

BOCA GRANDE FIRE CONTROL DISTRICT
FIREFIGHTERS' PENSION FUND

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



April 26, 2023

VIA E-MAIL

Shelly Baumann, Plan Administrator
Boca Grande FCD Pension Fund
P.O. Box 532
Boca Grande, FL 33921

Re: Boca Grande Fire Control District Firefighters' Pension Fund
Section 112.664, Florida Statutes Compliance

Dear Shelly:

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: 

Sara E. Carlson, ASA, EA, MAAA
Enrolled Actuary #23-8546

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

	ACTUAL	HYPOTHETICAL	
	6.35%	4.35%	8.35%
Discount Rate:			
<u>Total Pension Liability</u>			
Service Cost	673,024	1,124,159	420,408
Interest	1,060,117	1,012,232	1,049,420
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	479,323	728,035	315,488
Changes of Assumptions	14,008	(71,371)	46,550
Benefit Payments, Including Refunds of Employee Contributions	(30,174)	(30,174)	(30,174)
Net Change in Total Pension Liability	2,196,298	2,762,881	1,801,692
Total Pension Liability - Beginning	16,036,813	22,160,633	12,162,579
Total Pension Liability - Ending (a)	<u>\$ 18,233,111</u>	<u>\$ 24,923,514</u>	<u>\$ 13,964,271</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	962,000	962,000	962,000
Contributions - State	114,660	114,660	114,660
Contributions - Employee	75,255	75,255	75,255
Net Investment Income	(2,179,889)	(2,179,889)	(2,179,889)
Benefit Payments, Including Refunds of Employee Contributions	(30,174)	(30,174)	(30,174)
Administrative Expenses	(55,010)	(55,010)	(55,010)
Net Change in Plan Fiduciary Net Position	(1,113,158)	(1,113,158)	(1,113,158)
Plan Fiduciary Net Position - Beginning	14,525,344	14,525,344	14,525,344
Plan Fiduciary Net Position - Ending (b)	<u>\$ 13,412,186</u>	<u>\$ 13,412,186</u>	<u>\$ 13,412,186</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,820,925</u>	<u>\$ 11,511,328</u>	<u>\$ 552,085</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.35%

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
2022	13,412,186	-	864,518	-	824,225	13,371,893
2023	13,371,893	-	360,051	-	837,684	13,849,526
2024	13,849,526	-	487,726	-	863,960	14,225,760
2025	14,225,760	-	600,656	-	884,265	14,509,369
2026	14,509,369	-	660,423	-	900,377	14,749,323
2027	14,749,323	-	791,338	-	911,457	14,869,442
2028	14,869,442	-	825,446	-	918,002	14,961,998
2029	14,961,998	-	854,380	-	922,960	15,030,578
2030	15,030,578	-	935,592	-	924,737	15,019,723
2031	15,019,723	-	979,270	-	922,661	14,963,114
2032	14,963,114	-	1,033,992	-	917,328	14,846,450
2033	14,846,450	-	1,073,665	-	908,661	14,681,446
2034	14,681,446	-	1,087,597	-	897,741	14,491,590
2035	14,491,590	-	1,102,362	-	885,216	14,274,444
2036	14,274,444	-	1,134,389	-	870,410	14,010,465
2037	14,010,465	-	1,168,413	-	852,567	13,694,619
2038	13,694,619	-	1,188,591	-	831,871	13,337,899
2039	13,337,899	-	1,205,100	-	808,695	12,941,494
2040	12,941,494	-	1,217,395	-	783,133	12,507,232
2041	12,507,232	-	1,230,668	-	755,136	12,031,700
2042	12,031,700	-	1,241,019	-	724,611	11,515,292
2043	11,515,292	-	1,250,975	-	691,503	10,955,820
2044	10,955,820	-	1,260,598	-	655,671	10,350,893
2045	10,350,893	-	1,268,107	-	617,019	9,699,805
2046	9,699,805	-	1,271,837	-	575,557	9,003,525
2047	9,003,525	-	1,272,625	-	531,318	8,262,218
2048	8,262,218	-	1,271,511	-	484,280	7,474,987
2049	7,474,987	-	1,267,387	-	434,422	6,642,022
2050	6,642,022	-	1,259,824	-	381,769	5,763,967
2051	5,763,967	-	1,248,681	-	326,366	4,841,652
2052	4,841,652	-	1,233,843	-	268,270	3,876,079
2053	3,876,079	-	1,215,190	-	207,549	2,868,438
2054	2,868,438	-	1,192,633	-	144,280	1,820,085
2055	1,820,085	-	1,166,145	-	78,550	732,490
2056	732,490	-	1,135,776	-	-	-

