

CITY OF PANAMA CITY
MUNICIPAL FIREFIGHTERS'
PENSION TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2016

WITH RESULTS APPLICABLE TO THE PLAN/
FISCAL YEAR ENDED SEPTEMBER 30, 2018

January 6, 2017

Ms. Lauren Boatwright
Trustmark National Bank
107 Saint Francis Street
Mobile, AL 36602

Re: City of Panama City
Municipal Firefighters' Pension Trust Fund

Dear Lauren:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Panama City Municipal Firefighters' Pension Trust Fund. 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 Chapters 112, and 175, 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, and asset information supplied by the City of Panama City, financial reports prepared by the custodian bank, and 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.

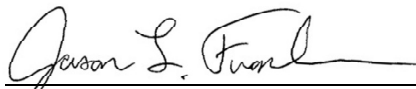
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Panama City, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Panama City Municipal Firefighters' Pension Trust Fund. 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:



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

JLF/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Panama City Municipal Firefighters' Pension Trust Fund, performed as of October 1, 2016, has been completed and the results are presented in this Report. The contribution amounts developed in this valuation are applicable to the plan/fiscal year ended September 30, 2018.

The contribution requirements, compared with those developed in the October 1, 2015 Actuarial Valuation Report, are as follows:

Valuation Date	10/1/2016	10/1/2015
Applicable Plan/Fiscal Yr. End	<u>9/30/2018</u>	<u>9/30/2017</u>
Total Required Contribution	\$2,517,363	\$2,244,221
Member Contributions (Est.)	\$264,498	\$240,920
City and State Required Contribution	\$2,252,865	\$2,003,301
State Contribution ¹	\$331,496	\$331,496
Balance from City ¹	\$1,921,369	\$1,671,805

¹ State Contribution shown is amount received during fiscal 2016.

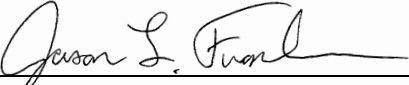
Please note the City has a prepaid contribution of \$2,861.49 that may be utilized to help offset the above stated requirements for fiscal 2017.


During the past year, the experience has been more favorable than expected, relative to the Plan's actuarial assumptions. The principal sources of favorable experience included higher than expected turnover and favorable retirement experience. In spite of this favorable experience, it can be seen that the Total Required Contribution has increased since the previous valuation. This increase is due to a mandated change in mortality rates, as discussed on page 7.

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 answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 
Jason L. Franken, FSA, EA, MAAA

By: 
Sara E. Baumer

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

As a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Table to the assumptions used by the Florida Retirement System. This change is described in the Actuarial Assumptions and Methods section of this report and the impact on the funding requirements is disclosed in the Comparative Summary of Principal Valuation Results that follows.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2016</u>	Old Assump <u>10/1/2016</u>	<u>10/1/2015</u>
A. Participant Data			
Actives	70	70	63
Service Retirees	63	63	57
DROP Retirees	5	5	10
Beneficiaries	9	9	8
Disability Retirees	2	2	2
Terminated Vested	<u>7</u>	<u>7</u>	<u>6</u>
Total	156	156	146
Total Annual Payroll	\$3,199,055	\$3,199,055	\$2,913,887
Payroll Under Assumed Ret. Age	3,199,055	3,199,055	2,913,887
Annual Rate of Payments to:			
Service Retirees	2,553,670	2,553,670	2,313,026
DROP Retirees	252,033	252,033	459,186
Beneficiaries	251,552	251,552	176,792
Disability Retirees	19,193	19,193	19,193
Terminated Vested	82,561	82,561	50,637
B. Assets			
Actuarial Value (AVA) ¹	34,901,612	34,901,612	34,549,202
Market Value (MVA) ¹	33,333,294	33,333,294	32,285,198
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	19,351,764	19,026,714	18,208,020
Disability Benefits	455,745	494,343	452,934
Death Benefits	463,620	192,296	174,838
Vested Benefits	243,963	244,360	225,899
Refund of Contributions	61,905	62,160	44,150
Service Retirees	29,597,276	28,476,116	25,257,172
DROP Retirees ¹	4,593,568	4,511,777	8,301,467
Beneficiaries	2,421,187	2,258,154	1,581,746
Disability Retirees	165,735	170,806	174,748
Terminated Vested	420,123	418,452	384,234
Excess State Monies Reserve	<u>6,303</u>	<u>6,303</u>	<u>6,303</u>
Total	57,781,189	55,861,481	54,811,511

C. Liabilities - (Continued)	New Assump <u>10/1/2016</u>	Old Assump <u>10/1/2016</u>	<u>10/1/2015</u>
Present Value of Future Salaries	32,311,626	32,675,934	28,651,228
Present Value of Future Member Contributions	2,423,372	2,450,695	2,148,842
Normal Cost (Retirement)	839,243	825,458	741,416
Normal Cost (Disability)	33,378	36,098	33,170
Normal Cost (Death)	31,439	12,835	11,272
Normal Cost (Vesting)	14,970	14,989	13,172
Normal Cost (Refunds)	<u>9,157</u>	<u>9,172</u>	<u>6,785</u>
Total Normal Cost	928,187	898,552	805,815
Present Value of Future Normal Costs	9,270,585	9,067,739	7,858,003
Accrued Liability (Retirement)	10,867,029	10,614,026	10,913,056
Accrued Liability (Disability)	140,534	148,590	144,669
Accrued Liability (Death)	186,591	77,701	76,850
Accrued Liability (Vesting)	102,396	101,947	105,073
Accrued Liability (Refunds)	9,862	9,870	8,190
Accrued Liability (Inactives) ¹	37,197,889	35,835,305	35,699,367
Excess State Monies Reserve	<u>6,303</u>	<u>6,303</u>	<u>6,303</u>
Total Actuarial Accrued Liability (AL)	48,510,604	46,793,742	46,953,508
Unfunded Actuarial Accrued Liability (UAAL)	13,608,992	11,892,130	12,404,306
Funded Ratio (AVA / AL)	71.9%	74.6%	73.6%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2016</u>	Old Assump <u>10/1/2016</u>	<u>10/1/2015</u>
Vested Accrued Benefits			
Inactives ¹	37,197,889	35,835,305	35,699,367
Actives	2,725,211	2,567,731	3,065,651
Member Contributions	<u>1,664,557</u>	<u>1,664,557</u>	<u>1,696,704</u>
Total	41,587,657	40,067,593	40,461,722
Non-vested Accrued Benefits	<u>3,224,565</u>	<u>3,152,050</u>	<u>2,764,597</u>
Total Present Value Accrued Benefits (PVAB)	44,812,222	43,219,643	43,226,319
Funded Ratio (MVA / PVAB)	74.4%	77.1%	74.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	1,592,579	0	
New Accrued Benefits	0	726,553	
Benefits Paid	0	(4,030,129)	
Interest	0	3,296,900	
Other	<u>0</u>	<u>0</u>	
Total	1,592,579	(6,676)	

