

March 15, 2017

VIA EMAIL

Ms. Livia Giuliani
Benefits USA, Inc.
3810 Inverrary Blvd., Suite 303
Lauderhill, FL 33319

Re: East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Livia:

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 #14-6595

PTD/lke
Enclosures

cc via email: H. Lee Dehner, Board Attorney

EAST LAKE TARPON SPECIAL FIRE CONTROL 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: 3/15/2017

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #14-6595



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, 2016 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

	ACTUAL	HYPOTHETICAL	
	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	364,858	613,109	249,145
Interest	1,313,876	1,310,347	1,386,027
Share Plan Allocation	90,131	90,131	90,131
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(184,104)	(328,532)	(180,759)
Changes of Assumptions	366,068	(477,564)	(318,142)
Benefit Payments, Including Refunds of Employee Contributions	(756,711)	(756,711)	(756,711)
Net Change in Total Pension Liability	1,194,118	450,780	469,691
Total Pension Liability - Beginning	16,966,734	22,553,882	14,344,877
Total Pension Liability - Ending (a)	<u>\$ 18,160,852</u>	<u>\$ 23,004,662</u>	<u>\$ 14,814,568</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	441,496	441,496	441,496
Contributions - State	348,781	348,781	348,781
Contributions - Employee	109,694	109,694	109,694
Net Investment Income	899,972	899,972	899,972
Benefit Payments, Including Refunds of Employee Contributions	(756,711)	(756,711)	(756,711)
Administrative Expenses	(54,683)	(54,683)	(54,683)
Net Change in Plan Fiduciary Net Position	988,549	988,549	988,549
Plan Fiduciary Net Position - Beginning	12,865,686	12,865,686	12,865,686
Plan Fiduciary Net Position - Ending (b)	<u>\$ 13,854,235</u>	<u>\$ 13,854,235</u>	<u>\$ 13,854,235</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,306,617</u>	<u>\$ 9,150,427</u>	<u>\$ 960,333</u>

GASB 68: PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	ACTUAL	HYPOTHETICAL	
	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
Pension Expense	<u>\$ 969,570</u>	<u>\$ 1,204,316</u>	<u>\$ 654,097</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
2016	13,724,265	-	1,438,623	-	1,007,884	13,293,526
2017	13,293,526	-	844,201	-	997,535	13,446,860
2018	13,446,860	-	873,878	-	1,008,269	13,581,251
2019	13,581,251	-	1,063,385	-	1,011,341	13,529,207
2020	13,529,207	-	1,096,895	-	1,006,009	13,438,321
2021	13,438,321	-	1,118,229	-	998,139	13,318,231
2022	13,318,231	-	1,212,146	-	985,192	13,091,277
2023	13,091,277	-	1,244,597	-	966,346	12,813,026
2024	12,813,026	-	1,350,144	-	940,691	12,403,573
2025	12,403,573	-	1,389,667	-	907,427	11,921,333
2026	11,921,333	-	1,409,731	-	869,276	11,380,878
2027	11,380,878	-	1,403,846	-	827,619	10,804,651
2028	10,804,651	-	1,407,385	-	782,824	10,180,090
2029	10,180,090	-	1,389,500	-	735,114	9,525,704
2030	9,525,704	-	1,383,911	-	684,616	8,826,409
2031	8,826,409	-	1,380,164	-	630,565	8,076,810
2032	8,076,810	-	1,393,756	-	571,945	7,254,999
2033	7,254,999	-	1,408,225	-	507,694	6,354,468
2034	6,354,468	-	1,410,890	-	437,799	5,381,377
2035	5,381,377	-	1,410,732	-	362,391	4,333,036
2036	4,333,036	-	1,410,105	-	281,169	3,204,100
2037	3,204,100	-	1,396,613	-	194,199	2,001,686
2038	2,001,686	-	1,376,098	-	101,807	727,395
2039	727,395	-	1,352,778	-	-	-

*All DROP and Share Balances paid in 2016.

Number of Years Expected Benefit Payments Sustained: 23.54

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
2016	13,724,265	-	1,438,623	-	747,785	13,033,427
2017	13,033,427	-	844,201	-	725,151	12,914,377
2018	12,914,377	-	873,878	-	717,453	12,757,952
2019	12,757,952	-	1,063,385	-	703,010	12,397,577
2020	12,397,577	-	1,096,895	-	681,325	11,982,007
2021	11,982,007	-	1,118,229	-	656,816	11,520,594
2022	11,520,594	-	1,212,146	-	627,585	10,936,033
2023	10,936,033	-	1,244,597	-	593,040	10,284,476
2024	10,284,476	-	1,350,144	-	552,541	9,486,873
2025	9,486,873	-	1,389,667	-	505,542	8,602,748
2026	8,602,748	-	1,409,731	-	454,128	7,647,145
2027	7,647,145	-	1,403,846	-	399,350	6,642,649
2028	6,642,649	-	1,407,385	-	341,490	5,576,754
2029	5,576,754	-	1,389,500	-	280,715	4,467,969
2030	4,467,969	-	1,383,911	-	217,121	3,301,179
2031	3,301,179	-	1,380,164	-	150,138	2,071,153
2032	2,071,153	-	1,393,756	-	79,021	756,418
2033	756,418	-	1,408,225	-	-	-

*All DROP and Share Balances paid in 2016.