*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 34.64

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.35% 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 = 4.35%

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
2022	13,412,186	-	864,518	-	564,627	13,112,295
2023	13,112,295	-	360,051	-	562,554	13,314,798
2024	13,314,798	-	487,726	-	568,586	13,395,658
2025	13,395,658	-	600,656	-	569,647	13,364,649
2026	13,364,649	-	660,423	-	566,998	13,271,224
2027	13,271,224	-	791,338	-	560,087	13,039,973
2028	13,039,973	-	825,446	-	549,285	12,763,812
2029	12,763,812	-	854,380	-	536,643	12,446,075
2030	12,446,075	-	935,592	-	521,055	12,031,538
2031	12,031,538	-	979,270	-	502,073	11,554,341
2032	11,554,341	-	1,033,992	-	480,125	11,000,474
2033	11,000,474	-	1,073,665	-	455,168	10,381,977
2034	10,381,977	-	1,087,597	-	427,961	9,722,341
2035	9,722,341	-	1,102,362	-	398,945	9,018,924
2036	9,018,924	-	1,134,389	-	367,650	8,252,185
2037	8,252,185	-	1,168,413	-	333,557	7,417,329
2038	7,417,329	-	1,188,591	-	296,802	6,525,540
2039	6,525,540	-	1,205,100	-	257,650	5,578,090
2040	5,578,090	-	1,217,395	-	216,169	4,576,864
2041	4,576,864	-	1,230,668	-	172,327	3,518,523
2042	3,518,523	-	1,241,019	-	126,064	2,403,568
2043	2,403,568	-	1,250,975	-	77,347	1,229,940
2044	1,229,940	-	1,260,598	-	-	-

*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 22.98

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.35% 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 3
Hypothetical Assumptions: Discount Rate = 8.35%

