

CITY OF PANAMA CITY
MUNICIPAL POLICE OFFICERS'
PENSION TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2016

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

December 1, 2016

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

Re: City of Panama City
Municipal Police Officers' 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 Police Officers' 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 185, 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.

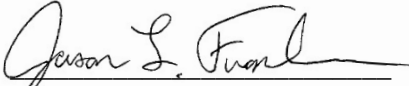
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Panama City, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Panama City Municipal Police Officers' 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, 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 Police Officers' 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 amounts developed in the October 1, 2015 actuarial valuation, are as follows:

Valuation Date	10/1/2016	10/1/2015
Applicable Plan/Fiscal Year End	<u>9/30/2018</u>	<u>9/30/2017</u>
Total Required Contribution	\$1,641,448	\$1,670,354
Member Contributions (Est.)	\$369,487	\$379,967
City and State Required Contribution	\$1,271,961	\$1,290,387
State Contribution ¹	\$325,836	\$325,836
Balance from City	\$946,125	\$964,551

¹ Reflects actual State Contributions received during Calendar 2016.

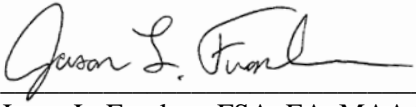
Please note that there is a City prepaid contribution of \$10,000 which is available to offset a portion of the above stated costs for Fiscal 2017.


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 average increases in Pensionable Earnings that were below the assumed rate and greater than expected employee turnover. These gains were partially offset by the effect of a 6.75% investment return (Actuarial Asset Basis) which fell short of the 8.00% assumption and unfavorable retirement experience.

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: 
Drew D. Ballard, EA, MAAA

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

There have been no changes in actuarial assumptions since the prior valuation. However, Part VII of Chapter 112, Florida Statutes requires that the payroll growth assumption does not exceed the actual 10-year average payroll growth. Therefore, the payroll growth assumption was lowered from 2.20% per year to 1.52% per year.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2016</u>	<u>10/1/2015</u>
A. Participant Data		
Actives	90	93
Service Retirees	73	68
DROP Retirees	3	3
Beneficiaries	12	13
Disability Retirees	2	2
Terminated Vested	<u>12</u>	<u>8</u>
 Total	 192	 187
 Total Annual Payroll	 \$4,116,754	 \$4,285,107
Payroll Under Assumed Ret. Age	4,116,754	4,237,513
 Annual Rate of Payments to:		
Service Retirees	2,106,620	1,921,102
DROP Retirees	136,921	136,197
Beneficiaries	196,105	197,305
Disability Retirees	21,602	21,602
Terminated Vested	127,114	85,014
 B. Assets		
Actuarial Value (AVA) ¹	33,069,386	31,432,829
Market Value (MVA) ¹	31,473,540	29,303,443
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	15,364,356	16,696,673
Disability Benefits	145,287	152,068
Death Benefits	262,069	280,488
Vested Benefits	571,213	607,171
Refund of Contributions	322,153	284,836
Service Retirees	24,063,081	21,802,191
DROP Retirees ¹	2,082,644	2,155,181
Beneficiaries	1,816,032	1,852,457
Disability Retirees	210,196	212,116
Terminated Vested	560,186	470,510
Excess State Monies Reserve	<u>0</u>	<u>0</u>
 Total	 45,397,217	 44,513,691

C. Liabilities - (Continued)	<u>10/1/2016</u>	<u>10/1/2015</u>
Present Value of Future Salaries	27,994,289	28,445,403
Present Value of Future Member Contributions	2,275,936	2,312,611
Normal Cost (Retirement)	706,065	734,987
Normal Cost (Disability)	16,317	16,909
Normal Cost (Death)	29,443	30,696
Normal Cost (Vesting)	45,793	45,549
Normal Cost (Refunds)	<u>54,468</u>	<u>49,649</u>
Total Normal Cost	852,086	877,790
Present Value of Future Normal Costs	5,496,167	5,585,594
Accrued Liability (Retirement)	10,683,382	11,902,913
Accrued Liability (Disability)	41,504	45,378
Accrued Liability (Death)	73,021	84,964
Accrued Liability (Vesting)	306,496	343,058
Accrued Liability (Refunds)	64,508	59,329
Accrued Liability (Inactives) ¹	28,732,139	26,492,455
Excess State Monies Reserve	<u>0</u>	<u>0</u>
Total Actuarial Accrued Liability (AL)	39,901,050	38,928,097
Unfunded Actuarial Accrued Liability (UAAL)	6,831,664	7,495,268
Funded Ratio (AVA / AL)	82.9%	80.7%

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2016</u>	<u>10/1/2015</u>
Vested Accrued Benefits		
Inactives ¹	28,732,139	26,492,455
Actives	5,174,573	5,707,436
Member Contributions	<u>1,376,859</u>	<u>1,355,526</u>
Total	35,283,571	33,555,417
Non-vested Accrued Benefits	<u>2,473,810</u>	<u>2,687,667</u>
Total Present Value Accrued Benefits (PVAB)	37,757,381	36,243,084
Funded Ratio (MVA / PVAB)	83.4%	80.9%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	1,169,974	
Benefits Paid	(2,456,850)	
Interest	2,801,173	
Other	<u>0</u>	
Total	1,514,297	

Valuation Date	10/1/2016	10/1/2015
Applicable to Fiscal Year Ending	<u>9/30/2018</u>	<u>9/30/2017</u>

E. Pension Cost

Normal Cost ²	\$940,669	\$968,132
Administrative Expenses ²	51,649	45,927
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/2016) ²	649,130	656,295
Total Required Contribution	1,641,448	1,670,354
Expected Member Contributions ²	369,487	379,967
Expected City and State Contribution	1,271,961	1,290,387

F. Past Contributions

Plan Years Ending:	<u>9/30/2016</u>
City and State Requirement	1,688,178

Actual Contributions Made:

Members (excluding buyback)	334,052
City	1,362,342
State	<u>325,836</u>
Total	2,022,230

G. Net Actuarial (Gain)/Loss (139,117)

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	6,831,664
2017	6,743,156
2018	6,637,913
2025	5,291,373
2032	2,366,719
2046	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2016	3.21%	6.13%
Year Ended	9/30/2015	4.63%	6.00%
Year Ended	9/30/2014	11.51%	6.00%