	New Assump	Old Assump	
Valuation Date	10/1/2016	10/1/2016	10/1/2015
Applicable to Fiscal Year Ending	<u>9/30/2018</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
E. Pension Cost			
Normal Cost ²	\$1,023,233	\$990,564	\$888,330
Administrative Expenses ²	42,704	42,704	36,400
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/2016) ²	1,451,426	1,308,404	1,319,491
Total Required Contribution	2,517,363	2,341,672	2,244,221
Expected Member Contributions ²	264,498	264,498	240,920
Expected City and State Contribution	2,252,865	2,077,174	2,003,301
F. Past Contributions			
Plan Years Ending:	<u>9/30/2016</u>		
City and State Requirement	1,969,699		
Actual Contributions Made:			
Members (excluding buyback)	229,393		
City	1,638,203		
State	<u>331,496</u>		
Total	2,199,092		
G. Net Actuarial (Gain)/Loss	(131,721)		

¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2016 and 9/30/2015.

² Contributions developed as of 10/1/2016 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 Actuarial Accrued Liability</u>
2016	13,608,992
2017	13,275,779
2018	12,908,693
2025	9,073,423
2032	5,138,220
2039	994,168
2046	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2016	7.36%	6.00%
Year Ended	9/30/2015	4.10%	6.00%
Year Ended	9/30/2014	7.90%	6.00%

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

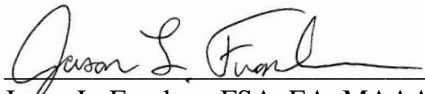
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2016	6.55%	8.00%
Year Ended	9/30/2015	8.34%	8.00%
Year Ended	9/30/2014	8.82%	8.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2016	\$3,199,055
	10/1/2006	2,926,958
(b) Total Increase		9.3%
(c) Number of Years		10.00
(d) Average Annual Rate		0.9%

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.



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

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

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

Ms. Sarah Carr
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2015	\$12,404,306
(2) Sponsor Normal Cost developed as of October 1, 2015	587,273
(3) Expected administrative expenses for the year ended September 30, 2016	33,019
(4) Expected interest on (1), (2) and (3)	1,040,647
(5) Sponsor contributions to the System during the year ended September 30, 2016	1,969,699
(6) Expected interest on (5)	71,695
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2016 (1)+(2)+(3)+(4)-(5)-(6)	12,023,851
(8) Change to UAAL due to Assumption Change	1,716,862
(9) Change to UAAL due to Actuarial (Gain)/Loss	(131,721)
(10) Unfunded Actuarial Accrued Liability as of October 1, 2016	13,608,992

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2016 Amount</u>	<u>Amortization Amount</u>
	1/1/1987	0.25	\$729	\$729
	1/1/1988	1.25	9,388	7,574
	1/1/1988	1.25	(2,062)	(1,664)
	1/1/1989	2.25	1,403	650
	10/1/1992	6	56,137	11,016
	10/1/1994	8	389,220	60,983
	10/1/1995	9	320,983	46,100
	10/1/1995	9	105,604	15,167
	10/1/1997	11	632,229	78,913
	10/1/1997	11	1,203,002	150,156
	10/1/1998	12	1,032,416	121,675
	10/1/1998	12	(727,103)	(85,693)
	10/1/1999	13	533,148	59,722
	10/1/2000	14	720,864	77,178
	10/1/2001	15	(836,517)	(86,006)
	10/1/2001	15	160,833	16,536
Method	10/1/2004	18	1,899,539	176,891
Benefit	10/1/2005	19	14,567	1,320
Loss	10/1/2005	19	8,426	764

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2015	\$12,404,306
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(9) Change to UAAL due to Actuarial (Gain)/Loss	(131,721)
(10) Unfunded Actuarial Accrued Liability as of October 1, 2016	13,608,992

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2016 Amount</u>	<u>Amortization Amount</u>
Benefit	10/1/2006	20	372,454	32,939
Gain	10/1/2006	20	(404,386)	(35,763)
Gain	10/1/2007	21	(498,059)	(43,070)
Loss	10/1/2008	22	186,933	15,837
Method	10/1/2008	22	465,227	39,414
Benefit ¹	10/1/2008	22	940,118	85,335
Loss	10/1/2009	23	1,924,759	160,027
Loss	10/1/2010	24	1,276,548	104,319
Assump	10/1/2010	24	407,992	33,341
Loss	10/1/2011	25	2,880,261	231,672
Loss	10/1/2012	26	1,212,271	96,096
Gain	10/1/2013	27	(1,327,154)	(103,799)
Gain	10/1/2014	28	(69,468)	(5,366)
Gain	10/1/2015	29	(866,451)	(66,170)
Gain	10/1/2016	30	(131,721)	(9,954)
Assump	10/1/2016	30	<u>1,716,862</u>	<u>129,737</u>
			13,608,992	1,316,606

¹ The 2008 benefit base is amortized as a level dollar over 30 years.

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2015	\$12,404,306
(2) Expected UAAL as of October 1, 2016	12,023,851
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	487,491
Salary Increases	17,782
Active Decrements	(600,612)
Inactive Mortality	65,861
Other	<u>(102,243)</u>
Increase in UAAL due to (Gain)/Loss	(131,721)
Assumption Changes	<u>1,716,862</u>
(4) Actual UAAL as of October 1, 2016	\$13,608,992

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2015 FRS valuation report. We feel this assumption sufficiently accommodates future mortality improvements.

Previously, the RP 2000 Combined Healthy – Sex Distinct with disabled lives set forward 5 years was utilized.

Interest Rate

8.0% per year, compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Retirement Age

The earlier of: 1) Age 55 and 10 years of credited service, or 2) the completion of 25 years of credited service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. We feel that this assumption is reasonable based on the plan provisions.

Early Retirement

Commencing with the earliest Early Retirement Age (45), Members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year. We feel that this assumption is reasonable based on the plan provisions.

