

June 29, 2017

VIA EMAIL

Ms. Sarah Carr  
Police Officers' and Firefighters' Retirement Trust Funds  
Department of Management Services, Division of Retirement  
P. O. Box 3010  
Tallahassee, FL 32315-3010

Re: Midway Fire Protection District Firefighters' Pension Fund  
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Sarah:

Please find enclosed the annual disclosures that satisfy the October 1, 2016 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: 

Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #17-6595

PTD/lke  
Enclosures

cc via email: Missy Scarborough

cc via email: Laura Underhill

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: Patrick T. Donlan Date: 6/29/2017  
Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #17-6595



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, 2015 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.

**GASB 67: SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
FISCAL YEAR SEPTEMBER 30, 2016

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
	<u>                    </u>	<u>                    </u>
<u>Total Pension Liability</u>		
Service Cost	217,690	361,390
Interest	195,649	219,872
Changes of Benefit Terms	-	-
Differences Between Expected and Actual		
Experience	657,537	922,148
Changes of Assumptions	72,738	(165,701)
Benefit Payments, Including Refunds of		
Employee Contributions	(16,483)	(16,483)
Net Change in Total Pension Liability	1,127,131	1,321,226
Total Pension Liability - Beginning	2,585,538	4,044,292
Total Pension Liability - Ending (a)	<u>\$ 3,712,669</u>	<u>\$ 5,365,518</u>
 <u>Plan Fiduciary Net Position</u>		
Contributions - Employer	20,946	20,946
Contributions - State	140,062	140,062
Contributions - Employee	59,138	59,138
Net Investment Income	291,707	291,707
Benefit Payments, Including Refunds of		
Employee Contributions	(16,483)	(16,483)
Administrative Expenses	(6,122)	(6,122)
Net Change in Plan Fiduciary Net Position	489,248	489,248
Plan Fiduciary Net Position - Beginning	3,660,966	3,660,966
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,150,214</u>	<u>\$ 4,150,214</u>
 Net Pension Liability - Ending (a) - (b)	<u>\$ (437,545)</u>	<u>\$ 1,215,304</u>

**GASB 68: PENSION EXPENSE**  
FISCAL YEAR SEPTEMBER 30, 2016

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00%	5.00%
	<u>                    </u>	<u>                    </u>
Pension Expense	<u>\$ 159,159</u>	<u>\$ 377,942</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
2016	4,150,214	-	33,419	-	289,345	4,406,140
2017	4,406,140	-	28,864	-	307,420	4,684,696
2018	4,684,696	-	32,156	-	326,803	4,979,343
2019	4,979,343	-	34,378	-	347,351	5,292,316
2020	5,292,316	-	36,468	-	369,186	5,625,034
2021	5,625,034	-	41,046	-	392,316	5,976,304
2022	5,976,304	-	52,003	-	416,521	6,340,822
2023	6,340,822	-	60,953	-	441,724	6,721,593
2024	6,721,593	-	77,008	-	467,816	7,112,401
2025	7,112,401	-	91,362	-	494,670	7,515,709
2026	7,515,709	-	121,995	-	521,830	7,915,544
2027	7,915,544	-	130,764	-	549,511	8,334,291
2028	8,334,291	-	164,704	-	577,636	8,747,223
2029	8,747,223	-	193,978	-	605,516	9,158,761
2030	9,158,761	-	241,766	-	632,651	9,549,646
2031	9,549,646	-	264,508	-	659,217	9,944,355
2032	9,944,355	-	294,196	-	685,808	10,335,967
2033	10,335,967	-	301,134	-	712,978	10,747,811
2034	10,747,811	-	306,938	-	741,604	11,182,477
2035	11,182,477	-	311,966	-	771,855	11,642,366
2036	11,642,366	-	320,864	-	803,735	12,125,237
2037	12,125,237	-	320,365	-	837,554	12,642,426
2038	12,642,426	-	320,134	-	873,765	13,196,057
2039	13,196,057	-	315,223	-	912,691	13,793,525
2040	13,793,525	-	308,895	-	954,735	14,439,365
2041	14,439,365	-	304,179	-	1,000,109	15,135,295
2042	15,135,295	-	297,711	-	1,049,051	15,886,635
2043	15,886,635	-	294,186	-	1,101,768	16,694,217
2044	16,694,217	-	290,509	-	1,158,427	17,562,135
2045	17,562,135	-	286,042	-	1,219,338	18,495,431
2046	18,495,431	-	281,116	-	1,284,841	19,499,156
2047	19,499,156	-	276,880	-	1,355,250	20,577,526
2048	20,577,526	-	271,824	-	1,430,913	21,736,615
2049	21,736,615	-	267,224	-	1,512,210	22,981,601
2050	22,981,601	-	262,233	-	1,599,534	24,318,902
2051	24,318,902	-	256,966	-	1,693,329	25,755,265
2052	25,755,265	-	251,258	-	1,794,075	27,298,082
2053	27,298,082	-	245,267	-	1,902,281	28,955,096
2054	28,955,096	-	238,899	-	2,018,495	30,734,692
2055	30,734,692	-	232,127	-	2,143,304	32,645,869
2056	32,645,869	-	224,919	-	2,277,339	34,698,289
2057	34,698,289	-	217,280	-	2,421,275	36,902,284
2058	36,902,284	-	209,208	-	2,575,838	39,268,914
2059	39,268,914	-	200,730	-	2,741,798	41,809,982
2060	41,809,982	-	191,859	-	2,919,984	44,538,107
2061	44,538,107	-	182,639	-	3,111,275	47,466,743
2062	47,466,743	-	173,115	-	3,316,613	50,610,241
2063	50,610,241	-	163,308	-	3,537,001	53,983,934
2064	53,983,934	-	153,227	-	3,773,512	57,604,219
2065	57,604,219	-	142,957	-	4,027,292	61,488,554

