

CITY OF TARPON SPRINGS
FIREFIGHTERS' PENSION TRUST FUND

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



July 19, 2023

VIA E-MAIL

Mr. Caleb Hynson
City of Tarpon Springs
Firefighters' Pension Trust Fund
444 Huey Ave. S.
Tarpon Springs, FL 34689

Re: City of Tarpon Springs Firefighters' Pension Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Caleb:

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.

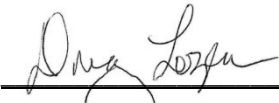
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should 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: 

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

Enclosures

cc via email: Adam Levinson, Board Attorney
cc via email: Ron Harring, Finance Director

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	
	7.60%	5.60%	9.60%
Discount Rate:	7.60%	5.60%	9.60%
<u>Total Pension Liability</u>			
Service Cost	678,196	1,066,766	450,847
Interest	2,603,889	2,457,165	2,653,308
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	183,218	351,579	150,092
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,606,564)	(1,606,564)	(1,606,564)
Net Change in Total Pension Liability	1,858,739	2,268,946	1,647,683
Total Pension Liability - Beginning	34,386,789	43,614,470	27,991,063
Total Pension Liability - Ending (a)	<u>\$ 36,245,528</u>	<u>\$ 45,883,416</u>	<u>\$ 29,638,746</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	793,917	793,917	793,917
Contributions - State	272,146	272,146	272,146
Contributions - Employee	254,965	254,965	254,965
Net Investment Income	(4,673,722)	(4,673,722)	(4,673,722)
Benefit Payments, Including Refunds of Employee Contributions	(1,606,564)	(1,606,564)	(1,606,564)
Administrative Expenses	(73,079)	(73,079)	(73,079)
Net Change in Plan Fiduciary Net Position	(5,032,337)	(5,032,337)	(5,032,337)
Plan Fiduciary Net Position - Beginning	35,639,751	35,639,751	35,639,751
Plan Fiduciary Net Position - Ending (b)	<u>\$ 30,607,414</u>	<u>\$ 30,607,414</u>	<u>\$ 30,607,414</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,638,114</u>	<u>\$ 15,276,002</u>	<u>\$ (968,668)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.60%

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	30,505,159	-	3,113,147	-	2,200,092	29,592,104
2023	29,592,104	-	2,188,599	-	2,165,833	29,569,338
2024	29,569,338	-	2,320,239	-	2,159,101	29,408,200
2025	29,408,200	-	2,388,635	-	2,144,255	29,163,820
2026	29,163,820	-	2,468,650	-	2,122,642	28,817,812
2027	28,817,812	-	2,515,255	-	2,094,574	28,397,131
2028	28,397,131	-	2,548,456	-	2,061,341	27,910,016
2029	27,910,016	-	2,590,194	-	2,022,734	27,342,556
2030	27,342,556	-	2,612,596	-	1,978,756	26,708,716
2031	26,708,716	-	2,658,338	-	1,928,846	25,979,224
2032	25,979,224	-	2,684,302	-	1,872,418	25,167,340
2033	25,167,340	-	2,737,363	-	1,808,698	24,238,675
2034	24,238,675	-	2,747,601	-	1,737,730	23,228,804
2035	23,228,804	-	2,758,654	-	1,660,560	22,130,710
2036	22,130,710	-	2,812,819	-	1,575,047	20,892,938
2037	20,892,938	-	2,848,295	-	1,479,628	19,524,271
2038	19,524,271	-	2,874,210	-	1,374,625	18,024,686
2039	18,024,686	-	2,887,849	-	1,260,138	16,396,975
2040	16,396,975	-	2,883,216	-	1,136,608	14,650,367
2041	14,650,367	-	2,870,880	-	1,004,334	12,783,821
2042	12,783,821	-	2,850,393	-	863,255	10,796,683
2043	10,796,683	-	2,822,962	-	713,275	8,686,996
2044	8,686,996	-	2,776,622	-	554,700	6,465,074
2045	6,465,074	-	2,726,173	-	387,751	4,126,652
2046	4,126,652	-	2,661,331	-	212,495	1,677,816
2047	1,677,816	-	2,587,900	-	-	-

*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 25.65

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.60% 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 = 5.60%

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	30,505,159	-	3,113,147	-	1,621,121	29,013,133
2023	29,013,133	-	2,188,599	-	1,563,455	28,387,989
2024	28,387,989	-	2,320,239	-	1,524,761	27,592,511
2025	27,592,511	-	2,388,635	-	1,478,299	26,682,175
2026	26,682,175	-	2,468,650	-	1,425,080	25,638,605
2027	25,638,605	-	2,515,255	-	1,365,335	24,488,685
2028	24,488,685	-	2,548,456	-	1,300,010	23,240,239
2029	23,240,239	-	2,590,194	-	1,228,928	21,878,973
2030	21,878,973	-	2,612,596	-	1,152,070	20,418,447
2031	20,418,447	-	2,658,338	-	1,069,000	18,829,109
2032	18,829,109	-	2,684,302	-	979,270	17,124,077
2033	17,124,077	-	2,737,363	-	882,302	15,269,016
2034	15,269,016	-	2,747,601	-	778,132	13,299,547
2035	13,299,547	-	2,758,654	-	667,532	11,208,425
2036	11,208,425	-	2,812,819	-	548,913	8,944,519
2037	8,944,519	-	2,848,295	-	421,141	6,517,365
2038	6,517,365	-	2,874,210	-	284,495	3,927,650
2039	3,927,650	-	2,887,849	-	139,089	1,178,890
2040	1,178,890	-	2,883,216	-	-	-