Disability Rate

See table on next page (1207). It is assumed that 75% of disablements are service related. This assumption was developed from those used by other plans containing Florida municipal Firefighters.

Termination Rate

See table on next page (1301). This assumption was developed from those used by other plans containing Florida municipal Firefighters.

<u>Salary Increases</u>	6.0% per year until the assumed retirement age; see table below. We feel that this assumption is reasonable on a long-term basis.
<u>Payroll Growth</u>	0.9% per year, in compliance with Part VII of Chapter 112, Florida Statutes.
<u>Administrative Expenses</u>	\$38,737 annually. This assumption is equal to the amount paid out of the trust in the prior year.
<u>Cost-of-Living Increase</u>	3% per year from retirement to Social Security Retirement Age.
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method. The following loads are utilized for determination of the Total Required Contribution: <ul style="list-style-type: none"> • Interest – a half-year, based on the 8.0% assumption • Salary – a full-year, based on the 6.0% assumption
<u>Actuarial Asset Method</u>	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

<u>Age</u>	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>	<u>Current Salary as a % of Salary at Age 55</u>
20	0.07%	3.0%	13.0%
30	0.11%	2.5%	23.3%
40	0.19%	1.3%	41.7%
50	0.51%	0.5%	74.7%

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning as of 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.

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.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

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.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	158,284.20	N/A
1999	192,570.56	21.7%
2000	191,144.33	-0.7%
2001	197,701.48	3.4%
2002	198,483.26	0.4%
2003	228,800.14	15.3%
2004	232,759.80	1.7%
2005	246,342.48	5.8%
2006	251,065.82	1.9%
2007	273,210.69	8.8%
2008	434,733.32	59.1%
2009	415,632.80	-4.4%
2010	339,262.71	-18.4%
2011	339,755.40	0.1%
2012	320,682.27	-5.6%
2013	339,844.71	6.0%
2014	355,575.72	4.6%
2015	327,138.89	-8.0%
2016	331,495.90	1.3%

EXCESS STATE MONIES RESERVE

	Regular Distribution			Special Distribution		
	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve</u>	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve</u>
1999	\$170,050.08	\$158,284.20	\$11,765.88	\$22,520.48	\$22,520.48	\$0.00
2000	164,854.92	158,284.20	6,570.72	26,289.41	22,520.48	3,768.93
2001	169,310.88	158,284.20	11,026.68	28,390.60	22,520.48	5,870.12
2002	176,377.62	158,284.20	18,093.42	22,105.64	22,520.48	0.00
2003	186,513.90	170,932.20	15,581.70	42,286.24	22,520.48	19,765.76
2004	196,017.60	170,932.20	25,085.40	36,742.20	22,520.48	14,221.72
2005	194,540.40	170,932.20	23,608.20	51,802.08	22,520.48	29,281.60
2006	201,686.10	180,663.20	21,022.90	49,379.72	22,520.48	26,859.24
2007	205,736.87	180,663.20	25,073.67	67,473.82	22,520.48	44,953.34
2008	282,666.57	231,500.20	51,166.37	152,066.75	22,520.48	129,546.27
2009	314,398.99	308,095.87	6,303.12	101,233.81	101,233.81	0.00
2010	311,212.67	381,279.64	0.00	28,050.04	28,050.04	0.00
2011	322,094.92	391,669.20	0.00	17,660.48	17,660.48	0.00
2012	316,643.29	405,290.70	0.00	4,038.98	4,038.98	0.00
2013	339,844.71	409,329.68	0.00	0.00	0.00	0.00
2014	355,575.72	409,329.68	0.00	0.00	0.00	0.00
2015	327,138.89	409,329.68	0.00	0.00	0.00	0.00
2016	331,495.90	409,329.68	<u>0.00</u>	0.00	0.00	<u>0.00</u>
			215,298.06			274,266.98
Accumulated Regular Excess			215,298.06			
Accumulated Special Excess			<u>274,266.98</u>			
Total Excess State Monies			489,565.04			
Less Excess Used in Funding Ordinance No. 1888			(17,987.75)			
Less Excess Used in Funding Ordinance No. 2222			(166,652.38)			
Less Excess Used in Funding Ordinance No. 2279			(47,882.14)			
Less Excess Used in Funding Ordinance No. 2367			<u>(250,740.00)</u>			
Equals Current State Monies Reserve			\$6,302.77			

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2016

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	1,068,818.26	1,068,818.26
Money Market	1.30	1.30
Cash	34,761.47	34,761.47
 Total Cash and Equivalents	 1,103,581.03	 1,103,581.03
Receivables:		
Investment Income	30,345.03	30,345.03
 Total Receivable	 30,345.03	 30,345.03
Investments:		
U. S. Bonds and Bills	1,860,286.94	2,089,589.10
Federal Agency Guaranteed Securities	1,218,456.03	1,263,493.71
Corporate Bonds	4,318,311.31	4,362,100.59
Stocks	6,392,151.71	7,611,804.04
Alternative	1,019,940.96	1,644,234.56
Mutual Funds:		
Fixed Income	1,703,603.88	1,498,212.72
Equity	7,503,144.82	10,111,946.66
Pooled/Common/Commingled Funds:		
Real Estate	3,737,493.53	3,727,107.92
 Total Investments	 27,753,389.18	 32,308,489.30
 Total Assets	 28,887,315.24	 33,442,415.36
 <u>LIABILITIES</u>		
Payables:		
Benefit Payments	3,032.28	3,032.28
DROP Distributions	2,136.43	2,136.43
Prior Refunds	575.05	575.05
To Broker for Investments Purchased	100,515.63	100,515.63
Prepaid City Contribution	2,861.49	2,861.49
 Total Liabilities	 109,120.88	 109,120.88
 NET POSITION RESTRICTED FOR PENSIONS	 28,778,194.36	 33,333,294.48

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2016
Market Value Basis

ADDITIONS

Contributions:			
Member		229,393.07	
Buy-Back		20,069.00	
City		1,638,203.10	
State		331,495.90	
Total Contributions			2,219,161.07
Investment Income:			
Net Realized Gain (Loss)	739,065.21		
Unrealized Gain (Loss)	1,446,347.67		
Net Increase in Fair Value of Investments		2,185,412.88	
Interest & Dividends		903,050.24	
Less Investment Expense ¹		(190,661.35)	
Net Investment Income			2,897,801.77
Total Additions			5,116,962.84