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
2022	13,412,186	-	864,518	-	1,083,824	13,631,492
2023	13,631,492	-	360,051	-	1,123,197	14,394,638
2024	14,394,638	-	487,726	-	1,181,590	15,088,502
2025	15,088,502	-	600,656	-	1,234,813	15,722,659
2026	15,722,659	-	660,423	-	1,285,269	16,347,505
2027	16,347,505	-	791,338	-	1,331,978	16,888,145
2028	16,888,145	-	825,446	-	1,375,698	17,438,397
2029	17,438,397	-	854,380	-	1,420,436	18,004,453
2030	18,004,453	-	935,592	-	1,464,311	18,533,172
2031	18,533,172	-	979,270	-	1,506,635	19,060,537
2032	19,060,537	-	1,033,992	-	1,548,386	19,574,931
2033	19,574,931	-	1,073,665	-	1,589,681	20,090,947
2034	20,090,947	-	1,087,597	-	1,632,187	20,635,537
2035	20,635,537	-	1,102,362	-	1,677,044	21,210,219
2036	21,210,219	-	1,134,389	-	1,723,693	21,799,523
2037	21,799,523	-	1,168,413	-	1,771,479	22,402,589
2038	22,402,589	-	1,188,591	-	1,820,993	23,034,991
2039	23,034,991	-	1,205,100	-	1,873,109	23,703,000
2040	23,703,000	-	1,217,395	-	1,928,374	24,413,979
2041	24,413,979	-	1,230,668	-	1,987,187	25,170,498
2042	25,170,498	-	1,241,019	-	2,049,924	25,979,403
2043	25,979,403	-	1,250,975	-	2,117,052	26,845,480
2044	26,845,480	-	1,260,598	-	2,188,968	27,773,850
2045	27,773,850	-	1,268,107	-	2,266,173	28,771,916
2046	28,771,916	-	1,271,837	-	2,349,356	29,849,435
2047	29,849,435	-	1,272,625	-	2,439,296	31,016,106
2048	31,016,106	-	1,271,511	-	2,536,759	32,281,354
2049	32,281,354	-	1,267,387	-	2,642,580	33,656,547
2050	33,656,547	-	1,259,824	-	2,757,724	35,154,447
2051	35,154,447	-	1,248,681	-	2,883,264	36,789,030
2052	36,789,030	-	1,233,843	-	3,020,371	38,575,558
2053	38,575,558	-	1,215,190	-	3,170,325	40,530,693
2054	40,530,693	-	1,192,633	-	3,334,520	42,672,580
2055	42,672,580	-	1,166,145	-	3,514,474	45,020,909
2056	45,020,909	-	1,135,776	-	3,711,827	47,596,960
2057	47,596,960	-	1,101,756	-	3,928,348	50,423,552
2058	50,423,552	-	1,064,458	-	4,165,925	53,525,019
2059	53,525,019	-	1,024,351	-	4,426,572	56,927,240
2060	56,927,240	-	981,936	-	4,712,429	60,657,733
2061	60,657,733	-	937,609	-	5,025,776	64,745,900
2062	64,745,900	-	891,640	-	5,369,057	69,223,317
2063	69,223,317	-	844,225	-	5,744,901	74,123,993
2064	74,123,993	-	795,643	-	6,156,135	79,484,485
2065	79,484,485	-	746,264	-	6,605,798	85,344,019
2066	85,344,019	-	696,596	-	7,097,143	91,744,566
2067	91,744,566	-	647,227	-	7,633,650	98,730,989
2068	98,730,989	-	598,697	-	8,219,042	106,351,334
2069	106,351,334	-	551,421	-	8,857,315	114,657,228
2070	114,657,228	-	505,609	-	9,552,769	123,704,388
2071	123,704,388	-	461,257	-	10,310,059	133,553,190

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 8.35%

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
2072	133,553,190	-	418,349	-	11,134,225	144,269,066
2073	144,269,066	-	377,018	-	12,030,727	155,922,775
2074	155,922,775	-	337,497	-	13,005,461	168,590,739
2075	168,590,739	-	300,050	-	14,064,800	182,355,489
2076	182,355,489	-	264,912	-	15,215,623	197,306,200
2077	197,306,200	-	232,259	-	16,465,371	213,539,312
2078	213,539,312	-	202,229	-	17,822,089	231,159,172
2079	231,159,172	-	174,835	-	19,294,492	250,278,829
2080	250,278,829	-	149,976	-	20,892,021	271,020,874
2081	271,020,874	-	127,506	-	22,624,920	293,518,288
2082	293,518,288	-	107,268	-	24,504,299	317,915,319
2083	317,915,319	-	89,177	-	26,542,206	344,368,348
2084	344,368,348	-	73,138	-	28,751,704	373,046,914
2085	373,046,914	-	59,059	-	31,146,952	404,134,807
2086	404,134,807	-	46,868	-	33,743,300	437,831,239
2087	437,831,239	-	36,487	-	36,557,385	474,352,137
2088	474,352,137	-	27,825	-	39,607,242	513,931,554
2089	513,931,554	-	20,755	-	42,912,418	556,823,217
2090	556,823,217	-	15,121	-	46,494,107	603,302,203
2091	603,302,203	-	10,742	-	50,375,285	653,666,746
2092	653,666,746	-	7,434	-	54,580,863	708,240,175
2093	708,240,175	-	5,009	-	59,137,845	767,373,011
2094	767,373,011	-	3,283	-	64,075,509	831,445,237
2095	831,445,237	-	2,092	-	69,425,590	900,868,735
2096	900,868,735	-	1,298	-	75,222,485	976,089,922
2097	976,089,922	-	784	-	81,503,476	1,057,592,614
2098	1,057,592,614	-	461	-	88,308,964	1,145,901,117
2099	1,145,901,117	-	265	-	95,682,732	1,241,583,584
2100	1,241,583,584	-	148	-	103,672,223	1,345,255,659
2101	1,345,255,659	-	81	-	112,328,844	1,457,584,422
2102	1,457,584,422	-	43	-	121,708,297	1,579,292,676
2103	1,579,292,676	-	22	-	131,870,938	1,711,163,592
2104	1,711,163,592	-	10	-	142,882,160	1,854,045,742
2105	1,854,045,742	-	5	-	154,812,819	2,008,858,556
2106	2,008,858,556	-	2	-	167,739,689	2,176,598,243
2107	2,176,598,243	-	1	-	181,745,953	2,358,344,195
2108	2,358,344,195	-	-	-	196,921,740	2,555,265,935

