

CITY OF PORT ST. LUCIE
MUNICIPAL POLICE OFFICERS'
RETIREMENT TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2016

CONTRIBUTIONS APPLICABLE TO THE PLAN/
FISCAL YEAR ENDING SEPTEMBER 30, 2018

December 12, 2016

Board of Trustees
c/o Ms. Sandy Steele, Plan Administrator
City of Port St. Lucie
Police Officers' Retirement Trust Fund
121 SW Port St. Lucie Blvd.
Port St. Lucie, FL 34984

Re: City of Port St. Lucie
Municipal Police Officers' Retirement Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Port St. Lucie Municipal Police Officers' Retirement 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 Port St. Lucie and the Board of Trustees, 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 Port St. Lucie, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Port St. Lucie Municipal Police Officers' Retirement 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: 

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

DHL/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Port St. Lucie Municipal Police Officers' Retirement Trust Fund, performed as of October 1, 2016, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended September 30, 2018.

The contribution requirements, compared with those developed in the March 24, 2016 Actuarial Impact Statement (determined as of October 1, 2015), are as follows:

Valuation Date	10/1/2016	10/1/2015
Applicable Plan Year End	<u>9/30/2018</u>	<u>9/30/2017</u>
Total Required Contribution	\$7,498,619	\$6,743,686
Member Contributions (Est.)	1,704,933	1,643,367
City and State Required Contribution	5,793,686	5,100,319
State Contribution (Est.) ¹	1,247,468	1,247,468
Balance from City ¹	\$4,546,218	\$3,852,851

¹ By way of Mutual Consent under Chapter 2015-39, Laws of Florida, the City and Membership have agreed that the City has access to all future State Monies to assist with its contribution requirements. Additionally, the City has access to a \$530,368 prepaid contribution; this is available for the fiscal year ending September 30, 2017.

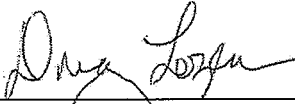
Experience since the prior valuation was less favorable than expected, relative to the Plan's actuarial assumptions. The primary source of unfavorable experience is attributable to lower than expected employee turnover. The primary source of actuarial gain is attributable to average increases in pensionable earnings that were less than the assumed rates by approximately 1.5%.

Additionally, contribution requirements have increased since the prior year partially due to the adoption of the state-mandated mortality assumption under the provisions of Chapter 2015-157, Laws of Florida.

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

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 
Douglas H. Lozen, EA, MAAA

By: 
Tyler Koftan

CHANGES SINCE PRIOR VALUATION

Plan Changes

Ordinance 16-28, adopted June 13, 2016, and effective June 23, 2016, provided for an increase in the benefit accrual rate from 3.09% to 3.27% for all years of service for members retiring on and after October 1, 2015.

Actuarial Assumption/Method Changes

- For compliance with Part VII of Chapter 112, Florida Statutes, the payroll growth assumption was lowered from 4.97% per year to 3.44% per year, equal to the actual average increase in payroll over the past 10 years.
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Table to the mortality table used by the Florida Retirement System actuary. The impact of this change is shown on the comparative summary section of this report.

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			
Number Included			
Actives	210	210	206
Service Retirees	38	38	36
DROP Retirees	17	17	15
Beneficiaries	4	4	5
Disability Retirees	7	7	6
Terminated Vested	<u>19</u>	<u>19</u>	<u>24</u>
Total	295	295	292
Total Annual Payroll	\$17,223,918	\$17,223,918	\$16,490,116
Payroll Under Assumed Ret. Age	17,107,896	17,107,896	16,490,116
Annual Rate of Payments to:			
Service Retirees	1,924,925	1,924,925	1,801,590
DROP Retirees	1,114,003	1,114,003	944,139
Beneficiaries	80,911	80,911	99,304
Disability Retirees	176,649	176,649	126,517
Terminated Vested	334,527	334,527	365,205
B. Assets			
Actuarial Value ¹	82,876,241	82,876,241	73,268,376
Market Value ¹	81,244,475	81,244,475	70,456,290
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	78,673,604	77,848,469	73,104,304
Disability Benefits	1,248,422	1,334,133	1,288,038
Death Benefits	1,666,118	810,091	780,320
Vested Benefits	9,449,001	9,448,055	9,305,894
Refund of Contributions	261,653	261,982	390,394
Service Retirees	21,525,457	20,664,363	19,431,137
DROP Retirees ¹	15,835,616	15,445,018	12,584,144
Beneficiaries	671,959	663,852	681,921
Disability Retirees	1,382,516	1,319,792	770,600
Terminated Vested	<u>2,544,062</u>	<u>2,522,823</u>	<u>2,865,251</u>
Total	133,258,408	130,318,578	121,202,003

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	147,023,522	148,604,479	145,617,599
Present Value of Future Member Contributions	13,232,117	13,374,403	13,105,584
Normal Cost (Retirement)	2,471,032	2,460,070	2,398,261
Normal Cost (Disability)	69,664	75,026	72,720
Normal Cost (Death)	71,687	33,904	33,120
Normal Cost (Vesting)	714,122	718,439	686,511
Normal Cost (Refunds)	<u>83,272</u>	<u>83,348</u>	<u>103,920</u>
Total Normal Cost	3,409,777	3,370,787	3,294,532
Present Value of Future Normal Costs	26,719,296	26,614,081	26,496,449
Accrued Liability (Retirement)	58,043,558	57,123,981	52,531,625
Accrued Liability (Disability)	677,406	711,830	672,774
Accrued Liability (Death)	1,084,947	530,528	501,431
Accrued Liability (Vesting)	4,697,772	4,646,477	4,566,469
Accrued Liability (Refunds)	75,819	75,833	100,202
Accrued Liability (Inactives) ¹	<u>41,959,610</u>	<u>40,615,848</u>	<u>36,333,053</u>
Total Actuarial Accrued Liability	106,539,112	103,704,497	94,705,554
Unfunded Actuarial Accrued Liability (UAAL)	23,662,871	20,828,256	21,437,178
Funded Ratio (AVA / AL)	77.8%	79.9%	77.4%
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives ¹	41,959,610	40,615,848	36,333,053
Actives	22,913,584	22,112,993	20,066,875
Member Contributions	<u>15,650,973</u>	<u>15,650,973</u>	<u>14,147,938</u>
Total	80,524,167	78,379,814	70,547,866
Non-vested Accrued Benefits	<u>1,665,162</u>	<u>1,633,412</u>	<u>1,814,932</u>
Total Present Value Accrued Benefits	82,189,329	80,013,226	72,362,798
Funded Ratio (MVA / PVAB)	98.9%	101.5%	97.4%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	2,176,103	0	
New Accrued Benefits	0	4,651,487	
Benefits Paid	0	(2,511,842)	
Interest	0	5,510,783	
Other	<u>0</u>	<u>0</u>	
Total	2,176,103	7,650,428	