DEDUCTIONS

Distributions to Members:			
Benefit Payments		2,556,397.26	
Lump Sum DROP Distributions		1,414,495.15	
Lump Sum Share Distributions		0.00	
Refunds of Member Contributions		59,236.28	
Total Distributions			4,030,128.69
Administrative Expense			38,737.26
Total Deductions			4,068,865.95
Net Increase in Net Position			1,048,096.89
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of the Year			32,285,197.59
End of the Year			33,333,294.48

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

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2016

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return ¹	
09/30/2013	11.05%	
09/30/2014	10.13%	
09/30/2015	-3.45%	
09/30/2016	9.15%	
Annualized Rate of Return for prior four (4) years:		6.55%
(A) 10/01/2015 Actuarial Assets:		\$34,549,202.40
(I) Net Investment Income:		
1. Interest and Dividends	903,050.24	
2. Realized Gains (Losses)	739,065.21	
3. Change in Actuarial Value	750,660.43	
4. Investment Related Expenses	(190,661.35)	
Total		2,202,114.53
(B) 10/01/2016 Actuarial Assets:		\$34,901,612.05
Actuarial Asset Rate of Return = 2I/(A+B-I):		6.55%
10/01/2016 Limited Actuarial Assets:		\$34,901,612.05
10/01/2016 Market Value of Assets:		\$33,333,294.48
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$487,491.00)

¹Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2016
 Actuarial Asset Basis

REVENUES

Contributions:		
Member	229,393.07	
Buy-Back	20,069.00	
City	1,638,203.10	
State	331,495.90	
 Total Contributions		 2,219,161.07
Earnings from Investments:		
Interest & Dividends	903,050.24	
Net Realized Gain (Loss)	739,065.21	
Change in Actuarial Value	750,660.43	
 Total Earnings and Investment Gains		 2,392,775.88

EXPENDITURES

Distributions to Members:		
Benefit Payments	2,556,397.26	
Lump Sum DROP Distributions	1,414,495.15	
Lump Sum Share Distributions	0.00	
Refunds of Member Contributions	59,236.28	
 Total Distributions		 4,030,128.69
Expenses:		
Investment related ¹	190,661.35	
Administrative	38,737.26	
 Total Expenses		 229,398.61
 Change in Net Assets for the Year		 352,409.65
 Net Assets Beginning of the Year		 34,549,202.40
 Net Assets End of the Year ²		 34,901,612.05

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

²Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2015 to September 30, 2016

Beginning of the Year Balance	1,802,043.58
Plus Additions	402,295.44
Investment Return Earned	92,381.97
Less Distributions	(1,414,495.15)
End of the Year Balance	882,225.84

RECONCILIATION OF CITY'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2016

(1) Required City and State Contributions	\$1,969,699.00
(2) Less Allowable State Contribution	<u>(331,495.90)</u>
(3) Required City Contribution for Fiscal 2016	1,638,203.10
(4) Less 2015 Prepaid Contribution	(146,927.47)
(5) Less Actual City Contributions	<u>(1,494,137.12)</u>
(6) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2016	(\$2,861.49)

STATISTICAL DATA

	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>	<u>10/1/2016</u>
<u>Actives</u>				
Number	62	66	63	70
Average Current Age	36.7	37.0	37.0	35.9
Average Age at Employment	27.6	27.6	27.7	27.6
Average Past Service	9.1	9.4	9.3	8.3
Average Annual Salary	\$43,513	\$45,418	\$46,252	\$45,701
<u>Service Retirees</u>				
Number	54	57	57	63
Average Current Age	63.8	64.1	64.4	63.8
Average Annual Benefit	\$37,795	\$38,948	\$40,579	\$40,534
<u>DROP Retirees</u>				
Number	14	10	10	5
Average Current Age	51.6	52.2	53.5	53.1
Average Annual Benefit	\$46,095	\$45,912	\$45,919	\$50,407
<u>Beneficiaries</u>				
Number	8	9	8	9
Average Current Age	76.9	75.7	71.5	69.1
Average Annual Benefit	\$15,948	\$18,845	\$22,099	\$27,950
<u>Disability Retirees</u>				
Number	2	2	2	2
Average Current Age	57.3	58.3	59.3	60.3
Average Annual Benefit	\$9,597	\$9,597	\$9,597	\$9,597
<u>Terminated Vested</u>				
Number	1	2	6	7
Average Current Age	41.8	47.8	43.0	42.5
Average Annual Benefit ¹	N/A	N/A	\$16,879	\$20,640

¹ The Average Annual Benefit excludes participants awaiting a refund of contributions.

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	5	1	1	1	0	0	0	0	0	0	0	8
25 - 29	7	1	1	1	1	2	0	0	0	0	0	13
30 - 34	0	1	1	1	1	6	1	0	0	0	0	11
35 - 39	1	0	2	0	0	2	6	3	0	0	0	14
40 - 44	0	1	0	1	0	1	4	2	1	0	0	10
45 - 49	2	0	0	0	0	0	1	3	2	0	0	8
50 - 54	0	0	1	0	0	0	1	2	2	0	0	6
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0
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	15	4	6	4	2	11	13	10	5	0	0	70

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2015	63
b. Terminations	
i. Vested (partial or full) with deferred benefits	(3)
ii. Non-vested or full lump sum distribution received	(3)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. DROP	<u>(1)</u>
g. Continuing participants	55
h. New entrants	<u>15</u>
i. Total active life participants in valuation	70

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	57	10	8	2	6	83
Retired	1	(6)	0	0	(1)	(6)
DROP	6	1	0	0	0	7
Vested Deferred	1	0	0	0	3	4
Death, With Survivor	(2)	0	2	0	0	0
Death, No Survivor	0	0	(1)	0	0	(1)
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	(1)	(1)
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	63	5	9	2	7	86

SUMMARY OF CURRENT PLAN

<u>Eligibility</u>	Full-time firefighters participate as a condition of employment.
<u>Salary</u>	Total compensation reportable on W-2, plus all tax deferred, tax sheltered or tax exempt items, but excluding termination sick leave pay, sick leave bonus pay, health incentive pay, termination annual leave pay and uniform allowances.
<u>Average Final Compensation</u>	One twelfth of the average of the 3 best years of Salary of the last 5.
<u>Credited Service</u>	Years and fractional parts of years of service with the City as a Firefighter (with Member contributions when required).
<u>Normal Retirement</u>	
Date	The earlier of: 1) age 55 and the completion of 10 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.
Benefit	2.9% of Average Final Compensation times Credited Service (30 year maximum).
Minimum Benefit	2.0% of Average Final Compensation times Credited Service.
Form of Benefit	Life with 10 years certain.
Supplement	\$575 per month to earlier of death or Social Security Retirement Age.
Cost-of-Living Increase	Each January 1 following retirement, the base benefit is increased annually by 3.0% (1.0% if retired prior to January 1, 1999). Adjustments cease at Social Security Retirement Age (Age 65 if retired between 1/1/94 and 9/30/97). Supplemental benefits are not adjusted.
<u>Early Retirement</u>	
Date	Age 45 and completion of 10 years of Credited Service.
Benefit	Determined as for Normal Retirement (without supplement) reduced 3% per year to age 50 and actuarially for years prior to age 50.
Form of Benefit	Life with 10 years certain.

