

CITY OF SANIBEL
MUNICIPAL POLICE OFFICERS'
RETIREMENT TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2017

CONTRIBUTIONS APPLICABLE TO THE PLAN/FISCAL
YEAR ENDED SEPTEMBER 30, 2019

January 23, 2018

Board of Trustees
City of Sanibel Municipal Police Officers'
Retirement Trust Fund
800 Dunlop Road
Sanibel, FL 33957-4096

Re: City of Sanibel
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 Sanibel Municipal Police Officers' Retirement Trust Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding 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. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Please note that these valuations may not be applicable for any other purposes.

The valuations have 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 valuations, we have relied on personnel, plan design, and asset information supplied by 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 total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2016. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2017 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

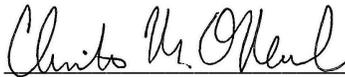
The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the 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 Sanibel, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Sanibel 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: 
Christine M. O'Neal, FSA, EA, MAAA
Enrolled Actuary #17-7916

CMON/Ike

Enclosures

TABLE OF CONTENTS

Section	Title	Page
I	<u>Introduction</u>	
	a. Summary of Report	5
	b. Changes Since Prior Valuation	7
	c. Contribution Impact of Annual Changes	8
	d. Comparative Summary of Principal Valuation Results	9
II	<u>Valuation Information</u>	
	a. Reconciliation of Unfunded Actuarial Accrued Liabilities	15
	b. Detailed Actuarial (Gain)/Loss Analysis	17
	c. Actuarial Assumptions and Methods	18
	d. Valuation Notes	21
	e. Partial History of Premium Tax Refunds	22
III	Trust Fund	23
IV	<u>Member Statistics</u>	
	a. Statistical Data	29
	b. Age and Service Distribution	30
	c. Valuation Participant Reconciliation	31
V	Summary of Plan Provisions	32
VI	Governmental Accounting Standards Board Disclosure Information	34

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Sanibel Municipal Police Officer's Retirement Trust Fund, performed as of October 1, 2017, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2019.

The contribution requirements, compared with those set forth in the October 1, 2016, Actuarial Valuation Report, are as follows:

Valuation Date	10/1/2017	10/1/2016
Applicable Plan Year End	<u>9/30/2019</u>	<u>9/30/2018</u>
Total Required Contribution		
% of Total Annual Payroll	78.03%	79.99%
Member Contributions (Est.)		
% of Total Annual Payroll	8.00%	8.00%
City and State Required Contribution		
% of Total Annual Payroll	70.03%	71.99%
State Contribution (est.) ¹	82,263	82,263
% of Total Annual Payroll	4.50%	4.50%
Balance from City ¹		
% of Total Annual Payroll	65.53%	67.49%

¹ Amount received in Calendar Year 2017. Per Mutual Consent established between the City and the Membership, the City may use all of the State Contributions for determining its minimum funding requirements. For budgeting purposes, the required Sponsor Contribution (City and State) is 70.03% of Pensionable Earnings for the fiscal year ending September 30, 2019. The precise City requirement for the year is this amount, less actual State Contributions. Additionally, there is a City receivable contribution of \$175,445.73 required for the fiscal year ending September 30, 2017. The Division of Retirement requires an interest charge of \$1,096.54 for each complete month after September 30, 2017 until this deposit is made, based on the 7.50% valuation assumption for interest return.

Experience since the prior valuation has been less favorable than expected, relative to the Plan's assumptions. The primary components of unfavorable actuarial experience were average increases in pensionable compensation that were more than four times the assumed rate, an earlier than expected retirement, and a 6.38% investment return (Actuarial Asset basis, net of fees), falling short of the 7.50% assumption. These losses were partially offset by the effect of inactive mortality.

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: 
Christine M. O'Neal, FSA, EA, MAAA

By: 
Sara E. Carlson

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

The mortality tables were changed to use the same rates as used by the Florida Retirement System (FRS) in their July 1, 2016 valuation as required by State Law.

CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1) Contribution Determined as of October 1, 2016	65.88%
(2) Summary of Contribution Impact by component:	
Change in State Contribution Percentage	1.6%
Change in Normal Cost Rate	-0.3%
Change in Administrative Expense Percentage	-0.6%
Payroll Change Effect on UAAL Amortization	-13.6%
Investment Return (Actuarial Asset Basis)	1.5%
Salary Increases	8.4%
Active Decrements	1.5%
Inactive Mortality	-0.6%
Other	<u>1.7%</u>
Total Change in Contribution	-0.35%
(3) Contribution Determined as of October 1, 2017	65.53%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2017</u>	<u>10/1/2016</u>
A. Participant Data		
Actives	24	21
Service Retirees	20	18
DROP Retirees	2	4
Beneficiaries	2	2
Disability Retirees	3	3
Terminated Vested	<u>7</u>	<u>7</u>
Total	58	55
Total Annual Payroll	\$1,827,484	\$1,393,241
Payroll Under Assumed Ret. Age	1,827,484	1,393,241
Annual Rate of Payments to:		
Service Retirees	1,052,416	772,020
DROP Retirees	124,217	320,792
Beneficiaries	36,981	36,208
Disability Retirees	56,988	56,988
Terminated Vested	101,959	101,959
B. Assets		
Actuarial Value (AVA) ¹	18,436,160	18,056,124
Market Value (MVA) ¹	18,440,697	17,505,610
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	10,359,056	8,430,253
Disability Benefits	297,102	230,803
Death Benefits	80,347	128,553
Vested Benefits	0	0
Refund of Contributions	52,314	41,626
Service Retirees	14,907,499	10,093,860
DROP Retirees ¹	2,043,480	6,357,014
Beneficiaries	393,973	395,690
Disability Retirees	504,370	516,395
Terminated Vested	<u>720,838</u>	<u>668,208</u>
Total	29,358,979	26,862,402

C. Liabilities - (Continued)	<u>10/1/2017</u>	<u>10/1/2016</u>
Present Value of Future Salaries	16,372,023	12,414,240
Present Value of Future Member Contributions	1,309,762	993,139
Normal Cost (Retirement)	514,253	394,189
Normal Cost (Disability)	27,432	19,055
Normal Cost (Death)	4,932	7,727
Normal Cost (Vesting)	0	0
Normal Cost (Refunds)	<u>15,818</u>	<u>11,758</u>
Total Normal Cost	562,435	432,729
Present Value of Future Normal Costs	4,895,831	3,737,210
Accrued Liability (Retirement)	5,743,841	4,945,731
Accrued Liability (Disability)	100,915	79,489
Accrued Liability (Death)	36,780	61,406
Accrued Liability (Vesting)	0	0
Accrued Liability (Refunds)	11,452	7,399
Accrued Liability (Inactives) ¹	<u>18,570,160</u>	<u>18,031,167</u>
Total Actuarial Accrued Liability (EAN AL)	24,463,148	23,125,192
Unfunded Actuarial Accrued Liability (UAAL)	6,026,988	5,069,068
Funded Ratio (AVA / EAN AL)	75.4%	78.1%