	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 (with interest) ²	\$3,775,672	\$3,732,498	\$3,648,060
Administrative Expenses (with interest) ²	210,377	210,377	180,735
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 29 years (as of 10/1/2016, with interest) ²	3,512,570	3,132,810	2,914,891
Total Required Contribution	7,498,619	7,075,685	6,743,686
Expected Member Contributions ²	1,704,933	1,704,933	1,643,367
Expected City & State Contribution	5,793,686	5,370,752	5,100,319

F. Past Contributions

Plan Years Ending: 9/30/2016

City and State Requirement 4,498,211

Actual Contributions Made:

Members (excluding buyback)	1,608,123
City	3,250,743
State	<u>1,247,468</u>
Total	6,106,334

G. Net Actuarial (Gain)/Loss 243,109

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

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2016	23,662,871
2017	22,078,730
2018	20,254,239
2024	13,596,433
2031	4,351,777
2035	375,912
2045	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2016	5.2%	6.6%
Year Ended	9/30/2015	4.0%	6.7%
Year Ended	9/30/2014	7.0%	6.7%

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2016	7.8%	7.8%
Year Ended	9/30/2015	9.3%	8.0%
Year Ended	9/30/2014	8.2%	8.0%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2016	\$17,223,918
	10/1/2006	12,285,212
(b) Total Increase		40.20%
(c) Number of Years		10.00
(d) Average Annual Rate		3.44%

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.



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

Please let us know when the report is approved by the Board and unless otherwise directed we will provide 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	\$21,437,178
(2)	Sponsor Normal Cost developed as of October 1, 2015	1,810,422
(3)	Expected administrative expenses for the year ended September 30, 2016	163,220
(4)	Expected interest on (1), (2) and (3)	1,808,014
(5)	Sponsor contributions to the System during the year ended September 30, 2016	4,498,211
(6)	Expected interest on (5)	135,476
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2016 (1)+(2)+(3)+(4)-(5)-(6)	20,585,147
(8)	Change to UAAL due to Assumption Change	2,834,615
(9)	Change to UAAL due to Actuarial (Gain)/Loss	243,109
(10)	Unfunded Accrued Liability as of October 1, 2016	23,662,871

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2016 <u>Amount</u>	Amortization <u>Amount</u> ¹
	10/1/1998	12	\$426,748	\$44,075
	10/1/2000	14	(775,694)	(71,275)
	10/1/2001	15	1,317,871	115,120
method change	10/1/2002	16	1,892,917	157,876
prior losses	10/1/2002	12	1,707,589	176,363
actuarial loss	10/1/2003	12	280,224	28,942
actuarial loss	10/1/2004	12	2,167,470	223,860
benefit change	10/1/2004	18	4,016,482	308,725
actuarial loss	10/1/2005	12	4,298,635	443,970
actuarial gain	10/1/2006	12	(1,347,348)	(139,156)
actuarial gain	10/1/2007	12	(401,843)	(41,503)
actuarial loss	10/1/2008	2	854,558	435,999
method change	10/1/2008	12	(377,029)	(38,940)
actuarial loss	10/1/2009	3	3,233,025	1,121,955
actuarial gain	10/1/2010	4	(2,232,187)	(592,668)
assumption	10/1/2010	14	794,140	72,970
actuarial loss	10/1/2011	5	2,212,523	479,349
assumption	10/1/2011	15	1,654,476	144,523
software change	10/1/2012	16	(3,411,993)	(284,572)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2016 <u>Amount</u>	Amortization <u>Amount</u> ¹
actuarial loss	10/1/2012	6	5,705	1,050
benefit change	10/1/2012	26	(14,504)	(887)
actuarial gain	10/1/2013	7	(666,732)	(107,298)
actuarial loss	10/1/2014	8	2,515,209	361,108
actuarial gain	10/1/2015	9	(1,600,385)	(208,203)
assumption	10/1/2015	19	2,710,320	200,920
benefit change	10/1/2015	29	1,324,970	107,657
assumption	10/1/2016	20	2,834,615	203,199
actuarial loss	10/1/2016	10	<u>243,109</u>	<u>29,013</u>
			23,662,871	3,172,172

¹ level dollar amortization for the 2015 benefit change.

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2015	\$21,437,178
(2) Expected UAAL as of October 1, 2016	20,585,147
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(15,036)
Salary Increases	(1,426,549)
Active Decrements	1,050,343
Inactive Mortality	57,055
Disability Retirements for prior Vested Terminated Members	106,876
Other	<u>470,420</u>
Increase in UAAL due to (Gain)/Loss	243,109
Assumption Changes	<u>2,834,615</u>
(4) Actual UAAL as of October 1, 2016	\$23,662,871

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rates

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 assumed rates of mortality 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 the July 1, 2015 FRS actuarial valuation report. We feel this assumption sufficiently accommodates future mortality improvements.

Valuations prior to October 1, 2016: RP-2000 Table without projection – Disabled lives set forward 5 years.

Interest Rate

7.75% per year compounded annually, net of investment related expenses.

Retirement Age

Number of Years after First Eligibility for <u>Normal Retirement</u>	Probability of <u>Retirement</u>
0-4	40%
5 or more	100%

Commencing with a Member's eligibility for Early Retirement (Age 50 with 10 years of Service); Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption was adopted and developed as a result of our August 9, 2011 experience study.

Salary Increases

<u>Years of Service</u>	<u>Increase in Compensation</u>
Less than 5	8.0%
5-10	7.0%
10-15	6.5%
15-20	6.0%
More than 20	5.5%

This assumption was adopted and developed as a result of our August 9, 2011 experience study.