Disability Benefit

Eligibility	Total and permanent as determined by the Board (medical proof required.) One year of service required for not-in-line of duty.
Benefit	Accrued benefit but not less than 42% of Average Final Compensation (service incurred) and 25% of Average Final Compensation (non-service incurred).
Duration	Payable for life and 10 years certain, or until recovery (as determined by the Board; optional forms of income are available).

Death Benefit

Pre-Retirement	Prior to vesting: 3 times annual Salary. Vested: Greater of: 1) Actuarial equivalent of participant's accrued benefit payable as a Ten Year Certain and Life Annuity, or 2) 3 times annual Salary.
Post-Retirement	According to optional form of benefit selected.

Termination of Employment

Benefit	
Less than 10 years	Refund of Accumulated Member Contributions without interest.
10 or more	Refund of Contributions or Vested Accrued benefit (supplemental benefit not included) payable at age 55 (or reduced as early as age 45)

Member Contributions

7.5% of Salary.

State Contributions

1.85% tax on insurance premiums.

City Contributions

Remaining amount necessary after Member and State Contributions for payment of Normal Cost and amortization of accrued past service liability over 30 years. In no event will the City's contribution be less than 7.5% of the total salaries of the Members.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements (earlier of (1) Age 55 and 10 years of Credited Service, or (2) 25 years of Credited Service).
Participation	If Normal Retirement is 55 with 10 years of service, not to exceed 36 months. If Member has completed 25-27 years of service, not to exceed 60 months. If Member has completed 27-30 years of service, not to exceed 36 months. Members with 30 years and 1 day of service are ineligible.
Rate of Return	6.5% per annum, credited quarterly.
Form of Distribution	Cash lump sum (options available) at termination of employment.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2016

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	1,068,818
Money Market	1
Cash	34,762
Total Cash and Equivalents	1,103,581
Receivables:	
Investment Income	30,345
Total Receivable	30,345
Investments:	
U. S. Bonds and Bills	2,089,589
Federal Agency Guaranteed Securities	1,263,494
Corporate Bonds	4,362,100
Stocks	7,611,804
Alternative	1,644,234
Mutual Funds:	
Fixed Income	1,498,213
Equity	10,111,947
Pooled/Common/Commingled Funds:	
Real Estate	3,727,108
Total Investments	32,308,489
Total Assets	33,442,415
<u>LIABILITIES</u>	
Payables:	
Benefit Payments	3,032
DROP Distributions	2,136
Prior Refunds	575
To Broker for Investments Purchased	100,516
Total Liabilities	106,259
NET POSITION RESTRICTED FOR PENSIONS	33,336,156

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2016
Market Value Basis

ADDITIONS

Contributions:

Member	229,393	
Buy-Back	20,069	
City	1,641,064	
State	331,496	
 Total Contributions		 2,222,022
 Investment Income:		
Net Increase in Fair Value of Investments	2,185,413	
Interest & Dividends	903,050	
Less Investment Expense ¹	(190,661)	
 Net Investment Income		 2,897,802
 Total Additions		 5,119,824

DEDUCTIONS

Distributions to Members:

Benefit Payments	2,556,397	
Lump Sum DROP Distributions	1,414,495	
Refunds of Member Contributions	59,237	
 Total Distributions		 4,030,129
 Administrative Expense		 38,737
 Total Deductions		 4,068,866
 Net Increase in Net Position		 1,050,958
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		32,285,198
 End of the Year		 33,336,156

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

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

Plan Description

Plan Administration

The Plan is a single-employer defined pension plan administered by the Plan's Board of Trustees comprised of: five trustees, two of whom unless otherwise prohibited by law, shall be legal residents of the city, who shall be appointed by the city commission, and two of whom shall be Members of the system, who shall be elected by a majority of the firefighters who are Members of the system. The fifth trustee shall be chosen by a majority of the previous four trustees as provided for herein, and such person's name shall be submitted to the city commission.

Plan Membership as of October 1, 2015:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	77
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	6
Active Plan Members	63
	146
	146

Benefits Provided

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

Normal Retirement:

Date: The earlier of: 1) age 55 and the completion of 10 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit: 2.9% of Average Final Compensation times Credited Service (30 year maximum).

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

Supplement: \$575 per month to earlier of death or Social Security Retirement Age.

Cost-of-Living Increase: Each January 1 following retirement, the base benefit is increased annually by 3.0% (1.0% if retired prior to January 1, 1999). Adjustments cease at Social Security Retirement Age (Age 65 if retired between 1/1/94 and 9/30/97). Supplemental benefits are not adjusted.

Early Retirement:

Date: Age 45 and completion of 10 years of Credited Service.

Benefit: Determined as for Normal Retirement (without supplement) reduced 3% per year to age 50 and actuarially for years prior to age 50.

Disability:

Eligibility: Total and permanent as determined by the Board (medical proof required.) One year of service required for not-in-line of duty.

Benefit: Accrued benefit but not less than 42% of Average Final Compensation (service incurred) and 25% of Average Final Compensation (non-service incurred).

Pre-Retirement Death Benefits:

Prior to vesting: 3 times annual Salary.

Vested: Greater of: 1) Actuarial equivalent of participant's accrued benefit payable as a Ten Year Certain and Life Annuity, or 2) 3 times annual Salary.

Termination of Employment:

Less than 10 Years: Refund of Accumulated Member Contributions without interest.

10 or More: Refund of Contributions or Vested Accrued benefit (supplemental benefit not included) payable at age 55 (or reduced as early as age 45).

