

June 18, 2019

VIA EMAIL

Ms. Missy Scarborough
Financial Administrator, CDM
Midway Fire Protection District
1322 College Parkway
Gulf Breeze, FL 32563

Re: Midway Fire Protection District Firefighters' Pension Fund
Section 112.664, Florida Statutes Compliance

Dear Missy:

Please find enclosed the annual disclosures that satisfy the October 1, 2018 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: Pedro Herrera, Board Attorney
cc via email: Jessica A. De la Torre Vila, Legal Assistant

MIDWAY FIRE PROTECTION 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: 6/18/2019
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, 2018 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, 2018

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00% RP-2000 Generational	5.00% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	317,536	520,541
Interest	356,943	366,545
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	114,265	267,526
Changes of Assumptions	-	-
Contributions - Buy Back	284,781	284,781
Benefit Payments, Including Refunds of Employee Contributions	(26,944)	(26,944)
Net Change in Total Pension Liability	1,046,581	1,412,449
Total Pension Liability - Beginning	4,795,121	6,823,836
Total Pension Liability - Ending (a)	<u>\$ 5,841,702</u>	<u>\$ 8,236,285</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	125,148	125,148
Contributions - State	123,752	123,752
Contributions - Employee	135,470	135,470
Contributions - Buy Back	284,781	284,781
Net Investment Income	370,773	370,773
Benefit Payments, Including Refunds of Employee Contributions	(26,944)	(26,944)
Administrative Expenses	(10,046)	(10,046)
Net Change in Plan Fiduciary Net Position	1,002,934	1,002,934
Plan Fiduciary Net Position - Beginning	4,898,988	4,898,988
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,901,922</u>	<u>\$ 5,901,922</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (60,220)</u>	<u>\$ 2,334,363</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.00% 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
2018	5,901,922	-	43,701	-	411,605	6,269,826
2019	6,269,826	-	35,182	-	437,656	6,672,300
2020	6,672,300	-	37,726	-	465,741	7,100,315
2021	7,100,315	-	44,066	-	495,480	7,551,729
2022	7,551,729	-	57,882	-	526,595	8,020,442
2023	8,020,442	-	69,294	-	559,006	8,510,154
2024	8,510,154	-	92,516	-	592,473	9,010,111
2025	9,010,111	-	112,951	-	626,754	9,523,914
2026	9,523,914	-	147,809	-	661,501	10,037,606
2027	10,037,606	-	215,278	-	695,098	10,517,426
2028	10,517,426	-	248,522	-	727,522	10,996,426
2029	10,996,426	-	303,267	-	759,135	11,452,294
2030	11,452,294	-	392,140	-	787,936	11,848,090
2031	11,848,090	-	439,003	-	814,001	12,223,088
2032	12,223,088	-	445,556	-	840,022	12,617,554
2033	12,617,554	-	453,495	-	867,356	13,031,415
2034	13,031,415	-	457,998	-	896,169	13,469,586
2035	13,469,586	-	456,585	-	926,891	13,939,892
2036	13,939,892	-	463,964	-	959,554	14,435,482
2037	14,435,482	-	460,995	-	994,349	14,968,836
2038	14,968,836	-	457,387	-	1,031,810	15,543,259
2039	15,543,259	-	452,972	-	1,072,174	16,162,461
2040	16,162,461	-	444,549	-	1,115,813	16,833,725
2041	16,833,725	-	438,459	-	1,163,015	17,558,281
2042	17,558,281	-	432,617	-	1,213,938	18,339,602
2043	18,339,602	-	428,107	-	1,268,788	19,180,283
2044	19,180,283	-	422,896	-	1,327,818	20,085,205
2045	20,085,205	-	417,511	-	1,391,351	21,059,045
2046	21,059,045	-	411,871	-	1,459,718	22,106,892
2047	22,106,892	-	405,754	-	1,533,281	23,234,419
2048	23,234,419	-	399,229	-	1,612,436	24,447,626
2049	24,447,626	-	392,475	-	1,697,597	25,752,748
2050	25,752,748	-	385,367	-	1,789,205	27,156,586
2051	27,156,586	-	377,803	-	1,887,738	28,666,521
2052	28,666,521	-	369,780	-	1,993,714	30,290,455
2053	30,290,455	-	361,253	-	2,107,688	32,036,890
2054	32,036,890	-	352,241	-	2,230,254	33,914,903
2055	33,914,903	-	342,665	-	2,362,050	35,934,288
2056	35,934,288	-	332,466	-	2,503,764	38,105,586
2057	38,105,586	-	321,705	-	2,656,131	40,440,012
2058	40,440,012	-	310,334	-	2,819,939	42,949,617
2059	42,949,617	-	298,383	-	2,996,030	45,647,264
2060	45,647,264	-	285,842	-	3,185,304	48,546,726
2061	48,546,726	-	272,754	-	3,388,724	51,662,696
2062	51,662,696	-	259,167	-	3,607,318	55,010,847
2063	55,010,847	-	245,086	-	3,842,181	58,607,942
2064	58,607,942	-	230,523	-	4,094,488	62,471,907
2065	62,471,907	-	215,589	-	4,365,488	66,621,806
2066	66,621,806	-	200,417	-	4,656,512	71,077,901
2067	71,077,901	-	185,024	-	4,968,977	75,861,854

