

DESTIN FIRE CONTROL DISTRICT  
FIREFIGHTERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2015

CONTRIBUTIONS APPLICABLE TO THE PLAN  
FISCAL YEAR ENDED SEPTEMBER 30, 2016

July 19, 2016

Board of Trustees  
Destin Fire Control District  
Firefighters' Retirement Trust Fund  
848 Airport Road  
Destin, FL 32541

Re: Destin Fire Control District  
Firefighters' Retirement Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Destin Fire Control District Firefighters' Retirement Trust Fund. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Please note that this valuation may not be applicable for any other purposes.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapters 112, and 175, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the Board of Trustees, financial reports prepared by the custodian bank, Salem Trust, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

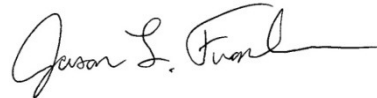
The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Destin Fire Control District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Destin Fire Control District Firefighters' Retirement Trust Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.



By: \_\_\_\_\_  
Jason L. Franken  
Enrolled Actuary #14-6888

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## TABLE OF CONTENTS

Section	Title	Page
I	Introduction and Summary	
	a. Summary of Report	5
	b. Changes Since Prior Valuation	8
	c. Requirements of Chapter 112, Part VII, Florida Statutes	9
II	Valuation Results	
	a. Actuarial Assumptions and Methods	14
	b. Valuation Notes	16
	c. UAAL Reconciliation	17
	d. Detailed Actuarial (Gain)/Loss Analysis	18
III	Trust Fund	19
IV	Member Statistics	
	a. Statistical Data	24
	b. Age and Service Distribution	25
	c. Member Reconciliation	26
V	Summary of Plan Provisions	27

SUMMARY OF REPORT

The regular annual actuarial valuation of the Destin Fire Control District Firefighters' Retirement Trust Fund, performed as of October 1, 2015, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2016.

The funding requirements, compared with the amounts set forth in the October 1, 2014, actuarial valuation report, are as follows:

Valuation Date	10/1/2014	10/1/2015
Applicable Fiscal Year End	<u>9/30/2015</u>	<u>9/30/2016</u>
Total Required Contribution % of Total Annual Payroll	75.7%	75.5%
Member Contributions (Est.) % of Total Annual Payroll	6.8%	6.8%
Required District and State Cont. % of Total Annual Payroll	68.9%	68.7%
State Contributions * % of Total Annual Payroll	371,910 23.6%	371,910 23.6%
Balance from District % of Total Annual Payroll	45.4%	45.2%

\*Amount received during fiscal 2015, the District may use up to \$569,853 in State Contributions for determining its minimum funding requirements (under the traditional interpretation of Chapter 99-1 Florida Statutes). For budgeting purposes, the required Sponsor Contribution (District and State) is 68.9% of Pensionable Earnings for the fiscal year ending September 30, 2015. The precise District requirement for the year is this amount, less actual allowable State Contributions.

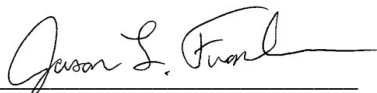
Over the last 12 months the actuarial experience was more favorable than expected on the basis of the actuarial assumptions. The principal source of favorable experience was average increases in pensionable earnings that were less than the assumed rate. Partially offsetting this gain was the effect of a 6.87% investment return (Actuarial Asset basis) that was less than the 8.00% assumption and no inactive or active turnover.

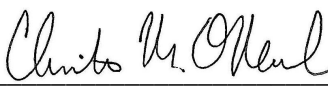
For informational purposes, the District's funding requirements when expressed as a percentage of payroll, including an estimate of the annual pay for the DROP Members, is approximately 7.3% less than the rate shown above. The District should budget based on the information above.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By:   
Jason L. Franken, FSA, EA, MAAA

By:   
Christine M. O'Neal, ASA, EA, MAAA

## CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1) Contribution Determined as of October 1, 2014	49.5%
(2) Summary of Contribution Impact by component:	
Change in Available State Money	-4.1%
Investment Return (Actuarial Asset Basis)	0.8%
Salary Increases	-2.5%
Payroll Change	5.8%
Payroll Growth Assumption	2.0%
Amortization Base Payoffs	0.0%
New Entrants	0.0%
Active Decrements	0.2%
Inactive Mortality	0.1%
Data Corrections	0.1%
Assumption Change	-6.4%
Other	<u>-0.3%</u>
Total Change in Contribution	-4.3%
(3) Contribution Determined as of October 1, 2015	45.2%

## CHANGES SINCE PRIOR VALUATION

Plan Changes - There have been no changes since the prior valuation.