Contributions

Member Contributions: 7.5% of Salary.

State Contributions: 1.85% tax on insurance premiums.

City Contributions: Remaining amount necessary after Member and State Contributions for payment of Normal Cost and amortization of accrued past service liability over 30 years. In no event will the City's contribution be less than 7.5% of the total salaries of the Members.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	32%
International Equity	15%
Bonds	24%
High Yield Bonds	5%
Convertibles	8%
Private Real Estate	5%
REITS	5%
MLPs	5%
Cash	1%
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, 2016, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 9.15 percent.

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

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements (earlier of (1) Age 55 and 10 years of Credited Service, or (2) 25 years of Credited Service).

Participation: If Normal Retirement is 55 with 10 years of service, not to exceed 36 months. If Member has completed 25-27 years of service, not to exceed 60 months. If Member has completed 27-30 years of service, not to exceed 36 months. Members with 30 years and 1 day of service are ineligible.

Rate of Return: 6.5% per annum, credited quarterly.

The DROP balance as September 30, 2016 is \$882,226.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2016 were as follows:

Total Pension Liability	\$ 48,989,788
Plan Fiduciary Net Position	\$ (33,336,156)
Sponsor's Net Pension Liability	<u>\$ 15,653,632</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	68.05%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2015 updated to September 30, 2016 using the following actuarial assumptions:

Inflation	2.70%
Salary Increases	6.00%
Discount Rate	8.00%
Investment Rate of Return	8.00%

Mortality Rate Healthy Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar /90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The date of the most recent experience study for which significant assumptions are based upon is not available.

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.

For 2016 the inflation rate assumption of the investment advisor was 2.70%.

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, 2016 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	8.0%
International Equity	3.0%
Bonds	4.4%
High Yield Bonds	6.0%
Convertibles	6.4%
Private Real Estate	4.6%
REITS	7.0%
MLPs	10.4%
Cash	1.1%

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Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 8.00 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 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Sponsor's Net Pension Liability	\$ 21,420,278	\$ 15,653,632	\$ 10,879,920

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014
Total Pension Liability			
Service Cost	814,109	840,054	753,886
Interest	3,713,228	3,604,980	3,478,697
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(839,486)	196,997	-
Changes of assumptions	1,689,388	-	-
Contributions - Buy Back	20,069	-	-
Benefit Payments, including Refunds of Employee Contributions	(4,030,129)	(2,495,847)	(2,984,580)
Net Change in Total Pension Liability	1,367,179	2,146,184	1,248,003
Total Pension Liability - Beginning	47,622,609	45,476,425	44,228,422
Total Pension Liability - Ending (a)	<u>\$ 48,989,788</u>	<u>\$ 47,622,609</u>	<u>\$ 45,476,425</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,641,064	1,568,772	1,433,019
Contributions - State	331,496	327,139	355,576
Contributions - Employee	229,393	218,870	207,185
Contributions - Buy Back	20,069	-	-
Net Investment Income	2,897,802	(1,162,379)	3,164,093
Benefit Payments, including Refunds of Employee Contributions	(4,030,129)	(2,495,847)	(2,984,580)
Administrative Expense	(38,737)	(33,019)	(26,647)
Net Change in Plan Fiduciary Net Position	1,050,958	(1,576,464)	2,148,646
Plan Fiduciary Net Position - Beginning	32,285,198	33,861,662	31,713,016
Plan Fiduciary Net Position - Ending (b)	<u>\$ 33,336,156</u>	<u>\$ 32,285,198</u>	<u>\$ 33,861,662</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 15,653,632</u>	<u>\$ 15,337,411</u>	<u>\$ 11,614,763</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	68.05%	67.79%	74.46%
Covered Employee Payroll ¹	\$ 3,058,582	\$ 3,402,962	\$ 2,656,214
Net Pension Liability as a percentage of Covered Employee Payroll	511.79%	450.71%	437.27%

Notes to Schedule:

¹ The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of Assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.70%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014
Actuarially Determined Contribution	1,969,699	1,895,911	1,788,595
Contributions in relation to the Actuarially Determined Contributions	1,972,560	1,895,911	1,788,595
Contribution Deficiency (Excess)	<u>\$ (2,861)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll ¹	\$ 3,058,582	\$ 3,402,962	\$ 2,656,214
Contributions as a percentage of Covered Employee Payroll	64.49%	55.71%	67.34%

¹ The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: 10/01/2014
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 utilized for determination of the Total Required Contribution:
- Interest - a half-year, based on the 8.0% assumption.
- Salary - a full-year, based on the 6.0% assumption.

Amortization Method: Level Percentage of Pay, Closed.
Remaining Amortization Period: 30 Years (as of 10/01/2014).
Mortality Rate: RP 2000 Table with no projection. Disabled lives are set forward 5 years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

Interest Rate: 8% per year, compounded annually, net of investment related expenses.
Retirement Age: Earlier of: 1) Age 55 and the completion of 10 years of service, or 2) The completion of 25 years of service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.

Early Retirement: Commencing with the eligibility for Early Retirement (Age 45), Members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year.

Disability Rates: See table below (1207). It is assumed that 75% of disablements are service related.
Termination Rates: See table below (1301).
Salary Increases: 6% per year until the assumed retirement age.
Payroll Growth: 2.2% per year.
Cost-of-Living Increase: 3% per year from retirement to Social Security Retirement Age.
Asset Valuation Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average of Market Value return (net-of-fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Termination and Disability Rate Table:	Age	% Becoming Disabled During the Year	% Terminating During the Year
		20	0.07%
	30	0.11%	2.50%
	40	0.19%	1.30%
	50	0.51%	0.50%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2016</u>	<u>09/30/2015</u>	<u>09/30/2014</u>
Annual Money-Weighted Rate of Return			
Net of Investment Expense	9.15%	-3.45%	10.13%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2017)

General Information about the Pension Plan

Plan Description

The Plan is a single-employer defined pension plan administered by the Plan's Board of Trustees comprised of: five trustees, two of whom unless otherwise prohibited by law, shall be legal residents of the city, who shall be appointed by the city commission, and two of whom shall be Members of the system, who shall be elected by a majority of the firefighters who are Members of the system. The fifth trustee shall be chosen by a majority of the previous four trustees as provided for herein, and such person's name shall be submitted to the city commission.

Full-time firefighters participate as a condition of employment.