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.00% 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
2068	75,861,854	-	169,445	-	5,304,399	80,996,808
2069	80,996,808	-	153,842	-	5,664,392	86,507,358
2070	86,507,358	-	138,426	-	6,050,670	92,419,602
2071	92,419,602	-	123,351	-	6,465,055	98,761,306
2072	98,761,306	-	108,717	-	6,909,486	105,562,075
2073	105,562,075	-	94,735	-	7,386,030	112,853,370
2074	112,853,370	-	81,672	-	7,896,877	120,668,575
2075	120,668,575	-	69,588	-	8,444,365	129,043,352
2076	129,043,352	-	58,493	-	9,030,987	138,015,846
2077	138,015,846	-	48,501	-	9,659,412	147,626,757
2078	147,626,757	-	39,752	-	10,332,482	157,919,487
2079	157,919,487	-	32,199	-	11,053,237	168,940,525
2080	168,940,525	-	25,713	-	11,824,937	180,739,749
2081	180,739,749	-	20,273	-	12,651,073	193,370,549
2082	193,370,549	-	15,764	-	13,535,387	206,890,172
2083	206,890,172	-	12,092	-	14,481,889	221,359,969
2084	221,359,969	-	9,165	-	15,494,877	236,845,681
2085	236,845,681	-	6,882	-	16,578,957	253,417,756
2086	253,417,756	-	5,107	-	17,739,064	271,151,713
2087	271,151,713	-	3,762	-	18,980,488	290,128,439
2088	290,128,439	-	2,748	-	20,308,895	310,434,586
2089	310,434,586	-	1,997	-	21,730,351	332,162,940
2090	332,162,940	-	1,441	-	23,251,355	355,412,854
2091	355,412,854	-	1,039	-	24,878,863	380,290,678
2092	380,290,678	-	743	-	26,620,321	406,910,256
2093	406,910,256	-	529	-	28,483,699	435,393,426
2094	435,393,426	-	374	-	30,477,527	465,870,579
2095	465,870,579	-	262	-	32,610,931	498,481,248
2096	498,481,248	-	181	-	34,893,681	533,374,748
2097	533,374,748	-	124	-	37,336,228	570,710,852
2098	570,710,852	-	83	-	39,949,757	610,660,526
2099	610,660,526	-	54	-	42,746,235	653,406,707
2100	653,406,707	-	34	-	45,738,468	699,145,141
2101	699,145,141	-	21	-	48,940,159	748,085,279
2102	748,085,279	-	13	-	52,365,969	800,451,235
2103	800,451,235	-	8	-	56,031,586	856,482,813
2104	856,482,813	-	5	-	59,953,797	916,436,605
2105	916,436,605	-	3	-	64,150,562	980,587,164
2106	980,587,164	-	2	-	68,641,101	1,049,228,263
2107	1,049,228,263	-	1	-	73,445,978	1,122,674,240
2108	1,122,674,240	-	1	-	78,587,197	1,201,261,436
2109	1,201,261,436	-	-	-	84,088,301	1,285,349,737