Final Salary Load

<u>Credited Service on 10/1/2012</u>	<u>Load Assumption</u>
10 or more years	20%
Between 5 and 10 years	15%
Less than 5 years	0%

Administrative Expenses

\$189,990 per year, based on the prior year's actual expenses.

Payroll Increases

3.44% (previously 4.97%) per year, in compliance with Chapter 112, Florida Statutes. This assumption is reasonable, given that it is based on the Plan's actual ten-year payroll growth average.

Funding Method

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

Interest – A half year, based on the current 7.75% assumption.

Salary – A full year, based on the current average assumption of 6.6%.

Asset Valuation

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Disability Rate

See table below for sample rates. It is assumed that 75% of disablements and active member deaths are service related.

Termination Rate

See table below for sample rates. This assumption was adopted and developed as a result of our August 9, 2011 experience study.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	12.0%	0.03%
30	10.0	0:04
40	5.2	0.07
50	1.6	0.18

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay 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.

Normal (Current Year's) Cost is determined for each participant as the present value of future benefits, determined as of the member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost Method (Level Percent of Compensation) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

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 administrative expenses 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

Received During <u>Fiscal Year</u>	<u>Amount</u>	Increase from <u>Previous Year</u>
1994	165,629.24	____%
1995	180,404.21	8.9%
1996	213,323.68	18.2%
1997	242,037.26	13.5%
1998	243,784.05	0.7%
1999	258,008.88	5.8%
2000	230,043.07	-10.8%
2001	255,787.78	11.2%
2002	327,026.97	27.9%
2003	336,706.39	3.0%
2004	526,916.73	56.5%
2005	611,975.48	16.1%
2006	664,463.95	8.6%
2007	703,788.87	5.9%
2008	708,340.49	0.6%
2009	851,595.18	20.2%
2010	885,562.51	4.0%
2011	826,266.94	-6.7%
2012	883,808.82	7.0%
2013	972,481.25	10.0%
2014	1,026,901.59	5.6%
2015	1,082,037.20	5.4%
2016	1,247,468.20	15.3%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2016

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	3,648,205.97	3,648,205.97
Cash	5,219.18	5,219.18
Total Cash and Equivalents	3,653,425.15	3,653,425.15
Receivables:		
Member Buy-Back Contributions	118,899.00	118,899.00
Investment Income	270,374.73	270,374.73
Total Receivable	389,273.73	389,273.73
Investments:		
U. S. Bonds and Bills	3,055,083.69	3,110,391.14
Federal Agency Guaranteed Securities	1,041,550.31	1,055,010.18
Corporate Bonds	11,984,514.14	12,242,653.44
Municipal Obligations	959,746.10	1,034,726.59
Stocks	16,543,566.72	17,965,212.56
Mutual Funds:		
Fixed Income	3,000,000.00	2,688,566.33
Equity	29,291,623.99	33,454,297.00
Pooled/Common/Commingled Funds:		
Real Estate	5,488,674.47	6,187,498.51
Total Investments	71,364,759.42	77,738,355.75
Total Assets	75,407,458.30	81,781,054.63
<u>LIABILITIES</u>		
Prepaid City Contribution	530,368.20	530,368.20
Total Liabilities	536,579.77	536,579.77
NET POSITION RESTRICTED FOR PENSIONS	74,870,878.53	81,244,474.86

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

ADDITIONS

Contributions:

Member	1,489,224.44
Buy-Back	480,952.00
City	3,250,742.80
State	1,247,468.20

Total Contributions 6,468,387.44

Investment Income:

Net Realized Gain (Loss)	986,548.12
Unrealized Gain (Loss)	4,286,994.85
Net Increase in Fair Value of Investments	5,273,542.97
Interest & Dividends	1,961,980.88
Less Investment Expense ¹	(213,894.55)

Net Investment Income 7,021,629.30

Total Additions 13,490,016.74

DEDUCTIONS

Distributions to Members:

Benefit Payments	2,031,290.24
Lump Sum DROP Distributions	266,465.38
Refunds of Member Contributions	214,086.21

Total Distributions 2,511,841.83

Administrative Expense 189,990.15

Total Deductions 2,701,831.98

Net Increase in Net Position 10,788,184.76

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 70,456,290.10

End of the Year 81,244,474.86

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	13.99%	
09/30/2014	8.27%	
09/30/2015	-0.44%	
09/30/2016	9.79%	
Annualized Rate of Return for prior four (4) years:		7.77%
(A) 10/01/2015 Actuarial Assets:		\$73,268,376.32
(I) Net Investment Income:		
1. Interest and Dividends	1,961,980.88	
2. Realized Gains (Losses)	986,548.12	
3. Change in Actuarial Value	3,106,674.53	
4. Investment Related Expenses	(213,894.55)	
Total		5,841,308.98
(B) 10/01/2016 Actuarial Assets:		\$82,876,240.76
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		7.77%
10/01/2016 Limited Actuarial Assets:		\$82,876,240.76
10/01/2016 Market Value of Assets:		\$81,244,474.86
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$15,035.54

¹Market Value Basis, net of investment related expenses.

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

REVENUES		
Contributions:		
Member	1,489,224.44	
Buy-Back	480,952.00	
City	3,250,742.80	
State	1,247,468.20	
Total Contributions		6,468,387.44
Earnings from Investments:		
Interest & Dividends	1,961,980.88	
Net Realized Gain (Loss)	986,548.12	
Change in Actuarial Value	3,106,674.53	
Total Earnings and Investment Gains		6,055,203.53
EXPENDITURES		
Distributions to Members:		
Benefit Payments	2,031,290.24	
Lump Sum DROP Distributions	266,465.38	
Refunds of Member Contributions	214,086.21	
Total Distributions		2,511,841.83
Expenses:		
Investment related ¹	213,894.55	
Administrative	189,990.15	
Total Expenses		403,884.70
Change in Net Assets for the Year		9,607,864.44
Net Assets Beginning of the Year		73,268,376.32
Net Assets End of the Year ²		82,876,240.76

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	1,912,512.73
Plus Additions	957,624.42
Investment Return Earned	143,937.37
Less Distributions	(266,465.38)
End of the Year Balance	2,747,609.14