Plan Membership as of October 1, 2015:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	77
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	6
Active Plan Members	63
	146

Benefits Provided

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

Normal Retirement:

Date: The earlier of: 1) age 55 and the completion of 10 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit: 2.9% of Average Final Compensation times Credited Service (30 year maximum).

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

Supplement: \$575 per month to earlier of death or Social Security Retirement Age.

Cost-of-Living Increase: Each January 1 following retirement, the base benefit is increased annually by 3.0% (1.0% if retired prior to January 1, 1999). Adjustments cease at Social Security Retirement Age (Age 65 if retired between 1/1/94 and 9/30/97).

Supplemental benefits are not adjusted.

Early Retirement:

Date: Age 45 and completion of 10 years of Credited Service.

Benefit: Determined as for Normal Retirement (without supplement) reduced 3% per year to age 50 and actuarially for years prior to age 50.

Disability:

Eligibility: Total and permanent as determined by the Board (medical proof required.) One year of service required for not-in-line of duty.

Benefit: Accrued benefit but not less than 42% of Average Final Compensation (service incurred) and 25% of Average Final Compensation (non-service incurred).

Pre-Retirement Death Benefits:

Prior to vesting: 3 times annual Salary.

Vested: Greater of: 1) Actuarial equivalent of participant's accrued benefit payable as a Ten Year Certain and Life Annuity, or 2) 3 times annual Salary.

Termination of Employment:

Less than 10 Years: Refund of Accumulated Member Contributions without interest.

10 or More: Refund of Contributions or Vested Accrued benefit (supplemental benefit not included) payable at age 55 (or reduced as early as age 45).

Contributions

Member Contributions: 7.5% of Salary.

State Contributions: 1.85% tax on insurance premiums.

City Contributions: Remaining amount necessary after Member and State Contributions for payment of Normal Cost and amortization of accrued past service liability over 30 years. In no event will the City's contribution be less than 7.5% of the total salaries of the Members.

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Net Pension Liability

The measurement date is September 30, 2016.

The measurement period for the pension expense was October 1, 2015 to September 30, 2016.

The reporting period is October 1, 2016 through September 30, 2017.

The Sponsor's Net Pension Liability was measured as of September 30, 2016.

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, 2015 updated to September 30, 2016 using the following actuarial assumptions:

Inflation	2.70%
Salary Increases	6.00%
Discount Rate	8.00%
Investment Rate of Return	8.00%

Mortality Rate Healthy Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar /90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The date of the most recent experience study for which significant assumptions are based upon is not available.

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.

For 2016 the inflation rate assumption of the investment advisor was 2.70%.

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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	32%	8.0%
International Equity	15%	3.0%
Bonds	24%	4.4%
High Yield Bonds	5%	6.0%
Convertibles	8%	6.4%
Private Real Estate	5%	4.6%
REITS	5%	7.0%
MLPs	5%	10.4%
Cash	1%	1.1%
<u>Total</u>	<u>100%</u>	

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Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 8.00 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, 2016	\$ 47,622,609	\$ 32,285,198	\$ 15,337,411
Changes for a Year:			
Service Cost	814,109	-	814,109
Interest	3,713,228	-	3,713,228
Differences between Expected and Actual Experience	(839,486)	-	(839,486)
Changes of assumptions	1,689,388	-	1,689,388
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,641,064	(1,641,064)
Contributions - State	-	331,496	(331,496)
Contributions - Employee	-	229,393	(229,393)
Contributions - Buy Back	20,069	20,069	-
Net Investment Income	-	2,897,802	(2,897,802)
Benefit Payments, including Refunds of Employee Contributions	(4,030,129)	(4,030,129)	-
Administrative Expense	-	(38,737)	38,737
Net Changes	1,367,179	1,050,958	316,221
Reporting Period Ending September 30, 2017	\$ 48,989,788	\$ 33,336,156	\$ 15,653,632

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	7.00%	8.00%	9.00%
Sponsor's Net Pension Liability	\$ 21,420,278	\$ 15,653,632	\$ 10,879,920

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, 2017, the Sponsor will recognize a Pension Expense of \$2,561,865.

On September 30, 2017, 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	131,332	699,571
Changes of assumptions	1,407,824	-
Net difference between Projected and Actual Earnings on Pension Plan investments	1,734,694	-
Employer and State Contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 699,571

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, 2017.

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:				
2018		\$	734,126	
2019		\$	734,128	
2020		\$	867,662	
2021		\$	96,712	
2022		\$	141,651	
Thereafter		\$	-	

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2017 09/30/2016	09/30/2016 09/30/2015	09/30/2015 09/30/2014
Total Pension Liability			
Service Cost	814,109	840,054	753,886
Interest	3,713,228	3,604,980	3,478,697
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(839,486)	196,997	-
Changes of assumptions	1,689,388	-	-
Contributions - Buy Back	20,069	-	-
Benefit Payments, including Refunds of Employee Contributions	(4,030,129)	(2,495,847)	(2,984,580)
Net Change in Total Pension Liability	1,367,179	2,146,184	1,248,003
Total Pension Liability - Beginning	47,622,609	45,476,425	44,228,422
Total Pension Liability - Ending (a)	<u>\$ 48,989,788</u>	<u>\$ 47,622,609</u>	<u>\$ 45,476,425</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,641,064	1,568,772	1,433,019
Contributions - State	331,496	327,139	355,576
Contributions - Employee	229,393	218,870	207,185
Contributions - Buy Back	20,069	-	-
Net Investment Income	2,897,802	(1,162,379)	3,164,093
Benefit Payments, including Refunds of Employee Contributions	(4,030,129)	(2,495,847)	(2,984,580)
Administrative Expense	(38,737)	(33,019)	(26,647)
Net Change in Plan Fiduciary Net Position	1,050,958	(1,576,464)	2,148,646
Plan Fiduciary Net Position - Beginning	32,285,198	33,861,662	31,713,016
Plan Fiduciary Net Position - Ending (b)	<u>\$ 33,336,156</u>	<u>\$ 32,285,198</u>	<u>\$ 33,861,662</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 15,653,632</u>	<u>\$ 15,337,411</u>	<u>\$ 11,614,763</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	68.05%	67.79%	74.46%
Covered Employee Payroll ¹	\$ 3,058,582	\$ 3,402,962	\$ 2,656,214
Net Pension Liability as a percentage of Covered Employee Payroll	511.79%	450.71%	437.27%

Notes to Schedule:

