

ENGLEWOOD WATER DISTRICT  
EMPLOYEES' PENSION PLAN

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: 11/21/2017

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



**FOSTER & FOSTER**

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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00% RP-2000 Generational	5.00% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	-	-
Interest	41,906	35,673
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(783)	(2,771)
Changes of Assumptions	56,857	61,698
Benefit Payments, Including Refunds of Employee Contributions	(63,913)	(63,913)
Net Change in Total Pension Liability	34,067	30,687
Total Pension Liability - Beginning	630,611	745,414
Total Pension Liability - Ending (a)	<u>\$ 664,678</u>	<u>\$ 776,101</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	14,652	14,652
Net Investment Income	49,783	49,783
Benefit Payments, Including Refunds of Employee Contributions	(63,913)	(63,913)
Administrative Expenses	(9,500)	(9,500)
Net Change in Plan Fiduciary Net Position	(8,978)	(8,978)
Plan Fiduciary Net Position - Beginning	523,493	523,493
Plan Fiduciary Net Position - Ending (b)	<u>\$ 514,515</u>	<u>\$ 514,515</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 150,163</u>	<u>\$ 261,586</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: 7.00% 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	514,515	-	63,814	-	33,783	484,484
2017	484,484	-	64,013	-	31,673	452,144
2018	452,144	-	64,038	-	29,409	417,515
2019	417,515	-	63,868	-	26,991	380,638
2020	380,638	-	63,482	-	24,423	341,579
2021	341,579	-	62,861	-	21,710	300,428
2022	300,428	-	61,981	-	18,861	257,308
2023	257,308	-	60,827	-	15,883	212,364
2024	212,364	-	59,387	-	12,787	165,764
2025	165,764	-	57,645	-	9,586	117,705
2026	117,705	-	60,787	-	6,112	63,030
2027	63,030	-	58,367	-	2,369	7,032
2028	7,032	-	55,617	-	-	-

Number of Years Expected Benefit Payments Sustained: 12.13

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. 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: 5.00% 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	514,515	=	63,814	-	24,130	474,831
2017	474,831	=	64,013	-	22,141	432,959
2018	432,959	=	64,038	-	20,047	388,968
2019	388,968	=	63,868	-	17,852	342,952
2020	342,952	=	63,482	-	15,561	295,031
2021	295,031	-	62,861	-	13,180	245,350
2022	245,350	-	61,981	-	10,718	194,087
2023	194,087	-	60,827	-	8,184	141,444
2024	141,444	-	59,387	-	5,588	87,645
2025	87,645	-	57,645	-	2,941	32,941
2026	32,941	-	60,787	-	-	-

Number of Years Expected Benefit Payments Sustained: 10.54

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. 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, 2017**

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
Expected Sponsor Contribution (Fixed \$)	\$21,119	\$33,541
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<b><u>ASSETS</u></b>		
Actuarial Value	514,515	514,515
Market Value	514,515	514,515
 <b><u>LIABILITIES</u></b>		
Present Value of Benefits		
Active Members		
Retirement Benefits	0	0
Disability Benefits	0	0
Death Benefits	0	0
Vested Benefits	0	0
Refund of Contributions	0	0
Service Retirees	383,602	442,713
Beneficiaries	254,443	293,833
Terminated Vested	29,818	43,277
Disability Retirees	0	0
Total:	667,863	779,823
Present Value of Future Salaries	N/A	N/A
Present Value of Future Member Contributions	N/A	N/A
Present Value of Future Normal Costs (Entry Age Normal)	N/A	N/A
Total Actuarial Accrued Liability	667,863	779,823
Unfunded Actuarial Accrued Liability (UAAL)	153,348	265,308

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2017

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	0	0
Administrative Expenses (with interest)	0	0
Payment Required To Amortize UAAL (with interest)	21,119	33,541
Total Required Contribution	\$21,119	\$33,541