*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 18.41

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.60% 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 = 9.60%

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	30,505,159	-	3,113,147	-	2,779,064	30,171,076
2023	30,171,076	-	2,188,599	-	2,791,371	30,773,848
2024	30,773,848	-	2,320,239	-	2,842,918	31,296,527
2025	31,296,527	-	2,388,635	-	2,889,812	31,797,704
2026	31,797,704	-	2,468,650	-	2,934,084	32,263,138
2027	32,263,138	-	2,515,255	-	2,976,529	32,724,412
2028	32,724,412	-	2,548,456	-	3,019,218	33,195,174
2029	33,195,174	-	2,590,194	-	3,062,407	33,667,387
2030	33,667,387	-	2,612,596	-	3,106,665	34,161,456
2031	34,161,456	-	2,658,338	-	3,151,900	34,655,018
2032	34,655,018	-	2,684,302	-	3,198,035	35,168,751
2033	35,168,751	-	2,737,363	-	3,244,807	35,676,195
2034	35,676,195	-	2,747,601	-	3,293,030	36,221,624
2035	36,221,624	-	2,758,654	-	3,344,861	36,807,831
2036	36,807,831	-	2,812,819	-	3,398,536	37,393,548
2037	37,393,548	-	2,848,295	-	3,453,062	37,998,315
2038	37,998,315	-	2,874,210	-	3,509,876	38,633,981
2039	38,633,981	-	2,887,849	-	3,570,245	39,316,377
2040	39,316,377	-	2,883,216	-	3,635,978	40,069,139
2041	40,069,139	-	2,870,880	-	3,708,835	40,907,094
2042	40,907,094	-	2,850,393	-	3,790,262	41,846,963
2043	41,846,963	-	2,822,962	-	3,881,806	42,905,807
2044	42,905,807	-	2,776,622	-	3,985,680	44,114,865
2045	44,114,865	-	2,726,173	-	4,104,171	45,492,863
2046	45,492,863	-	2,661,331	-	4,239,571	47,071,103
2047	47,071,103	-	2,587,900	-	4,394,607	48,877,810
2048	48,877,810	-	2,506,023	-	4,571,981	50,943,768
2049	50,943,768	-	2,416,342	-	4,774,617	53,302,043
2050	53,302,043	-	2,319,450	-	5,005,663	55,988,256
2051	55,988,256	-	2,215,948	-	5,268,507	59,040,815
2052	59,040,815	-	2,106,948	-	5,566,785	62,500,652
2053	62,500,652	-	1,993,475	-	5,904,376	66,411,553
2054	66,411,553	-	1,877,229	-	6,285,402	70,819,726
2055	70,819,726	-	1,759,502	-	6,714,238	75,774,462
2056	75,774,462	-	1,641,397	-	7,195,561	81,328,626
2057	81,328,626	-	1,524,203	-	7,734,386	87,538,809
2058	87,538,809	-	1,409,115	-	8,336,088	94,465,782
2059	94,465,782	-	1,297,411	-	9,006,439	102,174,810
2060	102,174,810	-	1,189,956	-	9,751,664	110,736,518
2061	110,736,518	-	1,087,599	-	10,578,501	120,227,420
2062	120,227,420	-	990,801	-	11,494,274	130,730,893
2063	130,730,893	-	900,260	-	12,506,953	142,337,586
2064	142,337,586	-	816,238	-	13,625,229	155,146,577
2065	155,146,577	-	738,936	-	14,858,602	169,266,243
2066	169,266,243	-	668,192	-	16,217,486	184,815,537
2067	184,815,537	-	603,769	-	17,713,311	201,925,079
2068	201,925,079	-	545,232	-	19,358,636	220,738,483
2069	220,738,483	-	492,168	-	21,167,270	241,413,585
2070	241,413,585	-	444,059	-	23,154,389	264,123,915
2071	264,123,915	-	400,338	-	25,336,680	289,060,257
2072	289,060,257	-	360,485	-	27,732,481	316,432,253
2073	316,432,253	-	324,183	-	30,361,936	346,470,006