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

(1) City and State Required Contribution	4,498,211.00
(2) Less Allowable State Contribution	<u>(1,247,468.20)</u>
(3) Required City Contribution for Fiscal 2015	3,250,742.80
(4) Less 2015 Prepaid Contribution	0.00
(5) Less Actual City Contributions	<u>(3,781,111.00)</u>
(6) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2016	(\$530,368.20)

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	194	205	206	210
Average Current Age	40.7	41.2	39.8	40.2
Average Age at Employment	29.3	29.3	28.8	28.7
Average Past Service	11.4	11.9	11.0	11.5
Average Annual Salary	\$75,143	\$78,945	\$80,049	\$82,019
<u>Service Retirees</u>				
Number		33	36	38
Average Current Age		N/A	62.6	63.0
Average Annual Benefit		\$48,578	\$50,044	\$50,656
<u>DROP Retirees</u>				
Number		13	15	17
Average Current Age		N/A	58.1	58.6
Average Annual Benefit		\$65,913	\$62,943	\$65,530
<u>Beneficiaries</u>				
Number		4	5	4
Average Current Age		N/A	50.8	50.5
Average Annual Benefit		\$10,296	\$19,861	\$20,228
<u>Disability Retirees</u>				
Number		6	6	7
Average Current Age		N/A	70.7	66.3
Average Annual Benefit		\$21,086	\$21,086	\$25,236
<u>Terminated Vested</u>				
Number ²		9	11	8
Average Current Age		N/A	47.5	47.6
Average Annual Benefit		\$24,413	\$33,200	\$41,816

¹ Prior to 10/1/2015, averages were salary weighted.

² Excludes non-vested Members 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	4	4	1	0	1	0	0	0	0	0	0	10
25 - 29	2	4	3	2	5	0	0	0	0	0	0	16
30 - 34	1	4	2	2	11	5	6	0	0	0	0	31
35 - 39	0	0	1	3	1	10	15	5	0	0	0	35
40 - 44	2	0	2	0	2	3	18	9	4	0	0	40
45 - 49	0	1	0	0	1	3	17	16	9	5	0	52
50 - 54	0	0	0	0	0	1	6	8	4	2	0	21
55 - 59	0	0	0	0	0	0	1	1	1	0	0	3
60 - 64	0	0	0	0	0	1	0	1	0	0	0	2
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	9	13	9	7	21	23	63	40	18	7	0	210

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2015	206
b. Terminations	
i. Vested (partial or full) with deferred benefits ¹	(2)
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	0
f. DROP	<u>(3)</u>
g. Continuing participants	198
h. New entrants	<u>12</u>
i. Total active life participants in valuation	<u>210</u>

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 Deferred ¹	<u>Total</u>
a. Number prior valuation	36	15	5	6	24	86
Retired	2	(1)	0	0	(1)	0
DROP	0	3	0	0	0	3
Vested Deferred	0	0	0	0	2	2
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	0	(1)	0	(1)
Disabled	0	0	0	2	(2)	0
Refund of Contributions	0	0	0	0	(4)	(4)
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	(1)	0	0	(1)
Data Corrections	0	0	0	0	0	0
b. Number current valuation	38	17	4	7	19	85

¹ Includes non-vested members due a refund of member contributions.

SUMMARY OF PLAN
(THROUGH ORDINANCE 16-28)

<u>Eligibility</u>	Full-time employees who are classified as full-time sworn police officers shall participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the City as a Police Officer.
<u>Salary</u>	Total W-2 compensation including tax deferred and exempt income. Effective May 1, 2013, overtime included in Salary is limited to 275 hours per calendar year. Additionally, no hours of unused sick and vacation leave earned after May 1, 2013 shall be includible for Salary purposes.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination.
<u>Contributions</u>	
Member	9.0% of Salary.
State	0.85% tax on premiums for casualty insurance.
City	10.5% of total pay contributed for each Member plus any remaining amount necessary for payment of Normal (current year's) Cost. Once vested, Members are entitled to amounts contributed for them by the City.
<u>Normal Retirement</u>	
Date	Earlier of Age 55 and 10 years of Credited Service, or age 52 and 25 years of Credited Service.
Benefit	3.27% of Average Final Compensation times Credited Service
Form of Benefit	Ten Year Certain and Life Annuity (options available).
<u>Early Retirement</u>	
Eligibility	Age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year.

Vesting (Termination)

Less than 5 years of
Credited Service

Refund of Member Contributions.

5 years or more

Accrued benefit payable at Normal Retirement Age or earlier, reduced as for Early Retirement if to commence prior to Normal Retirement Date.

or

Refund of Member Contributions (including amounts contributed for Member at the rate of 6% of salary by the City effective 10/1/91, and 10.5% effective May 5, 2005).

Disability

Eligibility

Service Incurred

Covered from Date of Employment.

Non-Service Incurred

10 years of Credited Service.

Exclusions

Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

Benefit

Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).

Duration

Payable for life, with 120 months certain, or until recovery (as determined by the Board). Options are available.

Death Benefits

Pre-Retirement

Vested

Monthly accrued benefit payable to designated beneficiary for 10 years beginning at Member's Normal Retirement Date.

Non-Vested

Refund of accumulated contributions.

Post-Retirement

Benefits payable to beneficiary in accordance with option selected at retirement.

Board of Trustees

a. Two Council appointees,

b. Two Members of the Department elected by the membership, and

c. Fifth Member elected by other 4 and appointed by Council.

Deferred Retirement Option Plan

Eligibility

Satisfaction of Normal Retirement requirements.

Participation

Not to exceed 60 months.

Rate of Return

At member's election, either:

a) 6.5% effective annual interest, compounded monthly, or

b) Net investment return of the fund credited each fiscal quarter.