Actuarial Assumption/Method Changes – In conjunction with the August 28, 2015 experience study, the Board adopted the following changes to the assumptions:

- Salary Increases change from 7.5% per year to a table based on service that grades down from 10% to 4% (see the actuarial assumptions page for more details).
- Mortality Rates change from the RP 2000 table with no-projection for healthy lives to the RP-2000 table projected with scale BB through 2015 (disabled lives are set forward 5 years).

Additionally to comply with Florida Statutes, the payroll growth assumption was decreased from 1.6% to 1.0%.



COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2015</u>	Old Assump <u>10/1/2015</u>	<u>10/1/2014</u>
A. Participant Data			
Number Included			
Actives	25	25	26
Service Retirees	9	9	7
DROP Retirees	4	4	3
Beneficiaries	0	0	0
Disability Retirees	1	1	1
Terminated Vested	<u>6</u>	<u>6</u>	<u>8</u>
Total	45	45	45
Total Annual Payroll	\$1,579,196	\$1,622,099	\$1,682,767
Payroll Under Assumed Ret. Age	1,579,196	1,622,099	1,682,767
Annual Rate of Payments to:			
Service Retirees	639,905	639,905	559,509
DROP Retirees	215,465	215,465	163,065
Beneficiaries	0	0	0
Disability Retirees	14,297	14,297	14,297
Terminated Vested	142,921	142,921	210,014
B. Assets			
Actuarial Value <sup>1</sup>	14,866,493	14,866,493	13,397,371
Market Value <sup>1</sup>	13,924,319	13,924,319	14,178,116
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	10,243,565	11,254,527	11,411,501
Disability Benefits	44,832	47,619	49,945
Death Benefits	23,199	26,189	26,935
Vested Benefits	582,428	615,322	686,019
Refund of Contributions	8,213	8,091	9,535
Service Retirees	9,040,535	8,820,963	7,978,839
DROP Retirees <sup>1</sup>	3,843,615	3,797,476	2,821,419
Beneficiaries	0	0	0
Disability Retirees	173,239	172,129	172,983
Terminated Vested	1,117,790	1,108,431	1,777,834
Excess State Monies Reserve	<u>0</u>	<u>0</u>	<u>0</u>
Total	25,077,416	25,850,747	24,935,010

C. Liabilities - (Continued)	New Assump <u>10/1/2015</u>	Old Assump <u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	8,041,948	9,082,231	10,144,517
Present Value of Future Member Contributions	546,852	617,592	689,827
Normal Cost (Retirement)	347,967	449,191	463,808
Normal Cost (Disability)	4,478	5,208	5,002
Normal Cost (Death)	1,619	2,057	1,931
Normal Cost (Vesting)	47,022	54,220	56,176
Normal Cost (Refunds)	<u>2,141</u>	<u>2,123</u>	<u>2,019</u>
Total Normal Cost	403,227	512,799	528,936
Present Value of Future Normal Costs	2,006,483	2,753,876	3,082,150
Accrued Liability (Retirement)	8,522,172	8,850,944	8,716,197
Accrued Liability (Disability)	21,560	19,464	19,814
Accrued Liability (Death)	15,501	15,942	15,857
Accrued Liability (Vesting)	334,730	309,732	348,197
Accrued Liability (Refunds)	1,791	1,790	1,720
Accrued Liability (Inactives) <sup>1</sup>	14,175,179	13,898,999	12,751,075
Excess State Monies Reserve	<u>0</u>	<u>0</u>	<u>0</u>
Total Actuarial Accrued Liability	23,070,933	23,096,871	21,852,860
Unfunded Actuarial Accrued Liability (UAAL)	8,204,440	8,230,378	8,455,489
Funded Ratio (AVA / AL)	64.4%	64.4%	61.3%
 D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives <sup>1</sup>	14,175,179	13,898,999	12,751,075
Actives	5,331,035	5,245,737	5,113,011
Member Contributions	<u>1,078,470</u>	<u>1,078,470</u>	<u>1,034,809</u>
Total	20,584,684	20,223,206	18,898,895
Non-vested Accrued Benefits	<u>1,114,783</u>	<u>1,076,643</u>	<u>1,035,881</u>
Total Present Value Accrued Benefits	21,699,467	21,299,849	19,934,776
Funded Ratio (MVA / PVAB)	64.2%	65.4%	71.1%
 Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	399,618	0	
New Accrued Benefits	0	394,328	
Benefits Paid	0	(600,036)	
Interest	0	1,570,781	
Other	<u>0</u>	<u>0</u>	
Total	399,618	1,365,073	

