

CITY OF EDGEWATER
GENERAL EMPLOYEES' RETIREMENT PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2015

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDED SEPTEMBER 30, 2017

March 17, 2016

Board of Trustees
City of Edgewater
General Employees' Pension Board
P. O. Box 100
Edgewater, FL 32132-0100

Re: City of Edgewater
General Employees' Retirement Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Edgewater General Employees' Retirement Plan. The 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. Please note that this valuation may not be applicable for any other purposes.

The valuation has 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 reflects laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, 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.

In conducting the valuation, we have relied on personnel, plan design, financial reports, and asset information supplied by the Board of Trustees, in addition to 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 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 City of Edgewater, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Edgewater General Employees' Retirement Plan. 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 me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

DHL/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Edgewater General Employees' Retirement Plan, performed as of October 1, 2015, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended September 30, 2017.

The contribution requirements, compared with those developed in the October 1, 2014 actuarial valuation, are as follows:


Valuation Date	10/1/2015	10/1/2014
Applicable Plan Year End	<u>9/30/2017</u>	<u>9/30/2016</u>
Total Required Contribution	\$673,060	\$667,550
Member Contributions (Est.)	5,620	9,725
Balance from City	\$667,440	\$657,825

Experience since the prior valuation has been more favorable than expected, relative to the Plan's actuarial assumptions. The principal sources of favorable experience included a 10.55% investment return (Actuarial Asset Basis), exceeding the 7.5% assumption, and greater than expected Retiree mortality. The above funding requirements, determined as of October 1, 2015, reflect a reduction in the investment return assumption from 7.50% to 6.75%.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 

Douglas H. Lozen, EA, MAAA

By: 

Christine M. O'Neal, ASA, EA, MAAA

CHANGES SINCE PRIOR VALUATION

Plan Changes

There were no changes to the plan since the prior valuation.

Actuarial Assumption/Method Changes

- The mortality table was updated with projected improvements through 2015, using Scale AA.
- The net-of-fees investment return assumption was reduced from 7.50% to 6.75%.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2015</u>	Old Assump <u>10/1/2015</u>	<u>10/1/2014</u>
A. Participant Data			
Number Included			
Actives	4	4	7
Service Retirees	80	80	78
Beneficiaries	5	5	4
Disability Retirees	1	1	1
Terminated Vested	<u>29</u>	<u>29</u>	<u>30</u>
Total	119	119	120
Total Annual Payroll	\$209,082	\$209,082	\$360,510
Payroll Under Assumed Ret. Age	209,082	209,082	360,510
Annual Rate of Payments to:			
Service Retirees	1,299,649	1,299,649	1,225,131
Beneficiaries	54,267	54,267	50,993
Disability Retirees	5,168	5,168	5,168
Terminated Vested	141,423	141,423	158,559
B. Assets			
Actuarial Value	12,237,079	12,237,079	11,730,897
Market Value	11,776,097	11,776,097	12,538,805
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits ¹	1,116,084	1,024,507	1,842,921
Disability Benefits	32,757	30,326	48,372
Death Benefits	2,788	2,561	4,168
Vested Benefits	0	0	0
Refund of Contributions	0	0	0
Service Retirees	15,388,582	14,412,049	13,646,532
Beneficiaries	637,208	596,558	569,180
Disability Retirees	59,314	55,679	56,499
Terminated Vested	<u>1,377,289</u>	<u>1,263,232</u>	<u>1,392,770</u>
Total	18,614,022	17,384,912	17,560,442

C. Liabilities - (Continued)	New Assump <u>10/1/2015</u>	Old Assump <u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	512,233	509,075	837,641
Present Value of Future Member Contributions	12,806	12,727	20,941
Normal Cost (Retirement)	35,620	30,303	53,762
Normal Cost (Disability)	4,183	3,711	6,446
Normal Cost (Death)	231	200	353
Normal Cost (Vesting)	0	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>	<u>0</u>
Total Normal Cost	40,034	34,214	60,561
Present Value of Future Normal Costs	119,476	103,000	174,207
Accrued Liability (Retirement)	1,007,620	931,202	1,684,457
Accrued Liability (Disability)	22,326	21,131	33,459
Accrued Liability (Death)	2,207	2,061	3,338
Accrued Liability (Vesting)	0	0	0
Accrued Liability (Refunds)	0	0	0
Accrued Liability (Inactives)	<u>17,462,393</u>	<u>16,327,518</u>	<u>15,664,981</u>
Total Actuarial Accrued Liability	18,494,546	17,281,912	17,386,235
Unfunded Actuarial Accrued Liability (UAAL)	6,257,467	5,044,833	5,655,338
Funded Ratio (AVA / AL)	66.2%	70.8%	67.5%
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	17,462,393	16,327,518	15,664,981
Actives	865,132	790,072	1,475,670
Member Contributions	<u>61,412</u>	<u>61,412</u>	<u>101,889</u>
Total	18,388,937	17,179,002	17,242,540
Non-vested Accrued Benefits	<u>28,653</u>	<u>26,161</u>	<u>38,030</u>
Total Present Value Accrued Benefits	18,417,590	17,205,163	17,280,570
Funded Ratio (MVA / PVAB)	63.9%	68.4%	72.6%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	1,212,427	0	
New Accrued Benefits	0	54,824	
Benefits Paid	0	(1,374,722)	
Interest	0	1,244,491	
Other	<u>0</u>	<u>0</u>	
Total	1,212,427	(75,407)	

