

MIDWAY FIRE PROTECTION DISTRICT
FIREFIGHTERS' PENSION FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2018

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2020

GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2018



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

April 4, 2019

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

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Midway Fire Protection District Firefighters' Pension Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding 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. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have 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 reflect 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 the valuations, 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. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the Midway Fire Protection District, financial reports prepared by the custodian bank, 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 total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2018.

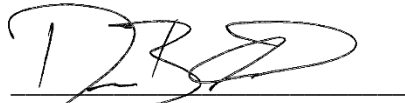
The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the 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 Midway Fire Protection District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Firefighters' Pension 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 us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.



Drew D. Ballard, EA, MAAA
Enrolled Actuary #17-8193



Sara E. Carlson, ASA, EA, MAAA
Enrolled Actuary #17-8546

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Midway Fire Protection District Firefighters' Pension Fund, performed as of October 1, 2018, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2020.

The contribution requirements, compared with those set forth in the August 28, 2017 Actuarial Impact Statement, are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2018 <u>9/30/2020</u>	10/1/2016 <u>9/30/2018</u>
Minimum Required Contribution % of Projected Annual Payroll	25.7%	24.5%
Member Contributions (Est.) % of Projected Annual Payroll	10.0%	10.0%
District And State Required Contribution % of Projected Annual Payroll	15.7%	14.5%
State Contribution (Est.) ¹ % of Projected Annual Payroll	\$123,752 8.7%	\$123,752 8.7%
District Required Contribution ² % of Projected Annual Payroll	7.0%	5.8%

¹ Represents the amount received in calendar 2018. As per a Mutual Consent Agreement between the Membership and the District, all State Monies received each year will be available to offset the District's required contribution.

² The required contribution from the combination of District and State sources for the year ending September 30, 2020, is 15.7% of the actual payroll realized in that year. As a budgeting tool, the District may contribute 7.0% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received.

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been a number of changes to the benefits since the prior valuation, as outlined in our August 28, 2017 Actuarial Impact Statement. The specific changes are as follows:

- The plan converted from a Chapter 175 “Chapter” Plan to a “Local Law” Plan.
- A Deferred Retirement Option Program (DROP) was established.
- Provisions to allow for purchase of prior military or firefighter service were established.
- The benefit accrual rate was increased from 3.00% to 4.00% per year of Credited Service, effective October 1, 2017. Members were also allowed to purchase the increased benefit rate from 3.00% to 4.00% for years of Credited Service prior to October 1, 2017.
- The Normal Retirement eligibility date was amended.
- The member contribution rate was increased from 5.00% to 10.00%, effective October 1, 2017.

Actuarial Assumption/Method Changes

As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the rates used by the Florida Retirement System actuary in the July 1, 2015 actuarial valuation to the rates used in the July 1, 2018 actuarial valuation for special risk lives.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2018</u>	<u>10/1/2016</u>
A. Participant Data		
Actives	27	27
Service Retirees	2	2
DROP Retirees	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	<u>4</u>	<u>1</u>
 Total	 33	 30
 Total Annual Payroll	 \$1,425,639	 \$1,285,657
Payroll Under Assumed Ret. Age	1,425,639	1,285,657
 Annual Rate of Payments to:		
Service Retirees	26,944	26,944
DROP Retirees	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	12,828	0
 B. Assets		
Actuarial Value (AVA) ¹	5,901,922	4,150,214
Market Value (MVA) ¹	5,901,922	4,150,214
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	6,551,672	4,897,913
Disability Benefits	92,290	75,452
Death Benefits	54,224	91,462
Vested Benefits	1,568,911	1,337,983
Refund of Contributions	39,222	27,261
Service Retirees	366,659	370,409
DROP Retirees ¹	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	78,359	3,678
Share Plan Balances ¹	<u>0</u>	<u>0</u>
 Total	 8,751,337	 6,804,158

C. Liabilities - (Continued)	<u>10/1/2018</u>	<u>10/1/2016</u>
Present Value of Future Salaries	12,170,885	11,781,792
Present Value of Future Member Contributions	1,217,089	1,178,179
Total Normal Cost	333,767	289,605
Present Value of Future Normal Costs (EAN)	2,736,405	2,459,272
Accrued Liability (Retirement)	4,487,361	3,047,916
Accrued Liability (Disability)	47,135	31,068
Accrued Liability (Death)	33,580	53,672
Accrued Liability (Vesting)	993,906	833,266
Accrued Liability (Refunds)	7,932	4,877
Accrued Liability (Inactives) ¹	445,018	374,087
Share Plan Balances ¹	<u>0</u>	<u>0</u>
Total Actuarial Accrued Liability (EAN AL)	6,014,932	4,344,886
Total Actuarial Accrued Liability (Aggregate)	5,901,922	4,150,214
Unfunded Actuarial Accrued Liability (UAAL)	0	0
Funded Ratio (AVA / EAN AL)	98.1%	95.5%