Members may change election one time during DROP participation.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2016

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	3,648,206
Cash	5,219
Total Cash and Equivalents	3,653,425
Receivables:	
Member Buy-Back Contributions	118,899
Investment Income	270,375
Total Receivable	389,274
Investments:	
U. S. Bonds and Bills	3,110,391
Federal Agency Guaranteed Securities	1,055,010
Corporate Bonds	12,242,653
Municipal Obligations	1,034,727
Stocks	17,965,213
Mutual Funds:	
Fixed Income	2,688,566
Equity	33,454,297
Pooled/Common/Commingled Funds:	
Real Estate	6,187,499
Total Investments	77,738,356
Total Assets	81,781,055
<u>LIABILITIES</u>	
Payables:	
Benefit Payments	6,212
Total Liabilities	6,212
NET POSITION RESTRICTED FOR PENSIONS	81,774,843

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

ADDITIONS

Contributions:

Member	1,489,224
Buy-Back	480,952
City	3,781,111
State	1,247,468

Total Contributions 6,998,755

Investment Income:

Net Increase in Fair Value of Investments	5,273,543
Interest & Dividends	1,961,981
Less Investment Expense ¹	(213,895)

Net Investment Income 7,021,629

Total Additions 14,020,384

DEDUCTIONS

Distributions to Members:

Benefit Payments	2,031,290
Lump Sum DROP Distributions	266,465
Refunds of Member Contributions	214,086

Total Distributions 2,511,841

Administrative Expense 189,990

Total Deductions 2,701,831

Net Increase in Net Position 11,318,553

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 70,456,290

End of the Year 81,774,843

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 benefit pension plan administered by a Board of Trustees comprised of:

- a. Two Council appointees,
- b. Two Members of the Department elected by the membership, and
- c. Fifth Member elected by other four and appointed by Council.

Plan Membership as of October 1, 2015:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	62
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	24
Active Plan Members	206
	292
	292

Benefits Provided

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

Normal Retirement:

Date: Earlier of Age 55 and 10 years of Credited Service, or age 52 and 25 years of Credited Service.

Benefit: 3.27% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year.

Vesting (Termination):

Less than 5 years of Credited Service: Refund of Member Contributions.

5 years or more: Accrued benefit payable at Normal Retirement Age or earlier, reduced as for Early Retirement if to commence prior to Normal Retirement Date or Refund of Member Contributions (including amounts contributed for Member at the rate of 6% of salary by the City effective 10/1/91, and 10.5% effective May 5, 2005).

Disability:

Eligibility: Service Incurred: Covered from Date of Employment. Non-Service Incurred: 10 years of Credited Service.

Benefit: Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).

Pre-Retirement Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years beginning at Member's Normal Retirement Date.

Non-Vested: Refund of accumulated contributions.

Contributions

Member: 9.0% of Salary.

State: 0.85% tax on premiums for casualty insurance.

City: 10.5% of total pay contributed for each Member plus any remaining amount necessary for payment of Normal (current year's) Cost. Once vested, Members are entitled to amounts contributed for them by the City.

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	50%
International Equity	15%
Broad Market Fixed Income	35%
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 9.79 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: Not to exceed 60 months.

Rate of Return: At member's election, either:

- a) 6.5% effective annual interest, compounded monthly, or
- b) Net investment return of the fund credited each fiscal quarter.

Member may change election one time during DROP participation.

The DROP balance as September 30, 2016 is \$2,747,609.

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	\$ 102,848,206
Plan Fiduciary Net Position	<u>\$ (81,774,843)</u>
Sponsor's Net Pension Liability	<u>\$ 21,073,363</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	79.51%

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	2.50%
Salary Increases	5.50% - 8.00%
Discount Rate	7.75%
Investment Rate of Return	7.75%

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 other significant assumptions are based upon the most recent actuarial experience study dated August 9th, 2011, for the period 1997-2010.

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 2.50%.

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	7.5%
International Equity	8.5%
Broad Market Fixed Income	2.5%

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.75 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease	Current Discount Rate	1% Increase
	6.75%	7.75%	8.75%
Sponsor's Net Pension Liability	\$ 34,669,915	\$ 21,073,363	\$ 9,726,065

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

	<u>09/30/2016</u>	<u>09/30/2015</u>
Total Pension Liability		
Service Cost	3,431,980	3,098,598
Interest	7,302,342	6,561,818
Change in Excess State Money	(1,508,953)	364,937
Changes of benefit terms	2,751,119	-
Differences between Expected and Actual Experience	(660,201)	(572,414)
Changes of assumptions	2,757,260	2,550,583
Contributions - Buy Back	480,952	20,069
Benefit Payments, including Refunds of Employee Contributions	<u>(2,511,841)</u>	<u>(2,572,372)</u>
Net Change in Total Pension Liability	12,042,658	9,451,219
Total Pension Liability - Beginning	90,805,548	81,354,329
Total Pension Liability - Ending (a)	<u>\$102,848,206</u>	<u>\$ 90,805,548</u>
Plan Fiduciary Net Position		
Contributions - Employer	3,781,111	3,290,728
Contributions - State	1,247,468	1,082,037
Contributions - Employee	1,489,224	1,406,225
Contributions - Buy Back	480,952	20,069
Net Investment Income	7,021,629	(301,010)
Benefit Payments, including Refunds of Employee Contributions	<u>(2,511,841)</u>	<u>(2,572,372)</u>
Administrative Expense	<u>(189,990)</u>	<u>(163,220)</u>
Net Change in Plan Fiduciary Net Position	11,318,553	2,762,457
Plan Fiduciary Net Position - Beginning	70,456,290	67,693,833
Plan Fiduciary Net Position - Ending (b)	<u>\$ 81,774,843</u>	<u>\$ 70,456,290</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 21,073,363</u>	<u>\$ 20,349,258</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	79.51%	77.59%
Covered Employee Payroll ¹	\$ 16,546,924	\$ 16,788,921
Net Pension Liability as a percentage of Covered Employee Payroll	127.36%	121.21%

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 benefit terms:

For measurement date 09/30/2016, amounts reported as changes of benefit terms was a result of Ordinance 16-28, adopted June 13, 2016, and effective June 23, 2016, provided for an increase in the benefit accrual rate from 3.09% to 3.27% for all years of service for members retiring on and after October 1, 2015.

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 2.50%, 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 lowering the investment rate of return from 8.00% to 7.75%.