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

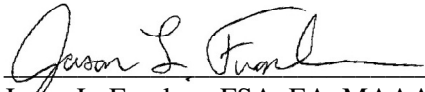
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2016	6.75%	8.00%
Year Ended	9/30/2015	8.47%	8.00%
Year Ended	9/30/2014	9.39%	8.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2016	\$4,116,754
	10/1/2006	3,539,068
(b) Total Increase		16.32%
(c) Number of Years		10.00
(d) Average Annual Rate		1.52%

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	\$7,495,268
(2)	Sponsor Normal Cost developed as of October 1, 2015	533,280
(3)	Expected administrative expenses for the year ended September 30, 2016	41,641
(4)	Expected interest on (1), (2) and (3)	643,949
(5)	Sponsor contributions to the System during the year ended September 30, 2016	1,688,178
(6)	Expected interest on (5)	55,179
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2016 (1)+(2)+(3)+(4)-(5)-(6)	6,970,781
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(139,117)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2016	6,831,664

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2016 <u>Amount</u>	Amortization <u>Amount</u>
	10/1/2001	15	\$452,637	\$44,911
	10/1/2003	17	524,212	48,335
Method Change	10/1/2004	18	3,534,498	315,732
Actuarial Gain	10/1/2005	19	(380,560)	(33,026)
Actuarial Gain	10/1/2006	20	(426,596)	(36,056)
Actuarial Gain	10/1/2007	21	(1,441,790)	(118,943)
Benefit Improve.	10/1/2007	21	441,945	36,459
Actuarial Loss	10/1/2008	22	1,144,372	92,330
Method Change	10/1/2008	22	1,145,217	92,398
Actuarial Loss	10/1/2009	23	887,066	70,120
Actuarial Loss	10/1/2010	24	790,466	61,316
Assump. Change	10/1/2010	24	316,091	24,519
Benefit Change	10/1/2010	24	95,950	7,443
Actuarial Loss	10/1/2011	25	459,451	35,024
Actuarial Loss	10/1/2012	26	211,850	15,891
Actuarial Gain	10/1/2013	27	(1,519,225)	(112,276)
Actuarial Loss	10/1/2014	28	274,700	20,023
Benefit Change	10/1/2014	28	599,040	43,664
Actuarial Gain	10/1/2015	29	(679,419)	(48,893)
Assump. Change	10/1/2015	29	540,876	38,923
Actuarial Gain	10/1/2016	30	<u>(139,117)</u>	<u>(9,893)</u>
			6,831,664	588,001

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2015	\$7,495,268
(2) Expected UAAL as of October 1, 2016	6,970,781
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	390,168
Salary Increases	(347,160)
Active Decrements	(220,729)
Inactive Mortality	131,740
Other	<u>(93,136)</u>
Increase in UAAL due to (Gain)/Loss	(139,117)
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2016	\$6,831,664

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.

Interest Rate

8.00% per year, compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Normal Retirement

<u>Number of Years Following First Eligibility</u>	<u>Retirement Probability</u>
0	50%
1	75%
2	100%

This assumption was approved by the Board in conjunction with our August 31, 2015 actuarial experience study.

Early Retirement

Commencing with the earliest Early Retirement Age (40), Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year. This assumption was approved by the Board in conjunction with our December 2, 2015 actuarial experience study.

Payroll Growth

1.52% (previously 2.20%) per year. This assumption is in compliance with Part VII of Chapter 112, Florida Statutes.

Expenses

\$46,785 annually, based on the prior year's actual expenses.

Disability Rate

See table below (1207 * 0.5). It is assumed that 75% of disablements are service related.

<u>Age</u>	<u>Probability</u>
25	0.045%
35	0.07%
45	0.15%
55	0.48%
65	0.00%

The assumed rates of disablement were approved by the Board in conjunction with our December 2, 2015 actuarial experience study.

Termination Rate

<u>Service</u>	<u>Probability</u>
<1	12.0%
1	11.5%
2	11.0%
3	10.5%
4	10.0%
5	8.0%
6	7.5%
7	7.0%
8	6.5%
9	6.0%
10	5.5%
11	5.0%
12	4.5%
13	4.0%
14	3.5%
15+	2.0%

This assumption was approved by the Board in conjunction with our December 2, 2015 actuarial experience study.

Salary Increases

<u>Service</u>	<u>Increase</u>
<1	8.5%
1	7.5%
2	6.5%
3-10	5.5%
11+	5.0%

This assumption was approved by the Board in conjunction with our December 2, 2015 actuarial experience study.

Additionally, the projected salary in the year of retirement is increased on an individual basis to account for payouts of non-regular compensation.

Cost-of-Living

2.0% per year from the later of retirement or age 50 to Social Security Retirement Age.

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 current 8.00% assumption
- Salary – a full year, based on the current 6.15% assumption

Actuarial Asset Method

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.

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	265,869.84	_____%
1999	277,832.45	4.5%
2000	273,702.27	-1.5%
2001	275,043.50	0.5%
2002	299,354.87	8.8%
2003	339,020.63	13.3%
2004	363,396.01	7.2%
2005	362,522.92	-0.2%
2006	371,656.00	2.5%
2007	362,522.92	-2.5%
2008	370,849.07	2.3%
2009	357,227.38	-3.7%
2010	316,846.45	-11.3%
2011	304,683.67	-3.8%
2012	301,928.40	-0.9%
2013	276,296.05	-8.5%
2014	292,898.52	6.0%
2015	312,430.78	6.7%
2016	325,835.85	4.3%