D. Actuarial Present Value of	<u>10/1/2018</u>	<u>10/1/2016</u>
Accrued Benefits		
Vested Accrued Benefits		
Inactives + Share Plan Balances ¹	445,018	374,087
Actives	1,688,066	1,118,410
Member Contributions	<u>959,884</u>	<u>501,522</u>
Total	3,092,968	1,994,019
Non-vested Accrued Benefits	<u>273,878</u>	<u>200,207</u>
Total Present Value		
Accrued Benefits (PVAB)	3,366,846	2,194,226
Funded Ratio (MVA / PVAB)	175.3%	189.1%
Increase (Decrease) in Present Value of		
Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	915,107	
Benefits Paid	(56,347)	
Interest	313,860	
Other	<u>0</u>	
Total	1,172,620	

Valuation Date	10/1/2018	10/1/2016
Applicable to Fiscal Year Ending	<u>9/30/2020</u>	<u>9/30/2018</u>

E. Pension Cost

Normal Cost (with interest) % of Total Annual Payroll ²	24.2	23.3
Administrative Expenses (with interest) % of Total Annual Payroll ²	1.5	1.2
Payment Required to Amortize Unfunded Actuarial Accrued Liability (as of 10/1/2018, with interest) % of Total Annual Payroll ²	0.0	0.0
Minimum Required Contribution % of Total Annual Payroll ²	25.7	24.5
Expected Member Contributions % of Total Annual Payroll ²	10.0	10.0
Expected District and State Contribution % of Total Annual Payroll ²	15.7	14.5

F. Past Contributions

Plan Years Ending:	<u>9/30/2018</u>
District and State Requirement	196,431
Actual Contributions Made:	
Members (excluding buyback)	135,470
District	125,148
State	<u>123,752</u>
Total	384,370

G. Net Actuarial (Gain)/Loss N/A

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2018 and 9/30/2016.

² Contributions developed as of 10/1/2018 are expressed as a percentage of total annual payroll at 10/1/2018 of \$1,425,639.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
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N/A – Aggregate Actuarial Cost Method

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2018	7.28%	5.89%
Year Ended	9/30/2017	3.51%	5.89%
Year Ended	9/30/2016	2.73%	5.70%
Year Ended	9/30/2015	7.05%	6.11%
Year Ended	9/30/2014	2.86%	7.00%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

		<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended	9/30/2018	7.32%	7.32%	7.00%
Year Ended	9/30/2017	13.32%	13.32%	7.00%
Year Ended	9/30/2016	8.00%	8.00%	7.00%
Year Ended	9/30/2015	-0.17%	-0.17%	7.00%
Year Ended	9/30/2014	7.90%	7.90%	7.50%

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.



Drew D. Ballard, EA, MAAA
Enrolled Actuary #17-8193

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

Mr. Steve Bardin
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2018 FRS valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate

7.00% per year compounded annually, gross of expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

Service	Rate
0	10.00%
1	8.00%
2-4	7.00%
5+	5.50%

Expenses

\$20,675 annually, based on actual expenses incurred in the prior fiscal year.

Retirement Age

10.0% per year eligible for Early Retirement. 10.0% per year eligible for Normal Retirement (with 100% at 25 Years of Service). Also, any member who has reached Normal Retirement Age on the valuation date is assumed to continue employment for one additional year.

Disability Rate

<u>% Becoming Disabled During the Year</u>	
<u>Age</u>	<u>Rate</u>
20	0.03%
25	0.03%
30	0.04%
35	0.05%
40	0.07%
45	0.10%
50	0.18%
55	0.36%
60	0.90%
65	0.00%

Termination Rate

<u>% Terminating During the Year</u>	
<u>Service</u>	<u>Rate</u>
0-2	15.0%
3+	5.0%

Funding Method

Aggregate Actuarial Cost Method.

Asset Method

Fair Market Value.

GLOSSARY

Total Annual Payroll is the annual rate of pay as of the valuation date of all covered Members.

Payroll Under Assumed Retirement Age is the annual rate of pay for all Members who are not subject to a 100% probability of retirement as of the valuation date.

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 Rate is determined in the aggregate as the ratio of (a) and (b) as follows:

- (a) The present value of benefits for all Plan participants, less the actuarial value of assets.
- (b) The present value of future compensation over the anticipated number of years of participation, determined as of the valuation date.

The Normal Cost dollar requirement is the ratio of (a) and (b), multiplied by the Payroll Under Assumed Retirement Age as of the valuation date.

Aggregate 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).