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 7.00% 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: 5.00% 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
2018	5,901,922	-	43,701	-	294,004	6,152,225
2019	6,152,225	-	35,182	-	306,732	6,423,775
2020	6,423,775	-	37,726	-	320,246	6,706,295
2021	6,706,295	-	44,066	-	334,213	6,996,442
2022	6,996,442	-	57,882	-	348,375	7,286,935
2023	7,286,935	-	69,294	-	362,614	7,580,255
2024	7,580,255	-	92,516	-	376,700	7,864,439
2025	7,864,439	-	112,951	-	390,398	8,141,886
2026	8,141,886	-	147,809	-	403,399	8,397,476
2027	8,397,476	-	215,278	-	414,492	8,596,690
2028	8,596,690	-	248,522	-	423,621	8,771,789
2029	8,771,789	-	303,267	-	431,008	8,899,530
2030	8,899,530	-	392,140	-	435,173	8,942,563
2031	8,942,563	-	439,003	-	436,153	8,939,713
2032	8,939,713	-	445,556	-	435,847	8,930,004
2033	8,930,004	-	453,495	-	435,163	8,911,672
2034	8,911,672	-	457,998	-	434,134	8,887,808
2035	8,887,808	-	456,585	-	432,976	8,864,199
2036	8,864,199	-	463,964	-	431,611	8,831,846
2037	8,831,846	-	460,995	-	430,067	8,800,918
2038	8,800,918	-	457,387	-	428,611	8,772,142
2039	8,772,142	-	452,972	-	427,283	8,746,453
2040	8,746,453	-	444,549	-	426,209	8,728,113
2041	8,728,113	-	438,459	-	425,444	8,715,098
2042	8,715,098	-	432,617	-	424,939	8,707,420
2043	8,707,420	-	428,107	-	424,668	8,703,981
2044	8,703,981	-	422,896	-	424,627	8,705,712
2045	8,705,712	-	417,511	-	424,848	8,713,049
2046	8,713,049	-	411,871	-	425,356	8,726,534
2047	8,726,534	-	405,754	-	426,183	8,746,963
2048	8,746,963	-	399,229	-	427,367	8,775,101
2049	8,775,101	-	392,475	-	428,943	8,811,569
2050	8,811,569	-	385,367	-	430,944	8,857,146
2051	8,857,146	-	377,803	-	433,412	8,912,755
2052	8,912,755	-	369,780	-	436,393	8,979,368
2053	8,979,368	-	361,253	-	439,937	9,058,052
2054	9,058,052	-	352,241	-	444,097	9,149,908
2055	9,149,908	-	342,665	-	448,929	9,256,172
2056	9,256,172	-	332,466	-	454,497	9,378,203
2057	9,378,203	-	321,705	-	460,868	9,517,366
2058	9,517,366	-	310,334	-	468,110	9,675,142
2059	9,675,142	-	298,383	-	476,298	9,853,057
2060	9,853,057	-	285,842	-	485,507	10,052,722
2061	10,052,722	-	272,754	-	495,817	10,275,785
2062	10,275,785	-	259,167	-	507,310	10,523,928
2063	10,523,928	-	245,086	-	520,069	10,798,911
2064	10,798,911	-	230,523	-	534,182	11,102,570
2065	11,102,570	-	215,589	-	549,739	11,436,720
2066	11,436,720	-	200,417	-	566,826	11,803,129
2067	11,803,129	-	185,024	-	585,531	12,203,636