EXCESS STATE MONIES RESERVE

	<u>Actual</u> <u>State Contribution</u>	<u>Applicable</u> <u>"Frozen" Amount</u>	<u>Excess State</u> <u>Monies Reserve</u>
1998	\$265,869.84	\$496,798.84	\$0.00
1999	277,832.45	265,869.84	11,962.61
2000	273,702.27	265,869.84	7,832.43
2001	275,043.50	283,677.84	0.00
2002	299,354.87	283,677.84	15,677.03
2003	339,020.63	283,677.84	55,342.79
2004	363,396.01	297,197.84	66,198.17
2005	362,522.92	496,798.84	0.00
2006	371,656.00	496,798.84	0.00
2007	362,522.92	496,798.84	0.00
2008	370,849.07	496,798.84	0.00
2009	357,227.38	496,798.84	0.00
2010	316,846.45	496,798.84	0.00
2011	304,683.67	487,101.84	0.00
2012	301,928.40	487,101.84	0.00
2013	276,296.05	487,101.84	0.00
2014	292,898.52	487,101.84	0.00
2015	312,430.78	487,101.84	0.00
2016	325,835.85	487,101.84	<u>0.00</u>
			Equals Total State Monies Reserve
			157,013.03
			Less: Reserve used to fund Ord. No. 1913 I
			(35,472.07)
			Less: Reserve used to fund Ord. No. 1934 I
			(55,342.79)
			Less: Reserve used to fund Ord. No. 2292 I
			<u>(66,198)</u>
			Equals Current State Monies Reserve
			\$0.00

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2016

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	1,363,974.40	1,363,974.40
Cash	28,993.53	28,993.53
Total Cash and Equivalents	1,392,967.93	1,392,967.93
Receivables:		
From Broker for Investments Sold	43,000.44	43,000.44
Investment Income	28,777.96	28,777.96
Total Receivable	71,778.40	71,778.40
Investments:		
U. S. Bonds and Bills	1,980,490.45	2,218,556.95
Federal Agency Guaranteed Securities	1,097,164.86	1,127,002.39
Corporate Bonds	4,092,148.52	4,131,705.81
Stocks	5,873,445.04	7,321,040.11
Mutual Funds:		
Fixed Income	1,477,197.93	1,368,884.88
Equity	9,490,498.97	11,753,262.80
Pooled/Common/Commingled Funds:		
Real Estate	1,935,885.75	2,117,684.12
Total Investments	25,946,831.52	30,038,137.06
Total Assets	27,411,577.85	31,502,883.39
<u>LIABILITIES</u>		
Payables:		
Prior Refunds	668.12	668.12
To Broker for Investments Purchased	18,675.13	18,675.13
Prepaid City Contribution	10,000.00	10,000.00
Total Liabilities	29,343.25	29,343.25
NET POSITION RESTRICTED FOR PENSIONS	27,382,234.60	31,473,540.14

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

ADDITIONS

Contributions:		
Member		334,052.02
Buy-Back		11,054.14
City		1,362,342.15
State		325,835.85
Total Contributions		2,033,284.16
Investment Income:		
Net Realized Gain (Loss)	1,133,238.46	
Unrealized Gain (Loss)	715,355.56	
Net Increase in Fair Value of Investments		1,848,594.02
Interest & Dividends		948,079.95
Less Investment Expense ¹		(156,224.93)
Net Investment Income		2,640,449.04
Total Additions		4,673,733.20

DEDUCTIONS

Distributions to Members:		
Benefit Payments		2,239,433.69
Lump Sum DROP Distributions		141,560.38
Refunds of Member Contributions		75,856.39
Total Distributions		2,456,850.46
Administrative Expense		46,785.37
Total Deductions		2,503,635.83
Net Increase in Net Position		2,170,097.37
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		29,303,442.77
End of the Year		31,473,540.14

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	11.25%	
09/30/2014	10.49%	
09/30/2015	-3.19%	
09/30/2016	9.14%	
Annualized Rate of Return for prior four (4) years:		6.75%
(A) 10/01/2015 Actuarial Assets:		\$31,432,829.46
(I) Net Investment Income:		
1. Interest and Dividends	948,079.95	
2. Realized Gains (Losses)	1,133,238.46	
3. Change in Actuarial Value	181,814.60	
4. Investment Related Expenses	(156,224.93)	
Total		2,106,908.08
(B) 10/01/2016 Actuarial Assets:		\$33,069,385.87
Actuarial Asset Rate of Return = 2I/(A+B-I):		6.75%
10/01/2016 Limited Actuarial Assets:		\$33,069,385.87
10/01/2016 Market Value of Assets:		\$31,473,540.14
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$390,168.16)

¹Market Value Basis, net of investment related expenses.

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

REVENUES

Contributions:		
Member	334,052.02	
Buy-Back	11,054.14	
City	1,362,342.15	
State	325,835.85	
 Total Contributions		 2,033,284.16
Earnings from Investments:		
Interest & Dividends	948,079.95	
Net Realized Gain (Loss)	1,133,238.46	
Change in Actuarial Value	181,814.60	
 Total Earnings and Investment Gains		 2,263,133.01

EXPENDITURES

Distributions to Members:		
Benefit Payments	2,239,433.69	
Lump Sum DROP Distributions	141,560.38	
Refunds of Member Contributions	75,856.39	
 Total Distributions		 2,456,850.46
Expenses:		
Investment related ¹	156,224.93	
Administrative	46,785.37	
 Total Expenses		 203,010.30
 Change in Net Assets for the Year		 1,636,556.41
 Net Assets Beginning of the Year		 31,432,829.46
 Net Assets End of the Year ²		 33,069,385.87

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	198,751.89
Plus Additions	109,230.64
Investment Return Earned	10,171.36
Less Distributions	(141,560.38)
End of the Year Balance	176,593.51

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

(1) Required City and State Contributions	\$1,688,178.00
(2) Less Allowable State Contribution	<u>(325,835.85)</u>
(3) Required City Contribution for Fiscal 2016	1,362,342.15
(4) Less 2015 Prepaid Contribution	(10,000.00)
(5) Less Actual City Contributions	<u>(1,362,342.15)</u>
(6) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2016	(\$10,000.00)

STATISTICAL DATA ¹

	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>	<u>10/1/2016</u>
<u>Actives</u>				
Number	89	91	93	90
Average Current Age	38.6	38.0	37.8	37.0
Average Age at Employment	31.5	31.2	30.6	30.3
Average Past Service	7.1	6.8	7.2	6.7
Average Annual Salary	\$42,166	\$45,359	\$46,076	\$45,742
<u>Service Retirees</u>				
Number		67	68	73
Average Current Age		61.6	61.9	61.6
Average Annual Benefit		\$27,687	\$28,251	\$28,858
<u>DROP Retirees</u>				
Number		2	3	3
Average Current Age		51.4	52.1	52.0
Average Annual Benefit		\$47,679	\$45,399	\$45,640
<u>Beneficiaries</u>				
Number		13	13	12
Average Current Age		73.7	74.5	73.8
Average Annual Benefit		\$15,177	\$15,177	\$16,342
<u>Disability Retirees</u>				
Number		2	2	2
Average Current Age		48.4	49.4	50.4
Average Annual Benefit		\$10,801	\$10,801	\$10,801
<u>Terminated Vested</u>				
Number		6	8	12
Average Current Age		41.1	43.5	37.6
Average Annual Benefit ²		\$15,530	\$14,169	\$15,889

¹ Prior to 10/1/2013, averages were salary weighted.