Total Required Contribution is equal to the Normal Cost plus Administrative Expenses with an adjustment for assumed interest and salary increase components.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2018

<u>ASSETS</u>	MARKET VALUE
Total Cash and Equivalents	0.00
Receivables:	
Member Contributions in Transit	5,269.10
Member Buy-Back Contributions	50.00
State Contributions	4,906.11
Total Receivable	10,225.21
Investments:	
FL Municipal Investment Trust	5,891,696.84
Total Investments	5,891,696.84
Total Assets	5,901,922.05
<u>LIABILITIES</u>	
Total Liabilities	0.00
NET POSITION RESTRICTED FOR PENSIONS	5,901,922.05

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Market Value Basis

ADDITIONS

Contributions:		
Member	135,469.82	
Buy-Back	175,399.91	
District	125,147.58	
District for Buy-Back	109,381.27	
State	123,751.55	
 Total Contributions		 669,150.13
Investment Income:		
Net Increase in Fair Value of Investments	381,402.62	
Less Investment Expense ¹	(10,629.58)	
 Net Investment Income		 370,773.04
 Total Additions		 1,039,923.17

DEDUCTIONS

Distributions to Members:		
Benefit Payments	26,943.84	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	0.00	
 Total Distributions		 26,943.84
 Administrative Expense		 10,045.61
 Total Deductions		 36,989.45
 Net Increase in Net Position		 1,002,933.72
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		4,898,988.33
 End of the Year		 5,901,922.05
 Actuarial Asset Rate of Return		 7.3%
Actuarial Gain/(Loss) due to Investment Return		16,719.85

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2017

<u>ASSETS</u>	MARKET VALUE
Total Cash and Equivalents	0.00
Receivables:	
Member Contributions in Transit	2,547.04
State Contributions	6,006.00
Total Receivable	8,553.04
Investments:	
FL Municipal Investment Trust	4,890,435.29
Total Investments	4,890,435.29
Total Assets	4,898,988.33
<u>LIABILITIES</u>	
Total Liabilities	0.00
NET POSITION RESTRICTED FOR PENSIONS	4,898,988.33

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2017
Market Value Basis

ADDITIONS

Contributions:		
Member	65,070.02	
District	50,000.00	
State	116,394.99	
 Total Contributions		 231,465.01
Investment Income:		
Net Increase in Fair Value of Investments	564,986.82	
Less Investment Expense ¹	(8,729.32)	
 Net Investment Income		 556,257.50
 Total Additions		 787,722.51
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	26,943.84	
Refunds of Member Contributions	2,459.16	
 Total Distributions		 29,403.00
 Administrative Expense		 9,545.39
 Total Deductions		 38,948.39
 Net Increase in Net Position		 748,774.12
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		4,150,214.21
 End of the Year		 4,898,988.33
 Actuarial Asset Rate of Return		 13.3%
Actuarial Gain/(Loss) due to Investment Return		268,039.27

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

STATISTICAL DATA

	<u>10/1/2016</u>	<u>10/1/2018</u>
<u>Actives</u>		
Number	27	27
Average Current Age	36.8	37.9
Average Age at Employment	27.6	27.4
Average Past Service	9.2	10.5
Average Annual Salary	\$47,617	\$52,801
<u>Service Retirees</u>		
Number	2	2
Average Current Age	52.8	54.8
Average Annual Benefit	\$13,472	\$13,472
<u>DROP Retirees</u>		
Number	0	0
Average Current Age	N/A	N/A
Average Annual Benefit	N/A	N/A
<u>Beneficiaries</u>		
Number	0	0
Average Current Age	N/A	N/A
Average Annual Benefit	N/A	N/A
<u>Disability Retirees</u>		
Number	0	0
Average Current Age	N/A	N/A
Average Annual Benefit	N/A	N/A
<u>Terminated Vested</u>		
Number	1	4
Average Current Age ¹	N/A	41.6
Average Annual Benefit ¹	N/A	\$12,828

¹ Excludes participants awaiting a refund of contributions.

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	0	1	0	0	0	0	0	0	0	0	1
25 - 29	2	1	0	0	1	0	0	0	0	0	0	4
30 - 34	0	0	0	0	0	1	2	0	0	0	0	3
35 - 39	0	0	0	0	0	1	4	2	0	0	0	7
40 - 44	0	0	0	0	0	0	5	1	0	0	0	6
45 - 49	0	0	0	1	0	1	3	0	0	0	0	5
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	2	1	1	1	1	3	14	4	0	0	0	27

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2016	27
b. Terminations	
i. Vested (partial or full) with deferred benefits	(2)
ii. Non-vested or full lump sum distribution received	(1)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	24
h. New entrants	<u>3</u>
i. Total active life participants in valuation	27

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

	Service Retirees, Vested Receiving <u>Benefits</u>	<u>DROP</u> <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	<u>Vested</u> <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	2	0	0	0	1	3
Retired	0	0	0	0	0	0
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	3	3
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	2	0	0	0	4	6

SUMMARY OF CURRENT PLAN

<u>Eligibility</u>	All regular full-time firefighters become Members as a condition of employment.
<u>Credited Service</u>	Total number of years and fractional parts of years of continuous employment as a firefighter.
<u>Compensation</u>	Base pay plus educational incentive.
<u>Average Final Compensation (AFC)</u>	Average Compensation during the best five years of the last ten years of Credited Service.
<u>Retirement Age</u>	
Normal	The earlier of 1) Age 55 and 10 years of Credited Service, and 2) 25 years of Credited Service, regardless of age.
Early	Age 50 and 10 years of Credited Service.
<u>Retirement Benefits</u>	
Normal	3.00% of AFC for each year of Credited Service prior to October 1, 2017 plus 4.00% of AFC for each year of Credited Service on and after October 1, 2017, subject to a maximum of 100% of AFC.
Early	Same as Normal Retirement, reduced 3.00% per year of retirement before age 55.
Delayed	Benefit continues to accrue.
Normal Form	Ten Year Certain and Life Annuity with other options available.
<u>Disability Retirement</u>	
Eligibility	All Members are eligible for service connected disability benefits. Ten years of Credited Service is required for non-service connected disability benefits.
Benefit	Accrued pension benefit (42% of AFC minimum if service connected).

