



Bureau of Local Retirement Systems
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Ron DeSantis, Governor
Pedro Allende, Secretary

September 29, 2023

Mr. Nathaniel Ark
Chairman, North Bay Fire District Firefighters' Pension Fund
1024 White Point Road
Niceville, FL 32578

Re: North Bay Fire District Firefighters' Pension Fund
10/1/2022, 10/1/2021 and 10/1/2020 Actuarial Valuations

Dear Mr. Ark:

This is to notify you that I have reviewed the above referenced actuarial reports for compliance with Part VII of Chapter 112, F.S. and Chapter 60T, F.A.C. Based upon the results of this review, I have determined the **Plan** to be **state accepted**. By this letter, **all reports and actuarial impact statements effective prior to the above valuation date and received** by the Division of Retirement may likewise be considered to be **state accepted**.

Also attached is a list of current Plan contacts. Please review and reply with any updates.

The investment return assumption used in the October 1, 2022 actuarial valuation was 7.25%. Based on the plan's balance sheet asset allocation (60% equities; 25% fixed income; 14% real estate and 1% cash equivalents) and consensus capital market outlook expectations for future inflation and real returns as of the valuation date, we would consider an investment return assumption in the range of 5.25% to 6.25% to be a reasonable 50th percentile expectation of future long-term geometric average annual return. **We recommend that the Board consider lowering the Plan's investment return assumption.**

This review relied upon the actuarial costs and asset amounts as determined by the Plan actuary in the above referenced actuarial reports. Although I reviewed the reports for compliance, consistency and reasonableness, I did not audit the asset or employee data information for accuracy. Accordingly, no opinion is expressed on the reasonableness of the estimates of the financial status of the Plan. An audit may or may not uncover material issues in the actuarial work performed in the above referenced reports.

Sincerely,

A handwritten signature in black ink that reads "Joe Edmonds".

Joseph M. Edmonds, FSA, EA, FCA, MAAA
Actuary
Florida Division of Retirement

cc: Joseph Griffin, ASA
James Harris, Plan Secretary
Steve Bardin, Division of Retirement