	New Assump	Old Assump	
Valuation Date	10/1/2015	10/1/2015	10/1/2014
Applicable to Fiscal Year Ending	<u>9/30/2016</u>	<u>9/30/2016</u>	<u>9/30/2015</u>

#### E. Pension Cost

Normal Cost (with interest)			
% of Total Annual Payroll <sup>2</sup>	26.6	32.9	32.7
Administrative Expenses (with interest)			
% of Total Annual Payroll <sup>2</sup>	2.2	2.1	0.9
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2015, with interest)			
% of Total Annual Payroll <sup>2</sup>	46.7	43.6	42.1
Total Required Contribution			
% of Total Annual Payroll <sup>2</sup>	75.5	78.6	75.7
Expected Member Contributions			
% of Total Annual Payroll <sup>2</sup>	6.8	6.8	6.8
Expected City and State Contribution			
% of Total Annual Payroll <sup>2</sup>	68.7	71.8	68.9

#### F. Past Contributions

Plan Years Ending:	<u>9/30/2015</u>
Total Required Contribution	1,164,001
City and State Requirement	1,059,441
Actual Contributions Made:	
Members (excluding buyback)	104,560
City	687,531
State	<u>371,910</u> <sup>3</sup>
Total	1,164,001

G. Net Actuarial (Gain)/Loss (268,955)

<sup>1</sup> The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2015 and 9/30/2014.

<sup>2</sup> Contributions developed as of 10/1/2015 are expressed as a percentage of total annual payroll at 10/1/2015 of \$1,579,196.

<sup>3</sup> Reflects traditional interpretation of Chapter 99-1, Florida Statutes.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	8,204,440
2016	8,094,818
2017	7,968,770
2023	6,781,212
2029	4,535,956
2034	1,534,686
2040	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	0.70%	7.50%
Year Ended	9/30/2014	0.04%	7.50%
Year Ended	9/30/2013	0.54%	7.50%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

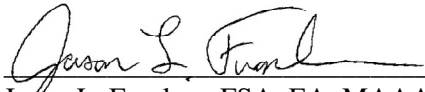
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	6.87%	8.00%
Year Ended	9/30/2014	9.72%	8.00%
Year Ended	9/30/2013	8.84%	8.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015	\$1,579,196
	10/1/2005	1,428,856
(b) Total Increase		10.5%
(c) Number of Years		10.0
(d) Average Annual Rate		1.0%

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was 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, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.



Jason L. Franken, FSA, EA, MAAA  
Enrolled Actuary #14-6888

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman  
Bureau of Local  
Retirement Systems  
Post Office Box 9000  
Tallahassee, FL 32315-9000

Ms. Sarah Carr  
Municipal Police and Fire  
Pension Trust Funds  
Division of Retirement  
Post Office Box 3010  
Tallahassee, FL 32315-3010

## ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rate</u>	<p>RP-2000 Combined Healthy table projected with Scale BB through the valuation year (disabled lives are set forward 5 years).</p> <p>Prior: RP-2000 Table with no projection. (Disabled lives set forward 5 years).</p>																								
<u>Interest Rate</u>	8.0% per year compounded annually, net of investment related expenses.																								
<u>Retirement Age</u>	Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age (Age 52 with 25 years of Credited Service for Members hired on or after October 1, 2012). Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.																								
<u>Early Retirement</u>	Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.																								
<u>Disability Rate</u>	See table on following page (1201). It is assumed that 75% of disablements are service related.																								
<u>Termination Rate</u>	See table on following page (1302).																								
<u>Salary Increases</u>	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Credited Service</th> <th style="text-align: center;">Salary Increase</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">0</td><td style="text-align: center;">10.0%</td></tr> <tr><td style="text-align: center;">1</td><td style="text-align: center;">9.0%</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">8.0%</td></tr> <tr><td style="text-align: center;">3</td><td style="text-align: center;">7.5%</td></tr> <tr><td style="text-align: center;">4</td><td style="text-align: center;">7.0%</td></tr> <tr><td style="text-align: center;">5</td><td style="text-align: center;">6.5%</td></tr> <tr><td style="text-align: center;">6</td><td style="text-align: center;">6.0%</td></tr> <tr><td style="text-align: center;">7</td><td style="text-align: center;">5.5%</td></tr> <tr><td style="text-align: center;">8</td><td style="text-align: center;">5.0%</td></tr> <tr><td style="text-align: center;">9</td><td style="text-align: center;">4.5%</td></tr> <tr><td style="text-align: center;">10+</td><td style="text-align: center;">4.0%</td></tr> </tbody> </table> <p>Prior: 7.5% per year until the assumed retirement.</p>	Credited Service	Salary Increase	0	10.0%	1	9.0%	2	8.0%	3	7.5%	4	7.0%	5	6.5%	6	6.0%	7	5.5%	8	5.0%	9	4.5%	10+	4.0%
Credited Service	Salary Increase																								
0	10.0%																								
1	9.0%																								
2	8.0%																								
3	7.5%																								
4	7.0%																								
5	6.5%																								
6	6.0%																								
7	5.5%																								
8	5.0%																								
9	4.5%																								
10+	4.0%																								
<u>Administrative Expenses</u>	\$32,924 annually.																								
<u>Payroll Increase</u>	1.0% per year (1.6% for 10/1/14).																								
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method																								