Death Benefits (Pre-Retirement)

Upon the death of a Member with at least ten years of Credited Service, the Beneficiary will receive a monthly income, payable in the form of a ten year certain annuity in an amount equal to the accrued Normal Retirement Benefit.

Termination Benefits

Vesting

100% after 10 years of Credited Service.

Benefit

Accrued pension benefit for vested members. Non-vested members will receive a refund of accumulated contributions.

Contributions

Employees

10.00% of Compensation.

State

Premium tax refund per Chapter 175.

District

Remaining amount necessary according to State Laws.

Share Plan

Pursuant to Chapter 2015-39, Laws of Florida, a supplemental benefit component for special benefits exists but is currently not funded as the District and Membership mutually consented to allow the District use of all future State Monies.

DROP

Eligibility

Satisfaction of Normal Retirement Age.

Permissible Participation Period

Not to exceed a maximum of sixty (60) months.

Interest Crediting

Equal to the actual net-of-fees return earned by the Fund, subject to applicable administrative fees.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2018

<u>ASSETS</u>	MARKET VALUE
Total Cash and Equivalents	0
Receivables:	
Member Contributions in Transit	5,269
Member Buy-Back Contributions	50
State Contributions	4,906
Total Receivable	10,225
Investments:	
FL Municipal Investment Trust	5,891,697
Total Investments	5,891,697
Total Assets	5,901,922
Total Liabilities	0
NET POSITION RESTRICTED FOR PENSIONS	5,901,922

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Market Value Basis

ADDITIONS

Contributions:

Member	135,470	
Buy-Back	175,400	
District	125,148	
District for Buy-Back	109,381	
State	123,752	
 Total Contributions		 669,151
 Investment Income:		
Net Increase in Fair Value of Investments	381,403	
Interest & Dividends	0	
Less Investment Expense ¹	(10,630)	
 Net Investment Income		 370,773
 Total Additions		 1,039,924

DEDUCTIONS

Distributions to Members:

Benefit Payments	26,944	
Refunds of Member Contributions	0	
 Total Distributions		 26,944
 Administrative Expense		 10,046
 Total Deductions		 36,990
 Net Increase in Net Position		 1,002,934
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		4,898,988
 End of the Year		 5,901,922

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2018)

Plan Description

Plan Administration

The Midway Fire District Firefighters' Pension Trust Fund is a single employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of five Trustees each serving a two-year term. Two Trustees are individuals residing within the jurisdiction of the District who are appointed by the District. Two other Trustees are full-time Firefighters who are elected by active Firefighters of the District. The fifth Trustee is selected by the other four Trustees and appointed, as a ministerial act, by the District.

Plan Membership as of October 1, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	2
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	4
Active Plan Members	27
	33
	33

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Retirement Age:

Normal: The earlier of 1) Age 55 and 10 years of Credited Service, and 2) 25 years of Credited Service, regardless of age.
Early: Age 50 and 10 years of Credited Service.

Retirement Benefits:

Normal: 3.00% of AFC for each year of Credited Service prior to October 1, 2017 plus 4.00% of AFC for each year of Credited Service on and after October 1, 2017, subject to a maximum of 100% of AFC.
Early: Same as Normal Retirement, reduced 3.00% per year of retirement before age 55.
Delayed: Benefit continues to accrue.

Disability Retirement:

Eligibility: All Members are eligible for service connected disability benefits. Ten years of Credited Service is required for non-service connected disability benefits.
Benefit: Accrued pension benefit (42% of AFC minimum if service connected).

Pre-Retirement Death Benefits:

Upon the death of a Member with at least ten years of Credited Service, the Beneficiary will receive a monthly income, payable in the form of a ten year certain annuity in an amount equal to the accrued Normal Retirement Benefit.
Non-Vested: Refund of accumulated contributions without interest.

Termination Benefits:

Vesting: 100% after 10 years of Credited Service.
Benefit: Accrued pension benefit for vested members. Nonvested members will receive a refund of accumulated contributions.

Share Plan:

Pursuant to Chapter 2015-39, Laws of Florida, a supplemental benefit component for special benefits exists but is currently not funded as the District and Membership mutually consented to allow the District use of all future State Monies.

Contributions

Employees: 10% of Compensation.
State: Premium tax refund per Chapter 175.
District: Remaining amount necessary according to State Laws.