## 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
2066	61,488,554	-	132,592	-	4,299,558	65,655,520
2067	65,655,520	-	122,137	-	4,591,612	70,124,995
2068	70,124,995	-	111,602	-	4,904,844	74,918,237
2069	74,918,237	-	101,079	-	5,240,739	80,057,897
2070	80,057,897	-	90,703	-	5,600,878	85,568,072
2071	85,568,072	-	80,569	-	5,986,945	91,474,448
2072	91,474,448	-	70,739	-	6,400,735	97,804,444
2073	97,804,444	-	61,353	-	6,844,164	104,587,255
2074	104,587,255	-	52,596	-	7,319,267	111,853,926
2075	111,853,926	-	44,514	-	7,828,217	119,637,629
2076	119,637,629	-	37,112	-	8,373,335	127,973,852
2077	127,973,852	-	30,463	-	8,957,103	136,900,492
2078	136,900,492	-	24,666	-	9,582,171	146,457,997
2079	146,457,997	-	19,698	-	10,251,370	156,689,669
2080	156,689,669	-	15,458	-	10,967,736	167,641,947
2081	167,641,947	-	11,934	-	11,734,519	179,364,532
2082	179,364,532	-	9,050	-	12,555,200	191,910,682
2083	191,910,682	-	6,741	-	13,433,512	205,337,453
2084	205,337,453	-	4,932	-	14,373,449	219,705,970
2085	219,705,970	-	3,551	-	15,379,294	235,081,713
2086	235,081,713	-	2,507	-	16,455,632	251,534,838
2087	251,534,838	-	1,743	-	17,607,378	269,140,473
2088	269,140,473	-	1,189	-	18,839,791	287,979,075
2089	287,979,075	-	798	-	20,158,507	308,136,784
2090	308,136,784	-	525	-	21,569,557	329,705,816
2091	329,705,816	-	343	-	23,079,395	352,784,868
2092	352,784,868	-	220	-	24,694,933	377,479,581
2093	377,479,581	-	141	-	26,423,566	403,903,006
2094	403,903,006	-	90	-	28,273,207	432,176,123
2095	432,176,123	-	57	-	30,252,327	462,428,393
2096	462,428,393	-	36	-	32,369,986	494,798,343
2097	494,798,343	-	22	-	34,635,883	529,434,204
2098	529,434,204	-	14	-	37,060,394	566,494,584
2099	566,494,584	-	9	-	39,654,621	606,149,196
2100	606,149,196	-	5	-	42,430,444	648,579,635
2101	648,579,635	-	3	-	45,400,574	693,980,206
2102	693,980,206	-	2	-	48,578,614	742,558,818
2103	742,558,818	-	1	-	51,979,117	794,537,934
2104	794,537,934	-	1	-	55,617,655	850,155,588
2105	850,155,588	-	-	-	59,510,891	909,666,479

