

June 25, 2015

VIA EMAIL

Mr. Ray Strawn
Okaloosa Island Fire Department
104 Santa Rosa Boulevard
Fort Walton Beach, FL 32548

Re: Okaloosa Island Fire District Firefighters' Retirement Trust Fund
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Ray:

Please find enclosed the annual disclosures that satisfy the October 1, 2014 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services by the June 28, 2015 deadline. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

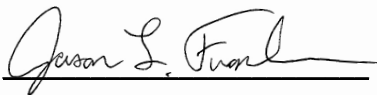
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By:



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

JLF/lke

Enclosures

cc via email: H. Lee Dehner, Board Attorney

OKALOOSA ISLAND FIRE 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: 6/25/2015

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		
	7.75% RP-2000 Static 9/30/2014	7.75% RP-2000 Generational 9/30/2014	5.75% RP-2000 Generational 9/30/2014	9.75% RP-2000 Generational 9/30/2014
<u>Total Pension Liability</u>				
Service Cost	290,356	310,492	529,853	188,939
Interest	1,017,277	1,066,297	1,075,140	1,030,327
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	(660,031)	(660,031)	(660,031)	(660,031)
Net Change in Total Pension Liability	647,602	716,758	944,962	559,235
Total Pension Liability - Beginning	13,165,809	13,778,200	18,498,254	10,708,529
Total Pension Liability - Ending (a)	<u>13,813,411</u>	<u>\$ 14,494,958</u>	<u>\$ 19,443,216</u>	<u>\$ 11,267,764</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	673,090	673,090	673,090	673,090
Contributions - State	56,846	56,846	56,846	56,846
Contributions - Employee	79,884	79,884	79,884	79,884
Contributions - Buy Back	-	-	-	-
Net Investment Income	579,975	579,975	579,975	579,975
Benefit Payments, Including Refunds of Employee Contributions	(660,031)	(660,031)	(660,031)	(660,031)
Administrative Expense	(24,204)	(24,204)	(24,204)	(24,204)
Other	-	-	-	-
Net Change in Plan Fiduciary Net Position	705,560	705,560	705,560	705,560
Plan Fiduciary Net Position - Beginning	5,665,885	5,665,885	5,665,885	5,665,885
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,371,445</u>	<u>\$ 6,371,445</u>	<u>\$ 6,371,445</u>	<u>\$ 6,371,445</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,441,966</u>	<u>\$ 8,123,513</u>	<u>\$ 13,071,771</u>	<u>\$ 4,896,319</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.75% and RP-2000 Static Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	6,371,444	-	646,070	-	468,752	6,194,126
2015	6,194,126	-	651,327	-	454,806	5,997,605
2016	5,997,605	-	658,375	-	439,302	5,778,532
2017	5,778,532	-	808,152	-	416,520	5,386,900
2018	5,386,900	-	816,718	-	385,837	4,956,019
2019	4,956,019	-	820,359	-	352,303	4,487,963
2020	4,487,963	-	828,442	-	315,715	3,975,236
2021	3,975,236	-	841,453	-	275,474	3,409,257
2022	3,409,257	-	900,657	-	229,317	2,737,917
2023	2,737,917	-	913,078	-	176,807	2,001,646
2024	2,001,646	-	925,255	-	119,274	1,195,665
2025	1,195,665	-	970,515	-	55,057	280,207
2026	280,207	-	1,007,098	-	-	-

Number of Years Expected Benefit Payments Sustained: 12.28

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.75% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 7.75% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	6,371,444	-	646,304	-	468,743	6,193,883
2015	6,193,883	-	652,114	-	454,757	5,996,526
2016	5,996,526	-	659,790	-	439,164	5,775,900
2017	5,775,900	-	810,411	-	416,229	5,381,718
2018	5,381,718	-	819,666	-	385,321	4,947,373
2019	4,947,373	-	824,222	-	351,483	4,474,634
2020	4,474,634	-	833,349	-	314,492	3,955,777
2021	3,955,777	-	847,302	-	273,740	3,382,215
2022	3,382,215	-	908,133	-	226,932	2,701,014
2023	2,701,014	-	922,118	-	173,597	1,952,493
2024	1,952,493	-	936,058	-	115,046	1,131,481
2025	1,131,481	-	983,199	-	49,591	197,873
2026	197,873	-	1,022,278	-	-	-