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2017</u>	<u>10/1/2016</u>
Vested Accrued Benefits		
Inactives ¹	18,570,160	18,031,167
Actives	1,902,084	1,739,989
Member Contributions	<u>773,335</u>	<u>767,205</u>
Total	21,245,579	20,538,361
Non-vested Accrued Benefits	<u>816,529</u>	<u>1,144,722</u>
Total Present Value		
Accrued Benefits (PVAB)	22,062,108	21,683,083
Funded Ratio (MVA / PVAB)	83.6%	80.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	872,940	
Benefits Paid	(2,043,514)	
Interest	1,549,599	
Other	<u>0</u>	
Total	379,025	

Valuation Date	10/1/2017	10/1/2016
Applicable to Fiscal Year Ending	<u>9/30/2019</u>	<u>9/30/2018</u>

E. Pension Cost

Normal Cost (with interest) % of Total Annual Payroll ²	31.93	32.22
Administrative Expenses (with interest) % of Total Annual Payroll ²	2.57	3.17
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 19 years (as of 10/1/2017, with interest) % of Total Annual Payroll ²	43.53	44.60
Total Required Contribution % of Total Annual Payroll ²	78.03	79.99
Expected Member Contributions % of Total Annual Payroll ²	8.00	8.00
Expected City and State Contribution % of Total Annual Payroll ²	70.03	71.99

F. Past Contributions

Plan Years Ending:	<u>9/30/2017</u>
Total Required Contribution	1,341,435
City and State Requirement	1,206,989
Actual Contributions Made:	
Members (excluding buyback)	134,446
City	1,124,726
State	<u>82,263</u>
Total	1,341,435

G. Net Actuarial (Gain)/Loss 1,431,610

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2017 and 9/30/2016.

² Contributions developed as of 10/1/2017 are expressed as a percentage of total annual payroll at 10/1/2017 of \$1,827,484.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2017	6,026,988
2018	5,654,776
2019	5,305,117
2023	3,642,107
2028	1,267,136
2032	551,726
2036	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	28.33%	7.00%
Year Ended	9/30/2016	4.71%	7.00%
Year Ended	9/30/2015	8.41%	7.00%

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	6.38%	7.50%
Year Ended	9/30/2016	6.90%	7.50%
Year Ended	9/30/2015	8.48%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2017	\$1,827,484
	10/1/2007	2,047,406
(b) Total Increase		-10.74%
(c) Number of Years		10.00
(d) Average Annual Rate		-1.13%

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.



Christine M. O'Neal, FSA, EA, MAAA
Enrolled Actuary #17-7916

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, 2016	\$5,069,068
(2) Sponsor Normal Cost developed as of October 1, 2016	321,270
(3) Expected administrative expenses for the year ended September 30, 2017	42,535
(4) Expected interest on (1), (2) and (3)	405,870
(5) Sponsor contributions to the System during the year ended September 30, 2017	1,206,989
(6) Expected interest on (5)	36,376
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2017 (1)+(2)+(3)+(4)-(5)-(6)	4,595,378
(8) Change to UAAL due to Actuarial (Gain)/Loss	1,431,610
(9) Unfunded Actuarial Accrued Liability as of October 1, 2017	6,026,988

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2017 Amount</u>	<u>Amortization Amount</u>
	10/1/1994	7	150,597	26,449
	10/1/2000	13	(141,103)	(16,153)
	10/1/2001	14	323,485	35,447
method change	10/1/2004	17	1,081,801	106,671
actuarial loss	10/1/2004	11	920,715	117,079
benefit change	10/1/2005	18	562,896	53,948
assum. change	10/1/2005	18	(116,745)	(11,189)
actuarial gain	10/1/2005	11	(125,111)	(15,909)
actuarial loss	10/1/2006	11	270,527	34,400
actuarial loss	10/1/2007	11	760,084	96,653
actuarial loss	10/1/2008	1	46,949	46,949
method change	10/1/2008	11	238,584	30,338
actuarial gain	10/1/2009	2	(180,364)	(93,442)
actuarial loss	10/1/2010	3	191,251	68,412
assum. change	10/1/2010	13	218,662	25,032
assum. change	10/1/2010	13	(120,053)	(13,743)
actuarial loss	10/1/2011	4	210,413	58,440
actuarial loss	10/1/2012	5	403,134	92,689
actuarial gain	10/1/2013	6	(211,299)	(41,876)
actuarial gain	10/1/2014	7	(133,574)	(23,459)
actuarial gain	10/1/2015	8	(339,264)	(53,880)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2017 <u>Amount</u>	Amortization <u>Amount</u>
actuarial gain	10/1/2016	9	(89,049)	(12,986)
assum. change	10/1/2016	19	672,842	62,847
actuarial loss	10/1/2017	10	<u>1,431,610</u>	<u>194,014</u>
			6,026,988	766,731

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2016	\$5,069,068
(2) Expected UAAL as of October 1, 2017	4,595,378
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	197,899
Salary Increases	1,095,336
Active Decrements	198,405
Inactive Mortality	(72,874)
Other	<u>12,844</u>
Increase in UAAL due to (Gain)/Loss	1,431,610
(4) Actual UAAL as of October 1, 2017	\$6,026,988

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB

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

Healthy Inactive 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, 2016 FRS actuarial valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

Previously, the special risk rates from the July 1, 2015 FRS actuarial valuation report were used.

Interest Rate

7.50% 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.

Retirement Age

Two years after the earlier of Age 60 with 5 years of service, age 55 with 10 years of service, or 25 years of service regardless of age. Also, any member who has reached Normal Retirement plus two years is assumed to continue employment for one additional year. We feel this is reasonable based upon plan provisions.

Early Retirement

Commencing at eligibility for Early Retirement (age 50), members are assumed to retire with an immediate benefit at the rate of 2% per year. We feel this is reasonable based upon plan provisions.

