

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT FIREFIGHTERS' PENSION  
TRUST FUND

GASB 67/68 DISCLOSURE INFORMATION  
MEASUREMENT DATE: SEPTEMBER 30, 2023

GASB 68 REPORTING  
AS OF SEPTEMBER 30, 2023



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS



November 14, 2023

Board of Trustees

East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund

RE: GASB Statements No. 67 and No. 68 – East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund

Dear Board:

We are pleased to present this report of the GASB Statements No. 67 and No. 68 measured as of September 30, 2023 for the East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund.

The calculation of the liability associated with the benefits referenced in this report was performed to satisfy the requirements of GASB No. 67 and No. 68 and is not applicable for other purposes, such as determining the plan's funding requirements. Use of the results for other purposes may not be applicable and may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2022. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ending September 30, 2023 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

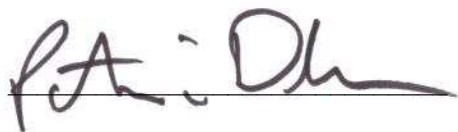
In conducting the valuation, we have relied on personnel and plan design information supplied by the District and asset information supplied by the custodian bank. The actuarial assumptions and methods are described in the Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at (293) 433-5500.

Respectfully submitted,  
Foster & Foster, Inc.

A handwritten signature in black ink, appearing to read "P. T. Donlan". The signature is written in a cursive style with a horizontal line underneath the name.

Patrick T. Donlan, ASA, EA, MAAA  
Enrolled Actuary #23-6595

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## I. SUMMARY

Valuation Date	10/01/2022	10/01/2021
GASB 67/68 Measurement Date	09/30/2023	09/30/2022
GASB 68 Reporting Date	09/30/2023	09/30/2022
Plan Membership:		
Inactives Currently Receiving Benefits	25	25
Inactives Not Yet Receiving Benefits	8	7
Active Plan Members	<u>37</u>	<u>37</u>
Total	70	69
Covered Payroll	\$ 3,006,352	\$ 3,032,861
Net Pension Liability		
Total Pension Liability	\$ 28,888,921	\$ 27,153,886
Plan Fiduciary Net Position	<u>20,953,899</u>	<u>19,196,335</u>
Net Pension Liability	\$ 7,935,022	\$ 7,957,551
Plan Fiduciary Net Position		
As a Percentage of Total Pension Liability	72.53%	70.69%
Net Pension Liability		
As a Percentage of Covered Payroll	263.94%	262.38%
Total Pension Expense	\$ 2,048,451	\$ 1,656,201
Development of Single Discount Rate		
Single Discount Rate	7.25%	7.25%
Long-Term Expected Rate of Return	7.25%	7.25%
High-quality Municipal Bond Rate	4.87%	1.93%
Number of Years Future Benefit Payments Are Expected to be Paid	All Years	All Years

## II. GASB EXHIBITS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

GASB 67/68 Measurement Date	09/30/2023	09/30/2022
GASB 68 Reporting Period Ending	09/30/2023	09/30/2022
<b>Total Pension Liability</b>		
Service Cost	695,284	663,365
Interest	1,971,388	1,854,925
Share Plan Allocation	0	0
Changes in Benefit Terms	0	(8,075)
Experience Gains/Losses	383,583	262,979
Changes of Assumptions	0	0
Contributions – Buy Back	0	22,632
Benefit Payments	<u>(1,315,220)</u>	<u>(1,143,652)</u>
Net Change in Total Pension Liability	1,735,035	1,652,174
Total Pension Liability – Beginning	<u>27,153,886</u>	<u>25,501,712</u>
Total Pension Liability – Ending (a)	\$ 28,888,921	\$ 27,153,886
<b>Plan Fiduciary Net Position</b>		
Contributions – Employer	800,107	704,149
Contributions – State	370,570	335,632
Contributions – Employee	210,445	184,141
Contributions – Buy Back	0	22,632
Net Investment Income	1,774,470	(4,030,894)
Benefit Payments	(1,315,220)	(1,143,652)
Administrative Expense	(82,808)	(78,148)
Other	<u>0</u>	<u>0</u>
Net Change in Plan Fiduciary Net Position	1,757,564	(4,006,140)
Plan Fiduciary Net Position – Beginning	19,196,335	23,202,475
Adjustment to beginning of year	<u>0</u>	<u>0</u>
Plan Fiduciary Net Position – Ending (b)	\$ 20,953,899	\$ 19,196,335
Net Pension Liability – Ending (a) – (b)	\$ 7,935,022	\$ 7,957,551
<b>Plan Fiduciary Net Position</b>		
As % of Total Pension Liability	72.53%	70.69%
Covered Payroll	\$ 3,006,352	\$ 3,032,861
<b>Net Pension Liability</b>		
As % of Covered Payroll	263.94%	262.38%

