

CITY OF LIVE OAK
FIREFIGHTERS' SUBSTITUTE PENSION TRUST FUND

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



July 14, 2023

VIA E-MAIL

Ms. Joanne Luther
Live Oak Fire
101 South East White Avenue
Live Oak, FL 32064

Re: City of Live Oak Firefighters' Substitute Pension Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Joanne:

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

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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.75%	4.75%
<u>Total Pension Liability</u>		
Service Cost	-	-
Interest	124,424	104,690
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(176,506)	(176,506)
Net Change in Total Pension Liability	(52,082)	(71,816)
Total Pension Liability - Beginning	1,879,723	2,220,658
Total Pension Liability - Ending (a)	<u>\$ 1,827,641</u>	<u>\$ 2,148,842</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	60,869	60,869
Net Investment Income	(290,189)	(290,189)
Benefit Payments, Including Refunds of Employee Contributions	(176,506)	(176,506)
Administrative Expenses	(7,986)	(7,986)
Net Change in Plan Fiduciary Net Position	(413,812)	(413,812)
Plan Fiduciary Net Position - Beginning	1,810,624	1,810,624
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,396,812</u>	<u>\$ 1,396,812</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 430,829</u>	<u>\$ 752,030</u>

 PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

 Table 1
 Plan Assumptions: Discount Rate = 6.75%

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	1,396,812	-	174,250	-	88,404	1,310,966
2023	1,310,966	-	172,323	-	82,674	1,221,317
2024	1,221,317	-	170,155	-	76,696	1,127,858
2025	1,127,858	-	167,724	-	70,470	1,030,604
2026	1,030,604	-	165,009	-	63,997	929,592
2027	929,592	-	161,991	-	57,280	824,881
2028	824,881	-	158,652	-	50,325	716,554
2029	716,554	-	154,979	-	43,137	604,712
2030	604,712	-	150,967	-	35,723	489,468
2031	489,468	-	146,623	-	28,091	370,936
2032	370,936	-	141,961	-	20,247	249,222
2033	249,222	-	137,003	-	12,199	124,418
2034	124,418	-	131,771	-	-	-

Number of Years Expected Benefit Payments Sustained: 12.94

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.75% 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 = 4.75%

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	1,396,812	-	174,250	-	62,210	1,284,772
2023	1,284,772	-	172,323	-	56,934	1,169,383
2024	1,169,383	-	170,155	-	51,505	1,050,733
2025	1,050,733	-	167,724	-	45,926	928,935
2026	928,935	-	165,009	-	40,205	804,131
2027	804,131	-	161,991	-	34,349	676,489
2028	676,489	-	158,652	-	28,365	546,202
2029	546,202	-	154,979	-	22,264	413,487
2030	413,487	-	150,967	-	16,055	278,575
2031	278,575	-	146,623	-	9,750	141,702
2032	141,702	-	141,961	-	-	-

Number of Years Expected Benefit Payments Sustained: 11.00

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.75% 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: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
Minimum Required Contribution (Fixed \$)	\$73,256	\$95,278

ASSETS

Actuarial Value	1,396,812	1,396,812
Market Value	1,396,812	1,396,812

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	0	0
Disability Benefits	0	0
Death Benefits	0	0
Vested Benefits	0	0
Refund of Contributions	0	0
Service Retirees	1,500,846	1,783,611
Beneficiaries	298,700	338,145
Disability Retirees	0	0
Terminated Vested	0	0
Total:	1,799,546	2,121,756
Present Value of Future Salaries	N/A	N/A
Total Normal Cost	41,252	63,587
Present Value of Future Normal Costs (Entry Age Normal)	0	0
Total Actuarial Accrued Liability (EAN)	1,799,546	2,121,756
Unfunded Actuarial Accrued Liability (UAAL)	N/A	N/A

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

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
<u>PENSION COST</u>		
Normal Cost ¹	44,037	66,607
Administrative Expenses ¹	29,219	28,671
Payment Required To Amortize UAAL ¹	0	0
Minimum Required Contribution	\$73,256	\$95,278

¹ Interest adjustment assumes a City lump sum deposit on each September 30 following the valuation date.