	New Assump	Old Assump	
Valuation Date	10/1/2015	10/1/2015	10/1/2014
Applicable to Fiscal Year Ending	<u>9/30/2017</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
E. Pension Cost			
Normal Cost ²	\$43,041	\$36,917	\$65,345
Administrative Expenses ²	52,238	52,428	45,644
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years (as of 10/1/2015) ²	577,781	490,590	556,561
Total Required Contribution	673,060	579,935	667,550
Expected Member Contributions ²	5,620	5,640	9,725
Expected City Contribution	667,440	574,295	657,825
F. Past Contributions			
Plan Years Ending:	<u>9/30/2015</u>		
City Requirement	719,822		
Actual Contributions Made:			
Members (excluding buyback)	8,535		
City	<u>719,823</u>		
Total	728,358		
G. Net Actuarial (Gain)/Loss	(386,901)		

¹ Includes a 2% load for Accumulated Leave.

² Contributions developed as of 10/1/2015 displayed above have been adjusted to account for assumed salary increase and interest components.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	6,257,467
2016	6,106,149
2017	5,944,617
2022	4,957,922
2026	3,607,109
2031	941,663
2035	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	3.33%	4.00%
Year Ended	9/30/2014	-2.60%	4.00%
Year Ended	9/30/2013	0.16%	4.00%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	10.55%	7.50%
Year Ended	9/30/2014	10.97%	7.50%
Year Ended	9/30/2013	10.45%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015	\$209,082
	10/1/2006	2,321,289
(b) Total Increase		-90.99%
(c) Number of Years		9.00
(d) Average Annual Rate		-23.47%

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.



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

Please let us know when the report is approved by the Board and unless otherwise directed we will provide a copy of the report to the following office to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2014	\$5,655,338
(2) Sponsor Normal Cost developed as of October 1, 2014	51,548
(3) Expected administrative expenses for the year ended September 30, 2015	42,302
(4) Expected interest on (1), (2) and (3)	429,603
(5) Sponsor contributions to the System during the year ended September 30, 2015	719,823
(6) Expected interest on (5)	27,234
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	5,431,734
(8) Change to UAAL due to Assumption Change	1,212,634
(9) Change to UAAL due to Actuarial (Gain)/Loss	(386,901)
(10) Unfunded Accrued Liability as of October 1, 2015	6,257,467

Type of Base	Date Established	Years Remaining	10/1/2015 Amount	Amortization Amount
Method Change	10/1/2012	17	\$5,786,849	\$545,664
Assumption Change	10/1/2012	17	144,528	13,628
Experience Gain	10/1/2013	8	(376,800)	(58,540)
Experience Gain	10/1/2014	9	(122,843)	(17,475)
Experience Gain	10/1/2015	10	(386,901)	(51,008)
Assumption Change	10/1/2015	20	<u>1,212,634</u>	<u>105,152</u>
			\$6,257,467	\$537,421

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2014	\$5,655,338
(2) Expected UAAL as of October 1, 2015	5,431,734
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(347,379)
Salary Increases	(17,416)
Active Decrements	27,184
Inactive Mortality	(51,613)
Other	<u>2,323</u>
Increase in UAAL due to (Gain)/Loss	(386,901)
Assumption Changes	<u>1,212,634</u>
(4) Actual UAAL as of October 1, 2015	\$6,257,467

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate RP2000 Combined Healthy projected to the valuation year with schedule AA - Sex Distinct. We believe this assumption sufficiently accommodates future mortality improvements.

Interest Rate 6.75% (previously 7.5%) per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.

Normal Retirement

Age	Retirement Probability
55	50%
56	0%
57	0%
58	0%
59	0%
60 and older	100%

In addition to the above table, 100% Retirement is assumed upon the completion of 25 years of Credited Service.

The above rates are supported by an Experience Study performed for the period October 1, 2003 through October 1, 2012.

Disability Rate See table on following page. These rates are consistent with other Florida General Employee retirement programs.

Termination Rate None assumed, based on results of an Experience Study performed for the period October 1, 2003 through October 1, 2012.

Salary Increases 4% per year, based on results of an Experience Study performed for the period October 1, 2003 through October 1, 2012.

