091	691,036,851	-	31,921	-	50,790,035	741,794,965
2092	741,794,965	-	25,366	-	54,520,998	796,290,597
2093	796,290,597	-	19,903	-	58,526,627	854,797,321
2094	854,797,321	-	15,389	-	62,827,038	917,608,970
2095	917,608,970	-	11,711	-	67,443,829	985,041,088
2096	985,041,088	-	8,755	-	72,400,198	1,057,432,531
2097	1,057,432,531	-	6,416	-	77,721,055	1,135,147,170
2098	1,135,147,170	-	4,599	-	83,433,148	1,218,575,719
2099	1,218,575,719	-	3,220	-	89,565,197	1,308,137,696
2100	1,308,137,696	-	2,199	-	96,148,040	1,404,283,537
2101	1,404,283,537	-	1,462	-	103,214,786	1,507,496,861
2102	1,507,496,861	-	945	-	110,800,985	1,618,296,901
2103	1,618,296,901	-	593	-	118,944,800	1,737,241,108
2104	1,737,241,108	-	362	-	127,687,208	1,864,927,954
2105	1,864,927,954	-	215	-	137,072,197	2,001,999,936
2106	2,001,999,936	-	125	-	147,146,991	2,149,146,802
2107	2,149,146,802	-	70	-	157,962,287	2,307,109,019
2108	2,307,109,019	-	39	-	169,572,511	2,476,681,491
2109	2,476,681,491	-	21	-	182,036,089	2,658,717,559
2110	2,658,717,559	-	10	-	195,415,740	2,854,133,289
2111	2,854,133,289	-	5	-	209,778,797	3,063,912,081
2112	3,063,912,081	-	2	-	225,197,538	3,289,109,617
2113	3,289,109,617	-	1	-	241,749,557	3,530,859,173
2114	3,530,859,173	-	-	-	259,518,149	3,790,377,322

*All DROP and Share Balances paid in 2021.

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 7.35% 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 = 5.35%

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	45,441,638	-	3,072,724	-	2,348,932	44,717,846
2022	44,717,846	-	2,291,555	-	2,331,106	44,757,397
2023	44,757,397	-	2,366,596	-	2,331,214	44,722,015
2024	44,722,015	-	2,413,225	-	2,328,074	44,636,864
2025	44,636,864	-	2,608,862	-	2,318,285	44,346,287
2026	44,346,287	-	2,861,146	-	2,295,991	43,781,132
2027	43,781,132	-	2,974,158	-	2,262,732	43,069,706
2028	43,069,706	-	3,079,505	-	2,221,853	42,212,054
2029	42,212,054	-	3,190,074	-	2,173,010	41,194,990
2030	41,194,990	-	3,275,233	-	2,116,319	40,036,076
2031	40,036,076	-	3,319,696	-	2,053,128	38,769,508
2032	38,769,508	-	3,362,205	-	1,984,230	37,391,533
2033	37,391,533	-	3,387,902	-	1,909,821	35,913,452
2034	35,913,452	-	3,410,445	-	1,830,140	34,333,147
2035	34,333,147	-	3,435,403	-	1,744,926	32,642,670
2036	32,642,670	-	3,458,964	-	1,653,856	30,837,562
2037	30,837,562	-	3,486,893	-	1,556,535	28,907,204
2038	28,907,204	-	3,497,039	-	1,452,990	26,863,155
2039	26,863,155	-	3,496,959	-	1,343,635	24,709,831
2040	24,709,831	-	3,493,363	-	1,228,528	22,444,996
2041	22,444,996	-	3,485,710	-	1,107,565	20,066,851
2042	20,066,851	-	3,466,722	-	980,842	17,580,971
2043	17,580,971	-	3,447,705	-	848,356	14,981,622
2044	14,981,622	-	3,413,447	-	710,207	12,278,382
2045	12,278,382	-	3,371,700	-	566,700	9,473,382
2046	9,473,382	-	3,322,406	-	417,952	6,568,928
2047	6,568,928	-	3,265,388	-	264,089	3,567,629
2048	3,567,629	-	3,201,196	-	105,236	471,669
2049	471,669	-	3,129,809	-	-	-

*All DROP and Share Balances paid in 2021.

Number of Years Expected Benefit Payments Sustained: 28.15

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.35% 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:	7.35%	5.35%
Minimum Required Contribution (Fixed \$)	\$1,687,806	\$3,219,344
Minimum Required Contribution (% of Payroll)	45.3%	86.4%
Expected Member Contribution	386,522	382,794
Expected State Money	395,820	395,820
Expected Sponsor Contribution (Fixed \$)	\$905,464	\$2,440,730
Expected Sponsor Contribution (% of Payroll)	23.9%	65.0%

ASSETS

Actuarial Value ¹	41,279,928	41,279,928
Market Value ¹	45,441,638	45,441,638

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	27,059,621	40,006,010
Disability Benefits	197,101	268,619
Death Benefits	149,005	219,683
Vested Benefits	0	0
Refund of Contributions	45,492	47,328
Service Retirees	18,982,450	23,606,313
DROP Retirees ¹	4,727,145	5,803,256
Beneficiaries	0	0
Disability Retirees	457,333	542,459
Terminated Vested	487,120	625,985
Share Plan Balances ¹	217,062	217,062
Total:	52,322,329	71,336,715
Present Value of Future Salaries	27,929,068	31,091,859
Present Value of Future Member Contributions	2,792,907	3,109,186
Total Normal Cost	1,107,924	1,740,541
Present Value of Future Normal Costs (Entry Age Normal)	8,840,143	15,546,563
Total Actuarial Accrued Liability (EAN) ¹	43,482,186	55,790,152
Unfunded Actuarial Accrued Liability (UAAL)	2,202,258	14,510,224

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

	Valuation Date: 10/1/2021	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.35%	5.35%
<u>PENSION COST</u>		
Normal Cost ²	1,233,180	1,918,631
Administrative Expenses ²	42,457	42,048
Payment Required To Amortize UAAL ²	412,169	1,258,665
Minimum Required Contribution	\$1,687,806	\$3,219,344

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

² Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase and interest components.