Actuarial Asset Method

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>
20	0.03%	6.0%
30	0.04%	5.0%
40	0.07%	2.6%
50	0.18%	0.8%

## VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the fiscal year following the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is determined for each participant as the present value of future benefits, determined as of the member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost Method (Level Percent of Compensation) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.



RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2014	\$8,455,489
(2) Sponsor Normal Cost developed as of October 1, 2014	414,508
(3) Expected administrative expenses for the year ended September 30, 2015	14,883
(4) Expected interest on (1), (2) and (3)	710,195
(5) Sponsor contributions to the System during the year ended September 30, 2015	1,059,441
(6) Expected interest on (5)	36,301
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	8,499,333
(8) Change to UAAL due to Assumption Change	(25,938)
(9) Change to UAAL due to Actuarial (Gain)/Loss	(268,955)
(10) Unfunded Accrued Liability as of October 1, 2015	8,204,440

Type of Base	Date Established	Years Remaining	10/1/2015 Amount	Amortization Amount
Benefit Improv.	10/1/2002	17	\$516,017	\$49,190
Benefit Improv.	10/1/2005	20	952,135	83,597
Actuarial Loss	10/1/2006	21	1,041,577	89,396
Method Change	10/1/2006	21	541,137	46,444
Actuarial Loss	10/1/2007	22	208,197	17,501
Benefit Improv.	10/1/2007	22	1,870,705	157,253
Benefit Improv.	10/1/2007	22	3,035,110	255,134
Actuarial Loss	10/1/2008	22	2,473,190	207,898
Method Change	10/1/2008	22	(150,319)	(12,636)
Actuarial Gain	10/1/2009	22	(892,855)	(75,054)
Assump Change	10/1/2009	22	312,663	26,283
Actuarial Loss	10/1/2010	22	512,554	43,086
Method Change	10/1/2010	22	(33,299)	(2,799)
Actuarial Gain	10/1/2011	22	(209,034)	(17,572)
Actuarial Gain	10/1/2012	22	(136,030)	(11,435)
Benefit Improv.	10/1/2012	22	665,050	55,905
Actuarial Gain	10/1/2013	23	(376,518)	(31,053)
Actuarial Gain	10/1/2014	24	(1,830,947)	(148,384)
Actuarial Gain	10/1/2015	25	(268,955)	(21,449)
Assump Change	10/1/2015	25	<u>(25,938)</u>	<u>(2,069)</u>
			8,204,440	709,236

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2014	\$8,455,489
(2) Expected UAAL as of October 1, 2015	8,499,333
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	154,950
Salary Increases	(470,129)
Active Decrements	43,137
Inactive Mortality	21,970
Other	<u>(18,883)</u>
Increase in UAAL due to (Gain)/Loss	(268,955)
Assumption Changes	<u>(25,938)</u>
(4) Actual UAAL as of October 1, 2015	\$8,204,440

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2015

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	717,834.96	717,834.96
Total Cash and Equivalents	717,834.96	717,834.96
Receivables:		
Investment Income	23,847.09	23,847.09
Total Receivable	23,847.09	23,847.09
Investments:		
U. S. Bonds and Bills	195,944.86	207,557.76
Federal Agency Guaranteed Securities	98,623.77	97,549.52
Corporate Bonds	3,056,657.70	3,084,580.75
Municipal Obligations	282,250.00	300,480.00
Certificates of Deposits	150,000.00	150,232.50
Stocks	8,511,585.69	9,342,236.40
Total Investments	12,295,062.02	13,182,636.93
Total Assets	13,036,744.07	13,924,318.98
<u>LIABILITIES</u>		
Total Liabilities	0.00	0.00
NET POSITION RESTRICTED FOR PENSIONS	13,036,744.07	13,924,318.98

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2015  
Market Value Basis

ADDITIONS

Contributions:		
Member		104,560.21
District		687,530.87
State		371,910.26
Total Contributions		1,164,001.34
Investment Income:		
Net Realized Gain (Loss)	1,289,146.28	
Unrealized Gain (Loss)	(2,209,635.25)	
Net Increase in Fair Value of Investments		(920,488.97)
Interest & Dividends		237,537.34
Less Investment Expense <sup>1</sup>		(101,886.43)
Net Investment Income		(784,838.06)
Total Additions		379,163.28
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments		600,036.28
Lump Sum DROP Distributions		0.00
Refunds of Member Contributions		0.00
Total Distributions		600,036.28
Administrative Expense		32,924.36
Total Deductions		632,960.64
Net Increase in Net Position		(253,797.36)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		14,178,116.34
End of the Year		13,924,318.98

<sup>1</sup>Investment Related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION  
September 30, 2015

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2015	2016	2017	2018	2019
09/30/2011	(915,935)	0	0	0	0	0
09/30/2012	1,006,999	201,400	0	0	0	0
09/30/2013	243,204	97,282	48,641	0	0	0
09/30/2014	519,012	311,407	207,605	103,802	0	0
09/30/2015	(1,940,329)	(1,552,263)	(1,164,197)	(776,132)	(388,066)	0
<b>Total</b>		<b>(942,174)</b>	<b>(907,951)</b>	<b>(672,330)</b>	<b>(388,066)</b>	<b>0</b>

<u>Development of Investment Gain/Loss</u>	
Market Value of Assets 09/30/2014	14,178,116
Contributions Less Benefit Payments & Admin Expenses	531,041
Expected Investment Earnings	1,155,491
Actual Net Investment Earnings	(784,838)
2015 Actuarial Investment Gain/(Loss)	<u>(1,940,329)</u>

\*Expected Investment Earnings =  $0.08 * (14,178,116 + 0.5 * 531,041)$

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2015	13,924,319
(2) Gains/(Losses) Not Yet Recognized	(942,174)
(3) Actuarial Value of Assets, 09/30/2015, (1) - (2)	<u>14,866,493</u>
(A) 09/30/2014 Actuarial Assets:	13,397,371
(I) Net Investment Income:	
1. Interest and Dividends	237,537
2. Realized Gains (Losses)	1,289,146
3. Change in Actuarial Value	(486,716)
4. Investment Expenses	(101,886)
Total	<u>938,081</u>
(B) 09/30/2015 Actuarial Assets:	14,866,493
Actuarial Assets Rate of Return = $2I/(A+B-I)$ :	6.87%
Market Value of Assets Rate of Return:	-5.49%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(154,950)
10/01/2015 Limited Actuarial Assets:	14,866,493

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 SEPTEMBER 30, 2015  
 Actuarial Asset Basis

REVENUES

Contributions:		
Member	104,560.21	
District	687,530.87	
State	371,910.26	
 Total Contributions		 1,164,001.34
Earnings from Investments:		
Interest & Dividends	237,537.34	
Net Realized Gain (Loss)	1,289,146.28	
Change in Actuarial Value	(486,716.25)	
 Total Earnings and Investment Gains		 1,039,967.37

EXPENDITURES

Distributions to Members:		
Benefit Payments	600,036.28	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	0.00	
 Total Distributions		 600,036.28
Expenses:		
Investment Related <sup>1</sup>	101,886.43	
Administrative	32,924.36	
 Total Expenses		 134,810.79
 Change in Net Assets for the Year		 1,469,121.64
 Net Assets Beginning of the Year		 13,397,371.34
 Net Assets End of the Year <sup>2</sup>		 14,866,492.98

<sup>1</sup>Investment Related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup>Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY  
October 1, 2014 to September 30, 2015

Beginning of the Year Balance	391,832.84
Plus Additions	193,440.25
Investment Return Earned	31,858.68
Less Distributions	0.00
End of the Year Balance	617,131.77

STATISTICAL DATA <sup>1</sup>

	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>
<u>Actives</u>				
Number	35	33	26	25
Average Current Age	39.1	39.6	40.4	40.2
Average Age at Employment	26.7	26.9	26.8	27.2
Average Past Service	12.4	12.7	13.6	13.0
Average Annual Salary	\$61,508	\$65,282	\$64,722	\$63,168
<u>Service Retirees</u>				
Number	7	7	7	9
Average Current Age	N/A	N/A	N/A	55.3
Average Annual Benefit	\$73,336	\$78,051	\$79,930	\$71,101
<u>DROP Retirees</u>				
Number	N/A	3	3	4
Average Current Age	N/A	N/A	N/A	49.4
Average Annual Benefit	N/A	\$54,355	\$54,355	\$53,866
<u>Beneficiaries</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Disability Retirees</u>				
Number	1	1	1	1
Average Current Age	N/A	N/A	N/A	51.9
Average Annual Benefit	\$14,297	\$14,297	\$14,297	\$14,297
<u>Terminated Vested</u>				
Number	0	0	8	6
Average Current Age	N/A	N/A	N/A	37.7
Average Annual Benefit	N/A	N/A	\$26,252	\$23,820

<sup>1</sup> Prior to 10/1/2015, averages were salary weighted.



## AGE AND SERVICE DISTRIBUTION

### PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	1	0	0	0	0	0	0	0	0	0	1
25 - 29	0	0	0	0	0	1	0	0	0	0	0	1
30 - 34	0	0	0	0	0	3	1	0	0	0	0	4
35 - 39	0	0	0	0	0	1	2	0	0	0	0	3
40 - 44	0	0	0	0	0	1	3	4	0	0	0	8
45 - 49	0	1	0	0	0	0	2	3	0	1	0	7
50 - 54	0	0	0	0	0	0	0	1	0	0	0	1
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	2	0	0	0	6	8	8	0	1	0	25

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2014	26
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>(1)</u>
g. Continuing participants	25
h. New entrants	<u>0</u>
i. Total active life participants in valuation	25

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
	<u>Benefits</u>	<u>Benefits</u>	<u>Benefits</u>	<u>Benefits</u>	<u>Deferred</u>	<u>Total</u>
a. Number prior valuation	7	3	0	1	8	19
Retired	2	0	0	0	(2)	0
DROP	0	1	0	0	0	1
Vested Deferred	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	9	4	0	1	6	20

## SUMMARY OF PLAN PROVISIONS

<u>Eligibility</u>	Full-time employees who are classified as full-time certified firefighters participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the District as a Firefighter.
<u>Salary</u>	Base pay, plus state supplemental education pay, plus EMT and Paramedic educational differential pay.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	6.8% of Salary.
<u>District and State Contributions</u>	Remaining amount required in order to pay current costs and amortize any unfunded past service cost as provided in Part VII of Chapter 112, F.S.
<u>Normal Retirement</u>	
Date	Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age.
Benefit	3.5% of Average Final Compensation <u>times</u> Credited Service (2.5% if hired on or after October 1, 2012)
Form of Benefit	Ten Year Certain and Life Annuity (options available).
<u>Early Retirement</u>	
Eligibility	Age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% for each year prior to Normal Retirement.

Cost-of-Living Adjustment

Service retirees on and after 10/1/02 (hired before 10/1/12) receive annual 2% increases beginning the October 1 following one full year of retirement. Members hired on and after 10/1/12 are not eligible for the cost-of-living adjustment.

Vesting

Schedule

100% after 7 years of contributing service if hired before 10/1/12, Members hired on and after 10/1/12 are 100% vested after 10 years.

Benefit Amount

Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability

Eligibility

Service Incurred

Covered from Date of Employment.

Non-Service Incurred

10 years of Credited Service.

Exclusions

Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

Benefit

Benefit accrued to date of disability but not less than 42% of Average Final Compensation (if Service Incurred).

Duration

Payable for life and ten years certain or until recovery (as determined by the Board). Options available.

Death Benefits

Pre-Retirement

Vested

Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested

Refund of accumulated contributions without interest.

Post-Retirement

Benefits payable to beneficiary in accordance with option selected at retirement.

Board of Trustees

Two District appointees, two Members of the Department elected by the membership, and a fifth Member elected by other 4 and appointed by the District.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.
Rate of Return	At Member's election:  (1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or  (2) 6.5% per annum compounded monthly.  Members may elect to change form of return one time.
Form of Distribution	Cash lump sum (options available) at termination of employment.