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

	<u>09/30/2014</u>	<u>09/30/2013</u>
Total Pension Liability		
Service Cost	2,960,477	2,741,182
Interest	5,704,171	5,237,834
Change in Excess State Money	309,802	-
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Contributions - Buy Back	4,436,554	-
Benefit Payments, including Refunds of Employee Contributions	<u>(2,465,108)</u>	<u>(2,273,086)</u>
Net Change in Total Pension Liability	10,945,896	5,705,930
Total Pension Liability - Beginning	<u>70,408,433</u>	<u>64,702,503</u>
Total Pension Liability - Ending (a)	<u>\$ 81,354,329</u>	<u>\$ 70,408,433</u>
Plan Fiduciary Net Position		
Contributions - Employer	3,227,068	3,085,280
Contributions - State	1,026,902	972,481
Contributions - Employee	1,408,036	1,238,897
Contributions - Buy Back	4,436,554	-
Net Investment Income	4,814,924	6,621,223
Benefit Payments, including Refunds of Employee Contributions	<u>(2,465,108)</u>	<u>(2,273,086)</u>
Administrative Expense	<u>(157,907)</u>	<u>(93,764)</u>
Net Change in Plan Fiduciary Net Position	12,290,469	9,551,030
Plan Fiduciary Net Position - Beginning	<u>55,403,364</u>	<u>45,852,334</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 67,693,833</u>	<u>\$ 55,403,364</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 13,660,496</u>	<u>\$ 15,005,069</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.21%	78.69%
Covered Employee Payroll ¹	\$ 15,644,848	\$ 13,765,522
Net Pension Liability as a percentage of Covered Employee Payroll	87.32%	109.00%

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.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	4,498,211	4,007,828	3,944,168	3,802,380
Contributions in relation to the Actuarially Determined Contributions	5,028,579	4,007,828	3,944,168	3,802,380
Contribution Deficiency (Excess)	\$ (530,368)	\$ -	\$ -	\$ -
Covered Employee Payroll ¹	\$ 16,546,924	\$ 16,788,921	\$ 15,644,848	\$ 13,765,522
Contributions as a percentage of Covered Employee Payroll	30.39%	23.87%	25.21%	27.62%

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 applied for determination of the Sponsor funding requirement:
 Interest - A half year, based on the current 8.0% assumption.
 Salary - A full year, based on the current average assumption of 6.6%.

Amortization Method: Level Percentage of Pay, Closed.
 Remaining Amortization Period: 28 Years (as of 10/01/2014).
 Mortality: RP-2000 Table with no projection. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years.)

Interest Rate: 8% per year compounded annually, net of investment related expenses.

Retirement Age: Number of Years after First Eligibility for Normal Retirement

Retirement	Probability of Retirement
0-4	40%
5 or more	100%

Commencing with a Member's eligibility for Early Retirement (Age 50 with 10 years of Service); Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

Salary Increases:

Years of Service	Increase in Compensation
Less than 5	8.0%
5-10	7.0%
10-15	6.5%
15-20	6.0%
More than 20	5.5%

Final Salary Load:

Credited Service on 10/01/2012	Load Assumption
10 or more years	20.0%
Between 5 and 10 years	15.0%
Less than 5 years	0.0%

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Payroll Increases: 5.0% per year.

Asset Valuation: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical-geometric 4-year-average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Disability Rates: See table below for sample rates. It is assumed that 75% of disablements and active member deaths are service related.

Termination Rates: See table below for sample rates.

Termination and Disability Rate Tables:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	12.00%	0.03%
30	10.00%	0.04%
40	5.20%	0.07%
50	1.60%	0.18%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2016</u>	<u>09/30/2015</u>	<u>09/30/2014</u>	<u>09/30/2013</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	9.79%	-0.44%	8.27%	14.40%

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 benefit pension plan administered by a Board of Trustees comprised of:

- a. Two Council appointees,
- b. Two Members of the Department elected by the membership, and
- c. Fifth Member elected by other four and appointed by Council.

Full-time employees who are classified as full-time sworn police officers shall participate in the System as a condition of employment.

Plan Membership as of October 1, 2015:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	62
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	24
Active Plan Members	206
	292
	292

Benefits Provided

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

Normal Retirement:

Date: Earlier of Age 55 and 10 years of Credited Service, or age 52 and 25 years of Credited Service.

Benefit: 3.27% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year.

Vesting (Termination):

Less than 5 years of Credited Service: Refund of Member Contributions.

5 years or more: Accrued benefit payable at Normal Retirement Age or earlier, reduced as for Early Retirement if to commence prior to Normal Retirement Date or Refund of Member Contributions (including amounts contributed for Member at the rate of 6% of salary by the City effective 10/1/91, and 10.5% effective May 5, 2005).

Disability:

Eligibility: Service Incurred: Covered from Date of Employment. Non-Service Incurred: 10 years of Credited Service.

Benefit: Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).

Pre-Retirement Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years beginning at Member's Normal Retirement Date.

Non-Vested: Refund of accumulated contributions.

Contributions

Member: 9.0% of Salary.

State: 0.85% tax on premiums for casualty insurance.

City: 10.5% of total pay contributed for each Member plus any remaining amount necessary for payment of Normal (current year's)

Cost. Once vested, Members are entitled to amounts contributed for them by the City.

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	2.50%
Salary Increases	5.50% - 8.00%
Discount Rate	7.75%
Investment Rate of Return	7.75%

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 other significant assumptions are based upon the most recent actuarial experience study dated August 9th, 2011, for the period 1997-2010.

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 2.50%.

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	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50%	7.50%
International Equity	15%	8.50%
Broad Market Fixed Income	35%	2.50%
Total	100%	

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.75 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	\$ 90,805,548	\$ 70,456,290	\$ 20,349,258
Changes for a Year:			
Service Cost	3,431,980	-	3,431,980
Interest	7,302,342	-	7,302,342
Change in Excess State Money	(1,508,953)	-	(1,508,953)
Differences between Expected and Actual Experience	(660,201)	-	(660,201)
Changes of assumptions	2,757,260	-	2,757,260
Changes of benefit terms	2,751,119	-	2,751,119
Contributions - Employer	-	3,781,111	(3,781,111)
Contributions - State	-	1,247,468	(1,247,468)
Contributions - Employee	-	1,489,224	(1,489,224)
Contributions - Buy Back	480,952	480,952	-
Net Investment Income	-	7,021,629	(7,021,629)
Benefit Payments, including Refunds of Employee Contributions	(2,511,841)	(2,511,841)	-
Administrative Expense	-	(189,990)	189,990
Net Changes	12,042,658	11,318,553	724,105
Reporting Period Ending September 30, 2017	\$ 102,848,206	\$ 81,774,843	\$ 21,073,363

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.75%	7.75%	8.75%
Sponsor's Net Pension Liability	\$ 34,669,915	\$ 21,073,363	\$ 9,726,065

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 \$6,504,692.

