

January 8, 2018

VIA EMAIL

Mr. Lloyd Losinger, Jr., Chairman
North Bay Fire Control District
1024 White Point Road
Niceville, FL 32578-4218

Re: North Bay Fire District Firefighters' Pension Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Lloyd:

Please find enclosed the annual disclosures that satisfy the October 1, 2017 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.

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: 

Drew D. Ballard, EA, MAAA
Enrolled Actuary #17-8193

DDB/lke

Enclosures

cc via email: Paul Daragjati, Board Attorney

NORTH BAY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

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.

By:  Date: 1/8/2018
Drew D. Ballard, EA, MAAA
Enrolled Actuary #17-8193



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, 2017 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, 2017

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	169,516	265,954
Interest	339,525	342,631
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(168,931)	(228,335)
Changes of Assumptions	29,167	64,611
Contributions - Buy Back	-	-
Benefit Payments, Including Refunds of Employee Contributions	(92,168)	(92,168)
Net Change in Total Pension Liability	277,109	352,693
Total Pension Liability - Beginning	4,248,922	5,618,944
Total Pension Liability - Ending (a)	<u>\$ 4,526,031</u>	<u>\$ 5,971,637</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	109,387	109,387
Contributions - State	70,246	70,246
Contributions - Employee	42,447	42,447
Net Investment Income	486,920	486,920
Benefit Payments, Including Refunds of Employee Contributions	(92,168)	(92,168)
Administrative Expenses	(38,287)	(38,287)
Net Change in Plan Fiduciary Net Position	578,545	578,545
Plan Fiduciary Net Position - Beginning	3,834,138	3,834,138
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,412,683</u>	<u>\$ 4,412,683</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 113,348</u>	<u>\$ 1,558,954</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.75% and RP-2000 Generational Mortality

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
2017	4,399,004	-	105,965	-	336,817	4,629,856
2018	4,629,856	-	125,389	-	353,955	4,858,422
2019	4,858,422	-	149,982	-	370,716	5,079,156
2020	5,079,156	-	221,959	-	385,034	5,242,231
2021	5,242,231	-	259,175	-	396,230	5,379,286
2022	5,379,286	-	259,736	-	406,830	5,526,380
2023	5,526,380	-	260,266	-	418,209	5,684,323
2024	5,684,323	-	260,755	-	430,431	5,853,999
2025	5,853,999	-	266,626	-	443,353	6,030,726
2026	6,030,726	-	284,898	-	456,341	6,202,169
2027	6,202,169	-	320,021	-	468,267	6,350,415
2028	6,350,415	-	313,862	-	479,995	6,516,548
2029	6,516,548	-	310,710	-	492,992	6,698,830
2030	6,698,830	-	303,765	-	507,388	6,902,453
2031	6,902,453	-	327,632	-	522,244	7,097,065
2032	7,097,065	-	325,191	-	537,421	7,309,295
2033	7,309,295	-	335,986	-	553,451	7,526,760
2034	7,526,760	-	333,073	-	570,417	7,764,104
2035	7,764,104	-	349,947	-	588,158	8,002,315
2036	8,002,315	-	353,928	-	606,465	8,254,852
2037	8,254,852	-	359,693	-	625,813	8,520,972
2038	8,520,972	-	367,016	-	646,153	8,800,109
2039	8,800,109	-	362,775	-	667,951	9,105,285
2040	9,105,285	-	358,408	-	691,771	9,438,648
2041	9,438,648	-	350,514	-	717,913	9,806,047
2042	9,806,047	-	344,582	-	746,616	10,208,081
2043	10,208,081	-	336,637	-	778,082	10,649,526
2044	10,649,526	-	329,494	-	812,570	11,132,602
2045	11,132,602	-	320,044	-	850,375	11,662,933
2046	11,662,933	-	310,962	-	891,828	12,243,799
2047	12,243,799	-	301,633	-	937,206	12,879,372
2048	12,879,372	-	291,947	-	986,838	13,574,263
2049	13,574,263	-	282,583	-	1,041,055	14,332,735
2050	14,332,735	-	272,865	-	1,100,213	15,160,083
2051	15,160,083	-	262,931	-	1,164,718	16,061,870
2052	16,061,870	-	252,766	-	1,235,000	17,044,104
2053	17,044,104	-	242,469	-	1,311,522	18,113,157
2054	18,113,157	-	231,951	-	1,394,782	19,275,988
2055	19,275,988	-	221,240	-	1,485,316	20,540,064
2056	20,540,064	-	210,361	-	1,583,703	21,913,406
2057	21,913,406	-	199,390	-	1,690,563	23,404,579
2058	23,404,579	-	188,442	-	1,806,553	25,022,690
2059	25,022,690	-	177,574	-	1,932,377	26,777,493
2060	26,777,493	-	166,820	-	2,068,791	28,679,464
2061	28,679,464	-	156,255	-	2,216,604	30,739,813
2062	30,739,813	-	145,882	-	2,376,683	32,970,614
2063	32,970,614	-	135,743	-	2,549,963	35,384,834
2064	35,384,834	-	125,930	-	2,737,445	37,996,349
2065	37,996,349	-	116,560	-	2,940,200	40,819,989
2066	40,819,989	-	107,736	-	3,159,374	43,871,627