² 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	0	2	1	0	0	0	0	0	0	0	8
25 - 29	3	4	3	2	0	1	0	0	0	0	0	13
30 - 34	4	4	2	1	2	5	0	0	0	0	0	18
35 - 39	1	0	1	1	0	6	0	1	0	0	0	10
40 - 44	1	4	0	0	0	6	5	1	1	0	0	18
45 - 49	0	1	1	1	2	2	4	6	2	0	0	19
50 - 54	0	0	0	0	0	0	1	0	1	0	0	2
55 - 59	0	0	0	0	0	0	1	0	0	0	0	1
60 - 64	0	0	0	0	0	1	0	0	0	0	0	1
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	14	13	9	6	4	21	11	8	4	0	0	90

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2015	93
b. Terminations	
i. Vested (partial or full) with deferred benefits	(6)
ii. Non-vested or full lump sum distribution received	(6)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(4)
f. DROP	<u>(1)</u>
g. Continuing participants	76
h. New entrants	<u>14</u>
i. Total active life participants in valuation	90

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	68	3	13	2	8	94
Retired	4	(1)	0	0	(1)	2
DROP	1	1	0	0	0	2
Vested Deferred	1	0	0	0	6	7
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	(1)	0	(1)	0	0	(2)
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	73	3	12	2	12	102

SUMMARY OF CURRENT PLAN

<u>Eligibility</u>	Full-time sworn police officers participate as a condition of employment.																																								
<u>Salary</u>	Total compensation reportable on W-2, including the lesser of the amount of sick or annual leave time accrued as of July 1, 2011, or the actual amount of sick or annual leave time at the time of termination or retirement, but excluding clothing allowance, sick leave and bonus pay. Additionally, effective July 1, 2011, Salary will not include more than three hundred (300) hours of overtime per calendar year.																																								
<u>Average Final Compensation</u>	One twelfth of the average of the 3 highest years of Salary of the last 5.																																								
<u>Credited Service</u>	Years and fractional parts of years of service with the City as a Police Officer (with Member contributions when required).																																								
<u>Normal Retirement</u>																																									
Date	The earlier of: 1) age 50 and the completion of 15 years of Credited Service, 2) the completion of 23 years of Credited Service, regardless of age, 3) age 55 and the completion of 10 years of Credited Service, or 4) if employed on or before 1/1/82, the completion of 15 years of Credited Service, regardless of age.																																								
Benefit	Percentage of Average Final Compensation according to the following schedule:																																								
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Service</u></th> <th style="text-align: left;"><u>Percent</u></th> <th style="text-align: left;"><u>Service</u></th> <th style="text-align: left;"><u>Percent</u></th> </tr> </thead> <tbody> <tr> <td>10-14</td> <td>2%/year</td> <td>23</td> <td>69.0%</td> </tr> <tr> <td>15</td> <td>37.5%</td> <td>24</td> <td>71.0%</td> </tr> <tr> <td>16</td> <td>42.0%</td> <td>25</td> <td>73.0%</td> </tr> <tr> <td>17</td> <td>46.5%</td> <td>26</td> <td>75.0%</td> </tr> <tr> <td>18</td> <td>51.0%</td> <td>27</td> <td>77.0%</td> </tr> <tr> <td>19</td> <td>55.5%</td> <td>28</td> <td>79.0%</td> </tr> <tr> <td>20</td> <td>60.0%</td> <td>28.5+</td> <td>80.0%</td> </tr> <tr> <td>21</td> <td>63.0%</td> <td></td> <td></td> </tr> <tr> <td>22</td> <td>66.0%</td> <td></td> <td></td> </tr> </tbody> </table>	<u>Service</u>	<u>Percent</u>	<u>Service</u>	<u>Percent</u>	10-14	2%/year	23	69.0%	15	37.5%	24	71.0%	16	42.0%	25	73.0%	17	46.5%	26	75.0%	18	51.0%	27	77.0%	19	55.5%	28	79.0%	20	60.0%	28.5+	80.0%	21	63.0%			22	66.0%		
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21	63.0%																																								
22	66.0%																																								
Form of Benefit	Ten Year Certain and Life Annuity.																																								

Cost-of-Living Increase

Members retiring on or after January 1, 1998, receive a 2% per year increase beginning on the January 1 following the later of age 50 or the date of retirement and ending on January 1 of the year the Member reaches Social Security Retirement Age.

Early Retirement

Date

Earlier of: 1) Age 40 and completion of 15 years of Credited Service, or 2) Age 50 and the completion of 10 years of Credited Service.

Benefit

Determined as for Normal Retirement and reduced 3% for each year the commencement of benefits precedes Normal Retirement Date.

Form of Benefit

Ten Year Certain and Life Annuity.

Supplemental Benefit

Service Retirees (Early and Normal) and Members with vested deferred benefits who terminate employment on or after 10/1/2000, receive a \$450 per month benefit payable to the earlier of death or age 65. Those who terminate on or after 10/1/2006 and prior to October 1, 2015 will receive \$450 per month for the life of the Member. Those who terminate on or after October 1, 2015 will receive \$650 per month for the life of the Member.

Disability Benefit

Eligibility

Total and permanent as determined by the Board (medical proof required.)