Early Retirement None assumed, based on results of an Experience Study performed for the period October 1, 2003 through October 1, 2012.

Administrative Expenses \$48,589, based on actual Administrative Expenses incurred during the prior fiscal year.

Funding Method

Entry Age Normal Actuarial Cost Method

The following loads are applied for determination of the Sponsor funding requirement:

Interest – A half year, based on the current 6.75% assumption.

Salary – A full year, based on the current average assumption of 4.0%.

Actuarial Asset Method

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.

<u>Age</u>	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>	<u>Salary Increases</u>
40	0.30%	0.00%	4.00%
45	0.51	0.00	4.00
50	1.00	0.00	4.00
55	1.55	0.00	4.00

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the fiscal year following the valuation date of all covered Members.

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.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	848,231.90	848,231.90
Total Cash and Equivalents	848,231.90	848,231.90
Receivables:		
Member Contributions in Transit	258.18	258.18
Investment Income	36,939.16	36,939.16
Total Receivable	37,197.34	37,197.34
Investments:		
U. S. Bonds and Bills	212,589.05	217,276.20
Federal Agency Guaranteed Securities	1,086,166.26	1,106,384.37
Corporate Bonds	2,036,062.63	2,002,917.01
Municipal Obligations	332,260.35	335,153.75
Mutual Funds:		
Equity	6,533,496.88	7,242,382.75
Total Investments	10,200,575.17	10,904,114.08
Total Assets	11,086,004.41	11,789,543.32
<u>LIABILITIES</u>		
Payables:		
Benefit Payments	1,494.32	1,494.32
Investment Expenses	8,134.61	8,134.61
Administrative Expenses	3,817.61	3,817.61
Total Liabilities	13,446.54	13,446.54
NET POSITION RESTRICTED FOR PENSIONS	11,072,557.87	11,776,096.78

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015
Market Value Basis

ADDITIONS

Contributions:

Member	8,535.20	
City		719,822.60

Total Contributions		728,357.80
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Investment Income:

Net Realized Gain (Loss)	70,608.52	
Unrealized Gain (Loss)	(572,973.11)	
Net Increase in Fair Value of Investments		(502,364.59)
Interest & Dividends		468,783.40
Less Investment Expense ¹		(34,172.85)

Net Investment Income		(67,754.04)
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Total Additions		660,603.76
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DEDUCTIONS

Distributions to Members:

Benefit Payments	1,327,075.66	
Refunds of Member Contributions		47,646.83

Total Distributions		1,374,722.49
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Administrative Expense		48,589.49
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Total Deductions		1,423,311.98
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Net Increase in Net Position		(762,708.22)
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		12,538,805.00
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End of the Year		11,776,096.78
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2015
 Actuarial Asset Basis

REVENUES

Contributions:		
Member	8,535.20	
City	719,822.60	
Total Contributions		728,357.80
Earnings from Investments:		
Interest & Dividends	468,783.40	
Net Realized Gain (Loss)	70,608.52	
Change in Actuarial Value	695,916.89	
Total Earnings and Investment Gains		1,235,308.81

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,327,075.66	
Refunds of Member Contributions	47,646.83	
Total Distributions		1,374,722.49
Expenses:		
Investment related ¹	34,172.85	
Administrative	48,589.49	
Total Expenses		82,762.34
Change in Net Assets for the Year		506,181.78
Net Assets Beginning of the Year		11,730,897.00
Net Assets End of the Year²		12,237,078.78

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

²Net Assets may be limited for actuarial consideration.

ACTUARIAL ASSET VALUATION
September 30, 2015

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a four year period. In the first year, 25% of the gain or loss is recognized. In the second year 50%, in the third year 75%, and in the fourth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/Loss	<u>Gains/Losses Not Yet Recognized</u>			
		Amounts Not Yet Recognized by Valuation Year			
		2015	2016	2017	2018
09/30/2012	1,204,622	0	0	0	0
09/30/2013	746,867	186,716	0	0	0
09/30/2014	177,762	88,880	44,439	0	0
09/30/2015	(982,104)	(736,578)	(491,052)	(245,526)	0
Total		(460,982)	(446,613)	(245,526)	0

<u>Development of Investment Gain/Loss</u>	
Actual Net Return on Market Value	(67,754)
Expected Investment Earnings*	914,350
2015 Actuarial Investment Gain/Loss	<u>(982,104)</u>