Disability Rate

See table below (1202). It is assumed that 75% of disablements are service related. The assumed rates of disablement were developed from those used by other plans containing Florida municipal Police Officers.

<u>Age</u>	<u>% Becoming Disabled During the Year</u>
20	0.051%
30	0.058
40	0.121
50	0.429

Termination Rate

<u>Credited Service</u>	<u>Termination Probability</u>
0-1	15%
2-4	10%
5+	0

The assumed rates of termination were approved by the Board in conjunction with an actuarial experience analysis dated May 2, 2013.

Salary Increases

<u>Years of Service</u>	<u>Increase</u>
0	7.25%
1	7.00
2	6.75
3	6.50
4	6.25
5 - 9	6.00
10 – 14	5.25
15+	4.50

The assumed rates of salary increase were approved from our April 29, 2016 Special Actuarial Analysis.

Projected salary in the year of retirement is increased 10% for Members who had 10 or more years of Credited Service as of September 30, 2011 and 5% for Members who had less than 10 years of Credited Service as of September 30, 2011. These increases are to account for non-regular compensation.

Administrative Expenses

\$45,206, based on prior year's actual expenses.

Cost-of-Living Adjustment

3.00% automatic COLA to Normal and Early Retirees, beginning one year after retirement.

Payroll Growth Assumption

None.

Funding Method

Entry Age Normal Actuarial Cost Method

Actuarial Asset Method

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

VALUATION NOTES

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

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1992	22,377.46	_____%
1993	22,374.08	0.0%
1994	25,586.99	14.4%
1995	25,462.73	-0.5%
1996	29,796.30	17.0%
1997	33,568.08	12.7%
1998	30,273.87	-9.8%
1999	31,593.25	4.4%
2000	36,011.30	14.0%
2001	35,448.08	-1.6%
2002	38,571.02	8.8%
2003	43,515.50	12.8%
2004	46,642.40	7.2%
2005	-	-100.0%
2006	98,026.48	N/A
2007	50,725.64	-48.3%
2008	53,654.13	5.8%
2009	57,459.31	7.1%
2010	58,716.36	2.2%
2011	57,486.63	-2.1%
2012	63,573.88	10.6%
2013	62,541.87	-1.6%
2014	65,861.56	5.3%
2015	77,753.70	18.1%
2016	85,154.04	9.5%
2017	82,262.97	-3.4%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2017

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	500,513.97	500,513.97
Total Cash and Equivalents	500,513.97	500,513.97
Receivables:		
Member Contributions in Transit	103.21	103.21
Member Contributions	368.85	368.85
Additional City Contributions	175,445.73	175,445.73
From Broker for Investments Sold	20,827.49	20,827.49
Investment Income	24,781.08	24,781.08
Total Receivable	221,526.36	221,526.36
Investments:		
Fixed Income	5,201,548.93	5,165,593.85
Equities	7,850,163.51	9,906,919.20
Pooled/Common/Commingled Funds:		
Equity	876,131.15	1,817,586.94
Master Limited Partnership	1,138,555.58	850,819.93
Total Investments	15,066,399.17	17,740,919.92
Total Assets	15,788,439.50	18,462,960.25
<u>LIABILITIES</u>		
Payables:		
Investment Expenses	9,960.12	9,960.12
To Broker for Investments Purchased	12,303.24	12,303.24
Total Liabilities	22,263.36	22,263.36
NET POSITION RESTRICTED FOR PENSIONS	15,766,176.14	18,440,696.89

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2017
Market Value Basis

ADDITIONS

Contributions:			
Member		134,445.97	
City		1,124,725.73	
State		82,262.97	
Total Contributions			1,341,434.67
Investment Income:			
Net Realized Gain (Loss)	408,443.24		
Unrealized Gain (Loss)	547,965.23		
Net Increase in Fair Value of Investments		956,408.47	
Interest & Dividends		793,381.40	
Less Investment Expense ¹		(67,418.08)	
Net Investment Income			1,682,371.79
Total Additions			3,023,806.46

DEDUCTIONS

Distributions to Members:			
Benefit Payments		1,016,766.47	
Lump Sum DROP Distributions		1,018,253.09	
Refunds of Member Contributions		8,493.97	
Total Distributions			2,043,513.53
Administrative Expense			45,206.00
Total Deductions			2,088,719.53
Net Increase in Net Position			935,086.93
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of the Year			17,505,609.96
End of the Year			18,440,696.89

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

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2017

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	
09/30/2014	10.91%	
09/30/2015	-4.50%	
09/30/2016	10.07%	
09/30/2017	9.83%	
Annualized Rate of Return for prior four (4) years:		6.38%
(A) 10/01/2016 Actuarial Assets:		\$18,056,124.38
(I) Net Investment Income:		
1. Interest and Dividends	793,381.40	
2. Realized Gains (Losses)	408,443.24	
3. Change in Actuarial Value	(7,086.24)	
4. Investment Related Expenses	(67,418.08)	
Total		1,127,320.32
(B) 10/01/2017 Actuarial Assets:		\$18,436,159.84
Actuarial Asset Rate of Return = 2I/(A+B-I):		6.38%
10/01/2017 Limited Actuarial Assets:		\$18,436,159.84
10/01/2017 Market Value of Assets:		\$18,440,696.89
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$197,899.49)

¹Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2017
 Actuarial Asset Basis

REVENUES

Contributions:		
Member	134,445.97	
City	1,124,725.73	
State	82,262.97	
Total Contributions		1,341,434.67
Earnings from Investments:		
Interest & Dividends	793,381.40	
Net Realized Gain (Loss)	408,443.24	
Change in Actuarial Value	(7,086.24)	
Total Earnings and Investment Gains		1,194,738.40

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,016,766.47	
Lump Sum DROP Distributions	1,018,253.09	
Refunds of Member Contributions	8,493.97	
Total Distributions		2,043,513.53
Expenses:		
Investment related ¹	67,418.08	
Administrative	45,206.00	
Total Expenses		112,624.08
Change in Net Assets for the Year		380,035.46
Net Assets Beginning of the Year		18,056,124.38
Net Assets End of the Year²		18,436,159.84

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, 2016 to September 30, 2017

Beginning of the Year Balance	1,030,885.97
Plus Additions	175,006.74
Investment Return Earned	9,424.31
Less Distributions	(1,018,253.09)
End of the Year Balance	197,063.93