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
2016	4,150,214	-	33,419	-	206,675	4,323,470
2017	4,323,470	-	28,864	-	215,452	4,510,058
2018	4,510,058	-	32,156	-	224,699	4,702,601
2019	4,702,601	-	34,378	-	234,271	4,902,494
2020	4,902,494	-	36,468	-	244,213	5,110,239
2021	5,110,239	-	41,046	-	254,486	5,323,679
2022	5,323,679	-	52,003	-	264,884	5,536,560
2023	5,536,560	-	60,953	-	275,304	5,750,911
2024	5,750,911	-	77,008	-	285,620	5,959,523
2025	5,959,523	-	91,362	-	295,692	6,163,853
2026	6,163,853	-	121,995	-	305,143	6,347,001
2027	6,347,001	-	130,764	-	314,081	6,530,318
2028	6,530,318	-	164,704	-	322,398	6,688,012
2029	6,688,012	-	193,978	-	329,551	6,823,585
2030	6,823,585	-	241,766	-	335,135	6,916,954
2031	6,916,954	-	264,508	-	339,235	6,991,681
2032	6,991,681	-	294,196	-	342,229	7,039,714
2033	7,039,714	-	301,134	-	344,457	7,083,037
2034	7,083,037	-	306,938	-	346,478	7,122,577
2035	7,122,577	-	311,966	-	348,330	7,158,941
2036	7,158,941	-	320,864	-	349,925	7,188,002
2037	7,188,002	-	320,365	-	351,391	7,219,028
2038	7,219,028	-	320,134	-	352,948	7,251,842
2039	7,251,842	-	315,223	-	354,712	7,291,331
2040	7,291,331	-	308,895	-	356,844	7,339,280
2041	7,339,280	-	304,179	-	359,360	7,394,461
2042	7,394,461	-	297,711	-	362,280	7,459,030
2043	7,459,030	-	294,186	-	365,597	7,530,441
2044	7,530,441	-	290,509	-	369,259	7,609,191
2045	7,609,191	-	286,042	-	373,309	7,696,458
2046	7,696,458	-	281,116	-	377,795	7,793,137
2047	7,793,137	-	276,880	-	382,735	7,898,992
2048	7,898,992	-	271,824	-	388,154	8,015,322
2049	8,015,322	-	267,224	-	394,086	8,142,184
2050	8,142,184	-	262,233	-	400,553	8,280,504
2051	8,280,504	-	256,966	-	407,601	8,431,139
2052	8,431,139	-	251,258	-	415,276	8,595,157
2053	8,595,157	-	245,267	-	423,626	8,773,516
2054	8,773,516	-	238,899	-	432,703	8,967,320
2055	8,967,320	-	232,127	-	442,563	9,177,756
2056	9,177,756	-	224,919	-	453,265	9,406,102
2057	9,406,102	-	217,280	-	464,873	9,653,695
2058	9,653,695	-	209,208	-	477,455	9,921,942
2059	9,921,942	-	200,730	-	491,079	10,212,291
2060	10,212,291	-	191,859	-	505,818	10,526,250
2061	10,526,250	-	182,639	-	521,747	10,865,358
2062	10,865,358	-	173,115	-	538,940	11,231,183
2063	11,231,183	-	163,308	-	557,476	11,625,351
2064	11,625,351	-	153,227	-	577,437	12,049,561
2065	12,049,561	-	142,957	-	598,904	12,505,508