*Expected Investment Earnings = $0.075 * [12,538,805 + 0.5 * (694,954)]$

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2015	11,776,097
(2) Gains/(Losses) Not Yet Recognized	<u>(460,982)</u>
(3) Actuarial Value of Assets, 09/30/2015, (1) - (2)	12,237,079
(A) 09/30/2014 Actuarial Assets:	11,730,897
(I) Net Investment Income:	
1. Interest and Dividends	468,783
2. Realized Gains (Losses)	70,609
2. Change in Actuarial Value	695,917
3. Investment Expenses	<u>(34,173)</u>
Total	1,201,136
(B) 09/30/2015 Actuarial Assets:	12,237,079
Actuarial Assets Rate of Return = $2I/(A+B-I)$:	10.55%
Market Value of Assets Rate of Return:	-0.56%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	347,379
10/01/2015 Limited Actuarial Assets:	12,237,079

STATISTICAL DATA

	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>
<u>Actives</u>				
Average Current Age	50.2	50.7	51.2	50.8
Average Age at Employment	29.7	29.5	29.0	29.0
Average Past Service	20.5	21.2	22.2	21.8
Average Annual Salary	\$49,049	\$50,016	\$51,501	\$52,271
<u>Active Members - Fund 1</u>				
Average Current Age	50.6	51.6		
Average Age at Employment	30.4	30.4		
Average Past Service	20.2	21.2		
Average Annual Salary	\$45,085	\$45,014		
<u>Active Members - Fund 440</u>				
Average Current Age	50.7	49.8	50.8	49.5
Average Age at Employment	30.4	28.4	28.4	27.7
Average Past Service	20.3	21.4	22.4	21.8
Average Annual Salary	\$52,883	\$53,332	\$51,911	\$52,653
<u>Active Members - Fund 447</u>				
Average Current Age	44.5			
Average Age at Employment	19.9			
Average Past Service	24.5			
Average Annual Salary	\$40,221			
<u>Active Members - Fund 448</u>				
Average Current Age	51.6	52.6	53.6	54.6
Average Age at Employment	32.7	32.7	32.7	32.7
Average Past Service	18.9	19.9	20.9	21.9
Average Annual Salary	\$50,739	\$50,130	\$49,044	\$51,125

STATISTICAL DATA

	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>
<u>All Inactive Members</u>				
Average Current Age	57.6	58.4	59.1	59.8
Average Annual Benefit	\$12,663	\$12,522	\$12,807	\$13,038
<u>Inactive Members - Fund 1</u>				
Average Current Age	58.3	59.3	59.6	60.5
Average Annual Benefit	\$13,245	\$13,245	\$13,702	\$13,718
<u>Inactive Members - Fund 440</u>				
Average Current Age	57.1	57.9	58.7	59.3
Average Annual Benefit	\$13,913	\$13,409	\$13,842	\$14,584
<u>Inactive Members - Fund 447</u>				
Average Current Age	56.5	56.9	57.9	58.9
Average Annual Benefit	\$10,439	\$10,785	\$10,785	\$10,785
<u>Inactive Members - Fund 448</u>				
Average Current Age	63.0	64.0	65.0	66.0
Average Annual Benefit	\$8,446	\$8,446	\$8,446	\$8,446
<u>Inactive Members - Fund 502</u>				
Average Current Age	46.0	47.0	48.0	49.0
Average Annual Benefit	\$2,756	\$2,756	\$2,756	\$2,756

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	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0	0	0
30 - 34	0	0	0	0	0	0	0	0	0	0	0	0
35 - 39	0	0	0	0	0	0	0	0	0	0	0	0
40 - 44	0	0	0	0	0	0	0	0	0	0	0	0
45 - 49	0	0	0	0	0	0	0	0	1	0	0	1
50 - 54	0	0	0	0	0	0	0	0	2	0	0	2
55 - 59	0	0	0	0	0	0	0	0	1	0	0	1
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	0	0	0	0	0	0	0	0	4	0	0	4

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2014	7
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	<u>(3)</u>
g. Continuing participants	4
h. New entrants	<u>0</u>
i. Total active life participants in valuation	4

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

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	78	4	1	30	113
Retired	3	0	0	(1)	2
Vested Deferred	1	0	0	0	1
Death, With Survivor	(1)	1	0	0	0
Death, No Survivor	(1)	0	0	0	(1)
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
b. Number current valuation	80	5	1	29	115

SUMMARY OF PLAN PROVISIONS
(Through Ordinance 2013-O-17)

<u>Eligibility</u>	Regular, full-time general employees after attaining age 18 with 3 months of service. On and after October 1, 1996, no further employees will become active under this Plan.
<u>Salary</u>	Total Compensation.
<u>Average Final Compensation (AFC)</u>	Average Salary for the highest 3 years during the 10 years immediately preceding retirement or termination.
<u>Credited Service</u>	Total years and fractional parts of years of service with the City.
<u>Member Contributions</u>	2.5% of Salary.
<u>Normal Retirement</u>	
Date	The earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.
Benefit	2.0% of Average Final Compensation times Credited Service.
Form of Benefit	Single Life Annuity (options available).
<u>Early Retirement</u>	
Date	The earlier of: 1) age 50 and the completion of 5 years of Credited Service, or 2) the completion of 20 years of Credited Service, regardless of age.
Benefit	Determined as for Normal Retirement and reduced 5.0% for each year that Early Retirement precedes Normal Retirement.
<u>Disability Benefit</u>	
Eligibility	5 years of Credited Service.
Benefit	Benefit accrued to date of disability. Minimum benefit is 25% of AFC.
Duration	Payable until normal retirement, death or until recovery (as determined by the Board).