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	Greater of: 1) death benefit provided in Chapter 185, F.S., 2) Accumulated Member Contributions, or, 3) 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 payable at age 50 (or reduced as early as age 40).

Member Contributions

8.13% of Salary.

State Contributions

0.85% 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.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	If Member has completed less than 25 years of service, not to exceed 60 months. If Member has completed at least 25 but less than 27 years of service, not to exceed 60 months. If Member has completed at least 27 but less than 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, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	1,363,974
Cash	28,994
Total Cash and Equivalents	1,392,968
Receivables:	
From Broker for Investments Sold	43,000
Investment Income	28,778
Total Receivable	71,778
Investments:	
U. S. Bonds and Bills	2,218,557
Federal Agency Guaranteed Securities	1,127,002
Corporate Bonds	4,131,706
Stocks	7,321,040
Mutual Funds:	
Fixed Income	1,368,885
Equity	11,753,263
Pooled/Common/Commingled Funds:	
Real Estate	2,117,684
Total Investments	30,038,137
Total Assets	31,502,883
<u>LIABILITIES</u>	
Payables:	
Prior Refunds	668
To Broker for Investments Purchased	18,675
Total Liabilities	19,343
NET POSITION RESTRICTED FOR PENSIONS	31,483,540

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

ADDITIONS

Contributions:

Member	334,052	
Buy-Back	11,054	
City	1,372,342	
State	325,836	
 Total Contributions		 2,043,284
 Investment Income:		
Net Increase in Fair Value of Investments	1,848,594	
Interest & Dividends	948,080	
Less Investment Expense ¹	(156,225)	
 Net Investment Income		 2,640,449
 Total Additions		 4,683,733

DEDUCTIONS

Distributions to Members:

Benefit Payments	2,239,434	
Lump Sum DROP Distributions	141,560	
Refunds of Member Contributions	75,857	
 Total Distributions		 2,456,851
 Administrative Expense		 46,785
 Total Deductions		 2,503,636
 Net Increase in Net Position		 2,180,097
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		29,303,443
 End of the Year		 31,483,540

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 City of Panama City Municipal Police Officers' Pension Trust Fund is a single-employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of five Trustees, two of whom are appointed by the City, two of whom are full-time Police Officers who are elected by a majority of the Members of the Plan and a fifth Trustee who is chosen by a majority of the first four Trustees.

Plan Membership as of October 1, 2015:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	86
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8
Active Plan Members	93
	187

Benefits Provided

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

Normal Retirement:

Date: The earlier of: 1) age 50 and the completion of 15 years of Credited Service, 2) the completion of 23 years of Credited Service, regardless of age, 3) age 55 and the completion of 10 years of Credited Service, or 4) if employed on or before 1/1/82, the completion of 15 years of Credited Service, regardless of age.

Benefit: Percentage of Average Final Compensation according to the following schedule:

<u>Service</u>	<u>Percent</u>	<u>Service</u>	<u>Percent</u>
10-14	2%/year	22	66.0%
15	37.5%	23	69.0%
16	42.0%	24	71.0%
17	46.5%	25	73.0%
18	51.0%	26	75.0%
19	55.5%	27	77.0%
20	60.0%	28	79.0%
21	63.0%	28.5+	80.0%
22	66.0%		

Cost-of -Living Increase: Members retiring on or after January 1, 1998, receive a 2% per year increase beginning on the January 1 following the later of age 50 or the date of retirement and ending on January 1 of the year the Member reaches Social Security Retirement Age.

Early Retirement:

Date: Earlier of: 1) Age 40 and completion of 15 years of Credited Service, or 2) Age 50 and the completion of 10 years of Credited Service.

Benefit: Determined as for Normal Retirement and reduced 3% for each year the commencement of benefits precedes Normal Retirement Date.

Supplement Benefit:

Service Retirees (Early and Normal) and Members with vested deferred benefits who terminate employment on or after 10/1/2000, receive a \$450 per month benefit payable to the earlier of death or age 65. Those who terminate on or after 10/1/2006 and prior to October 1, 2015 will receive \$450 per month for the life of the Member. Those who terminate on or after October 1, 2015 will receive \$650 per month for the life of the Member.

Disability Benefit:

Eligibility: Total and permanent as determined by the Board (medical proof required).

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:

Greater of: 1) death benefit provided in Chapter 185, F.S., 2) Accumulated Member Contributions, or, 3) 3 times annual Salary.

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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 payable at age 50 (or reduced as early as age 40).

Contributions

Member Contributions: 8.13% of Salary.

State Contributions: 0.85% tax on insurance premium.

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.

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%
<u>Total</u>	<u>100%</u>

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 9.14 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.

Participation: If Member has completed less than 25 years of service, not to exceed 60 months. If Member has completed at least 25 but less than 27 years of service, not to exceed 60 months. If Member has completed at least 27 but less than 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 \$176,594.

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	\$ 40,177,707
Plan Fiduciary Net Position	\$ (31,483,540)
Sponsor's Net Pension Liability	<u>\$ 8,694,167</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	78.36%

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	Service based
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.

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 other significant assumptions are based upon the most recent actuarial experience study dated December 2nd, 2015, for the period 1997-2015.

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	\$ 13,261,675	\$ 8,694,167	\$ 4,884,115

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	885,176	1,254,367	1,110,917
Interest	3,099,797	2,907,190	2,710,277
Changes of benefit terms	-	619,363	-
Differences between Expected and Actual Experience	(452,178)	726,890	-
Changes of assumptions	-	184,891	-
Contributions - Buy Back	11,054	-	-
Benefit Payments, including Refunds of Employee Contributions	(2,456,851)	(2,136,270)	(2,108,924)
Net Change in Total Pension Liability	1,086,998	3,556,431	1,712,270
Total Pension Liability - Beginning	39,090,709	35,534,278	33,822,008
Total Pension Liability - Ending (a)	<u>\$ 40,177,707</u>	<u>\$ 39,090,709</u>	<u>\$ 35,534,278</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,372,342	1,292,438	1,411,641
Contributions - State	325,836	312,431	292,899
Contributions - Employee	334,052	221,583	220,523
Contributions - Buy Back	11,054	-	-
Net Investment Income	2,640,449	(966,448)	2,905,224
Benefit Payments, including Refunds of Employee Contributions	(2,456,851)	(2,136,270)	(2,108,924)
Administrative Expense	(46,785)	(41,641)	(29,479)
Net Change in Plan Fiduciary Net Position	2,180,097	(1,317,907)	2,691,884
Plan Fiduciary Net Position - Beginning	29,303,443	30,621,350	27,929,466
Plan Fiduciary Net Position - Ending (b)	<u>\$ 31,483,540</u>	<u>\$ 29,303,443</u>	<u>\$ 30,621,350</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 8,694,167</u>	<u>\$ 9,787,266</u>	<u>\$ 4,912,928</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.36%	74.96%	86.17%
Covered Employee Payroll	\$ 4,184,070	\$ 4,041,893	N/A
Net Pension Liability as a percentage of Covered Employee Payroll	207.79%	242.15%	N/A