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Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Core Bonds	15.0%
Core Plus	15.0%
US Large Cap Equity	34.0%
US Small Cap Equity	11.0%
Non - US Equity	15.0%
Core Real Estate	10.0%
<u>Total</u>	<u>100.0%</u>

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2018, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 7.10 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement Age.

Permissible Participation Period: Not to exceed a maximum of sixty (60) months.

Interest Crediting: Equal to the actual net-of-fees return earned by the Fund, subject to applicable administrative fees.

The DROP balance as September 30, 2018 is \$0.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2018 were as follows:

Total Pension Liability	\$ 5,841,702
Plan Fiduciary Net Position	\$ (5,901,922)
Sponsor's Net Pension Liability	<u>\$ (60,220)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	<u>101.03%</u>

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2018 using the following actuarial assumptions:

Inflation	2.92%
Salary Increases	Service based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Mortality Rate Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years /40% Annuitant White Collar with no setback, no projection scale.

The date of the most recent experience study for which significant assumptions are based upon is not available.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2018 the inflation rate assumption of the investment advisor was 2.8%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Core Bonds	1.5%
Core Plus	1.7%
US Large Cap Equity	5.3%
US Small Cap Equity	5.7%
Non - US Equity	5.7%
Core Real Estate	4.5%

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Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability	\$ 1,006,262	\$ (60,220)	\$ (925,846)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	09/30/2018	09/30/2017	09/30/2016
Total Pension Liability			
Service Cost	317,536	279,487	217,690
Interest	356,943	319,753	195,649
Changes of benefit terms	-	590,445	-
Differences between Expected and Actual Experience	114,265	(77,830)	657,537
Changes of assumptions	-	-	72,738
Contributions - Buy Back	284,781	-	-
Benefit Payments, including Refunds of Employee Contributions	(26,944)	(29,403)	(16,483)
Net Change in Total Pension Liability	1,046,581	1,082,452	1,127,131
Total Pension Liability - Beginning	4,795,121	3,712,669	2,585,538
Total Pension Liability - Ending (a)	<u>\$ 5,841,702</u>	<u>\$ 4,795,121</u>	<u>\$ 3,712,669</u>
Plan Fiduciary Net Position			
Contributions - Employer	125,148	50,000	20,946
Contributions - State	123,752	116,395	140,062
Contributions - Employee	135,470	65,070	59,138
Contributions - Buy Back	284,781	-	-
Net Investment Income	370,773	556,257	291,707
Benefit Payments, including Refunds of Employee Contributions	(26,944)	(29,403)	(16,483)
Administrative Expense	(10,046)	(9,545)	(6,122)
Net Change in Plan Fiduciary Net Position	1,002,934	748,774	489,248
Plan Fiduciary Net Position - Beginning	4,898,988	4,150,214	3,660,966
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,901,922</u>	<u>\$ 4,898,988</u>	<u>\$ 4,150,214</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (60,220)</u>	<u>\$ (103,867)</u>	<u>\$ (437,545)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	101.03%	102.17%	111.79%
Covered Payroll	\$ 1,354,698	\$ 1,301,400	\$ 1,182,767
Net Pension Liability as a percentage of Covered Payroll	-4.45%	-7.98%	-36.99%

Notes to Schedule:*Changes of benefit terms:*

For measurement date 09/30/2017, amounts reported as changes of benefit terms resulted from the following changes:

- Effective October 1, 2017, the plan became a Chapter 175 "Local Law" plan.
- Implementation of a Deferred Retirement Option Program (DROP).
- Implementation of a provision allowing firefighters to purchase up to 5-years of prior military or firefighter service.
- The benefit accrual rate was increased from 3.00% to 4.00% per year of service earned on and after October 1, 2017.
- The requirements for Normal Retirement eligibility were amended to the earlier of 25 years of service, regardless of age, and the attainment of age 55 with 10 years of service.
- The member contribution rate was increased from 5.0% to 10.0%, effective October 1, 2017.

Changes of assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.92%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	<u>09/30/2015</u>	<u>09/30/2014</u>
Total Pension Liability		
Service Cost	N/A	193,505
Interest	N/A	169,188
Changes of benefit terms	N/A	-
Differences between Expected and Actual Experience	N/A	-
Changes of assumptions	N/A	-
Contributions - Buy Back	-	-
Benefit Payments, including Refunds of Employee Contributions	N/A	(1,249)
Net Change in Total Pension Liability	N/A	361,444
Total Pension Liability - Beginning	N/A	2,224,094
Total Pension Liability - Ending (a)	<u>N/A</u>	<u>\$ 2,585,538</u>
Plan Fiduciary Net Position		
Contributions - Employer	82,027	69,356
Contributions - State	175,557	186,648
Contributions - Employee	58,443	53,377
Contributions - Buy Back	-	-
Net Investment Income	(13,092)	235,028
Benefit Payments, including Refunds of Employee Contributions	-	(1,249)
Administrative Expense	(7,236)	(5,207)
Net Change in Plan Fiduciary Net Position	295,699	537,953
Plan Fiduciary Net Position - Beginning	3,365,267	2,827,314
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,660,966</u>	<u>\$ 3,365,267</u>
Net Pension Liability - Ending (a) - (b)	<u>N/A</u>	<u>\$ (779,729)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	N/A	130.16%
Covered Payroll	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2018	\$ 196,431	\$ 248,900	\$ (52,469)	\$ 1,354,698	18.37%
09/30/2017	\$ 101,509	\$ 166,395	\$ (64,886)	\$ 1,301,400	12.79%
09/30/2016	\$ 90,874	\$ 161,008	\$ (70,134)	\$ 1,182,767	13.61%
09/30/2015	\$ 237,279	\$ 257,584	\$ (20,305)	N/A	N/A
09/30/2014	\$ 216,710	\$ 256,004	\$ (39,294)	N/A	N/A

