

CITY OF LIVE OAK
FIREFIGHTERS' SUBSTITUTE PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

By:  Date: 3/5/2018

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778



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, 2017 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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.50% 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
2017	1,735,684	-	181,852	-	123,357	1,677,189
2018	1,677,189	-	180,624	-	119,016	1,615,581
2019	1,615,581	-	179,265	-	114,446	1,550,762
2020	1,550,762	-	177,765	-	109,641	1,482,638
2021	1,482,638	-	176,109	-	104,594	1,411,123
2022	1,411,123	-	174,284	-	99,299	1,336,138
2023	1,336,138	-	172,273	-	93,750	1,257,615
2024	1,257,615	-	170,065	-	87,944	1,175,494
2025	1,175,494	-	167,642	-	81,875	1,089,727
2026	1,089,727	-	164,988	-	75,542	1,000,281
2027	1,000,281	-	162,090	-	68,943	907,134
2028	907,134	-	158,931	-	62,075	810,278
2029	810,278	-	155,499	-	54,940	709,719
2030	709,719	-	151,791	-	47,537	605,465
2031	605,465	-	147,798	-	39,867	497,534
2032	497,534	-	143,511	-	31,933	385,956
2033	385,956	-	138,951	-	23,736	270,741
2034	270,741	-	134,128	-	15,276	151,889
2035	151,889	-	129,059	-	6,552	29,382
2036	29,382	-	123,779	-	-	-

Number of Years Expected Benefit Payments Sustained: 19.24

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% interest.

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

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 5.50% 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
2017	1,735,684	-	181,852	-	90,462	1,644,294
2018	1,644,294	-	180,624	-	85,469	1,549,139
2019	1,549,139	-	179,265	-	80,273	1,450,147
2020	1,450,147	-	177,765	-	74,870	1,347,252
2021	1,347,252	-	176,109	-	69,256	1,240,399
2022	1,240,399	-	174,284	-	63,429	1,129,544
2023	1,129,544	-	172,273	-	57,387	1,014,658
2024	1,014,658	-	170,065	-	51,129	895,722
2025	895,722	-	167,642	-	44,655	772,735
2026	772,735	-	164,988	-	37,963	645,710
2027	645,710	-	162,090	-	31,057	514,677
2028	514,677	-	158,931	-	23,937	379,683
2029	379,683	-	155,499	-	16,606	240,790
2030	240,790	-	151,791	-	9,069	98,068
2031	98,068	-	147,798	-	-	-

Number of Years Expected Benefit Payments Sustained: 14.66

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% interest.

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

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

Valuation Date: 10/1/2017

	ACTUAL	HYPOTHETICAL
	7.50%	5.50%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost ¹	22,970	51,842
Administrative Expenses ¹	34,209	33,572
Payment Required To Amortize UAAL ¹	0	0
Total Required Contribution	\$57,179	\$85,414

¹ Interest adjustment assumes a City lump sum deposit on each September 30 following the valuation date.