Number of Years Expected Benefit Payments Sustained: 12.19

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.75% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 5.75% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	6,371,444	-	646,304	-	347,777	6,072,917
2015	6,072,917	-	652,114	-	330,444	5,751,247
2016	5,751,247	-	659,790	-	311,728	5,403,185
2017	5,403,185	-	810,411	-	287,384	4,880,158
2018	4,880,158	-	819,666	-	257,044	4,317,536
2019	4,317,536	-	824,222	-	224,562	3,717,876
2020	3,717,876	-	833,349	-	189,819	3,074,346
2021	3,074,346	-	847,302	-	152,415	2,379,459
2022	2,379,459	-	908,133	-	110,710	1,582,036
2023	1,582,036	-	922,118	-	64,456	724,374
2024	724,374	-	936,058	-	-	-

Number of Years Expected Benefit Payments Sustained: 10.77

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.75% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 4
Hypothetical Assumptions: 9.75% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	6,371,444	-	646,304	-	589,708	6,314,848
2015	6,314,848	-	652,114	-	583,907	6,246,641
2016	6,246,641	-	659,790	-	576,883	6,163,734
2017	6,163,734	-	810,411	-	561,457	5,914,780
2018	5,914,780	-	819,666	-	536,732	5,631,846
2019	5,631,846	-	824,222	-	508,924	5,316,548
2020	5,316,548	-	833,349	-	477,738	4,960,937
2021	4,960,937	-	847,302	-	442,385	4,556,020
2022	4,556,020	-	908,133	-	399,940	4,047,827
2023	4,047,827	-	922,118	-	349,710	3,475,419
2024	3,475,419	-	936,058	-	293,221	2,832,582
2025	2,832,582	-	983,199	-	228,246	2,077,629
2026	2,077,629	-	1,022,278	-	152,733	1,208,084
2027	1,208,084	-	1,030,144	-	67,569	245,509
2028	245,509	-	1,042,791	-	-	-

Number of Years Expected Benefit Payments Sustained: 14.24

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.75% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL		
	7.75% RP-2000 Static	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
Total Required Contribution	\$870,483	\$931,478	\$1,279,834	\$685,213
Expected Member Contribution	87,478	87,478	87,478	87,478
Expected State Money	56,846	56,846	56,846	56,846
Expected Sponsor Contribution (Fixed \$)	\$726,159	\$787,154	\$1,135,510	\$540,889
Expected Sponsor Contribution (% of Payroll)	66.4%	71.9%	103.9%	49.4%

ASSETS

Actuarial Value	5,853,835	5,853,835	5,853,835	5,853,835
Market Value	6,371,444	6,371,444	6,371,444	6,371,444

LIABILITIES

Present Value of Benefits				
Active Members				
Retirement Benefits	6,920,980	7,453,721	12,169,802	4,857,034
Disability Benefits	75,342	79,105	115,888	56,607
Death Benefits	41,031	27,983	39,447	20,382
Vested Benefits	578,681	611,698	1,073,024	364,135
Refund of Contributions	58,662	58,669	60,970	56,554
Service Retirees	8,568,404	8,891,543	11,359,431	7,236,921
Beneficiaries	0	0	0	0
Terminated Vested	62	62	62	62
Disability Retirees	140,476	144,371	172,480	123,493
Excess State Monies Reserve	0	0	0	0
Total:	16,383,638	17,267,152	24,991,104	12,715,188
Present Value of Future Salaries	10,615,851	10,630,699	12,182,175	9,404,447
Present Value of Future Member Contributions	849,268	850,456	974,574	752,356
Total Normal Cost (Entry Age Normal)	290,847	312,029	533,487	188,773
Present Value of Future Normal Costs (Entry Age Normal)	2,732,375	2,948,760	5,818,321	1,564,579
Total Actuarial Accrued Liability	13,651,263	14,318,392	19,172,783	11,150,609
Unfunded Actuarial Accrued Liability (Entry Age Normal)	7,797,428	8,464,557	13,318,948	5,296,774

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL		
	7.75% RP-2000 Static	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
<u>PENSION COST</u>				
Normal Cost (with interest)	302,117	324,120	548,825	197,976
Administrative Expenses (with interest)	25,142	25,142	24,900	25,384
Payment Required To Amortize UAAL (with interest)	543,224	582,216	706,109	461,853
Total Required Contribution	\$870,483	\$931,478	\$1,279,834	\$685,213