RECONCILIATION OF CITY'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2017

(1)	Total Required Contribution Rate	79.82%
(2)	Pensionable Payroll Derived from Member Contributions	\$1,680,574.63
(3)	Total Required Contribution (1) x (2)	1,341,434.67
(4)	Less Actual Member Contributions	(134,445.97)
(5)	Less Allowable State Contribution	<u>(82,262.97)</u>
(6)	Equals Required City Contribution for Fiscal 2017	1,124,725.73
(7)	Less 2016 Prepaid Contribution	0.00
(8)	Less Actual City Contributions	<u>(949,280.00)</u>
(9)	Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2017	\$175,445.73

STATISTICAL DATA

	<u>10/1/2014</u>	<u>10/1/2015</u>	<u>10/1/2016</u>	<u>10/1/2017</u>
<u>Actives</u>				
Number	19	20	21	24
Average Current Age	45.1	42.8	41.7	41.9
Average Age at Employment	35.2	33.7	34.1	35.5
Average Past Service	9.9	9.1	7.6	6.4
Average Annual Salary	\$71,497	\$71,022	\$66,345	\$76,145
<u>Service Retirees</u>				
Number	18	18	18	20
Average Current Age	65.0	66.0	67.0	65.4
Average Annual Benefit	\$41,324	\$42,125	\$42,890	\$52,621
<u>DROP Retirees</u>				
Number	2	2	4	2
Average Current Age	54.6	55.6	56.2	56.9
Average Annual Benefit	\$94,350	\$97,181	\$80,198	\$62,109
<u>Beneficiaries</u>				
Number	2	2	2	2
Average Current Age	71.5	72.5	73.5	74.5
Average Annual Benefit	\$20,374	\$17,729	\$18,104	\$18,491
<u>Disability Retirees</u>				
Number	2	3	3	3
Average Current Age	66.1	63.7	64.7	65.7
Average Annual Benefit	\$12,438	\$18,996	\$18,996	\$18,996
<u>Terminated Vested</u>				
Number	6	7	7	7
Average Current Age	48.4	46.4	49.1	50.1
Average Annual Benefit ¹	\$20,703	\$20,392	\$20,392	\$20,392

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

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	1	0	0	0	0	0	0	0	0	0	0	1
25 - 29	1	0	3	0	0	0	0	0	0	0	0	4
30 - 34	1	2	0	0	0	0	1	0	0	0	0	4
35 - 39	0	0	0	0	0	1	1	0	0	0	0	2
40 - 44	0	0	0	0	0	0	1	0	0	0	0	1
45 - 49	1	0	0	0	1	0	2	0	1	0	0	5
50 - 54	0	1	0	0	1	0	1	0	1	0	0	4
55 - 59	0	1	0	0	1	0	0	0	0	0	0	2
60 - 64	0	1	0	0	0	0	0	0	0	0	0	1
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	4	5	3	0	3	1	6	0	2	0	0	24

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2016	21
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	(1)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. DROP	<u>0</u>
g. Continuing participants	19
h. New entrants	<u>5</u>
i. Total active life participants in valuation	24

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	18	4	2	3	7	34
Retired	3	(2)	0	0	0	1
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	(1)	0	0	0	0	(1)
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0
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	20	2	2	3	7	34

SUMMARY OF CURRENT PLAN
(Through Ordinance 11-010)

CREDITED SERVICE	Years and completed months of continuous employment as a Police Officer.
AVERAGE FINAL COMPENSATION	Average compensation (excluding OT in excess of 300 hours per year, but including lump sum accruals determined as of 9/30/2011) paid during the five (5) highest years of service.
NORMAL RETIREMENT	
Eligibility	Earlier of 1) age 60 with 5 vesting credits, or 2) age 55 with 10 vesting credits, or 3) 25 vesting credits regardless of age.
Benefit Amount	3% of Average Final Compensation <u>times</u> Credited Service.
Form of Benefit	10 years certain and life thereafter. Options available
Maximum Benefit	90% of Average Final Compensation.
EARLY RETIREMENT	
Eligibility	Age 50 and attainment of 5 vesting credits.
Benefit Amount	Accrued benefit, reduced 2.5% for each year prior to Normal Retirement Date.
VESTING (TERMINATION)	
Less than 5 years of Credited Service	Refund of Member Contributions.
5 years or more	Accrued benefit payable at Early Retirement Date (reduced) or Normal Retirement Date (unreduced).
COST-OF-LIVING ADJUSTMENT	To all Normal and Early Retirees after October 17, 2006, 3% automatic COLA, beginning on the first October 1 following one year of retirement.

DISABILITY

Eligibility	10 years of contributing service for non-service related; coverage from date of hire for service-incurred.
Benefit Amount	3% of Average Final Compensation times Credited Service, but not less than 42% of Average Final Compensation for service related disabilities

DEATH

Vested Member	Accrued pension paid to beneficiary at otherwise Early Retirement Date (reduced basis) or Normal Retirement Date. Benefit paid for 10 years only.
Non-Vested Member	Beneficiary receives refund of Member's Contributions.

SUPPLEMENTAL BENEFIT

\$36.00 times Credited Service paid monthly to Age 67. Minimum payment period is 5 years.

CONTRIBUTIONS

Employee	8% of total pay until Normal Retirement Age, 4% thereafter.
Premium Tax	0.85% tax on premiums for casualty insurance.
City	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.

BOARD OF TRUSTEES

- a) Two City Council appointees,
- b) Two Members of the System elected by a majority of the other covered Police Officers, and
- c) A fifth Member elected by the 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	4% annual rate, credited quarterly
Distribution	Lump sum at termination of employment.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2017

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	500,514
Total Cash and Equivalents	500,514
Receivables:	
Member Contributions in Transit	103
Member Contributions	369
Additional City Contributions	175,446
From Broker for Investments Sold	20,827
Investment Income	24,781
Total Receivable	221,526
Investments:	
Fixed Income	5,165,594
Equities	9,906,919
Pooled/Common/Commingled Funds:	
Equity	1,817,587
Master Limited Partnership	850,820
Total Investments	17,740,920
Total Assets	18,462,960
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	9,960
To Broker for Investments Purchased	12,303
Total Liabilities	22,263
NET POSITION RESTRICTED FOR PENSIONS	18,440,697

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2017
Market Value Basis

ADDITIONS

Contributions:

Member	134,446	
City	1,124,726	
State	82,263	
 Total Contributions		 1,341,435
 Investment Income:		
Net Increase in Fair Value of Investments	956,409	
Interest & Dividends	793,381	
Less Investment Expense ¹	(67,418)	
 Net Investment Income		 1,682,372
 Total Additions		 3,023,807

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,016,767	
Lump Sum DROP Distributions	1,018,253	
Refunds of Member Contributions	8,494	
 Total Distributions		 2,043,514
 Administrative Expense		 45,206
 Total Deductions		 2,088,720
 Net Increase in Net Position		 935,087
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		17,505,610
 End of the Year		 18,440,697

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

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

Plan Description

Plan Administration

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

- a) Two City Council appointees,
- b) Two Members of the System elected by a majority of the other covered Police Officers, and
- c) A fifth Member elected by the other four and appointed by Council.