Death Benefits

Pre-Retirement

Vested

A monthly benefit determined assuming the participant terminated employment on his date of death, survived to his earliest retirement date, elected a 50% qualified joint and survivor annuity and then died the next day.

Not Vested

Refund of accumulated contributions without interest.

Post-Retirement

According to optional form of benefit selected.

Termination of Employment

Benefit

Less than 5 years

Refund of accumulated contributions without interest.

5 or more

Refund of Contributions or Accrued benefit payable at retirement age.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	848,232
Total Cash and Equivalents	848,232
Receivables:	
Member Contributions in Transit	258
Investment Income	36,939
Total Receivable	37,197
Investments:	
U. S. Bonds and Bills	217,276
Federal Agency Guaranteed Securities	1,106,384
Corporate Bonds	2,002,917
Municipal Obligations	335,154
Equity	7,242,383
Total Investments	10,904,114
Total Assets	11,789,543
<u>LIABILITIES</u>	
Payables:	
Benefit Payments	1,494
Investment Expenses	8,135
Administrative Expenses	3,817
Total Liabilities	13,446
NET POSITION RESTRICTED FOR PENSIONS	11,776,097

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015
Market Value Basis

ADDITIONS

Contributions:

Member	8,535	
City	713,396	
Total Contributions		721,931
Investment Income:		
Net Increase in Fair Value of Investments	(502,364)	
Interest & Dividends	468,783	
Less Investment Expense ¹	(34,173)	
Net Investment Income		(67,754)
Total Additions		654,177

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,327,075	
Refunds of Member Contributions	47,647	
Total Distributions		1,374,722
Administrative Expense		48,589
Total Deductions		1,423,311
Net Increase in Net Position		(769,134)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	12,545,231
End of the Year	11,776,097

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

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2015)

Plan Description

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- (1) Two of whom, unless otherwise prohibited by law, must be legal residents of the municipality and must be appointed by the governing body of the municipality.
- (2) Two of whom are current or retired members of the plan who are currently employed by the City who are elected by a majority of current and retired members who are currently employed by the City.
- (3) The fifth member shall be a union representative for the General Employees as appointed by the union. The fifth member shall have the same rights as each of the other four members.
- (4) If the majority of the members of the plan fails to elect a member as a Trustee, the city manager shall appoint either a resident or an employee that is a resident of the City.
- (5) Two un-excused absences, as determined by the Board, within a twelve month period shall be a deemed resignation.

Regular, full-time general employees after attaining age 18 with 3 months of service. On and after October 1, 1996, no further employees will become active under this Plan.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	83
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	30
Active Plan Members	7
	120

Benefits Provided

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

Normal Retirement:

Date: The earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit: 2.0% of Average Final Compensation times Credited Service.

Early Retirement:

Date: The earlier of: 1) age 50 and the completion of 5 years of Credited Service, or 2) the completion of 20 years of Credited Service, regardless of age.

Benefit: Determined as for Normal Retirement and reduced 5.0% for each year that Early Retirement precedes Normal Retirement.

Disability:

Eligibility: 5 years of Credited Service.

Benefit: Benefit accrued to date of disability. Minimum benefit is 25% of AFC.

Pre-Retirement Death Benefits:

Vested: A monthly benefit determined assuming the participant terminated employment on his date of death, survived to his earliest retirement date, elected a 50% qualified joint and survivor annuity and then died the next day.

Not Vested: Refund of accumulated contributions without interest.

Termination of Employment:

Less than 5 years: Refund of accumulated contributions without interest.

5 or more: Refund of Contributions or Accrued benefit payable at retirement age.

Contributions

Member Contributions: 2.5% of Salary.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided for in Part VII in Chapter 112, Florida Statutes.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2015:

Asset Class	Target Allocation
Domestic Equity	45%
International Equity	15%
Broad Market Fixed Income	25%
TIPS	5%
Real Estate	10%
Total	100%

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, 2015, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was -0.56 percent.

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

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2015 were as follows:

Total Pension Liability	\$ 17,329,016
Plan Fiduciary Net Position	<u>\$ (11,776,097)</u>
Sponsor's Net Pension Liability	<u>\$ 5,552,919</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	67.96%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	4.00%
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality Rate: RP2000 Combined Healthy projected to the valuation year with schedule AA - Sex Distinct. We feel this assumption sufficiently accommodates future mortality improvements.