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.75% and RP-2000 Generational Mortality

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
2067	43,871,627	-	99,437	-	3,396,198	47,168,388
2068	47,168,388	-	91,586	-	3,652,001	50,728,803
2069	50,728,803	-	84,181	-	3,928,220	54,572,842
2070	54,572,842	-	77,152	-	4,226,406	58,722,096
2071	58,722,096	-	70,437	-	4,548,233	63,199,892
2072	63,199,892	-	63,992	-	4,895,512	68,031,412
2073	68,031,412	-	57,848	-	5,270,193	73,243,757
2074	73,243,757	-	51,976	-	5,674,377	78,866,158
2075	78,866,158	-	46,322	-	6,110,332	84,930,168
2076	84,930,168	-	40,893	-	6,580,503	91,469,778
2077	91,469,778	-	35,735	-	7,087,523	98,521,566
2078	98,521,566	-	30,882	-	7,634,225	106,124,909
2079	106,124,909	-	26,356	-	8,223,659	114,322,212
2080	114,322,212	-	22,181	-	8,859,112	123,159,143
2081	123,159,143	-	18,364	-	9,544,122	132,684,901
2082	132,684,901	-	14,931	-	10,282,501	142,952,471
2083	142,952,471	-	11,903	-	11,078,355	154,018,923
2084	154,018,923	-	9,342	-	11,936,105	165,945,686
2085	165,945,686	-	7,199	-	12,860,512	178,798,999
2086	178,798,999	-	5,451	-	13,856,711	192,650,259
2087	192,650,259	-	4,058	-	14,930,238	207,576,439
2088	207,576,439	-	2,976	-	16,087,059	223,660,522
2089	223,660,522	-	2,150	-	17,333,607	240,991,979
2090	240,991,979	-	1,535	-	18,676,819	259,667,263
2091	259,667,263	-	1,084	-	20,124,171	279,790,350
2092	279,790,350	-	757	-	21,683,723	301,473,316
2093	301,473,316	-	525	-	23,364,162	324,836,953
2094	324,836,953	-	359	-	25,174,850	350,011,444
2095	350,011,444	-	240	-	27,125,878	377,137,082
2096	377,137,082	-	158	-	29,228,118	406,365,042
2097	406,365,042	-	103	-	31,493,287	437,858,226
2098	437,858,226	-	66	-	33,934,010	471,792,170
2099	471,792,170	-	42	-	36,563,892	508,356,020
2100	508,356,020	-	26	-	39,397,591	547,753,585
2101	547,753,585	-	16	-	42,450,902	590,204,471
2102	590,204,471	-	10	-	45,740,846	635,945,307
2103	635,945,307	-	6	-	49,285,761	685,231,062
2104	685,231,062	-	3	-	53,105,407	738,336,466
2105	738,336,466	-	2	-	57,221,076	795,557,540
2106	795,557,540	-	1	-	61,655,709	857,213,248
2107	857,213,248	-	1	-	66,434,027	923,647,274
2108	923,647,274	-	-	-	71,582,664	995,229,938

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 7.75% 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: 5.75% and RP-2000 Generational Mortality