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 9.60%

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
2074	346,470,006	-	290,985	-	33,247,153	379,426,174
2075	379,426,174	-	260,606	-	36,412,404	415,577,972
2076	415,577,972	-	232,793	-	39,884,311	455,229,490
2077	455,229,490	-	207,310	-	43,692,080	498,714,260
2078	498,714,260	-	183,968	-	47,867,738	546,398,030
2079	546,398,030	-	162,600	-	52,446,406	598,681,836
2080	598,681,836	-	143,048	-	57,466,590	656,005,378
2081	656,005,378	-	125,183	-	62,970,508	718,850,703
2082	718,850,703	-	108,844	-	69,004,443	787,746,302
2083	787,746,302	-	93,907	-	75,619,137	863,271,532
2084	863,271,532	-	80,296	-	82,870,213	946,061,449
2085	946,061,449	-	67,966	-	90,818,637	1,036,812,120
2086	1,036,812,120	-	56,887	-	99,531,233	1,136,286,466
2087	1,136,286,466	-	47,035	-	109,081,243	1,245,320,674
2088	1,245,320,674	-	38,373	-	119,548,943	1,364,831,244
2089	1,364,831,244	-	30,861	-	131,022,318	1,495,822,701
2090	1,495,822,701	-	24,458	-	143,597,805	1,639,396,048
2091	1,639,396,048	-	19,090	-	157,381,104	1,796,758,062
2092	1,796,758,062	-	14,662	-	172,488,070	1,969,231,470
2093	1,969,231,470	-	11,072	-	189,045,690	2,158,266,088
2094	2,158,266,088	-	8,217	-	207,193,150	2,365,451,021
2095	2,365,451,021	-	5,992	-	227,083,010	2,592,528,039
2096	2,592,528,039	-	4,293	-	248,882,486	2,841,406,232
2097	2,841,406,232	-	3,019	-	272,774,853	3,114,178,066
2098	3,114,178,066	-	2,083	-	298,960,994	3,413,136,977
2099	3,413,136,977	-	1,410	-	327,661,082	3,740,796,649
2100	3,740,796,649	-	935	-	359,116,433	4,099,912,147
2101	4,099,912,147	-	607	-	393,591,537	4,493,503,077
2102	4,493,503,077	-	384	-	431,376,277	4,924,878,970
2103	4,924,878,970	-	237	-	472,788,370	5,397,667,103
2104	5,397,667,103	-	143	-	518,176,035	5,915,842,995
2105	5,915,842,995	-	84	-	567,920,923	6,483,763,834
2106	6,483,763,834	-	47	-	622,441,326	7,106,205,113
2107	7,106,205,113	-	26	-	682,195,690	7,788,400,777
2108	7,788,400,777	-	14	-	747,686,474	8,536,087,237
2109	8,536,087,237	-	8	-	819,464,374	9,355,551,603
2110	9,355,551,603	-	4	-	898,132,954	10,253,684,553
2111	10,253,684,553	-	2	-	984,353,717	11,238,038,268
2112	11,238,038,268	-	1	-	1,078,851,674	12,316,889,941
2113	12,316,889,941	-	-	-	1,182,421,434	13,499,311,375

*All DROP and Share 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 9.60% 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	
	7.60%	5.60%	9.60%
Investment Rate of Return:	7.60%	5.60%	9.60%
Minimum Required Contribution (Fixed \$)	\$1,080,076	\$2,133,946	\$467,714
Minimum Required Contribution (% of Payroll)	40.4%	79.9%	17.5%
Expected Member Contribution	252,343	252,343	252,343
Expected State Money	272,146	272,146	272,146
Expected Sponsor Contribution (Fixed \$)	\$555,587	\$1,609,457	\$0
Expected Sponsor Contribution (% of Payroll)	20.0%	59.5%	0.0%

ASSETS

Actuarial Value ¹	33,375,923	33,375,923	33,375,923
Market Value ¹	30,505,159	30,505,159	30,505,159

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	13,650,426	21,108,657	9,380,898
Disability Benefits	534,180	770,951	387,627
Death Benefits	76,147	95,467	61,755
Vested Benefits	1,236,797	1,996,406	803,746
Refund of Contributions	160,238	166,393	154,591
Service Retirees	18,576,573	22,856,285	15,522,053
DROP Retirees ¹	5,474,321	6,684,989	4,644,565
Beneficiaries	1,320,105	1,578,660	1,129,230
Disability Retirees	1,236,554	1,509,774	1,045,469
Terminated Vested	267,386	340,896	216,752
Share Plan Balances ¹	48,460	48,460	48,460
Total:	42,581,187	57,156,938	33,395,146
Present Value of Future Salaries	23,438,232	26,430,594	21,004,193
Present Value of Future Member Contributions	2,214,913	2,497,691	1,984,896
Total Normal Cost	664,628	1,051,169	438,263
Present Value of Future Normal Costs (Entry Age Normal)	5,995,260	10,831,851	3,492,286
Total Actuarial Accrued Liability (EAN) ¹	36,585,927	46,325,087	29,902,860
Unfunded Actuarial Accrued Liability (UAAL)	3,210,004	12,949,164	(3,473,063)

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

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.60%	5.60%	9.60%
<u>PENSION COST</u>			
Normal Cost ²	709,291	1,121,808	467,714
Administrative Expenses ²	78,420	78,420	78,420
Payment Required To Amortize UAAL ²	292,365	933,718	(329,926)
Minimum Required Contribution	\$1,080,076	\$2,133,946	\$467,714 ³

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

² Contributions developed as of 10/1/2022 displayed above have been adjusted to account for assumed salary increase and interest components.

³ Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.