



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS

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May 16, 2017

VIA EMAIL

Ms. Ferrell Jenne  
Lead Plan Administrator  
Foster & Foster, Inc.  
2503 Del Prado Blvd S., Suite 502  
Cape Coral, FL 33904

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

Dear Ferrell:

Please find enclosed the annual disclosures that satisfy the October 1, 2016 financial reporting requirements made under Section 112.664.


Our office will submit this information electronically to the Department of Management Services. 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:   
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Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #17-7778

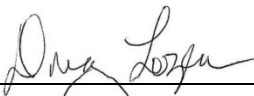
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Enclosures

cc via email: Scott R. Christiansen, Board Attorney

NORTH RIVER 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:  Date: 5/16/2017  
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, 2016 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.

**GASB 67: SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**FISCAL YEAR SEPTEMBER 30, 2016**

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	673,061	1,072,093
Interest	1,639,293	1,597,388
Share Plan Allocation	170,882	170,882
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	263,681	348,768
Changes of Assumptions	468,002	(268,451)
Benefit Payments, Including Refunds of Employee Contributions	(1,133,779)	(1,133,779)
Net Change in Total Pension Liability	2,081,140	1,786,901
Total Pension Liability - Beginning	21,045,992	27,275,452
Total Pension Liability - Ending (a)	<u>\$ 23,127,132</u>	<u>\$ 29,062,353</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,070,563	1,070,563
Contributions - State	350,955	350,955
Contributions - Employee	139,484	139,484
Net Investment Income	1,160,545	1,160,545
Benefit Payments, Including Refunds of Employee Contributions	(1,133,779)	(1,133,779)
Administrative Expenses	(45,838)	(45,838)
Net Change in Plan Fiduciary Net Position	1,541,930	1,541,930
Plan Fiduciary Net Position - Beginning	15,456,432	15,456,432
Plan Fiduciary Net Position - Ending (b)	<u>\$ 16,998,362</u>	<u>\$ 16,998,362</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 6,128,770</u>	<u>\$ 12,063,991</u>

**GASB 68: PENSION EXPENSE**  
**FISCAL YEAR SEPTEMBER 30, 2016**

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
Pension Expense	<u>\$ 1,514,498</u>	<u>\$ 1,949,093</u>

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

Table 1  
Plan 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
2016	16,998,362	-	2,719,687	-	1,211,985	15,490,660
2017	15,490,660	-	1,289,187	-	1,150,570	15,352,043
2018	15,352,043	-	1,376,198	-	1,136,456	15,112,301
2019	15,112,301	-	1,386,238	-	1,117,487	14,843,550
2020	14,843,550	-	1,425,760	-	1,095,127	14,512,917
2021	14,512,917	-	1,431,160	-	1,069,294	14,151,051
2022	14,151,051	-	1,443,407	-	1,040,774	13,748,418
2023	13,748,418	-	1,492,760	-	1,007,658	13,263,316
2024	13,263,316	-	1,510,548	-	969,373	12,722,141
2025	12,722,141	-	1,497,815	-	927,926	12,152,252
2026	12,152,252	-	1,517,213	-	883,008	11,518,047
2027	11,518,047	-	1,499,435	-	834,546	10,853,158
2028	10,853,158	-	1,545,657	-	781,226	10,088,727
2029	10,088,727	-	1,540,207	-	722,193	9,270,713
2030	9,270,713	-	1,576,782	-	657,380	8,351,311
2031	8,351,311	-	1,567,902	-	586,470	7,369,879
2032	7,369,879	-	1,583,534	-	509,804	6,296,149
2033	6,296,149	-	1,588,086	-	426,413	5,134,476
2034	5,134,476	-	1,599,092	-	335,957	3,871,341
2035	3,871,341	-	1,605,929	-	237,799	2,503,211
2036	2,503,211	-	1,610,514	-	131,591	1,024,288
2037	1,024,288	-	1,601,268	-	-	-

\*All DROP and Share Balances paid in 2016.

Number of Years Expected Benefit Payments Sustained: 21.64

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: 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
2016	16,998,362	-	2,719,687	-	899,215	15,177,890
2017	15,177,890	-	1,289,187	-	835,665	14,724,368
2018	14,724,368	-	1,376,198	-	807,085	14,155,255
2019	14,155,255	-	1,386,238	-	774,073	13,543,090
2020	13,543,090	-	1,425,760	-	737,737	12,855,067
2021	12,855,067	-	1,431,160	-	698,021	12,121,928
2022	12,121,928	-	1,443,407	-	655,513	11,334,034
2023	11,334,034	-	1,492,760	-	608,790	10,450,064
2024	10,450,064	-	1,510,548	-	557,450	9,496,966
2025	9,496,966	-	1,497,815	-	503,013	8,502,164
2026	8,502,164	-	1,517,213	-	445,255	7,430,206
2027	7,430,206	-	1,499,435	-	384,128	6,314,899
2028	6,314,899	-	1,545,657	-	318,669	5,087,911
2029	5,087,911	-	1,540,207	-	248,274	3,795,978
2030	3,795,978	-	1,576,782	-	172,936	2,392,132
2031	2,392,132	-	1,567,902	-	92,470	916,700
2032	916,700	-	1,583,534	-	-	-

\*All DROP and Share Balances paid in 2016.

Number of Years Expected Benefit Payments Sustained: 16.58

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.**

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

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
Total Required Contribution (Fixed \$)	\$1,550,357	\$2,172,114
Total Required Contribution (% of Payroll)	46.4%	65.0%
Expected Member Contribution	150,340	150,340
Expected State Money	180,072	180,072
Expected Sponsor Contribution (Fixed \$)	\$1,219,945	\$1,841,702
Expected Sponsor Contribution (% of Payroll)	36.5%	55.1%
<b><u>ASSETS</u></b>		
Actuarial Value <sup>1</sup>	17,482,170	17,482,170
Market Value <sup>1</sup>	16,998,362	16,998,362
<b><u>LIABILITIES</u></b>		
Present Value of Benefits		
Active Members		
Retirement Benefits	11,773,015	18,401,713
Disability Benefits	646,196	914,751
Death Benefits	270,362	325,474
Vested Benefits	967,919	1,664,277
Refund of Contributions	70,908	74,155
Service Retirees	11,795,990	14,480,725
DROP Retirees <sup>1</sup>	1,315,166	1,574,556
Beneficiaries	368,425	455,285
Disability Retirees	631,425	754,686
Terminated Vested	50,821	70,025
Share Balances <sup>1</sup>	1,327,158	1,327,158
Total:	29,217,385	40,042,805
Present Value of Future Salaries	29,339,887	33,383,486
Present Value of Future Member Contributions	1,320,295	1,502,257
Total Normal Cost	679,908	1,044,387
Present Value of Future Normal Costs (Entry Age Normal)	6,039,549	10,832,102
Total Actuarial Accrued Liability <sup>1</sup>	23,177,836	29,210,703
Unfunded Actuarial Accrued Liability (UAAL)	5,695,666	11,728,533

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

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
<b><u>PENSION COST</u></b>		
Normal Cost <sup>2</sup>	724,102	1,112,272
Administrative Expenses <sup>2</sup>	46,348	46,348
Payment Required To Amortize UAAL <sup>2</sup>	779,907	1,013,494
Total Required Contribution	\$1,550,357	\$2,172,114

<sup>1</sup> The asset values and liabilities include accumulated DROP and Share Balances as of 9/30/2016.

<sup>2</sup> Contributions developed as of 10/1/2016 displayed above have been adjusted to account for assumed salary increases.