On September 30, 2017, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	-	974,752
Changes of assumptions	4,185,210	-
Net difference between Projected and Actual Earnings on Pension Plan investments	2,354,171	-
Employer and State contributions subsequent to the measurement date	TBD	-
Total	<u>TBD</u>	<u>\$ 974,752</u>

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer 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	\$ 1,454,307
2019	\$ 1,454,307
2020	\$ 1,471,035
2021	\$ 303,224
2022	\$ 582,176
Thereafter	\$ 299,580

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
Total Pension Liability		
Service Cost	3,431,980	3,098,598
Interest	7,302,342	6,561,818
Change in Excess State Money	(1,508,953)	364,937
Changes of benefit terms	2,751,119	-
Differences between Expected and Actual Experience	(660,201)	(572,414)
Changes of assumptions	2,757,260	2,550,583
Contributions - Buy Back	480,952	20,069
Benefit Payments, including Refunds of Employee Contributions	(2,511,841)	(2,572,372)
Net Change in Total Pension Liability	12,042,658	9,451,219
Total Pension Liability - Beginning	90,805,548	81,354,329
Total Pension Liability - Ending (a)	<u>\$102,848,206</u>	<u>\$ 90,805,548</u>
Plan Fiduciary Net Position		
Contributions - Employer	3,781,111	3,290,728
Contributions - State	1,247,468	1,082,037
Contributions - Employee	1,489,224	1,406,225
Contributions - Buy Back	480,952	20,069
Net Investment Income	7,021,629	(301,010)
Benefit Payments, including Refunds of Employee Contributions	(2,511,841)	(2,572,372)
Administrative Expense	(189,990)	(163,220)
Net Change in Plan Fiduciary Net Position	11,318,553	2,762,457
Plan Fiduciary Net Position - Beginning	70,456,290	67,693,833
Plan Fiduciary Net Position - Ending (b)	<u>\$ 81,774,843</u>	<u>\$ 70,456,290</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 21,073,363</u>	<u>\$ 20,349,258</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	79.51%	77.59%
Covered Employee Payroll ¹	\$ 16,546,924	\$ 16,788,921
Net Pension Liability as a percentage of Covered Employee Payroll	127.36%	121.21%

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 benefit terms:

For measurement date 09/30/2016, amounts reported as changes of benefit terms was a result of Ordinance 16-28, adopted June 13, 2016, and effective June 23, 2016, provided for an increase in the benefit accrual rate from 3.09% to 3.27% for all years of service for members retiring on and after October 1, 2015.

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 2.50%, 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 lowering the investment rate of return from 8.00% to 7.75%.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2015 09/30/2014	09/30/2014 09/30/2013
Total Pension Liability		
Service Cost	2,960,477	2,741,182
Interest	5,704,171	5,237,834
Change in Excess State Money	309,802	-
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Contributions - Buy Back	4,436,554	-
Benefit Payments, including Refunds of Employee Contributions	(2,465,108)	(2,273,086)
Net Change in Total Pension Liability	10,945,896	5,705,930
Total Pension Liability - Beginning	70,408,433	64,702,503
Total Pension Liability - Ending (a)	<u>\$ 81,354,329</u>	<u>\$ 70,408,433</u>
Plan Fiduciary Net Position		
Contributions - Employer	3,227,068	3,085,280
Contributions - State	1,026,902	972,481
Contributions - Employee	1,408,036	1,238,897
Contributions - Buy Back	4,436,554	-
Net Investment Income	4,814,924	6,621,223
Benefit Payments, including Refunds of Employee Contributions	(2,465,108)	(2,273,086)
Administrative Expense	(157,907)	(93,764)
Net Change in Plan Fiduciary Net Position	12,290,469	9,551,030
Plan Fiduciary Net Position - Beginning	55,403,364	45,852,334
Plan Fiduciary Net Position - Ending (b)	<u>\$ 67,693,833</u>	<u>\$ 55,403,364</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 13,660,496</u>	<u>\$ 15,005,069</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.21%	78.69%
Covered Employee Payroll ¹	\$ 15,644,848	\$ 13,765,522
Net Pension Liability as a percentage of Covered Employee Payroll	87.32%	109.00%

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.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	4,498,211	4,007,828	3,944,168	3,802,380
Contributions in relation to the Actuarially Determined Contributions	5,028,579	4,007,828	3,944,168	3,802,380
Contribution Deficiency (Excess)	\$ (530,368)	\$ -	\$ -	\$ -
Covered Employee Payroll ¹	\$ 16,546,924	\$ 16,788,921	\$ 15,644,848	\$ 13,765,522
Contributions as a percentage of Covered Employee Payroll	30.39%	23.87%	25.21%	27.62%

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 applied for determination of the Sponsor funding requirement:
 Interest - A half year, based on the current 8.0% assumption.
 Salary - A full year, based on the current average assumption of 6.6%.

Amortization Method: Level Percentage of Pay, Closed.

Remaining Amortization Period: 28 Years (as of 10/01/2014).

Mortality: RP-2000 Table with no projection. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years.)

Interest Rate: 8% per year compounded annually, net of investment related expenses.

Retirement Age:	Number of Years after First	
	Eligibility for Normal	Probability of Retirement
	0-4	40%
	5 or more	100%

Commencing with a Member's eligibility for Early Retirement (Age 50 with 10 years of Service); Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

Salary Increases:	Years of Service	Increase in Compensation
	Less than 5	8.00%
5-10	7.00%	
10-15	6.50%	
15-20	6.00%	
More than 20	5.50%	

Final Salary Load:	Credited Service on 10/01/2012	Load Assumption
		10 or more years
	Between 5 and 10 years	15.00%
	Less than 5 years	0.00%

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Payroll Increases: 5.0% per year.
 Asset Valuation: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average ~~Market Value return~~. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Disability Rates: See table below for sample rates. It is assumed that 75% of disablements and active member deaths are service related.