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 5.00% 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
2068	12,203,636	-	169,445	-	605,946	12,640,137
2069	12,640,137	-	153,842	-	628,161	13,114,456
2070	13,114,456	-	138,426	-	652,262	13,628,292
2071	13,628,292	-	123,351	-	678,331	14,183,272
2072	14,183,272	-	108,717	-	706,446	14,781,001
2073	14,781,001	-	94,735	-	736,682	15,422,948
2074	15,422,948	-	81,672	-	769,106	16,110,382
2075	16,110,382	-	69,588	-	803,779	16,844,573
2076	16,844,573	-	58,493	-	840,766	17,626,846
2077	17,626,846	-	48,501	-	880,130	18,458,475
2078	18,458,475	-	39,752	-	921,930	19,340,653
2079	19,340,653	-	32,199	-	966,228	20,274,682
2080	20,274,682	-	25,713	-	1,013,091	21,262,060
2081	21,262,060	-	20,273	-	1,062,596	22,304,383
2082	22,304,383	-	15,764	-	1,114,825	23,403,444
2083	23,403,444	-	12,092	-	1,169,870	24,561,222
2084	24,561,222	-	9,165	-	1,227,832	25,779,889
2085	25,779,889	-	6,882	-	1,288,822	27,061,829
2086	27,061,829	-	5,107	-	1,352,964	28,409,686
2087	28,409,686	-	3,762	-	1,420,390	29,826,314
2088	29,826,314	-	2,748	-	1,491,247	31,314,813
2089	31,314,813	-	1,997	-	1,565,691	32,878,507
2090	32,878,507	-	1,441	-	1,643,889	34,520,955
2091	34,520,955	-	1,039	-	1,726,022	36,245,938
2092	36,245,938	-	743	-	1,812,278	38,057,473
2093	38,057,473	-	529	-	1,902,860	39,959,804
2094	39,959,804	-	374	-	1,997,981	41,957,411
2095	41,957,411	-	262	-	2,097,864	44,055,013
2096	44,055,013	-	181	-	2,202,746	46,257,578
2097	46,257,578	-	124	-	2,312,876	48,570,330
2098	48,570,330	-	83	-	2,428,514	50,998,761
2099	50,998,761	-	54	-	2,549,937	53,548,644
2100	53,548,644	-	34	-	2,677,431	56,226,041
2101	56,226,041	-	21	-	2,811,302	59,037,322
2102	59,037,322	-	13	-	2,951,866	61,989,175
2103	61,989,175	-	8	-	3,099,459	65,088,626
2104	65,088,626	-	5	-	3,254,431	68,343,052
2105	68,343,052	-	3	-	3,417,153	71,760,202
2106	71,760,202	-	2	-	3,588,010	75,348,210
2107	75,348,210	-	1	-	3,767,410	79,115,619
2108	79,115,619	-	1	-	3,955,781	83,071,399
2109	83,071,399	-	-	-	4,153,570	87,224,969

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 5.00% 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, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
Minimum Required Contribution (Fixed \$)	\$366,848	\$837,325
Minimum Required Contribution (% of Payroll)	25.7%	58.7%
Expected Member Contribution	142,564	142,564
Expected State Money	123,752	123,752
Expected Sponsor Contribution (Fixed \$)	\$100,532	\$571,009
Expected Sponsor Contribution (% of Payroll)	7.0%	40.0%

ASSETS

Actuarial Value ¹	5,901,922	5,901,922
Market Value ¹	5,901,922	5,901,922

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	6,551,672	10,151,513
Disability Benefits	92,290	128,410
Death Benefits	54,224	74,844
Vested Benefits	1,568,911	2,463,419
Refund of Contributions	39,222	42,015
Service Retirees	366,659	465,822
DROP Retirees ¹	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	78,359	115,609
Share Plan Balances ¹	0	0
Total:	8,751,337	13,441,632
Present Value of Future Salaries	12,170,885	13,499,794
Present Value of Future Member Contributions	1,217,089	1,349,979
Total Normal Cost	333,767	796,227
Present Value of Future Normal Costs (Entry Age Normal)	2,736,405	4,986,650
Total Actuarial Accrued Liability ¹	6,014,932	8,454,982
Unfunded Actuarial Accrued Liability (UAAL)	0	0

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	345,449	816,133
Administrative Expenses (with interest)	21,399	21,192
Payment Required To Amortize UAAL (with interest)	0	0
Minimum Required Contribution	\$366,848	\$837,325

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2018.