Plan Membership as of October 1, 2016:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	27
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	7
Active Plan Members	21
	55

Benefits Provided

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

Normal Retirement:

Eligibility: Earlier of 1) age 60 with 5 vesting credits, or 2) age 55 with 10 vesting credits, or 3) 25 vesting credits regardless of age.

Benefit Amount: 3% of Average Final Compensation times Credited Service.

Maximum Benefit: 90% of Average Final Compensation.

Early Retirement:

Eligibility: Age 50 and attainment of 5 vesting credits.

Benefit Amount: Accrued benefit, reduced 2.5% for each year prior to Normal Retirement Date.

Vesting (Termination):

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

5 years or more: Accrued benefit payable at Early Retirement Date (reduced) or Normal Retirement Date (unreduced).

Cost-of-Living Adjustment:

To all Normal and Early Retirees after October 17, 2006, 3% automatic COLA, beginning on the first October 1 following retirement.

Disability:

Eligibility: 10 years of contributing service for non-service related; coverage from date of hire for service-incurred.

Benefit Amount: 3% of Average Final Compensation times Credited Service, but not less than 42% of Average Final Compensation for service related disabilities.

Death Benefits:

Vested Member: Accrued pension paid to beneficiary at otherwise Early Retirement Date (reduced basis) or Normal Retirement Date. Benefit paid for 10 years only.

Non-Vested Member: Beneficiary receives refund of Member's Contributions.

Supplemental Benefit:

\$36.00 times Credited Service paid monthly to Age 67. Minimum payment period is 5 years.

Contributions

Employee: 8% of total pay until Normal Retirement Age, 4% thereafter.

Premium Tax: 0.85% tax on premiums for casualty insurance.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.

GASB 67

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	35%
International Equity	15%
Bonds	30%
Convertibles	10%
REITS	5%
MLPs	5%
<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, 2017, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 9.83 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: 4% annual rate, credited quarterly.

The DROP balance as September 30, 2017 is \$197,064.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2017 were as follows:

Total Pension Liability	\$ 23,138,184
Plan Fiduciary Net Position	\$ (18,440,697)
Sponsor's Net Pension Liability	<u>\$ 4,697,487</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	79.70%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions:

Inflation	2.70%
Salary Increases	Service based
Discount Rate	7.50%
Investment Rate of Return	7.50%

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 most recent actuarial experience study used to review the other significant assumptions was dated May 2, 2012.

The Long-Term Expected Rate of Return on Pension Plan investments can be 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 2017 the inflation rate assumption of the investment advisor was 2.60%.

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 geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2017 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.0%
International Equity	3.7%
Bonds	4.0%
Convertibles	6.0%
REITS	6.8%
MLPs	9.7%

GASB 67

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.50 percent.

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

	1% Decrease	Current Discount Rate	1% Increase
	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability	\$ 7,774,385	\$ 4,697,487	\$ 2,186,916

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

	09/30/2017	09/30/2016	09/30/2015
Total Pension Liability			
Service Cost	432,384	492,835	469,734
Interest	1,688,084	1,620,290	1,528,830
Change in Excess State Money	-	(27,317)	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(35,929)	(287,593)	58,554
Changes of assumptions	-	594,128	-
Benefit Payments, including Refunds of Employee Contributions	(2,043,514)	(867,064)	(854,438)
Net Change in Total Pension Liability	41,025	1,525,279	1,202,680
Total Pension Liability - Beginning	23,097,159	21,571,880	20,369,200
Total Pension Liability - Ending (a)	<u>\$ 23,138,184</u>	<u>\$ 23,097,159</u>	<u>\$ 21,571,880</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,124,726	1,050,108	1,138,692
Contributions - State	82,263	85,154	77,754
Contributions - Employee	134,446	117,033	108,536
Net Investment Income	1,682,372	1,607,425	(730,080)
Benefit Payments, including Refunds of Employee Contributions	(2,043,514)	(867,064)	(854,438)
Administrative Expense	(45,206)	(42,535)	(41,503)
Net Change in Plan Fiduciary Net Position	935,087	1,950,121	(301,039)
Plan Fiduciary Net Position - Beginning	17,505,610	15,555,489	15,856,528
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,440,697</u>	<u>\$ 17,505,610</u>	<u>\$ 15,555,489</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,697,487</u>	<u>\$ 5,591,549</u>	<u>\$ 6,016,391</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	79.70%	75.79%	72.11%
Covered Employee Payroll ¹	\$ 1,680,575	\$ 1,462,915	\$ 1,599,122
Net Pension Liability as a percentage of Covered Employee Payroll	279.52%	382.22%	376.23%

Notes to Schedules:

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

Changes of assumptions:

For measurement date 09/30/2016, amounts reported as changes of assumptions resulted from the following changes:

- 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 salary increase assumption was changed from a flat 7.00% per year to one based on service. This change was adopted based on the results of our April 29, 2016 Special Actuarial Analysis.
- The inflation assumption rate was lowered from 3.00% to 2.70%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

SCHEDULE OF 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	509,101	473,582
Interest	1,445,430	1,373,741
Change in Excess State Money	-	-
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(751,882)</u>	<u>(1,102,107)</u>
Net Change in Total Pension Liability	1,202,649	745,216
Total Pension Liability - Beginning	<u>19,166,551</u>	<u>18,421,335</u>
Total Pension Liability - Ending (a)	<u>\$ 20,369,200</u>	<u>\$ 19,166,551</u>
Plan Fiduciary Net Position		
Contributions - Employer	961,952	2,072,711
Contributions - State	65,862	62,542
Contributions - Employee	114,679	105,628
Net Investment Income	1,564,849	1,435,540
Benefit Payments, including Refunds of Employee Contributions	<u>(751,882)</u>	<u>(1,102,107)</u>
Administrative Expense	<u>(38,332)</u>	<u>(32,304)</u>
Net Change in Plan Fiduciary Net Position	1,917,128	2,542,010
Plan Fiduciary Net Position - Beginning	<u>13,939,400</u>	<u>11,397,390</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 15,856,528</u>	<u>\$ 13,939,400</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,512,672</u>	<u>\$ 5,227,151</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	77.85%	72.73%
Covered Employee Payroll ¹	\$ 1,433,491	\$ 1,320,347
Net Pension Liability as a percentage of Covered Employee Payroll	314.80%	395.89%