Termination Rates: See table below for sample rates.

Termination and Disability Rate Tables:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	12.00%	0.03%
30	10.00%	0.04%
40	5.20%	0.07%
50	1.60%	0.18%

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 13,660,496	\$ 66,907	\$ 4,372,765	\$ -
Employer and State contributions made after 09/30/ 2015	-	-	5,028,579	-
Total Pension Liability Factors:				
Service Cost	3,098,598	-	-	3,098,598
Interest	6,561,818	-	-	6,561,818
Change in Excess State Money	364,937	-	-	364,937
Changes in benefit terms	-	-	-	-
Contributions - Buy Back	20,069	-	-	20,069
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(572,414)	572,414	-	-
Current year amortization of experience difference	-	(81,774)	-	(81,774)
Change in assumptions about future economic or demographic factors or other inputs	2,550,583	-	2,550,583	-
Current year amortization of change in assumptions	-	-	(364,369)	364,369
Benefit Payments	(2,572,372)	-	-	(2,572,372)
Net change	<u>9,451,219</u>	<u>490,640</u>	<u>7,214,793</u>	<u>7,755,645</u>
Plan Fiduciary Net Position:				
Contributions - Employer	3,290,728	-	(3,290,728)	-
Contributions - State	1,082,037	-	(1,082,037)	-
Contributions - Employee	1,406,225	-	-	(1,406,225)
Contributions - Buy Back	20,069	-	-	(20,069)
Net Investment Income	5,538,045	-	-	(5,538,045)
Difference between projected and actual earnings on Pension Plan investments	(5,839,055)	-	5,839,055	-
Current year amortization	-	(16,726)	(1,167,811)	1,151,085
Benefit Payments	(2,572,372)	-	-	2,572,372
Administrative Expenses	(163,220)	-	-	163,220
Net change	<u>2,762,457</u>	<u>(16,726)</u>	<u>298,479</u>	<u>(3,077,662)</u>
Ending Balance	<u>\$ 20,349,258</u>	<u>\$ 540,821</u>	<u>\$ 11,886,037</u>	<u>\$ 4,677,983</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2017

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 20,349,258	\$ 540,821	\$ 11,886,037	\$ -
Employer and State contributions made after 09/30/2016	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	3,431,980	-	-	3,431,980
Interest	7,302,342	-	-	7,302,342
Change in Excess State Money	(1,508,953)	-	-	(1,508,953)
Changes in benefit terms	2,751,119	-	-	2,751,119
Contributions - Buy Back	480,952	-	-	480,952
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(660,201)	660,201	-	-
Current year amortization of experience difference	-	(176,089)	-	(176,089)
Change in assumptions about future economic or demographic factors or other inputs	2,757,260	-	2,757,260	-
Current year amortization of change in assumptions	-	-	(758,264)	758,264
Benefit Payments	(2,511,841)	-	-	(2,511,841)
Net change	<u>12,042,658</u>	<u>484,112</u>	<u>1,998,996</u>	<u>10,527,774</u>
Plan Fiduciary Net Position:				
Contributions - Employer	3,781,111	-	(3,781,111)	-
Contributions - State	1,247,468	-	(1,247,468)	-
Contributions - Employee	1,489,224	-	-	(1,489,224)
Contributions - Buy Back	480,952	-	-	(480,952)
Net Investment Income	5,626,868	-	-	(5,626,868)
Difference between projected and actual earnings on Pension Plan investments	1,394,761	1,394,761	-	-
Current year amortization	-	(295,680)	(1,167,811)	872,131
Benefit Payments	(2,511,841)	-	-	2,511,841
Administrative Expenses	(189,990)	-	-	189,990
Net change	<u>11,318,553</u>	<u>1,099,081</u>	<u>(6,196,390)</u>	<u>(4,023,082)</u>
Ending Balance	<u>\$ 21,073,363</u>	<u>\$ 2,124,014</u>	<u>TBD</u>	<u>\$ 6,504,692</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		Recognition Period (Years)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Expected and Actual Experience													
2014	\$	(83,633)	5	\$ (16,726)	\$ (16,726)	\$ (16,727)	\$ (16,727)	\$ (16,727)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$	5,839,055	5	\$ -	\$ 1,167,811	\$ 1,167,811	\$ 1,167,811	\$ 1,167,811	\$ 1,167,811	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$	(1,394,761)	5	\$ -	\$ -	\$ (278,953)	\$ (278,952)	\$ (278,952)	\$ (278,952)	\$ (278,952)	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense				\$ (16,726)	\$ 1,151,085	\$ 872,131	\$ 872,132	\$ 872,132	\$ 888,859	\$ (278,952)	\$ -	\$ -	\$ -	\$ -

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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	\$ -	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 2,550,583	7	\$ -	\$ 364,369	\$ 364,369	\$ 364,369	\$ 364,369	\$ 364,369	\$ 364,369	\$ 364,369	\$ 364,369	\$ -	\$ -
2016	\$ 2,757,260	7	\$ -	\$ -	\$ 393,895	\$ 393,895	\$ 393,894	\$ 393,894	\$ 393,894	\$ 393,894	\$ 393,894	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ -	\$ 364,369	\$ 758,264	\$ 758,264	\$ 758,263	\$ 758,263	\$ 758,263	\$ 758,263	\$ 393,894	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

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

Plan Year	Differences Between		Recognition	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Ending	Expected and Actual Experience												
2014	\$	-	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$	(572,414)	7	\$ -	\$ (81,774)	\$ (81,774)	\$ (81,774)	\$ (81,773)	\$ (81,773)	\$ (81,773)	\$ (81,773)	\$ -	\$ -	\$ -
2016	\$	(660,201)	7	\$ -	\$ -	\$ (94,315)	\$ (94,315)	\$ (94,315)	\$ (94,314)	\$ (94,314)	\$ (94,314)	\$ (94,314)	\$ -	\$ -
Net Increase (Decrease) in Pension Expense				\$ -	\$ (81,774)	\$ (176,089)	\$ (176,089)	\$ (176,088)	\$ (176,087)	\$ (176,087)	\$ (176,087)	\$ (94,314)	\$ -	\$ -