Number of Years Expected Benefit Payments Sustained: 17.54

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.75% 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
2016	13,724,265	-	1,438,623	-	1,267,983	13,553,625
2017	13,553,625	-	844,201	-	1,280,324	13,989,748
2018	13,989,748	-	873,878	-	1,321,399	14,437,269
2019	14,437,269	-	1,063,385	-	1,355,794	14,729,678
2020	14,729,678	-	1,096,895	-	1,382,670	15,015,453
2021	15,015,453	-	1,118,229	-	1,409,493	15,306,717
2022	15,306,717	-	1,212,146	-	1,433,313	15,527,884
2023	15,527,884	-	1,244,597	-	1,453,295	15,736,582
2024	15,736,582	-	1,350,144	-	1,468,497	15,854,935
2025	15,854,935	-	1,389,667	-	1,478,110	15,943,378
2026	15,943,378	-	1,409,731	-	1,485,755	16,019,402
2027	16,019,402	-	1,403,846	-	1,493,454	16,109,010
2028	16,109,010	-	1,407,385	-	1,502,018	16,203,643
2029	16,203,643	-	1,389,500	-	1,512,117	16,326,260
2030	16,326,260	-	1,383,911	-	1,524,345	16,466,694
2031	16,466,694	-	1,380,164	-	1,538,220	16,624,750
2032	16,624,750	-	1,393,756	-	1,552,968	16,783,962
2033	16,783,962	-	1,408,225	-	1,567,785	16,943,522
2034	16,943,522	-	1,410,890	-	1,583,213	17,115,845
2035	17,115,845	-	1,410,732	-	1,600,022	17,305,135
2036	17,305,135	-	1,410,105	-	1,618,508	17,513,538
2037	17,513,538	-	1,396,613	-	1,639,485	17,756,410
2038	17,756,410	-	1,376,098	-	1,664,165	18,044,477
2039	18,044,477	-	1,352,778	-	1,693,389	18,385,088
2040	18,385,088	-	1,327,942	-	1,727,809	18,784,955
2041	18,784,955	-	1,300,999	-	1,768,109	19,252,065
2042	19,252,065	-	1,269,894	-	1,815,169	19,797,340
2043	19,797,340	-	1,235,307	-	1,870,019	20,432,052
2044	20,432,052	-	1,200,306	-	1,933,610	21,165,356
2045	21,165,356	-	1,161,765	-	2,006,986	22,010,577
2046	22,010,577	-	1,120,536	-	2,091,405	22,981,446
2047	22,981,446	-	1,077,773	-	2,188,150	24,091,823
2048	24,091,823	-	1,033,129	-	2,298,588	25,357,282
2049	25,357,282	-	986,552	-	2,424,241	26,794,971
2050	26,794,971	-	938,043	-	2,566,780	28,423,708
2051	28,423,708	-	888,051	-	2,728,019	30,263,676
2052	30,263,676	-	837,067	-	2,909,901	32,336,510
2053	32,336,510	-	785,458	-	3,114,519	34,665,571
2054	34,665,571	-	733,283	-	3,344,146	37,276,434
2055	37,276,434	-	681,063	-	3,601,250	40,196,621
2056	40,196,621	-	628,949	-	3,888,509	43,456,181
2057	43,456,181	-	577,414	-	4,208,829	47,087,596
2058	47,087,596	-	526,819	-	4,565,358	51,126,135
2059	51,126,135	-	477,340	-	4,961,528	55,610,323
2060	55,610,323	-	429,492	-	5,401,069	60,581,900
2061	60,581,900	-	383,667	-	5,888,031	66,086,264
2062	66,086,264	-	340,475	-	6,426,813	72,172,602
2063	72,172,602	-	300,375	-	7,022,185	78,894,412
2064	78,894,412	-	263,821	-	7,679,344	86,309,935
2065	86,309,935	-	231,006	-	8,403,957	94,482,886