Notes to Schedule:*Changes of benefit terms:*

For measurement date 09/30/2015, amounts reported as changes of benefit terms were resulted from:

- The member contribution rate increased from 5.58% to 8.13%, effective October 1, 2015.
- Effective October 1, 2015, the supplemental benefit shall increase from \$450 to \$650 per month for Members who retire on or after October 1, 2015. This supplemental benefit is payable to service retirees (Early and Normal) and Members with vested deferred benefits who terminate employment.

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Changes of assumptions:

For measurement date 09/30/2016, 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.

For measurement date 09/30/2015, amounts reported as changes of assumptions were resulted from an actuarial experience study dated December 2, 2015, the Board has approved a number of changes to the actuarial assumptions, including the following:

- The assumed rate of salary increases has been changed from a flat assumption of 6.00% per year to a service-based assumption table.
- The mortality table assumption has been changed from the RP-2000 Combined Healthy Mortality Table (sex distinct) with no adjustment for future mortality improvements for healthy lives and a 5-year set forward for disabled lives to the mortality table assumption that is in compliance with Chapter 2015-157, Florida Statutes. Specifically, the new mortality table assumption is the special risk mortality tables reflected in the Florida Retirement System Actuarial Valuation as of July 1, 2014.
- The assumed probability of Early Retirement has increased from 5.0% to 10.0% per year.
- The assumed probability of Normal Retirement has been changed from 100% retirement probability for any member who has satisfied the requirements for Normal Retirement eligibility to a table with a 50% probability at first eligibility, 75% the following year and 100% two (2) years following first eligibility.
- The assumed rate of termination has been changes from an age-based table to a service-based table.
- The assumed rate of disablement has been reduced in half at each age.

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014
Actuarially Determined Contribution	1,688,178	1,604,869	1,704,540
Contributions in relation to the Actuarially Determined Contributions	1,698,178	1,604,869	1,704,540
Contribution Deficiency (Excess)	\$ (10,000)	\$ -	\$ -
Covered Employee Payroll	\$ 4,184,070	\$ 4,041,893	N/A
Contributions as a percentage of Covered Employee Payroll	40.59%	39.71%	N/A

Notes to Schedule

Valuation Date: 10/01/2014 (AIS 08/31/2015)
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.
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: The earlier of: 1) age 50 and the completion of 15 years of Credited Service, 2) the completion of 23 years of Credited Service, regardless of age, 3) age 55 and the completion of 10 years of Credited Service, or 4) if employed on or before 1/1/82, the completion of 15 years of Credited 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 earliest Early Retirement Age (40), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Disability Rates: See table below (1207). It is assumed that 75% of disablements are service related.
Termination Rates: See table below.
Salary Increases: 6% per year until the assumed retirement age. Projected salary in the year of retirement is increased on an individual basis to account for payouts of non-regular compensation.
Payroll Growth: 2.2% per year.
Cost-of-Living: 2% per year from the later of retirement or age 50 to Social Security Retirement Age.
Asset Valuation Method: Each year, the Actuarial Value of Assets is brought forward using 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 the Market Value of Assets.

Termination and Disability Rate Table:

Age	% Becoming Disabled During the Year	% Terminating During the Year
20	0.07%	14.9%
30	0.11%	4.4%
40	0.19%	0.0%
50	0.51%	0.0%

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	9.14%	-3.19%	10.49%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2017)

General Information about the Pension Plan

Plan Description

The City of Panama City Municipal Police Officers' Pension Trust Fund is a single-employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of five Trustees, two of whom are appointed by the City, two of whom are full-time Police Officers who are elected by a majority of the Members of the Plan and a fifth Trustee who is chosen by a majority of the first four Trustees. Full-time sworn police officers participate as a condition of employment.

Plan Membership as of October 1, 2015:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	86
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8
Active Plan Members	93
	187
	187

Benefits Provided

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

Normal Retirement:

Date: The earlier of: 1) age 50 and the completion of 15 years of Credited Service, 2) the completion of 23 years of Credited Service, regardless of age, 3) age 55 and the completion of 10 years of Credited Service, or 4) if employed on or before 1/1/82, the completion of 15 years of Credited Service, regardless of age.

Benefit: Percentage of Average Final Compensation according to the following schedule:

<u>Service</u>	<u>Percent</u>	<u>Service</u>	<u>Percent</u>
10-14	2%/year	22	66%
15	38%	23	69%
16	42%	24	71%
17	47%	25	73%
18	51%	26	75%
19	56%	27	77%
20	60%	28	79%
21	63%	28.5+	80%
22	66%		

Cost-of-Living Increase: Members retiring on or after January 1, 1998, receive a 2% per year increase beginning on the January 1 following the later of age 50 or the date of retirement and ending on January 1 of the year the Member reaches Social Security Retirement Age.

Early Retirement:

Date: Earlier of: 1) Age 40 and completion of 15 years of Credited Service, or 2) Age 50 and the completion of 10 years of Credited Service.

Benefit: Determined as for Normal Retirement and reduced 3% for each year the commencement of benefits precedes Normal Retirement Date.

Supplement Benefit:

Service Retirees (Early and Normal) and Members with vested deferred benefits who terminate employment on or after 10/1/2000, receive a \$450 per month benefit payable to the earlier of death or age 65. Those who terminate on or after 10/1/2006 and prior to October 1, 2015 will receive \$450 per month for the life of the Member. Those who terminate on or after October 1, 2015 will receive \$650 per month for the life of the Member.