## 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
2066	12,505,508	-	132,592	-	621,961	12,994,877
2067	12,994,877	-	122,137	-	646,690	13,519,430
2068	13,519,430	-	111,602	-	673,181	14,081,009
2069	14,081,009	-	101,079	-	701,523	14,681,453
2070	14,681,453	-	90,703	-	731,805	15,322,555
2071	15,322,555	-	80,569	-	764,114	16,006,100
2072	16,006,100	-	70,739	-	798,537	16,733,898
2073	16,733,898	-	61,353	-	835,161	17,507,706
2074	17,507,706	-	52,596	-	874,070	18,329,180
2075	18,329,180	-	44,514	-	915,346	19,200,012
2076	19,200,012	-	37,112	-	959,073	20,121,973
2077	20,121,973	-	30,463	-	1,005,337	21,096,847
2078	21,096,847	-	24,666	-	1,054,226	22,126,407
2079	22,126,407	-	19,698	-	1,105,828	23,212,537
2080	23,212,537	-	15,458	-	1,160,240	24,357,319
2081	24,357,319	-	11,934	-	1,217,568	25,562,953
2082	25,562,953	-	9,050	-	1,277,921	26,831,824
2083	26,831,824	-	6,741	-	1,341,423	28,166,506
2084	28,166,506	-	4,932	-	1,408,202	29,569,776
2085	29,569,776	-	3,551	-	1,478,400	31,044,625
2086	31,044,625	-	2,507	-	1,552,169	32,594,287
2087	32,594,287	-	1,743	-	1,629,671	34,222,215
2088	34,222,215	-	1,189	-	1,711,081	35,932,107
2089	35,932,107	-	798	-	1,796,585	37,727,894
2090	37,727,894	-	525	-	1,886,382	39,613,751
2091	39,613,751	-	343	-	1,980,679	41,594,087
2092	41,594,087	-	220	-	2,079,699	43,673,566
2093	43,673,566	-	141	-	2,183,675	45,857,100
2094	45,857,100	-	90	-	2,292,853	48,149,863
2095	48,149,863	-	57	-	2,407,492	50,557,298
2096	50,557,298	-	36	-	2,527,864	53,085,126
2097	53,085,126	-	22	-	2,654,256	55,739,360
2098	55,739,360	-	14	-	2,786,968	58,526,314
2099	58,526,314	-	9	-	2,926,315	61,452,620
2100	61,452,620	-	5	-	3,072,631	64,525,246
2101	64,525,246	-	3	-	3,226,262	67,751,505
2102	67,751,505	-	2	-	3,387,575	71,139,078
2103	71,139,078	-	1	-	3,556,954	74,696,031
2104	74,696,031	-	1	-	3,734,802	78,430,832
2105	78,430,832	-	-	-	3,921,542	82,352,374

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, 2018

Valuation Date: 10/1/2016

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
Total Required Contribution (Fixed \$)	\$207,486	\$516,529
Total Required Contribution (% of Payroll)	16.5%	41.2%
Expected Member Contribution	64,877	64,250
Expected State Money	140,062	140,062
Expected Sponsor Contribution (Fixed \$)	\$2,547	\$312,217
Expected Sponsor Contribution (% of Payroll)	0.3%	25.0%

**ASSETS**

Actuarial Value	4,150,214	4,150,214
Market Value	4,150,214	4,150,214

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	4,026,299	6,564,102
Disability Benefits	71,814	102,741
Death Benefits	91,506	131,513
Vested Benefits	1,366,575	2,196,015
Refund of Contributions	16,821	17,997
Service Retirees	370,409	473,321
DROP Retirees	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	3,678	3,678
Total:	<u>5,947,102</u>	<u>9,489,367</u>
Present Value of Future Salaries	12,124,929	13,681,095
Present Value of Future Member Contributions	606,246	684,055
Total Normal Cost	185,790	489,252
Present Value of Future Normal Costs (Entry Age Normal)	2,112,613	3,964,248
Total Actuarial Accrued Liability (EAN)	3,834,489	5,525,119
Total Actuarial Accrued Liability (Aggregate)	4,150,214	4,150,214
Unfunded Actuarial Accrued Liability (UAAL)	0	0

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2018

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
<b><u>PENSION COST</u></b>		
Normal Cost (with interest)	192,293	501,483
Administrative Expenses (with interest)	15,193	15,046
Payment Required To Amortize UAAL (with interest)	0	0
Total Required Contribution	\$207,486	\$516,529