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
2017	4,399,004	-	105,965	-	249,896	4,542,935
2018	4,542,935	-	125,389	-	257,614	4,675,160
2019	4,675,160	-	149,982	-	264,510	4,789,688
2020	4,789,688	-	221,959	-	269,026	4,836,755
2021	4,836,755	-	259,175	-	270,662	4,848,242
2022	4,848,242	-	259,736	-	271,307	4,859,813
2023	4,859,813	-	260,266	-	271,957	4,871,504
2024	4,871,504	-	260,755	-	272,615	4,883,364
2025	4,883,364	-	266,626	-	273,128	4,889,866
2026	4,889,866	-	284,898	-	272,976	4,877,944
2027	4,877,944	-	320,021	-	271,281	4,829,204
2028	4,829,204	-	313,862	-	268,656	4,783,998
2029	4,783,998	-	310,710	-	266,147	4,739,435
2030	4,739,435	-	303,765	-	263,784	4,699,454
2031	4,699,454	-	327,632	-	260,799	4,632,621
2032	4,632,621	-	325,191	-	257,026	4,564,456
2033	4,564,456	-	335,986	-	252,797	4,481,267
2034	4,481,267	-	333,073	-	248,097	4,396,291
2035	4,396,291	-	349,947	-	242,726	4,289,070
2036	4,289,070	-	353,928	-	236,446	4,171,588
2037	4,171,588	-	359,693	-	229,525	4,041,420
2038	4,041,420	-	367,016	-	221,830	3,896,234
2039	3,896,234	-	362,775	-	213,604	3,747,063
2040	3,747,063	-	358,408	-	205,152	3,593,807
2041	3,593,807	-	350,514	-	196,567	3,439,860
2042	3,439,860	-	344,582	-	187,885	3,283,163
2043	3,283,163	-	336,637	-	179,104	3,125,630
2044	3,125,630	-	329,494	-	170,251	2,966,387
2045	2,966,387	-	320,044	-	161,366	2,807,709
2046	2,807,709	-	310,962	-	152,503	2,649,250
2047	2,649,250	-	301,633	-	143,660	2,491,277
2048	2,491,277	-	291,947	-	134,855	2,334,185
2049	2,334,185	-	282,583	-	126,091	2,177,693
2050	2,177,693	-	272,865	-	117,372	2,022,200
2051	2,022,200	-	262,931	-	108,717	1,867,986
2052	1,867,986	-	252,766	-	100,142	1,715,362
2053	1,715,362	-	242,469	-	91,662	1,564,555
2054	1,564,555	-	231,951	-	83,293	1,415,897
2055	1,415,897	-	221,240	-	75,053	1,269,710
2056	1,269,710	-	210,361	-	66,960	1,126,309
2057	1,126,309	-	199,390	-	59,030	985,949
2058	985,949	-	188,442	-	51,274	848,781
2059	848,781	-	177,574	-	43,700	714,907
2060	714,907	-	166,820	-	36,311	584,398
2061	584,398	-	156,255	-	29,111	457,254
2062	457,254	-	145,882	-	22,098	333,470
2063	333,470	-	135,743	-	15,272	212,999
2064	212,999	-	125,930	-	8,627	95,696

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
 Hypothetical Assumptions: 5.75% and RP-2000 Generational Mortality

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
2065	95,696	-	116,560	-	-	-

Number of Years Expected Benefit Payments Sustained: 48.82

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.75% 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, 2019

Valuation Date: 10/1/2017

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
Total Required Contribution (Fixed \$)	\$243,655	\$455,630
Total Required Contribution (% of Payroll)	26.8%	50.0%
Expected Member Contribution	45,540	45,540
Expected State Money	70,246	70,246
Expected Sponsor Contribution (Fixed \$)	\$127,869	\$339,844
Expected Sponsor Contribution (% of Payroll)	14.1%	37.3%

ASSETS

Actuarial Value	4,332,200	4,332,200
Market Value	4,399,004	4,399,004

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	4,005,791	6,315,350
Disability Benefits	54,345	78,274
Death Benefits	32,571	45,064
Vested Benefits	277,978	470,874
Refund of Contributions	22,192	24,346
Service Retirees	510,673	614,804
Beneficiaries	0	0
Disability Retirees	245,822	304,832
Terminated Vested	1,050,914	1,391,421
Share Plan Balances ¹	0	0
Excess State Monies Reserve	128,294	128,294
Total:	<u>6,328,580</u>	<u>9,373,259</u>
Present Value of Future Salaries	9,436,738	10,892,268
Present Value of Future Member Contributions	471,837	544,613
Total Normal Cost	207,121	325,328
Present Value of Future Normal Costs (Entry Age Normal)	2,113,258	3,855,463
Total Actuarial Accrued Liability	4,215,322	5,517,796
Unfunded Actuarial Accrued Liability (UAAL)	(116,878)	1,185,596

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2019

Valuation Date: 10/1/2017

	ACTUAL	HYPOTHETICAL
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	215,147	334,681
Administrative Expenses (with interest)	39,771	39,388
Payment Required To Amortize UAAL (with interest)	(11,263)	81,561
Total Required Contribution	\$243,655	\$455,630

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2017.