Disability Benefit:

Eligibility: Total and permanent as determined by the Board (medical proof required).

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

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Pre-Retirement Death Benefits:

Greater of: 1) death benefit provided in Chapter 185, F.S., 2) Accumulated Member Contributions, or, 3) 3 times annual Salary.

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 payable at age 50 (or reduced as early as age 40).

Contributions

Member Contributions: 8.13% of Salary.

State Contributions: 0.85% tax on insurance premium.

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.

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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	Service based
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.

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 other significant assumptions are based upon the most recent actuarial experience study dated December 2nd, 2015, for the period 1997-2015.

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%	8.00%
International Equity	15%	3.00%
Bonds	24%	4.40%
High Yield Bonds	5%	6.00%
Convertibles	8%	6.40%
Private Real Estate	5%	4.60%
REITS	5%	7.00%
MLPs	5%	10.40%
Cash	1%	1.10%
<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	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2016	\$ 39,090,709	\$ 29,303,443	\$ 9,787,266
Changes for a Year:			
Service Cost	885,176	-	885,176
Interest	3,099,797	-	3,099,797
Differences between Expected and Actual Experience	(452,178)	-	(452,178)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,372,342	(1,372,342)
Contributions - State	-	325,836	(325,836)
Contributions - Employee	-	334,052	(334,052)
Contributions - Buy Back	11,054	11,054	-
Net Investment Income	-	2,640,449	(2,640,449)
Benefit Payments, including Refunds of Employee Contributions	(2,456,851)	(2,456,851)	-
Administrative Expense	-	(46,785)	46,785
Net Changes	1,086,998	2,180,097	(1,093,099)
Reporting Period Ending September 30, 2017	\$ 40,177,707	\$ 31,483,540	\$ 8,694,167

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	\$ 13,261,675	\$ 8,694,167	\$ 4,884,115

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 \$1,968,368.

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	363,446	339,134
Changes of assumptions	92,446	-
Net difference between Projected and Actual Earnings on Pension Plan investments	1,517,829	-
Employer and State Contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 339,134

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		\$	596,525
2019		\$	596,523
2020		\$	504,457
2021		\$	(62,918)
2022		\$	-
Thereafter		\$	-

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending	09/30/2017	09/30/2016	09/30/2015
Measurement Date	09/30/2016	09/30/2015	09/30/2014
Total Pension Liability			
Service Cost	885,176	1,254,367	1,110,917
Interest	3,099,797	2,907,190	2,710,277
Changes of benefit terms	-	619,363	-
Differences between Expected and Actual Experience	(452,178)	726,890	-
Changes of assumptions	-	184,891	-
Contributions - Buy Back	11,054	-	-
Benefit Payments, including Refunds of Employee Contributions	(2,456,851)	(2,136,270)	(2,108,924)
Net Change in Total Pension Liability	1,086,998	3,556,431	1,712,270
Total Pension Liability - Beginning	39,090,709	35,534,278	33,822,008
Total Pension Liability - Ending (a)	<u>\$ 40,177,707</u>	<u>\$ 39,090,709</u>	<u>\$ 35,534,278</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,372,342	1,292,438	1,411,641
Contributions - State	325,836	312,431	292,899
Contributions - Employee	334,052	221,583	220,523
Contributions - Buy Back	11,054	-	-
Net Investment Income	2,640,449	(966,448)	2,905,224
Benefit Payments, including Refunds of Employee Contributions	(2,456,851)	(2,136,270)	(2,108,924)
Administrative Expense	(46,785)	(41,641)	(29,479)
Net Change in Plan Fiduciary Net Position	2,180,097	(1,317,907)	2,691,884
Plan Fiduciary Net Position - Beginning	29,303,443	30,621,350	27,929,466
Plan Fiduciary Net Position - Ending (b)	<u>\$ 31,483,540</u>	<u>\$ 29,303,443</u>	<u>\$ 30,621,350</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 8,694,167</u>	<u>\$ 9,787,266</u>	<u>\$ 4,912,928</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.36%	74.96%	86.17%
Covered Employee Payroll	\$ 4,184,070	\$ 4,041,893	N/A
Net Pension Liability as a percentage of Covered Employee Payroll	207.79%	242.15%	N/A

Notes to Schedule:*Changes of benefit terms:*

For measurement date 09/30/2015, amounts reported as changes of benefit terms were resulted from:

- The member contribution rate increased from 5.58% to 8.13%, effective October 1, 2015.
- Effective October 1, 2015, the supplemental benefit shall increase from \$450 to \$650 per month for Members who retire on or after October 1, 2015. This supplemental benefit is payable to service retirees (Early and Normal) and Members with vested deferred benefits who terminate employment.

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Changes of assumptions:

For measurement date 09/30/2016, 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.

For measurement date 09/30/2015, amounts reported as changes of assumptions were resulted from an actuarial experience study dated December 2, 2015, the Board has approved a number of changes to the actuarial assumptions, including the following:

For the 2016 Reporting Period Ending year, amounts reported as changes of assumptions were resulted from an actuarial experience study dated December 2, 2015, the Board has approved a number of changes to the actuarial assumptions, including the following:

- The assumed rate of salary increases has been changed from a flat assumption of 6.00% per year to a service-based assumption table.
- The mortality table assumption has been changed from the RP-2000 Combined Healthy Mortality Table (sex distinct) with no adjustment for future mortality improvements for healthy lives and a 5-year set forward for disabled lives to the mortality table assumption that is in compliance with Chapter 2015-157, Florida Statutes. Specifically, the new mortality table assumption is the special risk mortality tables reflected in the Florida Retirement System Actuarial Valuation as of July 1, 2014.
- The assumed probability of Early Retirement has increased from 5.0% to 10.0% per year.
- The assumed probability of Normal Retirement has been changed from 100% retirement probability for any member who has satisfied the requirements for Normal Retirement eligibility to a table with a 50% probability at first eligibility, 75% the following year and 100% two (2) years following first eligibility.
- The assumed rate of termination has been changes from an age-based table to a service-based table.
- The assumed rate of disablement has been reduced in half at each age.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014
Actuarially Determined Contribution	1,688,178	1,604,869	1,704,540
Contributions in relation to the Actuarially Determined Contributions	1,698,178	1,604,869	1,704,540
Contribution Deficiency (Excess)	\$ (10,000)	\$ -	\$ -
Covered Employee Payroll	\$ 4,184,070	\$ 4,041,893	N/A
Contributions as a percentage of Covered Employee Payroll	40.59%	39.71%	N/A