Notes to Schedule

Valuation Date: 10/01/2016
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Aggregate Actuarial Cost Method.
Mortality Rate: *Healthy Lives:*
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.
Disabled Lives:
Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.
Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.
The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report. We feel this assumption sufficiently accommodates future mortality improvements.
Interest Rate: 7.0% per year compounded annually, gross of investment related expenses.
Retirement Age: 10.0% per year eligible for Early Retirement. 10.0% per year eligible for Normal Retirement (with 100% at Age 52 with 25 Years of Service). Also, any member who has reached Normal Retirement Age on the valuation date is assumed to continue employment for one additional year.

Disability Rate:	Age	% Becoming Disabled During the Year
	20	0.03%
30	0.04%	
40	0.07%	
50	0.18%	

Termination Rate:	Service	% Terminating During the Year
	0-2 Years	15.0%
	3+ Years	5.0%

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Salary Increases:

<u>Years of Service</u>	<u>Salary Increase</u>
0	10.0%
1	8.0%
2-4	7.0%
5+	5.5%

Payroll Growth Assumption:

None.

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2018	7.10%
09/30/2017	13.24%
09/30/2016	8.00%
09/30/2015	7.89%
09/30/2014	7.89%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2018)

General Information about the Pension Plan

Plan Description

The Midway Fire District Firefighters' Pension Trust Fund is a single employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of five Trustees each serving a two-year term. Two Trustees are individuals residing within the jurisdiction of the District who are appointed by the District. Two other Trustees are full-time Firefighters who are elected by active Firefighters of the District. The fifth Trustee is selected by the other four Trustees and Each person employed by the Midway Fire District Fire Department as a full-time Firefighter becomes a member of the Plan as a condition of his/her employment. All certified Firefighters are therefore eligible for all plan benefits as outlined in the plan document and by applicable law.

Plan Membership as of October 1, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	2
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	4
Active Plan Members	27
	33
	33

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Retirement Age:

Normal: The earlier of 1) Age 55 and 10 years of Credited Service, and 2) 25 years of Credited Service, regardless of age.

Early: Age 50 and 10 years of Credited Service.

Retirement Benefits:

Normal: 3.00% of AFC for each year of Credited Service prior to October 1, 2017 plus 4.00% of AFC for each year of Credited Service on and after October 1, 2017, subject to a maximum of 100% of AFC.

Early: Same as Normal Retirement, reduced 3.00% per year of retirement before age 55.

Delayed: Benefit continues to accrue.

Disability Retirement:

Eligibility: All Members are eligible for service connected disability benefits. Ten years of Credited Service is required for non-service connected disability benefits.

Benefit: Accrued pension benefit (42% of AFC minimum if service connected).

Pre-Retirement Death Benefits:

Upon the death of a Member with at least ten years of Credited Service, the Beneficiary will receive a monthly income, payable in the form of a ten year certain annuity in an amount equal to the accrued Normal Retirement Benefit.

Non-Vested: Refund of accumulated contributions without interest.

Termination Benefits:

Vesting: 100% after 10 years of Credited Service.

Benefit: Accrued pension benefit for vested members. Nonvested members will receive a refund of accumulated contributions.

Share Plan:

Pursuant to Chapter 2015-39, Laws of Florida, a supplemental benefit component for special benefits exists but is currently not funded as the District and Membership mutually consented to allow the District use of all future State Monies.

Contributions

Employees: 10% of Compensation.

State: Premium tax refund per Chapter 175.

District: Remaining amount necessary according to State Laws.

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Net Pension Liability

The measurement date is September 30, 2018.

The measurement period for the pension expense was October 1, 2017 to September 30, 2018.

The reporting period is October 1, 2017 through September 30, 2018.