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.75% 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
2066	94,482,886	-	201,914	-	9,202,238	103,483,210
2067	103,483,210	-	176,424	-	10,081,012	113,387,798
2068	113,387,798	-	154,227	-	11,047,792	124,281,363
2069	124,281,363	-	135,012	-	12,110,851	136,257,202
2070	136,257,202	-	118,390	-	13,279,306	149,418,118
2071	149,418,118	-	103,954	-	14,563,199	163,877,363
2072	163,877,363	-	91,325	-	15,973,591	179,759,629
2073	179,759,629	-	80,096	-	17,522,659	197,202,192
2074	197,202,192	-	69,970	-	19,223,803	216,356,025
2075	216,356,025	-	60,683	-	21,091,754	237,387,096
2076	237,387,096	-	52,066	-	23,142,704	260,477,734
2077	260,477,734	-	44,051	-	25,394,432	285,828,115
2078	285,828,115	-	36,731	-	27,866,451	313,657,835
2079	313,657,835	-	30,148	-	30,580,169	344,207,856
2080	344,207,856	-	24,322	-	33,559,080	377,742,614
2081	377,742,614	-	19,288	-	36,828,965	414,552,291
2082	414,552,291	-	15,039	-	40,418,115	454,955,367
2083	454,955,367	-	11,522	-	44,357,587	499,301,432
2084	499,301,432	-	8,667	-	48,681,467	547,974,232
2085	547,974,232	-	6,397	-	53,427,176	601,395,011
2086	601,395,011	-	4,635	-	58,635,788	660,026,164
2087	660,026,164	-	3,315	-	64,352,389	724,375,238
2088	724,375,238	-	2,346	-	70,626,471	794,999,363
2089	794,999,363	-	1,644	-	77,512,358	872,510,077
2090	872,510,077	-	1,147	-	85,069,677	957,578,607
2091	957,578,607	-	797	-	93,363,875	1,050,941,685
2092	1,050,941,685	-	551	-	102,466,787	1,153,407,921
2093	1,153,407,921	-	377	-	112,457,254	1,265,864,798
2094	1,265,864,798	-	254	-	123,421,805	1,389,286,349
2095	1,389,286,349	-	168	-	135,455,411	1,524,741,592
2096	1,524,741,592	-	109	-	148,662,300	1,673,403,783
2097	1,673,403,783	-	70	-	163,156,865	1,836,560,578
2098	1,836,560,578	-	43	-	179,064,654	2,015,625,189
2099	2,015,625,189	-	27	-	196,523,455	2,212,148,617
2100	2,212,148,617	-	16	-	215,684,489	2,427,833,090
2101	2,427,833,090	-	9	-	236,713,726	2,664,546,807
2102	2,664,546,807	-	6	-	259,793,313	2,924,340,114
2103	2,924,340,114	-	3	-	285,123,161	3,209,463,272
2104	3,209,463,272	-	2	-	312,922,669	3,522,385,939
2105	3,522,385,939	-	1	-	343,432,629	3,865,818,567
2106	3,865,818,567	-	1	-	376,917,310	4,242,735,876
2107	4,242,735,876	-	-	-	413,666,748	4,656,402,624

*All DROP and Share Balances paid in 2016.

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 9.75% 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, 2018

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL	
	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$855,125	\$1,356,701	\$456,624
Total Required Contribution (% of Payroll)	36.6%	58.1%	19.6%
Expected Member Contribution	116,798	116,798	116,798
Expected State Money	258,650	258,650	258,650
Expected Sponsor Contribution (Fixed \$)	\$479,677	\$981,253	\$81,176
Expected Sponsor Contribution (% of Payroll)	20.5%	42.0%	3.5%

ASSETS

Actuarial Value ¹	13,903,137	13,903,137	13,903,137
Market Value ¹	13,724,265	13,724,265	13,724,265

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	9,688,984	14,215,380	6,954,188
Disability Benefits	124,796	168,615	95,918
Death Benefits	140,136	186,099	108,117
Vested Benefits	885,003	1,474,408	556,882
Refund of Contributions	21,788	22,935	21,788
Service Retirees	5,052,691	6,146,539	4,269,622
DROP Retirees ¹	2,318,279	2,789,641	1,991,178
Beneficiaries	0	0	0
Disability Retirees	629,903	763,392	533,700
Terminated Vested	2,140,110	2,767,079	1,710,029
Share Program Balance ¹	365,066	365,066	365,066
Total:	21,366,756	28,899,154	16,606,488
Present Value of Future Salaries	17,574,294	19,666,697	15,890,924
Present Value of Future Member Contributions	878,715	983,335	794,546
Total Normal Cost	438,988	680,420	302,094
Present Value of Future Normal Costs (Entry Age Normal)	2,895,777	5,321,641	1,648,184
Total Actuarial Accrued Liability ¹	18,064,093	23,170,630	14,551,421
Unfunded Actuarial Accrued Liability (UAAL)	4,160,956	9,267,493	648,284

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

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL	
	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost (with interest)	455,999	699,982	316,821
Administrative Expenses (with interest)	56,803	56,256	57,350
Payment Required To Amortize UAAL (with interest)	342,323	600,463	82,453
Total Required Contribution	\$855,125	\$1,356,701	\$456,624

¹ The asset values and liabilities for DROP Members include accumulated DROP and Share Program Balances as of 9/30/2016.