The significant assumptions are based upon the most recent actuarial experience study dated June 13th, 2013 for the period 2003 - 2012.

The Long-Term Expected Rate of Return on Pension Plan investments was 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.

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 arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.5%
International Equity	8.5%
Broad Market Fixed Income	2.5%
TIPS	2.5%
Real Estate	4.5%

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.50 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	Current	1% Increase
	<u>6.50%</u>	<u>Discount Rate</u>	<u>8.50%</u>
		7.50%	
Sponsor's Net Pension Liability	\$ 7,199,607	\$ 5,552,919	\$ 4,145,776

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	60,573	91,269	84,901
Interest	1,238,859	1,241,107	1,237,145
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	259,399	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,374,722)	(1,288,586)	(1,262,597)
Net Change in Total Pension Liability	184,109	43,790	59,449
Total Pension Liability - Beginning	17,144,907	17,101,117	17,041,668
Total Pension Liability - Ending (a)	<u>\$ 17,329,016</u>	<u>\$ 17,144,907</u>	<u>\$ 17,101,117</u>
Plan Fiduciary Net Position			
Contributions - Employer	713,396	772,605	475,794
Contributions - Employee	8,535	13,178	15,348
Net Investment Income	(67,754)	1,059,400	1,563,721
Benefit Payments, including Refunds of Employee Contributions	(1,374,722)	(1,288,586)	(1,262,597)
Administrative Expense	(48,589)	(42,302)	(76,889)
Net Change in Plan Fiduciary Net Position	(769,134)	514,295	715,377
Plan Fiduciary Net Position - Beginning	12,545,231	12,030,936	11,315,559
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,776,097</u>	<u>\$ 12,545,231</u>	<u>\$ 12,030,936</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,552,919</u>	<u>\$ 4,599,676</u>	<u>\$ 5,070,181</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	67.96%	73.17%	70.35%
Covered Employee Payroll*	\$ 341,408	\$ 567,030	\$ 613,927
Net Pension Liability as a percentage of Covered Employee Payroll	1626.47%	811.19%	825.86%

Notes to Schedule:

*The Covered Employee Payroll figures were not available. Pensionable Salary has been reported instead.

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution Contributions in relation to the Actuarially Determined Contributions	719,822	766,179	475,794
Contribution Deficiency (Excess)	\$ 6,426	\$ (6,426)	\$ -
Covered Employee Payroll*	\$ 341,408	\$ 567,030	\$ 613,927
Contributions as a percentage of Covered Employee Payroll	208.96%	136.25%	77.50%

*The Covered Employee Payroll figures were not available. Pensionable Salary has been reported instead.

Notes to Schedule

Valuation Date: 10/01/2013

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: Entry Age Normal Actuarial Cost Method
The following loads are applied for determination of the Sponsor funding requirement:

Interest - A half year, based on the current 7.5% assumption.

Salary - A full year, based on the current average assumption of 4.0%.

Mortality: RP2000 Combined Healthy projected to the valuation date with schedule AA - Sex Distinct.

Inflation: 3.0% per year.

Interest Rate: 7.5% per year compounded annually, net of investment related expenses.

Normal Retirement:	<u>Age</u>	<u>Retirement Probability</u>
	55	50%
	56	0%
	57	0%
	58	0%
	59	0%
	60 and older	100%

In addition to the above table, 100% Retirement is assumed upon the completion of 25 years of Credited Service.

Salary Increases: 4% per year.

Termination Rate: None assumed.

Early Retirement: None assumed.

Actuarial Asset Method: All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.

GASB 67

Termination and Disability Rates:

Age	% Becoming Disabled During the Year	% Terminating During the Year
40	0.30%	0.00%
45	0.51%	0.00%
50	1.00%	0.00%
55	1.55%	0.00%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2015</u>	<u>09/30/2014</u>	<u>09/30/2013</u>
Annual Money-Weighted Rate of Return			
Net of Investment Expense	-0.56%	8.94%	13.50%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2016)

General Information about the Pension Plan

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- (1) Two of whom, unless otherwise prohibited by law, must be legal residents of the municipality and must be appointed by the governing body of the municipality.
 - (2) Two of whom are current or retired members of the plan who are currently employed by the City who are elected by a majority of current and retired members who are currently employed by the City.
 - (3) The fifth member shall be a union representative for the General Employees as appointed by the union. The fifth member shall have the same rights as each of the other four members.
 - (4) If the majority of the members of the plan fails to elect a member as a Trustee, the city manager shall appoint either a resident or an employee that is a resident of the City.
 - (5) Two un-excused absences, as determined by the Board, within a twelve month period shall be a deemed resignation.
- Regular, full-time general employees after attaining age 18 with 3 months of service. On and after October 1, 1996, no further employees will become active under this Plan.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	83
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	30
Active Plan Members	7
	120

Benefits Provided

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

Normal Retirement:

Date: The earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit: 2.0% of Average Final Compensation times Credited Service.