The Sponsor's Net Pension Liability was measured as of September 30, 2018.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2018 using the following actuarial assumptions:

Inflation	2.92%
Salary Increases	Service based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Mortality Rate Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The date of the most recent experience study for which significant assumptions are based upon is not available.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2018 the inflation rate assumption of the investment advisor was 2.8%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Core Bonds	15.0%	1.5%
Core Plus	15.0%	1.7%
US Large Cap Equity	34.0%	5.3%
US Small Cap Equity	11.0%	5.7%
Non - US Equity	15.0%	5.7%
Core Real Estate	10.0%	4.5%
Total	100.0%	

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Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2017	\$ 4,795,121	\$ 4,898,988	\$ (103,867)
Changes for a Year:			
Service Cost	317,536	-	317,536
Interest	356,943	-	356,943
Differences between Expected and Actual Experience	114,265	-	114,265
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
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 Expense	-	(10,046)	10,046
Net Changes	1,046,581	1,002,934	43,647
Balances at September 30, 2018	\$ 5,841,702	\$ 5,901,922	\$ (60,220)

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 1,006,262	\$ (60,220)	\$ (925,846)

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

**PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR END SEPTEMBER 30, 2018**

For the year ended September 30, 2018, the Sponsor will recognize a Pension Expense of \$199,577.

On September 30, 2018, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	560,259	62,264
Changes of assumptions	50,918	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	176,692
Total	\$ 611,177	\$ 238,956

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:

2019	\$ 15,575
2020	\$ 20,878
2021	\$ 26,583
2022	\$ 78,384
2023	\$ 79,528
Thereafter	\$ 151,273

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2018	09/30/2017	09/30/2016
Total Pension Liability			
Service Cost	317,536	279,487	217,690
Interest	356,943	319,753	195,649
Changes of benefit terms	-	590,445	-
Differences between Expected and Actual Experience	114,265	(77,830)	657,537
Changes of assumptions	-	-	72,738
Contributions - Buy Back	284,781	-	-
Benefit Payments, including Refunds of Employee Contributions	(26,944)	(29,403)	(16,483)
Net Change in Total Pension Liability	1,046,581	1,082,452	1,127,131
Total Pension Liability - Beginning	4,795,121	3,712,669	2,585,538
Total Pension Liability - Ending (a)	\$ 5,841,702	\$ 4,795,121	\$ 3,712,669
Plan Fiduciary Net Position			
Contributions - Employer	125,148	50,000	20,946
Contributions - State	123,752	116,395	140,062
Contributions - Employee	135,470	65,070	59,138
Contributions - Buy Back	284,781	-	-
Net Investment Income	370,773	556,257	291,707
Benefit Payments, including Refunds of Employee Contributions	(26,944)	(29,403)	(16,483)
Administrative Expense	(10,046)	(9,545)	(6,122)
Net Change in Plan Fiduciary Net Position	1,002,934	748,774	489,248
Plan Fiduciary Net Position - Beginning	4,898,988	4,150,214	3,660,966
Plan Fiduciary Net Position - Ending (b)	\$ 5,901,922	\$ 4,898,988	\$ 4,150,214
Net Pension Liability - Ending (a) - (b)	\$ (60,220)	\$ (103,867)	\$ (437,545)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	101.03%	102.17%	111.79%
Covered Payroll	\$ 1,354,698	\$ 1,301,400	\$ 1,182,767
Net Pension Liability as a percentage of Covered Payroll	-4.45%	-7.98%	-36.99%

Notes to Schedule:*Changes of benefit terms:*

For measurement date 09/30/2017, amounts reported as changes of benefit terms resulted from the following changes:

- Effective October 1, 2017, the plan became a Chapter 175 "Local Law" plan.
- Implementation of a Deferred Retirement Option Program (DROP).
- Implementation of a provision allowing firefighters to purchase up to 5-years of prior military or firefighter service.
- The benefit accrual rate was increased from 3.00% to 4.00% per year of service earned on and after October 1, 2017.
- The requirements for Normal Retirement eligibility were amended to the earlier of 25 years of service, regardless of age, and the attainment of age 55 with 10 years of service.
- The member contribution rate was increased from 5.0% to 10.0%, effective October 1, 2017.

Changes of assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.92%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	09/30/2015	09/30/2014
Total Pension Liability		
Service Cost	N/A	193,505
Interest	N/A	169,188
Changes of benefit terms	N/A	-
Differences between Expected and Actual Experience	N/A	-
Changes of assumptions	N/A	-
Contributions - Buy Back	-	-
Benefit Payments, including Refunds of Employee Contributions	N/A	(1,249)
Net Change in Total Pension Liability	N/A	361,444
Total Pension Liability - Beginning	N/A	2,224,094
Total Pension Liability - Ending (a)	N/A	\$ 2,585,538
Plan Fiduciary Net Position		
Contributions - Employer	82,027	69,356
Contributions - State	175,557	186,648
Contributions - Employee	58,443	53,377
Contributions - Buy Back	-	-
Net Investment Income	(13,092)	235,028
Benefit Payments, including Refunds of Employee Contributions	-	(1,249)
Administrative Expense	(7,236)	(5,207)
Net Change in Plan Fiduciary Net Position	295,699	537,953
Plan Fiduciary Net Position - Beginning	3,365,267	2,827,314
Plan Fiduciary Net Position - Ending (b)	\$ 3,660,966	\$ 3,365,267
Net Pension Liability - Ending (a) - (b)	N/A	\$ (779,729)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	N/A	130.16%
Covered Payroll	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2018	\$ 196,431	\$ 248,900	\$ (52,469)	\$ 1,354,698	18.37%
09/30/2017	\$ 101,509	\$ 166,395	\$ (64,886)	\$ 1,301,400	12.79%
09/30/2016	\$ 90,874	\$ 161,008	\$ (70,134)	\$ 1,182,767	13.61%
09/30/2015	\$ 237,279	\$ 257,584	\$ (20,305)	N/A	N/A
09/30/2014	\$ 216,710	\$ 256,004	\$ (39,294)	N/A	N/A