¹ The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of Assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.70%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014
Actuarially Determined Contribution	1,969,699	1,895,911	1,788,595
Contributions in relation to the			
Actuarially Determined Contributions	1,972,560	1,895,911	1,788,595
Contribution Deficiency (Excess)	\$ (2,861)	\$ -	\$ -
Covered Employee Payroll ¹	\$ 3,058,582	\$ 3,402,962	\$ 2,656,214
Contributions as a percentage of			
Covered Employee Payroll	64.49%	55.71%	67.34%

¹ The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: 10/01/2014

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 utilized for determination of the Total Required Contribution: - Interest - a half-year, based on the 8.0% assumption. - Salary - a full-year, based on the 6.0% assumption.
Amortization Method:	Level Percentage of Pay, Closed.
Remaining Amortization Period:	30 Years (as of 10/01/2014).
Mortality Rate:	RP 2000 Table with no projection. Disabled lives are set forward 5 years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.
Interest Rate:	8% per year, compounded annually, net of investment related expenses.
Retirement Age:	Earlier of: 1) Age 55 and the completion of 10 years of service, or 2) The completion of 25 years of service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early Retirement:	Commencing with the eligibility for Early Retirement (Age 45), Members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year.
Disability Rates:	See table on following page (1207). It is assumed that 75% of disablements are service related.
Termination Rates:	See table on following page (1301).
Salary Increases:	6% per year until the assumed retirement age.
Payroll Growth:	2.2% per year.
Cost-of-Living Increase:	3% per year from retirement to Social Security Retirement Age.
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average of Market Value return (net-of-fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

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Termination and Disability Rate Table:

Age	% Becoming Disabled During the Year	% Terminating During the Year
20	0.07%	3.00%
30	0.11%	2.50%
40	0.19%	1.30%
50	0.51%	0.50%

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 11,614,763	\$ 534,136	\$ 1,895,911	\$ -
Employer and State Contributions made after 09/30/2015	-	-	1,972,560	-
Total Pension Liability Factors:				
Service Cost	840,054	-	-	840,054
Interest	3,604,980	-	-	3,604,980
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	196,997	-	196,997	-
Current year amortization of experience difference	-	-	(32,832)	32,832
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(2,495,847)	-	-	(2,495,847)
Net change	<u>2,146,184</u>	<u>-</u>	<u>2,136,725</u>	<u>1,982,019</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,568,772	-	(1,568,772)	-
Contributions - State	327,139	-	(327,139)	-
Contributions - Employee	218,870	-	-	(218,870)
Net Investment Income	2,692,370	-	-	(2,692,370)
Difference between projected and actual earnings on Pension Plan investments	(3,854,749)	-	3,854,749	-
Current year amortization	-	(133,534)	(770,949)	637,415
Benefit Payments	(2,495,847)	-	-	2,495,847
Administrative Expenses	(33,019)	-	-	33,019
Net change	<u>(1,576,464)</u>	<u>(133,534)</u>	<u>1,187,889</u>	<u>255,041</u>
Ending Balance	<u>\$ 15,337,411</u>	<u>\$ 400,602</u>	<u>\$ 5,220,525</u>	<u>\$ 2,237,060</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2017

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 15,337,411	\$ 400,602	\$ 5,220,525	\$ -
Employer and State Contributions made after 09/30/2016	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	814,109	-	-	814,109
Interest	3,713,228	-	-	3,713,228
Changes in benefit terms	-	-	-	-
Contributions - Buy Back	20,069	-	-	20,069
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(839,486)	839,486	-	-
Current year amortization of experience difference	-	(139,915)	(32,833)	(107,082)
Change in assumptions about future economic or demographic factors or other inputs	1,689,388	-	1,689,388	-
Current year amortization of change in assumptions	-	-	(281,564)	281,564
Benefit Payments	(4,030,129)	-	-	(4,030,129)
Net change	<u>1,367,179</u>	<u>699,571</u>	<u>1,374,991</u>	<u>691,759</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,641,064	-	(1,641,064)	-
Contributions - State	331,496	-	(331,496)	-
Contributions - Employee	229,393	-	-	(229,393)
Contributions - Buy Back	20,069	-	-	(20,069)
Net Investment Income	2,508,942	-	-	(2,508,942)
Difference between projected and actual earnings on Pension Plan investments	388,860	388,860	-	-
Current year amortization	-	(211,306)	(770,950)	559,644
Benefit Payments	(4,030,129)	-	-	4,030,129
Administrative Expenses	(38,737)	-	-	38,737
Net change	<u>1,050,958</u>	<u>177,554</u>	<u>(2,743,510)</u>	<u>1,870,106</u>
Ending Balance	<u>\$ 15,653,632</u>	<u>\$ 1,277,727</u>	<u>TBD</u>	<u>\$ 2,561,865</u>

* Employer and State Contributions subsequent to the measurement date made after September 30, 2016 but made on or before September 30, 2017 need to be added.

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	\$ (667,670)	5	\$ (133,534)	\$ (133,534)	\$ (133,534)	\$ (133,534)	\$ (133,534)	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 3,854,749	5	\$ -	\$ 770,949	\$ 770,950	\$ 770,950	\$ 770,950	\$ 770,950	\$ -	\$ -	\$ -	\$ -
2016	\$ (388,860)	5	\$ -	\$ -	\$ (77,772)	\$ (77,772)	\$ (77,772)	\$ (77,772)	\$ (77,772)	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (133,534)	\$ 637,415	\$ 559,644	\$ 559,644	\$ 559,644	\$ 693,178	\$ (77,772)	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ -	5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ -	6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 1,689,388	6	\$ -	\$ -	\$ 281,564	\$ 281,564	\$ 281,565	\$ 281,565	\$ 281,565	\$ 281,565	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ -	\$ -	\$ 281,564	\$ 281,564	\$ 281,565	\$ 281,565	\$ 281,565	\$ 281,565	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ -	5.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 196,997	6	\$ -	\$ 32,832	\$ 32,833	\$ 32,833	\$ 32,833	\$ 32,833	\$ 32,833	\$ -	\$ -	\$ -	\$ -
2016	\$ (839,486)	6	\$ -	\$ -	\$ (139,915)	\$ (139,915)	\$ (139,914)	\$ (139,914)	\$ (139,914)	\$ (139,914)	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ -	\$ 32,832	\$ (107,082)	\$ (107,082)	\$ (107,081)	\$ (107,081)	\$ (107,081)	\$ (139,914)	\$ -	\$ -	\$ -