Notes to Schedule

Valuation Date: 10/01/2014 (AIS 08/31/2015)
 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.
 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: The earlier of: 1) age 50 and the completion of 15 years of Credited Service, 2) the completion of 23 years of Credited Service, regardless of age, 3) age 55 and the completion of 10 years of Credited Service, or 4) if employed on or before 1/1/82, the completion of 15 years of Credited 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 earliest Early Retirement Age (40), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
 Disability Rates: See table below (1207). It is assumed that 75% of disablements are service related.
 Termination Rates: See table below.
 Salary Increases: 6% per year until the assumed retirement age. Projected salary in the year of retirement is increased on an individual basis to account for payouts of non-regular compensation.
 Payroll Growth: 2.2% per year.
 Cost-of-Living: 2% per year from the later of retirement or age 50 to Social Security Retirement Age.
 Asset Valuation Method: Each year, the Actuarial Value of Assets is brought forward using 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 the Market Value of Assets.

Termination and Disability Rate Table:	% Becoming Disabled During the Year	% Terminating During the Year
Age		
20	0.07%	14.90%
30	0.11%	4.40%
40	0.19%	0.00%
50	0.51%	0.00%

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 4,912,928	\$ 543,520	\$ 1,604,869	\$ -
Employer and State Contributions made after 09/30/2015	-	-	1,698,178	-
Total Pension Liability Factors:				
Service Cost	1,254,367	-	-	1,254,367
Interest	2,907,190	-	-	2,907,190
Changes in benefit terms	619,363	-	-	619,363
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	726,890	-	726,890	-
Current year amortization of experience difference	-	-	(181,722)	181,722
Change in assumptions about future economic or demographic factors or other inputs	184,891	-	184,891	-
Current year amortization of change in assumptions	-	-	(46,222)	46,222
Benefit Payments	(2,136,270)	-	-	(2,136,270)
Net change	<u>3,556,431</u>	<u>-</u>	<u>2,382,015</u>	<u>2,872,594</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,292,438	-	(1,292,438)	-
Contributions - State	312,431	-	(312,431)	-
Contributions - Employee	221,583	-	-	(221,583)
Net Investment Income	2,435,650	-	-	(2,435,650)
Difference between projected and actual earnings on Pension Plan investments	(3,402,098)	-	3,402,098	-
Current year amortization	-	(135,880)	(680,419)	544,539
Benefit Payments	(2,136,270)	-	-	2,136,270
Administrative Expenses	(41,641)	-	-	41,641
Net change	<u>(1,317,907)</u>	<u>(135,880)</u>	<u>1,116,810</u>	<u>65,217</u>
Ending Balance	<u>\$ 9,787,266</u>	<u>\$ 407,640</u>	<u>\$ 5,103,694</u>	<u>\$ 2,937,811</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2017

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 9,787,266	\$ 407,640	\$ 5,103,694	\$ -
Employer and State Contributions made after 09/30/2016	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	885,176	-	-	885,176
Interest	3,099,797	-	-	3,099,797
Changes in benefit terms	-	-	-	-
Contributions - Buy Back	11,054	-	-	11,054
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(452,178)	452,178	-	-
Current year amortization of experience difference	-	(113,044)	(181,722)	68,678
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(46,223)	46,223
Benefit Payments	(2,456,851)	-	-	(2,456,851)
Net change	<u>1,086,998</u>	<u>339,134</u>	<u>(227,945)</u>	<u>1,654,077</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,372,342	-	(1,372,342)	-
Contributions - State	325,836	-	(325,836)	-
Contributions - Employee	334,052	-	-	(334,052)
Contributions - Buy Back	11,054	-	-	(11,054)
Net Investment Income	2,325,861	-	-	(2,325,861)
Difference between projected and actual earnings on Pension Plan investments	314,588	314,588	-	-
Current year amortization	-	(198,797)	(680,419)	481,622
Benefit Payments	(2,456,851)	-	-	2,456,851
Administrative Expenses	(46,785)	-	-	46,785
Net change	<u>2,180,097</u>	<u>115,791</u>	<u>(2,378,597)</u>	<u>314,291</u>
Ending Balance	<u>\$ 8,694,167</u>	<u>\$ 862,565</u>	<u>TBD</u>	<u>\$ 1,968,368</u>

* Employer and State Contributions subsequent to the measurement date made after September 30, 2016 but made on or before September 30, 2017 needs 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	2024
2014	\$ (679,400)	5	\$ (135,880)	\$ (135,880)	\$ (135,880)	\$ (135,880)	\$ (135,880)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 3,402,098	5	\$ -	\$ 680,419	\$ 680,419	\$ 680,420	\$ 680,420	\$ 680,420	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (314,588)	5	\$ -	\$ -	\$ (62,917)	\$ (62,917)	\$ (62,918)	\$ (62,918)	\$ (62,918)	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (135,880)	\$ 544,539	\$ 481,622	\$ 481,623	\$ 481,622	\$ 617,502	\$ (62,918)	\$ -	\$ -	\$ -	\$ -

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	\$ 184,891	4	\$ -	\$ 46,222	\$ 46,223	\$ 46,223	\$ 46,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ -	4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ -	\$ 46,222	\$ 46,223	\$ 46,223	\$ 46,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 726,890	4	\$ -	\$ 181,722	\$ 181,722	\$ 181,723	\$ 181,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (452,178)	4	\$ -	\$ -	\$ (113,044)	\$ (113,044)	\$ (113,045)	\$ (113,045)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ -	\$ 181,722	\$ 68,678	\$ 68,679	\$ 68,678	\$ (113,045)	\$ -	\$ -	\$ -	\$ -	\$ -