*All DROP Balances paid in 2022.

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 8.35% 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, 2024**

Valuation Date: 10/1/2022

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	
	6.35%	4.35%	8.35%
Investment Rate of Return:			
Minimum Required Contribution (Fixed \$)	\$967,350	\$1,681,916	\$473,354
Minimum Required Contribution (% of Payroll)	56.6%	98.4%	27.7%
Expected Member Contribution	68,381	68,381	68,381
Expected State Money	114,660	114,660	114,660
Expected Sponsor Contribution (Fixed \$)	\$784,309	\$1,498,875	\$290,313
Expected Sponsor Contribution (% of Payroll)	45.9%	87.7%	17.0%

ASSETS

Actuarial Value ¹	15,921,080	15,921,080	15,921,080
Market Value ¹	13,412,186	13,412,186	13,412,186

LIABILITIES

Present Value of Benefits

Active Members

Retirement Benefits	19,009,704	28,416,544	13,474,021
Disability Benefits	97,046	140,497	70,904
Death Benefits	38,289	47,856	31,052
Vested Benefits	594,208	892,057	414,973
Refund of Contributions	922	931	914
Service Retirees	261,819	296,409	233,896
DROP Retirees ¹	2,631,188	3,219,005	2,231,954
Beneficiaries	0	0	0
Disability Retirees	0	0	0
Terminated Vested	1,910	1,910	1,910
Share Plan Balances ¹	0	0	0
Total:	22,635,086	33,015,209	16,459,624

Present Value of Future Salaries	10,676,525	11,555,528	9,923,779
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Present Value of Future Member Contributions	427,061	462,221	396,951
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Total Normal Cost	659,176	1,117,822	404,290
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Present Value of Future Normal Costs (Entry Age Normal)	4,074,547	7,573,424	2,294,251
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Total Actuarial Accrued Liability (EAN) ¹	18,560,539	25,441,785	14,165,373
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Unfunded Actuarial Accrued Liability (UAAL)	2,639,459	9,520,705	(1,755,707)
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**ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2024**

Valuation Date: 10/1/2022

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	
Investment Rate of Return:	6.35%	4.35%	8.35%
<u>PENSION COST</u>			
Normal Cost (with interest)	680,105	1,142,135	421,169
Administrative Expenses (with interest)	51,684	51,184	52,185
Payment Required To Amortize UAAL (with interest)	<u>235,561</u>	<u>488,597</u>	<u>(23,909)</u>
Minimum Required Contribution	\$967,350	\$1,681,916	\$473,354 ²

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

² Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.