Notes to Schedule

Valuation Date: 10/01/2016
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Aggregate Actuarial Cost Method.
Mortality Rate: *Healthy Lives:*
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.
Disabled Lives:
Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.
Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.
The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate: 7.0% per year compounded annually, gross of investment related expenses.
Retirement Age: 10.0% per year eligible for Early Retirement. 10.0% per year eligible for Normal Retirement (with 100% at Age 52 with 25 Years of Service). Also, any member who has reached Normal Retirement Age on the valuation date is assumed to continue employment for one additional year.

Disability Rate: % Becoming Disabled During the

Age	Year
20	0.03%
30	0.04%
40	0.07%
50	0.18%

Termination Rate: % Terminating During the Year

Service	Year
0-2 Years	15.0%
3+ Years	5.0%

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Salary Increases:

<u>Years of Service</u>	<u>Salary Increase</u>
0	10.0%
1	8.0%
2-4	7.0%
5+	5.5%

Salary Increases:

<u>Years of Service</u>	<u>Salary Increase</u>
0	10.0%
1	8.0%
2-4	7.0%
5+	5.5%

Payroll Growth Assumption:

None.

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2018

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (103,867)	\$ 304,972	\$ 584,223	\$ -
Total Pension Liability Factors:				
Service Cost	317,536	-	-	317,536
Interest	356,943	-	-	356,943
Changes in benefit terms	-	-	-	-
Contributions - Buy Back	284,781	-	-	284,781
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	114,265	-	114,265	-
Current year amortization of experience difference	-	(7,783)	(80,037)	72,254
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(7,274)	7,274
Benefit Payments, including Refunds of Employee Contributions	(26,944)	-	-	-
Net change	<u>1,046,581</u>	<u>(7,783)</u>	<u>26,954</u>	<u>1,038,788</u>
Plan Fiduciary Net Position:				
Contributions - Employer	125,148	-	-	-
Contributions - State	123,752	-	-	-
Contributions - Employee	135,470	-	-	(135,470)
Contributions - Buy Back	284,781	-	-	(284,781)
Projected Net Investment Income	365,055	-	-	(365,055)
Difference between projected and actual earnings on Pension Plan investments	5,718	5,718	-	-
Current year amortization	-	(63,951)	-	(63,951)
Benefit Payments, including Refunds of Employee Contributions	(26,944)	-	-	-
Administrative Expenses	(10,046)	-	-	10,046
Net change	<u>1,002,934</u>	<u>(58,233)</u>	<u>-</u>	<u>(839,211)</u>
Ending Balance	<u>\$ (60,220)</u>	<u>\$ 238,956</u>	<u>\$ 611,177</u>	<u>\$ 199,577</u>

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2014	\$ (26,514)	5	\$ (5,303)	\$ (5,303)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (28,525)	5	\$ (5,705)	\$ (5,705)	\$ (5,705)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (259,004)	5	\$ (51,801)	\$ (51,801)	\$ (51,801)	\$ (51,801)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (5,718)	5	\$ (1,142)	\$ (1,144)	\$ (1,144)	\$ (1,144)	\$ (1,144)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (63,951)	\$ (63,953)	\$ (58,650)	\$ (52,945)	\$ (1,144)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2016	\$ 72,738	10	\$ 7,274	\$ 7,274	\$ 7,274	\$ 7,274	\$ 7,274	\$ 7,274	\$ 7,274	\$ 7,274	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 7,274	\$ 7,274	\$ 7,274	\$ 7,274	\$ 7,274	\$ 7,274	\$ 7,274	\$ 7,274	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2016	\$ 657,537	10	\$ 65,753	\$ 65,754	\$ 65,754	\$ 65,754	\$ 65,754	\$ 65,754	\$ 65,754	\$ 65,754	\$ -	\$ -	\$ -
2017	\$ (77,830)	10	\$ (7,783)	\$ (7,783)	\$ (7,783)	\$ (7,783)	\$ (7,783)	\$ (7,783)	\$ (7,783)	\$ (7,783)	\$ (7,783)	\$ -	\$ -
2018	\$ 114,265	8	\$ 14,284	\$ 14,283	\$ 14,283	\$ 14,283	\$ 14,283	\$ 14,283	\$ 14,283	\$ 14,283	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 72,254	\$ 72,254	\$ 72,254	\$ 72,254	\$ 72,254	\$ 72,254	\$ 72,254	\$ 72,254	\$ (7,783)	\$ -	\$ -