Notes to Schedules:

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

	09/30/2017	09/30/2016	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	1,206,989	1,162,579	967,464	1,027,813	729,756
From Excess State Money Reserve	-	27,317	-	-	-
Contributions in relation to the Actuarially Determined Contributions	1,206,989	1,135,262	1,216,446	1,027,813	2,135,253
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (248,982)	\$ -	\$ (1,405,497)
Covered Employee Payroll ¹	\$ 1,680,575	\$ 1,462,915	\$ 1,599,122	\$ 1,433,491	\$ 1,320,347
Contributions as a percentage of Covered Employee Payroll	71.82%	77.60%	76.07%	71.70%	161.72%

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: 10/01/2015

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:	20 Years (as of 10/01/2015).								
Mortality:	RP 2000 Combined Healthy – Sex Distinct. 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:	7.50% 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.								
Retirement Age:	Two years after the earlier of Age 60 with 5 years of service, age 55 with 10 years of service, or 25 years of service regardless of age. Also, any member who has reached Normal Retirement plus two years is assumed to continue employment for one additional year. We feel this is reasonable based upon plan provisions.								
Early Retirement:	Commencing at eligibility for Early Retirement (age 50), members are assumed to retire with an immediate benefit at the rate of 2% per year. We feel this is reasonable based upon plan provisions.								
Disability Rates:	See table on following page (1202). It is assumed that 75% of disablements and active Member deaths are service related. The assumed rates of disablement were developed from those used by other plans containing Florida municipal Police								
Termination Rates:	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Credited Service</th> <th>Termination Probability</th> </tr> </thead> <tbody> <tr> <td>0-1</td> <td>15%</td> </tr> <tr> <td>2-4</td> <td>10%</td> </tr> <tr> <td>5+</td> <td>0%</td> </tr> </tbody> </table>	Credited Service	Termination Probability	0-1	15%	2-4	10%	5+	0%
Credited Service	Termination Probability								
0-1	15%								
2-4	10%								
5+	0%								

The assumed rates of termination were approved by the Board in conjunction with an actuarial experience analysis dated May 2, 2013.

GASB 67

Salary Increases: 7.00% per year until the assumed retirement age. Projected salary in the year of retirement is increased 10% for Members who had 10 or more years of Credited Service as of September 30, 2011 and 5% for Members who had less than 10 years of Credited Service as of September 30, 2011. These increases are to account for non-regular compensation. Also, we feel the assumed rates of salary increase are reasonable based upon long-term expectations.

Cost-of-Living Adjustment: 3.0% automatic COLA to Normal and Early Retirees, beginning one year after retirement.

Payroll Growth Assumption: None.

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

Disability Rate Table:

Age	% Becoming Disabled During the Year
20	0.051%
30	0.058%
40	0.121%
50	0.429%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2017</u>	<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	9.83%	10.07%	-4.50%	10.91%	12.01%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2018)

General Information about the Pension Plan

Plan Description

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

- a) Two City Council appointees,
- b) Two Members of the System elected by a majority of the other covered Police Officers, and
- c) A fifth Member elected by the other four and appointed by Council.

Each full-time Police Officer employee of the City becomes a Participant on the first day of full-time service.

Plan Membership as of October 1, 2016:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	27
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	7
Active Plan Members	21
	55
	55

Benefits Provided

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

Normal Retirement:

Eligibility: Earlier of 1) age 60 with 5 vesting credits, or 2) age 55 with 10 vesting credits, or 3) 25 vesting credits regardless of age.

Benefit Amount: 3% of Average Final Compensation times Credited Service.

Maximum Benefit: 90% of Average Final Compensation.

Early Retirement:

Eligibility: Age 50 and attainment of 5 vesting credits.

Benefit Amount: Accrued benefit, reduced 2.5% for each year prior to Normal Retirement Date.

Vesting (Termination):

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

5 years or more: Accrued benefit payable at Early Retirement Date (reduced) or Normal Retirement Date (unreduced).

Cost-of-Living Adjustment:

To all Normal and Early Retirees after October 17, 2006, 3% automatic COLA, beginning on the first October 1 following retirement.

Disability:

Eligibility: 10 years of contributing service for non-service related; coverage from date of hire for service-incurred.

Benefit Amount: 3% of Average Final Compensation times Credited Service, but not less than 42% of Average Final Compensation for service related disabilities.

Death Benefits:

Vested Member: Accrued pension paid to beneficiary at otherwise Early Retirement Date (reduced basis) or Normal Retirement Date. Benefit paid for 10 years only.

Non-Vested Member: Beneficiary receives refund of Member's Contributions.

Supplemental Benefit:

\$36.00 times Credited Service paid monthly to Age 67. Minimum payment period is 5 years.

Contributions

Employee: 8% of total pay until Normal Retirement Age, 4% thereafter.

Premium Tax: 0.85% tax on premiums for casualty insurance.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.

GASB 68

Net Pension Liability

The measurement date is September 30, 2017.

The measurement period for the pension expense was October 1, 2016 to September 30, 2017.

The reporting period is October 1, 2017 through September 30, 2018.

The Sponsor's Net Pension Liability was measured as of September 30, 2017.

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, 2016 updated to September 30, 2017 using the following actuarial assumptions:

Inflation	2.70%
Salary Increases	Service based
Discount Rate	7.50%
Investment Rate of Return	7.50%

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 most recent actuarial experience study used to review the other significant assumptions was dated May 2, 2012.

The Long-Term Expected Rate of Return on Pension Plan investments can be 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 2017 the inflation rate assumption of the investment advisor was 2.60%.

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 geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2017 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	35%	7.00%
International Equity	15%	3.70%
Bonds	30%	4.00%
Convertibles	10%	6.00%
REITS	5%	6.80%
MLPs	5%	9.70%
<u>Total</u>	<u>100%</u>	

GASB 68

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.50 percent.

