

DESTIN FIRE CONTROL DISTRICT  
FIREFIGHTERS' RETIREMENT 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: Jason L. Franken Date: 6/23/2015

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



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, 2014 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 AND RELATED RATIOS

	ACTUAL	HYPOTHETICAL		
	8.00% RP-2000 Static 9/30/2014	8.00% RP-2000 Generational 9/30/2014	6.00% RP-2000 Generational 9/30/2014	10.00% RP-2000 Generational 9/30/2014
<b>Total Pension Liability</b>				
Service Cost	702,391	732,162	1,151,256	483,192
Interest	1,756,834	1,823,834	1,821,362	1,781,427
Change in Excess State Money	-	-	-	-
Change in Funding Standard Account	-	-	-	-
Share Plan Allocation	-	-	-	-
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	-	-	-
Changes of Assumptions	-	-	-	-
Contributions - Buy Back	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(579,955)	(579,955)	(579,955)	(579,955)
Net Change in Total Pension Liability	1,879,270	1,976,041	2,392,663	1,684,664
Total Pension Liability - Beginning	21,548,011	22,355,736	29,494,757	17,621,060
Total Pension Liability - Ending (a)	23,427,281	\$ 24,331,777	\$ 31,887,420	\$ 19,305,724
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	697,413	697,413	697,413	697,413
Contributions - State	326,318	326,318	326,318	326,318
Contributions - Employee	126,109	126,109	126,109	126,109
Contributions - Buy Back	-	-	-	-
Net Investment Income	1,510,241	1,510,241	1,510,241	1,510,241
Benefit Payments, Including Refunds of Employee Contributions	(579,955)	(579,955)	(579,955)	(579,955)
Administrative Expense	(14,883)	(14,883)	(14,883)	(14,883)
Other	-	-	-	-
Net Change in Plan Fiduciary Net Position	2,065,243	2,065,243	2,065,243	2,065,243
Plan Fiduciary Net Position - Beginning	12,112,873	12,112,873	12,112,873	12,112,873
Plan Fiduciary Net Position - Ending (b)	\$ 14,178,116	\$ 14,178,116	\$ 14,178,116	\$ 14,178,116
Net Pension Liability - Ending (a) - (b)	\$ 9,249,165	\$ 10,153,661	\$ 17,709,304	\$ 5,127,608

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: 8.00% and RP-2000 Static Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	14,178,116	-	1,177,220	-	1,087,160	14,088,056
2015	14,088,056	-	1,020,264	-	1,086,234	14,154,026
2016	14,154,026	-	1,133,013	-	1,087,002	14,108,015
2017	14,108,015	-	1,196,467	-	1,080,783	13,992,331
2018	13,992,331	-	1,262,769	-	1,068,876	13,798,438
2019	13,798,438	-	1,317,225	-	1,051,186	13,532,399
2020	13,532,399	-	1,459,850	-	1,024,198	13,096,747
2021	13,096,747	-	1,612,674	-	983,233	12,467,306
2022	12,467,306	-	1,741,469	-	927,726	11,653,563
2023	11,653,563	-	1,789,175	-	860,718	10,725,106
2024	10,725,106	-	1,820,860	-	785,174	9,689,420
2025	9,689,420	-	1,876,745	-	700,084	8,512,759
2026	8,512,759	-	1,903,130	-	604,896	7,214,525
2027	7,214,525	-	1,948,399	-	499,226	5,765,352
2028	5,765,352	-	1,974,909	-	382,232	4,172,675
2029	4,172,675	-	2,005,614	-	253,589	2,420,650
2030	2,420,650	-	2,026,641	-	112,586	506,595
2031	506,595	-	2,040,396	-	-	-

\*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 17.25

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.00% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.**

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2  
Hypothetical Assumptions: 8.00% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	14,178,116	-	1,177,252	-	1,087,159	14,088,023
2015	14,088,023	-	1,020,590	-	1,086,218	14,153,651
2016	14,153,651	-	1,133,610	-	1,086,948	14,106,989
2017	14,106,989	-	1,197,319	-	1,080,666	13,990,336
2018	13,990,336	-	1,263,991	-	1,068,667	13,795,012
2019	13,795,012	-	1,319,300	-	1,050,829	13,526,541
2020	13,526,541	-	1,462,791	-	1,023,612	13,087,362
2021	13,087,362	-	1,616,541	-	982,327	12,453,148
2022	12,453,148	-	1,746,856	-	926,378	11,632,670
2023	11,632,670	-	1,795,865	-	858,779	10,695,584
2024	10,695,584	-	1,829,370	-	782,472	9,648,686
2025	9,648,686	-	1,890,360	-	696,280	8,454,606
2026	8,454,606	-	1,920,886	-	599,533	7,133,253
2027	7,133,253	-	1,970,363	-	491,846	5,654,736
2028	5,654,736	-	2,001,850	-	372,305	4,025,191
2029	4,025,191	-	2,038,632	-	240,470	2,227,029
2030	2,227,029	-	2,067,813	-	95,450	254,666
2031	254,666	-	2,090,831	-	-	-

\*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 17.12

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.00% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.**

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3  
Hypothetical Assumptions: 6.00% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	14,178,116	-	1,177,252	-	815,369	13,816,233
2015	13,816,233	-	1,020,590	-	798,356	13,593,999
2016	13,593,999	-	1,133,610	-	781,632	13,242,021
2017	13,242,021	-	1,197,319	-	758,602	12,803,304
2018	12,803,304	-	1,263,991	-	730,279	12,269,592
2019	12,269,592	-	1,319,300	-	696,597	11,646,889
2020	11,646,889	-	1,462,791	-	654,930	10,839,028
2021	10,839,028	-	1,616,541	-	601,845	9,824,332
2022	9,824,332	-	1,746,856	-	537,054	8,614,530
2023	8,614,530	-	1,795,865	-	462,996	7,281,661
2024	7,281,661	-	1,829,370	-	382,019	5,834,310
2025	5,834,310	-	1,890,360	-	293,348	4,237,298
2026	4,237,298	-	1,920,886	-	196,611	2,513,023
2027	2,513,023	-	1,970,363	-	91,670	634,330
2028	634,330	-	2,001,850	-	-	-

\*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 14.32

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.00% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.**

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 4  
Hypothetical Assumptions: 10.00% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	14,178,116	-	1,177,252	-	1,358,949	14,359,813
2015	14,359,813	-	1,020,590	-	1,384,952	14,724,175
2016	14,724,175	-	1,133,610	-	1,415,737	15,006,302
2017	15,006,302	-	1,197,319	-	1,440,764	15,249,747
2018	15,249,747	-	1,263,991	-	1,461,775	15,447,531
2019	15,447,531	-	1,319,300	-	1,478,788	15,607,019
2020	15,607,019	-	1,462,791	-	1,487,562	15,631,790
2021	15,631,790	-	1,616,541	-	1,482,352	15,497,601
2022	15,497,601	-	1,746,856	-	1,462,417	15,213,162
2023	15,213,162	-	1,795,865	-	1,431,523	14,848,820
2024	14,848,820	-	1,829,370	-	1,393,414	14,412,864
2025	14,412,864	-	1,890,360	-	1,346,768	13,869,272
2026	13,869,272	-	1,920,886	-	1,290,883	13,239,269
2027	13,239,269	-	1,970,363	-	1,225,409	12,494,315
2028	12,494,315	-	2,001,850	-	1,149,339	11,641,804
2029	11,641,804	-	2,038,632	-	1,062,249	10,665,421
2030	10,665,421	-	2,067,813	-	963,151	9,560,759
2031	9,560,759	-	2,090,831	-	851,534	8,321,462
2032	8,321,462	-	2,111,043	-	726,594	6,937,013
2033	6,937,013	-	2,131,785	-	587,112	5,392,340
2034	5,392,340	-	2,150,290	-	431,720	3,673,770
2035	3,673,770	-	2,164,744	-	259,140	1,768,166
2036	1,768,166	-	2,177,297	-	-	-

\*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 22.81

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 10.00% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.**

**ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2015**

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL		
	8.00% RP-2000 Static	8.00% RP-2000 Generational	6.00% RP-2000 Generational	10.00% RP-2000 Generational
Total Required Contribution	\$1,273,689	\$1,357,411	\$1,973,664	\$882,804
Expected Member Contribution	114,428	114,428	114,428	114,428
Expected State Money	326,318	326,318	326,318	326,318
Expected Sponsor Contribution (Fixed \$)	\$832,943	\$916,665	\$1,532,918	\$442,058
Expected Sponsor Contribution (% of Payroll)	49.5%	54.4%	91.1%	26.2%
<b><u>ASSETS</u></b>				
Actuarial Value <sup>1</sup>	13,397,371	13,397,371	13,397,371	13,397,371
Market Value <sup>1</sup>	14,178,116	14,178,116	14,178,116	14,178,116
<b><u>LIABILITIES</u></b>				
Present Value of Benefits				
Active Members				
Retirement Benefits	11,411,501	11,926,452	17,175,573	8,701,821
Disability Benefits	49,945	51,864	70,219	39,956
Death Benefits	26,935	20,705	26,815	16,297
Vested Benefits	686,019	706,705	1,031,243	507,199
Refund of Contributions	9,535	9,539	10,120	9,029
Service Retirees	7,978,839	8,283,306	10,483,512	6,770,951
Beneficiaries	0	0	0	0
Terminated Vested	1,777,834	1,825,681	2,437,920	1,423,480
Disability Retirees	172,983	175,733	222,944	144,887
DROP Retirees <sup>1</sup>	2,821,419	2,894,044	3,621,453	2,413,789
Excess State Monies Reserve	0	0	0	0
Total:	24,935,010	25,894,029	35,079,799	20,027,409
Present Value of Future Salaries	10,144,517	10,152,176	11,031,638	9,418,171
Present Value of Future Member Contributions	689,827	690,348	750,151	640,436
Total Normal Cost (Entry Age Normal)	528,936	552,028	874,199	360,631
Present Value of Future Normal Costs (Entry Age Normal)	3,082,150	3,227,377	5,509,079	1,970,881
Total Actuarial Accrued Liability <sup>1</sup>	21,852,860	22,666,652	29,570,720	18,056,528
Unfunded Actuarial Accrued Liability (Entry Age Normal)	8,455,489	9,269,281	16,173,349	4,659,157



**ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2015**

Valuation Date: 10/1/2014

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>		
	8.00% RP-2000 Static	8.00% RP-2000 Generational	6.00% RP-2000 Generational	10.00% RP-2000 Generational
<b><u>PENSION COST</u></b>				
Normal Cost (with interest)	550,093	574,109	900,425	378,663
Administrative Expenses (with interest)	15,478	15,478	15,329	15,627
Payment Required To Amortize UAAL (with interest)	<u>708,118</u>	<u>767,824</u>	<u>1,057,910</u>	<u>488,514</u>
Total Required Contribution	\$1,273,689	\$1,357,411	\$1,973,664	\$882,804

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