SENSITIVITY TO CHANGES IN DISCOUNT RATE

GASB 67/68 Measurement Date	09/30/2023	09/30/2022
GASB 68 Reporting Date	09/30/2023	09/30/2022
Discount Rate	7.25%	7.25%
+ 1% Discount Rate	8.25%	8.25%
- 1% Discount Rate	6.25%	6.25%
<b>Sponsor's Net Pension Liability</b>		
Current Discount Rate	\$ 7,935,022	\$ 7,957,551
1% Increase in Discount Rate	5,035,608	5,288,697
1% Decrease in Discount Rate	11,414,561	11,161,112



PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF  
RESOURCES RELATED TO PENSIONS  
YEAR-END SEPTEMBER 30, 2023

For the year ended September 30, 2023, the Sponsor will recognize a Pension Expense of \$2,048,451. On September 30, 2023, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	784,854	170,220
Changes of assumptions	338,499	16,209
Net difference between projected and actual earnings on pension plan investments	2,062,030	0
Total	\$ 3,185,383	\$ 186,429

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended September 30:		
2024	\$	764,789
2025	\$	857,236
2026	\$	1,281,907
2027	\$	31,091
2028	\$	63,931
Thereafter	\$	0

### III. SUPPLEMENTARY GASB 68 EXPENSE DETAIL

COMPONENTS OF PENSION EXPENSE  
YEAR-END SEPTEMBER 30, 2023

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Beginning Balance	\$ 7,957,551	\$ 5,791,243	\$ 1,891,986	
Total Pension Liability Factors:				
Service Cost	695,284	0	0	695,284
Interest	1,971,388	0	0	1,971,388
Changes in Benefit Terms	0	0	0	0
Experience Gains/Losses	383,583	383,583	0	0
Current Year Amortization	0	(231,714)	(87,470)	144,244
Changes of Assumptions	0	0	0	0
Current Year Amortization	0	(112,833)	(5,403)	107,430
Benefit Payments	(1,315,220)	0	0	0
Net Change	<u>1,735,035</u>	<u>39,036</u>	<u>(92,873)</u>	<u>2,918,346</u>
Plan Fiduciary Net Position:				
Contributions - Employer	800,107	0	0	0
Contributions – State	370,570	0	0	0
Contributions – Employee	210,445	0	0	(210,445)
Projected Net Investment Income	1,391,121	0	0	(1,391,121)
Difference in Projected and Actual Earnings	383,349	0	383,349	0
Current Year Amortization	0	(1,278,544)	(629,681)	648,863
Benefit Payments	(1,315,220)	0	0	0
Administrative Expenses	(82,808)	0	0	82,808
Other	0	0	0	0
Net Change	<u>1,757,564</u>	<u>(1,278,544)</u>	<u>(246,332)</u>	<u>(869,895)</u>
Adjustment to beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	\$ 7,935,022	\$ 4,551,735	\$ 1,552,781	\$ 2,048,451

AMORTIZATION SCHEDULE – EXPERIENCE

Year	Initial Base	Recognition Period	2023	2024	2025	2026	2027	Thereafter
2023	\$ 383,583	6	\$ 63,928	\$ 63,931	\$ 63,931	\$ 63,931	\$ 63,931	\$ 63,931
2022	262,979	6	43,830	43,830	43,830	43,830	43,830	0
2021	251,804	6	41,967	41,967	41,967	41,967	0	0
2020	(289,626)	7	(41,375)	(41,375)	(41,375)	(41,375)	0	0
2019	573,922	7	81,989	81,989	81,989	0	0	0
2018	(322,667)	7	(46,095)	(46,095)	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$ 144,244	\$ 144,247	\$ 190,342	\$ 108,353	\$ 107,761	\$ 63,931

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Year	Initial Base	Recognition Period	2023	2024	2025	2026	2027	Thereafter
2021	\$ 676,999	6	\$ 112,833	\$ 112,833	\$ 112,833	\$ 112,833	\$ 0	0
2020	(37,819)	7	(5,403)	(5,403)	(5,403)	(5,403)	0	0
Net Increase (Decrease) in Pension Expense			\$ 107,430	\$ 107,430	\$ 107,430	\$ 107,430	\$ 0	0

AMORTIZATION SCHEDULE – INVESTMENTS

Year	Initial Base	Recognition Period	2023	2024	2025	2026	2027	Thereafter
2023	\$ (383,349)	5	\$ (76,669)	\$ (76,670)	\$ (76,670)	\$ (76,670)	\$ (76,670)	0
2022	5,713,971	5	1,142,794	1,142,794	1,142,794	1,142,794	0	0
2021	(2,533,299)	5	(506,660)	(506,660)	(506,660)	0	0	0
2020	(231,758)	5	(46,352)	(46,352)	0	0	0	0
2019	678,750	5	135,750	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$ 648,863	\$ 513,112	\$ 559,464	\$ 1,066,124	\$ (76,670)	0

#### IV. ADDITIONAL INFORMATION

## SCHEDULE OF CONTRIBUTIONS

Plan Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contrib. as % of Covered Payroll
09/30/2023	\$ 1,025,166	\$ 1,170,677	\$ (145,511)	\$ 3,006,352	38.94%
09/30/2022	\$ 1,016,008	\$ 1,039,781	\$ (23,773)	\$ 3,032,861	34.28%

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending September 30, 2023:

Calculation Timing	The Actuarially Determined Contribution is calculated using a October 1, 2021 valuation date.
Interest Rate	7.25%
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the October 1, 2021 Actuarial Valuation Report and the Actuarial Impact Statement dated October 25, 2022 for the East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.



## INVESTMENT DISCLOSURES

### *Schedule of Investment Returns*

For the year ended September 30, 2023, the annual money-weighted return on Pension Plan investments, net of pension plan investment expense, was 9.30 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2023	9.30%
09/30/2022	-17.47%

### *Support for Long-Term Expected Rate of Return*

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of September 30, 2023, as provided by AndCo Consulting, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45.00%	7.50%
International Equity	15.00%	8.50%
Fixed Income (Core)	15.00%	2.50%
Fixed Income (Non-Core)	10.00%	2.50%
Real Estate	10.00%	4.50%
Alternative	5.00%	6.03%
<b>Total</b>	<b>100.00%</b>	

Inflation rate of investment advisor 2.50%

### *Concentrations*

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

## ASSUMPTIONS

Valuation Date	10/01/2022
GASB 67/68 Measurement Date	09/30/2023
GASB 68 Reporting Date	09/30/2023
Discount Rate	7.25%
Long-Term Rate of Return	7.25%
<b>Mortality</b>	
<i>Healthy Active Lives:</i>	PubS.H-2010 for Employees, set forward one year.
<i>Healthy Retiree Lives:</i>	Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
<i>Beneficiary Lives:</i>	Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.
<i>Disabled Lives:</i>	80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.
	All rates are projected generationally with Mortality Improvement Scale MP-2018.
	The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.
Salary Scale	Service based
Inflation	2.50%
Latest Experience Study Date	January 16, 2018

A summary of other assumptions reflected in the valuation can be found in the October 1, 2022 Actuarial Valuation Report for the East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

### *Changes in Assumptions*

Total Pension Liability and GASB 68 Pension Expense measured as of September 30, 2023 reflect no assumption changes.

### *Development of the Discount Rate*

The projection of cash flows used to determine the Discount Rate assumed that current Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate.

Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments (7.25 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

No projected benefit payments were discounted using a high-quality municipal bond rate of 4.87 percent. The high-quality municipal bond rate was based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index.

The single equivalent Discount Rate was 7.25 percent.

## SUMMARY OF CURRENT PLAN

### Plan Description

The East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund is a single-employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of 5 Trustees, 2 of whom shall be legal residents of the District who are appointed by the District Board of Commissioners, 2 of whom are Members of the plan who are elected by a majority of the Firefighters who are Members of the plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees.

Each person employed by the Fire District as a full-time Firefighter becomes a member of the plan as a condition of his employment. All Firefighters are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

### Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the Actuarial Valuation as of October 1, 2022 for the East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

### Benefit Changes

No benefit changes have been reflected since the prior year.

### Deferred Retirement Option Program

#### Eligibility:

Satisfaction of Normal Retirement requirements (earlier of 1) Age 52 with 25 years of Credited Service, or 2) Age 55 with 10 years of Credited Service) or Early Retirement requirements (Age 50 with 10 years of Credited Service).

#### Participation:

Not to exceed 60 months.

#### Rate of return:

At Member's election:

- 1.) 6.50% annual rate or
- 2.) Actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs) credited each fiscal quarter.

#### DROP balance:

The DROP balance as of September 30, 2023 is \$339,170.

**Appendix**

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2023

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	621,748
Total Cash and Equivalents	621,748
Receivables:	
Investment Income	18,730
Total Receivable	18,730
Investments:	
U. S. Bonds and Bills	841,205
Federal Agency Guaranteed Securities	127,499
Corporate Bonds	1,013,183
Stocks	4,498,633
Mutual Funds:	
Fixed Income	3,576,631
Equity	8,439,041
Pooled/Common/Commingled Funds:	
Real Estate	1,817,229
Total Investments	20,313,421
Total Assets	20,953,899
Total Liabilities	0
NET POSITION RESTRICTED FOR PENSIONS	20,953,899

## Appendix

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2023  
Market Value Basis

### ADDITIONS

Contributions:		
Member	210,445	
District	800,107	
State	370,570	
 Total Contributions		 1,381,122
 Investment Income:		
Net Increase in Fair Value of Investments	1,203,032	
Interest & Dividends	636,529	
Less Investment Expense <sup>1</sup>	(65,091)	
 Net Investment Income		 1,774,470
 Total Additions		 3,155,592
 <u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	1,154,742	
Lump Sum DROP Distributions	157,024	
Lump Sum Share Distributions	3,454	
 Total Distributions		 1,315,220
 Administrative Expense		 82,808
 Total Deductions		 1,398,028
 Net Increase in Net Position		 1,757,564
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		19,196,335
 End of the Year		 20,953,899

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.