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

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2017	\$ 23,097,159	\$ 17,505,610	\$ 5,591,549
Changes for a Year:			
Service Cost	432,384	-	432,384
Interest	1,688,084	-	1,688,084
Differences between Expected and Actual Experience	(35,929)	-	(35,929)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,124,726	(1,124,726)
Contributions - State	-	82,263	(82,263)
Contributions - Employee	-	134,446	(134,446)
Net Investment Income	-	1,682,372	(1,682,372)
Benefit Payments, including Refunds of Employee Contributions	(2,043,514)	(2,043,514)	-
Administrative Expense	-	(45,206)	45,206
Net Changes	41,025	935,087	(894,062)
Reporting Period Ending September 30, 2018	\$ 23,138,184	\$ 18,440,697	\$ 4,697,487

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability	\$ 7,774,385	\$ 4,697,487	\$ 2,186,916

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

**FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2017**

For the year ended September 30, 2017, the Sponsor has recognized a Pension Expense of \$1,123,331. 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	29,278	215,694
Changes of assumptions	445,596	-
Net difference between Projected and Actual Earnings on Pension Plan investments	616,443	-
Employer and State contributions subsequent to the measurement date	1,206,989	-
Total	\$ 2,298,306	\$ 215,694

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2017. 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	\$	291,535
2019	\$	291,536
2020	\$	378,134
2021	\$	(85,582)
2022	\$	-
Thereafter	\$	-

Payable to the Pension Plan

On September 30, 2016, the Sponsor reported a payable of \$42,959 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2016.

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2018**

For the year ended September 30, 2018, the Sponsor will recognize a Pension Expense of \$951,186.

On September 30, 2018, 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	14,639	172,540
Changes of assumptions	297,064	-
Net difference between Projected and Actual Earnings on Pension Plan investments	98,201	-
Employer and State contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 172,540

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, 2018. 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:		
2019	\$	204,855
2020	\$	291,453
2021	\$	(172,263)
2022	\$	(86,681)
2023	\$	-
Thereafter	\$	-

Payable to the Pension Plan

On September 30, 2017, the Sponsor reported a payable of \$175,446 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2017.

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

Reporting Period Ending Measurement Date	09/30/2018 09/30/2017	09/30/2017 09/30/2016	09/30/2016 09/30/2015
Total Pension Liability			
Service Cost	432,384	492,835	469,734
Interest	1,688,084	1,620,290	1,528,830
Change in Excess State Money	-	(27,317)	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(35,929)	(287,593)	58,554
Changes of assumptions	-	594,128	-
Benefit Payments, including Refunds of Employee Contributions	(2,043,514)	(867,064)	(854,438)
Net Change in Total Pension Liability	41,025	1,525,279	1,202,680
Total Pension Liability - Beginning	23,097,159	21,571,880	20,369,200
Total Pension Liability - Ending (a)	<u>\$ 23,138,184</u>	<u>\$ 23,097,159</u>	<u>\$ 21,571,880</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,124,726	1,050,108	1,138,692
Contributions - State	82,263	85,154	77,754
Contributions - Employee	134,446	117,033	108,536
Net Investment Income	1,682,372	1,607,425	(730,080)
Benefit Payments, including Refunds of Employee Contributions	(2,043,514)	(867,064)	(854,438)
Administrative Expense	(45,206)	(42,535)	(41,503)
Net Change in Plan Fiduciary Net Position	935,087	1,950,121	(301,039)
Plan Fiduciary Net Position - Beginning	17,505,610	15,555,489	15,856,528
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,440,697</u>	<u>\$ 17,505,610</u>	<u>\$ 15,555,489</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,697,487</u>	<u>\$ 5,591,549</u>	<u>\$ 6,016,391</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	79.70%	75.79%	72.11%
Covered Employee Payroll ¹	\$ 1,680,575	\$ 1,462,915	\$ 1,599,122
Net Pension Liability as a percentage of Covered Employee Payroll	279.52%	382.22%	376.23%

Notes to Schedules:

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

Changes of assumptions:

For measurement date 09/30/2016, amounts reported as changes of assumptions resulted from the following changes:

- 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 salary increase assumption was changed from a flat 7.00% per year to one based on service. This change was adopted based on the results of our April 29, 2016 Special Actuarial Analysis.
- The inflation assumption rate was lowered from 3.00% to 2.70%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

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

Reporting Period Ending	09/30/2015	09/30/2014
Measurement Date	<u>09/30/2014</u>	<u>09/30/2013</u>
Total Pension Liability		
Service Cost	509,101	473,582
Interest	1,445,430	1,373,741
Change in Excess State Money	-	-
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(751,882)</u>	<u>(1,102,107)</u>
Net Change in Total Pension Liability	1,202,649	745,216
Total Pension Liability - Beginning	<u>19,166,551</u>	<u>18,421,335</u>
Total Pension Liability - Ending (a)	<u>\$ 20,369,200</u>	<u>\$ 19,166,551</u>
Plan Fiduciary Net Position		
Contributions - Employer	961,952	2,072,711
Contributions - State	65,862	62,542
Contributions - Employee	114,679	105,628
Net Investment Income	1,564,849	1,435,540
Benefit Payments, including Refunds of Employee Contributions	(751,882)	(1,102,107)
Administrative Expense	<u>(38,332)</u>	<u>(32,304)</u>
Net Change in Plan Fiduciary Net Position	1,917,128	2,542,010
Plan Fiduciary Net Position - Beginning	<u>13,939,400</u>	<u>11,397,390</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 15,856,528</u>	<u>\$ 13,939,400</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,512,672</u>	<u>\$ 5,227,151</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	77.85%	72.73%
Covered Employee Payroll ¹	\$ 1,433,491	\$ 1,320,347
Net Pension Liability as a percentage of Covered Employee Payroll	314.80%	395.89%

Notes to Schedules:

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

	09/30/2017	09/30/2016	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	1,206,989	1,162,579	967,464	1,027,813	729,756
From Excess State Money Reserve	-	27,317	-	-	-
Contributions in relation to the					
Actuarially Determined Contributions	1,206,989	1,135,262	1,216,446	1,027,813	2,135,253
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (248,982)	\$ -	\$ (1,405,497)
Covered Employee Payroll ¹	\$ 1,680,575	\$ 1,462,915	\$ 1,599,122	\$ 1,433,491	\$ 1,320,347
Contributions as a percentage of					
Covered Employee Payroll	71.82%	77.60%	76.07%	71.70%	161.72%

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: 10/01/2015

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: 20 Years (as of 10/01/2015).
 Mortality: RP 2000 Combined Healthy – Sex Distinct. 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: 7.50% 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.
 Retirement Age: Two years after the earlier of Age 60 with 5 years of service, age 55 with 10 years of service, or 25 years of service regardless of age. Also, any member who has reached Normal Retirement plus two years is assumed to continue employment for one additional year. We feel this is reasonable based upon plan provisions.
 Early Retirement: Commencing at eligibility for Early Retirement (age 50), members are assumed to retire with an immediate benefit at the rate of 2% per year. We feel this is reasonable based upon plan provisions.
 Disability Rates: See table on following page (1202). It is assumed that 75% of disablements and active Member deaths are service related. The assumed rates of disablement were developed from those used by other plans containing Florida municipal Police Officers.