Early Retirement:

Date: The earlier of: 1) age 50 and the completion of 5 years of Credited Service, or 2) the completion of 20 years of Credited Service, regardless of age.

Benefit: Determined as for Normal Retirement and reduced 5.0% for each year that Early Retirement precedes Normal Retirement.

Disability:

Eligibility: 5 years of Credited Service.

Benefit: Benefit accrued to date of disability. Minimum benefit is 25% of AFC.

Pre-Retirement Death Benefits:

Vested: A monthly benefit determined assuming the participant terminated employment on his date of death, survived to his earliest retirement date, elected a 50% qualified joint and survivor annuity and then died the next day.

Not Vested: Refund of accumulated contributions without interest.

Termination of Employment:

Less than 5 years: Refund of accumulated contributions without interest.

5 or more: Refund of Contributions or Accrued benefit payable at retirement age.

Contributions

Member Contributions: 2.5% of Salary.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided for in Part VII in Chapter 112, Florida Statutes.

Net Pension Liability

The measurement date is September 30, 2015.

The measurement period for the pension expense was October 1, 2014 to September 30, 2015.

The reporting period is October 1, 2015 through September 30, 2016.

The Sponsor's Net Pension Liability was measured as of September 30, 2015.

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, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	4.00%
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality Rate: RP2000 Combined Healthy projected to the valuation year with schedule AA - Sex Distinct. We feel this assumption sufficiently accommodates future mortality improvements.

The significant assumptions are based upon the most recent actuarial experience study dated June 13th, 2013 for the period 2003 - 2012.

The Long-Term Expected Rate of Return on Pension Plan investments was 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.

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 arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45%	7.5%
International Equity	15%	8.5%
Broad Market Fixed Income	25%	2.5%
TIPS	5%	2.5%
Real Estate	10%	4.5%
Total	100%	

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.50 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)
Reporting Period Ending September 30, 2015	\$ 17,144,907	\$ 12,545,231	\$ 4,599,676
Changes for a Year:			
Service Cost	60,573	-	60,573
Interest	1,238,859	-	1,238,859
Differences between Expected and Actual Experience	259,399	-	259,399
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	713,396	(713,396)
Contributions - State	-	-	-
Contributions - Employee	-	8,535	(8,535)
Net Investment Income	-	(67,754)	67,754
Benefit Payments, including Refunds of Employee Contributions	(1,374,722)	(1,374,722)	-
Administrative Expense	-	(48,589)	48,589
Net Changes	184,109	(769,134)	953,243
Reporting Period Ending September 30, 2016	\$ 17,329,016	\$ 11,776,097	\$ 5,552,919

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability	\$ 7,199,607	\$ 5,552,919	\$ 4,145,776

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**

For the year ended September 30, 2016, the Sponsor will recognize a Pension Expense of \$695,886.

On September 30, 2016, 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	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	380,618	-
Employer and State contributions subsequent to the measurement date	TBD	-
Total	\$ 380,618	\$ -

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2016.

Other 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:			
2017	\$	11,592	
2018	\$	11,592	
2019	\$	160,965	
2020	\$	196,469	
2021	\$	-	
Thereafter	\$	-	

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2016 09/30/2015	09/30/2015 09/30/2014	09/30/2014 09/30/2013
Total Pension Liability			
Service Cost	60,573	91,269	84,901
Interest	1,238,859	1,241,107	1,237,145
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	259,399	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,374,722)	(1,288,586)	(1,262,597)
Net Change in Total Pension Liability	184,109	43,790	59,449
Total Pension Liability - Beginning	17,144,907	17,101,117	17,041,668
Total Pension Liability - Ending (a)	<u>\$ 17,329,016</u>	<u>\$ 17,144,907</u>	<u>\$ 17,101,117</u>
Plan Fiduciary Net Position			
Contributions - Employer	713,396	772,605	475,794
Contributions - Employee	8,535	13,178	15,348
Net Investment Income	(67,754)	1,059,400	1,563,721
Benefit Payments, including Refunds of Employee Contributions	(1,374,722)	(1,288,586)	(1,262,597)
Administrative Expense	(48,589)	(42,302)	(76,889)
Net Change in Plan Fiduciary Net Position	(769,134)	514,295	715,377
Plan Fiduciary Net Position - Beginning	12,545,231	12,030,936	11,315,559
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,776,097</u>	<u>\$ 12,545,231</u>	<u>\$ 12,030,936</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,552,919</u>	<u>\$ 4,599,676</u>	<u>\$ 5,070,181</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	67.96%	73.17%	70.35%
Covered Employee Payroll*	\$ 341,408	\$ 567,030	\$ 613,927
Net Pension Liability as a percentage of Covered Employee Payroll	1626.47%	811.19%	825.86%

Notes to Schedule:

*The Covered Employee Payroll figures were not available. Pensionable Salary has been reported instead.

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Reporting Period Ending	09/30/2016	09/30/2015	09/30/2014
Measurement Date	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	719,822	766,179	475,794
Contributions in relation to the Actuarially Determined Contributions	713,396	772,605	475,794
Contribution Deficiency (Excess)	\$ 6,426	\$ (6,426)	\$ -
Covered Employee Payroll*	\$ 341,408	\$ 567,030	\$ 613,927
Contributions as a percentage of Covered Employee Payroll	208.96%	136.25%	77.50%

*The Covered Employee Payroll figures were not available. Pensionable Salary has been reported instead.

Notes to Schedule

Valuation Date: 10/01/2013

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: Entry Age Normal Actuarial Cost Method

The following loads are applied for determination of the Sponsor funding requirement:

Interest - A half year, based on the current 7.5%

Salary - A full year, based on the current average assumption of 4.0%.

Mortality: RP2000 Combined Healthy projected to the valuation date with schedule AA - Sex Distinct.

Inflation: 3.0% per year.

Interest Rate: 7.5% per year compounded annually, net of investment related expenses.

Normal Retirement:	<u>Age</u>	<u>Retirement Probability</u>
	55	50%
	56	0%
	57	0%
	58	0%
	59	0%
	60 and older	100%

In addition to the above table, 100% Retirement is assumed upon the completion of 25 years of Credited Service.

Salary Increases: 4% per year.

Termination Rate: None assumed.

Early Retirement: None assumed.

Actuarial Asset Method: All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.

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Termination and Disability Rates:

Age	% Becoming Disabled During the Year	% Terminating During the Year
40	0.30%	0.00%
45	0.51%	0.00%
50	1.00%	0.00%
55	1.55%	0.00%

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2015

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ 5,070,181	\$ 597,493	\$ 772,605	\$ -
Employer and State contributions made after 09/30/2014	-	-	713,396	-
Total Pension Liability Factors:				
Service Cost	91,269	-	-	91,269
Interest	1,241,107	-	-	1,241,107
Change in Excess State Money	-	-	-	-
Change in Funding Standard Account	-	-	-	-
Share Plan Allocation	-	-	-	-
Changes in benefit terms	-	-	-	-
Contributions - Buy Back	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	-	-	-	-
Current year amortization of experience difference	-	-	-	-
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(1,288,586)	-	-	(1,288,586)
Net change	43,790	-	713,396	43,790
Plan Fiduciary Net Position:				
Contributions - Employer	772,605	-	(772,605)	-
Contributions - State	-	-	-	-
Contributions - Employee	13,178	-	-	(13,178)
Contributions - Buy Back	-	-	-	-
Net Investment Income	881,879	-	-	(881,879)
Difference between projected and actual earnings on Pension Plan investments	177,521	177,521	-	-
Current year amortization	-	(184,879)	-	(184,879)
Benefit Payments	(1,288,586)	-	-	1,288,586
Administrative Expenses	(42,302)	-	-	42,302
Other	-	-	-	-
Net change	514,295	(7,358)	(772,605)	250,952
Ending Balance	\$ 4,599,676	\$ 590,135	\$ 713,396	\$ 294,742

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 4,599,676	\$ 590,135	\$ 713,396	\$ -
Employer and State Contributions made after 09/30/2015	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	60,573	-	-	60,573
Interest	1,238,859	-	-	1,238,859
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	259,399	-	259,399	-
Current year amortization of experience difference	-	-	(259,399)	259,399
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(1,374,722)	-	-	(1,374,722)
Net change	<u>184,109</u>	<u>-</u>	<u>-</u>	<u>184,109</u>
Plan Fiduciary Net Position:				
Contributions - Employer	713,396	-	(713,396)	-
Contributions - Employee	8,535	-	-	(8,535)
Net Investment Income	914,591	-	-	(914,591)
Difference between projected and actual earnings on Pension Plan investments	(982,345)	-	982,345	-
Current year amortization	-	(184,877)	(196,469)	11,592
Benefit Payments	(1,374,722)	-	-	1,374,722
Administrative Expenses	(48,589)	-	-	48,589
Net change	<u>(769,134)</u>	<u>(184,877)</u>	<u>72,480</u>	<u>511,777</u>
Ending Balance	<u>\$ 5,552,919</u>	<u>\$ 405,258</u>	<u>TBD</u>	<u>\$ 695,886</u>

* Employer and State Contributions subsequent to the measurement date made after September 30, 2015 but made on or before September 30, 2016 needs to be added.