Termination Rates:	Credited Service	Termination Probability
	0-1	15%
	2-4	10%
	5+	0%

The assumed rates of termination were approved by the Board in conjunction with an actuarial experience analysis dated May 2, 2013.

GASB 68

Salary Increases: 7.00% per year until the assumed retirement age. Projected salary in the year of retirement is increased 10% for Members who had 10 or more years of Credited Service as of September 30, 2011 and 5% for Members who had less than 10 years of Credited Service as of September 30, 2011. These increases are to account for non-regular compensation. Also, we feel the assumed rates of salary increase are reasonable based upon long-term expectations.

Cost-of-Living Adjustment: 3.0% automatic COLA to Normal and Early Retirees, beginning one year after retirement.

Payroll Growth Assumption: None.

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

Disability Rate Table:

Age	% Becoming Disabled During the Year
20	0.051%
30	0.058%
40	0.121%
50	0.429%

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2017

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 6,016,391	\$ 303,710	\$ 2,727,506	\$ -
Employer and State Contributions made after 09/30/2016	-	-	1,206,989	-
Total Pension Liability Factors:				
Service Cost	492,835	-	-	492,835
Interest	1,620,290	-	-	1,620,290
Change in Excess State Money	(27,317)	-	-	(27,317)
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(287,593)	287,593	-	-
Current year amortization of experience difference	-	(71,899)	(14,638)	(57,261)
Change in assumptions about future economic or demographic factors or other inputs	594,128	-	594,128	-
Current year amortization of change in assumptions	-	-	(148,532)	148,532
Benefit Payments, including Refunds of Employee Contributions	(867,064)	-	-	-
Net change	<u>1,525,279</u>	<u>215,694</u>	<u>1,637,947</u>	<u>2,177,079</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,050,108	-	(1,050,108)	-
Contributions - State	85,154	-	(85,154)	-
Contributions - Employee	117,033	-	-	(117,033)
Projected Net Investment Income	1,179,513	-	-	(1,179,513)
Difference between projected and actual earnings on Pension Plan investments	427,912	427,912	-	-
Current year amortization	-	(186,819)	(387,082)	200,263
Benefit Payments, including Refunds of Employee Contributions	(867,064)	-	-	-
Administrative Expenses	(42,535)	-	-	42,535
Net change	<u>1,950,121</u>	<u>241,093</u>	<u>(1,522,344)</u>	<u>(1,053,748)</u>
Ending Balance	<u>\$ 5,591,549</u>	<u>\$ 760,497</u>	<u>\$ 2,843,109</u>	<u>\$ 1,123,331</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2018

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 5,591,549	\$ 760,497	\$ 2,843,109	\$ -
Employer and State Contributions made after 09/30/2017	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	432,384	-	-	432,384
Interest	1,688,084	-	-	1,688,084
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(35,929)	35,929	-	-
Current year amortization of experience difference	-	(79,083)	(14,639)	(64,444)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(148,532)	148,532
Benefit Payments, including Refunds of Employee Contributions	(2,043,514)	-	-	-
Net change	<u>41,025</u>	<u>(43,154)</u>	<u>(163,171)</u>	<u>2,204,556</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,124,726	-	(1,124,726)	-
Contributions - State	82,263	-	(82,263)	-
Contributions - Employee	134,446	-	-	(134,446)
Projected Net Investment Income	1,284,898	-	-	(1,284,898)
Difference between projected and actual earnings on Pension Plan investments	397,474	397,474	-	-
Current year amortization	-	(266,314)	(387,082)	120,768
Benefit Payments, including Refunds of Employee Contributions	(2,043,514)	-	-	-
Administrative Expenses	(45,206)	-	-	45,206
Net change	<u>935,087</u>	<u>131,160</u>	<u>(1,594,071)</u>	<u>(1,253,370)</u>
Ending Balance	<u>\$ 4,697,487</u>	<u>\$ 848,503</u>	<u>TBD</u>	<u>\$ 951,186</u>

* Employer and State Contributions subsequent to the measurement date made after September 30, 2017 but made on or before September 30, 2018 need to be added.

AMORTIZATION SCHEDULE - INVESTMENTS

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

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2014	\$ (506,184)	5	\$ (101,236)	\$ (101,237)	\$ (101,237)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 1,935,409	5	\$ 387,082	\$ 387,082	\$ 387,082	\$ 387,082	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (427,912)	5	\$ (85,583)	\$ (85,583)	\$ (85,582)	\$ (85,582)	\$ (85,582)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (397,474)	5	\$ -	\$ (79,494)	\$ (79,495)	\$ (79,495)	\$ (79,495)	\$ (79,495)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			<u>\$ 200,263</u>	<u>\$ 120,768</u>	<u>\$ 120,768</u>	<u>\$ 222,005</u>	<u>\$ (165,077)</u>	<u>\$ (79,495)</u>	<u>\$ -</u>				

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)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2016	\$ 594,128	4	\$ 148,532	\$ 148,532	\$ 148,532	\$ 148,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 148,532	\$ 148,532	\$ 148,532	\$ 148,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience											
			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
2015	\$ 58,554	4	\$ 14,638	\$ 14,639	\$ 14,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (287,593)	4	\$ (71,899)	\$ (71,898)	\$ (71,898)	\$ (71,898)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (35,929)	5	\$ -	\$ (7,185)	\$ (7,186)	\$ (7,186)	\$ (7,186)	\$ (7,186)	\$ (7,186)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (57,261)	\$ (64,444)	\$ (64,445)	\$ (79,084)	\$ (7,186)	\$ (7,186)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -