



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

February 11, 2016

Linda Runkle, Plan Administrator
City of Venice
Municipal Police Officers' Pension Trust Fund
The Pension Resource Centers, Inc.
815 Nicholas Pkwy
Cape Coral, FL 33915

RE: GASB Statement No. 67 and No. 68– City of Venice Municipal Police Officers' Pension Trust Fund

Dear Board:

We are pleased to present to the Board a GASB Statement No. 67 and No. 68 measured as of September 30, 2015 for the City of Venice Municipal Police Officers' Pension Trust Fund.

The calculation of the liability associated with the benefits referenced in this report was performed for the purpose of satisfying the requirements of GASB No.67 and No.68 and is not applicable for purposes, such as determining the plans' funding requirements. A calculation of the plan's liability for other purposes may produce significantly different results.

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, 2014. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30th, 2015 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purposes are internally consistent, reasonable, and comply with the requirements under GASB No.67 and No.68.

Certain schedules should include a 10-year history of information. As provided for in GASB No. 67 and No.68, this historical information is only presented for the years in which the information was measured in conformity with the requirements of GASB No. 67. The historical information in this report will begin with the information presented for the fiscal year ending September 30th, 2015.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods.

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

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	405,733
Total Cash and Equivalents	405,733
Receivables:	
Member Contributions in Transit	1,472
City Contributions in Transit	13,253
City Contributions	1,377,398
Retirement Benefit	280
Investment Income	50,632
Total Receivable	1,443,035
Investments:	
U. S. Bonds and Bills	1,069,782
Federal Agency Guaranteed Securities	545,922
Corporate Bonds	6,319,517
Stocks	20,254,915
Mutual Funds:	
Total Investments	28,190,136
Total Assets	30,038,904
<u>LIABILITIES</u>	
Payables:	
Unearned Revenue	18,706
Total Liabilities	18,706
NET POSITION RESTRICTED FOR PENSIONS	30,020,198

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

ADDITIONS

Contributions:

Member	40,508	
City	1,753,275	
State	189,276	
 Total Contributions		 1,983,059
 Investment Income:		
Net Increase in Fair Value of Investments	(1,861,325)	
Interest & Dividends	557,915	
Less Investment Expense ¹	(178,004)	
 Net Investment Income		 (1,481,414)
 Total Additions		 501,645

DEDUCTIONS

Distributions to Members:

Benefit Payments	2,214,666	
Lump Sum DROP Distributions	0	
Refunds of Member Contributions	26,181	
 Total Distributions		 2,240,847
 Administrative Expense		 73,554
 Total Deductions		 2,314,401
 Net Increase in Net Position		 (1,812,756)
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		31,832,954
 End of the Year		 30,020,198

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

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

Plan Description

Plan Administration

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

- 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.

Full-time, sworn police officers shall participate in the System as a condition of employment. Officers hired after September 30, 2014 shall participate in the Florida Retirement System. Members active on September 30, 2014 have the option of participating prospectively in the Florida Retirement System.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	54
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5
Active Plan Members	38
	97

Benefits Provided

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

Normal Retirement:

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

Benefit: 3.50% of Average Final Compensation times Credited Service through September 30, 2014, plus 2.75% of Average Final Compensation times Credited Service on and after October 1, 2014, plus \$175 per month supplement.

Members eligible for Normal Retirement as of October 1, 2014 will continue to accrue benefits under Plan provisions in effect prior to Ordinance No. 2014-23.

Early Retirement:

Date: 20 years of Credited Service, regardless of age. There is no Early Retirement option for Members with less than 10 years of Credited Service as of October 1, 2014.

Benefit: Accrued benefit, reduced 2% per year preceding Normal Retirement Date.

Vesting (Termination):

Members are 100% vested in benefits accrued prior to October 1, 2014.

Disability:

Eligibility: Total and Permanent as determined by the Board.

Service Incurred: Covered from Date of Employment.

Non-Service Incurred: 5 years of Credited Service.

Benefit: 62.5% (Service Incurred), or 50% (Non-Service Incurred) of Salary (base hourly pay, plus shift differential plus incentive pay) at time of disability plus \$175 per month. Paid as a 100% Joint and Survivor Annuity.

Pre-Retirement Death Benefits:

Service Incurred: Covered from Date of Employment. 62.5% of earnings paid to spouse until death, or, if no spouse, in equal shares to dependent children.

Non-Service Incurred: Eligible after 5 years of Credited Service. 50% of earnings paid to spouse until death or remarriage, or, if no spouse, in equal shares to dependent children.

Contributions

Member Contributions: 7.00% of Salary.

City and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years. In no event will City contributions be less than 12% of the total Salary of the Members.

Investments

Investment Policy:

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
International Equity	15%
Broad Market Fixed Income	25%
Real Estate	10%
Total	100%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2015, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was -4.79 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 (earlier of 1) Age 50 and 10 years of Credited Service, or 2) 25 years of Credited Service.)

Participation: Not to exceed 60 months.

Rate of Return: At member's election:

- a) an effective annual rate of 6.5%, or
- b) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.

The DROP balance as September 30, 2015 is \$888,886.

NET PENSION LIABILITY OF THE SPONSOR

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

Total Pension Liability	\$ 40,447,045
Plan Fiduciary Net Position	\$ (30,020,198)
Sponsor's Net Pension Liability	<u>\$ 10,426,847</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	74.22%

Actuarial Assumptions:

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

Inflation	3.00%
Salary Increases	5.50% - 10.00%
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate: RP2000 Combined Healthy without projection, sex distinct. Disabled lives are set forward 5 years. We feel this assumption sufficiently accommodates expected future mortality improvements.

The significant assumptions are based upon the most recent experience study performed on December 9, 2011, for the period 1991-2010.

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.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.5%
International Equity	8.5%
Broad Market Fixed Income	2.5%
Real Estate	2.5%

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

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

	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 14,716,284	\$ 10,426,847	\$ 6,806,372

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

	<u>09/30/2015</u>	<u>09/30/2014</u>
Total Pension Liability		
Service Cost	597,047	560,060
Interest	2,850,130	2,760,145
Changes of benefit terms	174,206	(1,837,786)
Differences between Expected and Actual Experience	(638,090)	-
Changes of assumptions	3,277,827	-
Contributions - Buy Back	-	17,465
Benefit Payments, including Refunds of Employee Contributions	<u>(2,240,847)</u>	<u>(2,578,773)</u>
Net Change in Total Pension Liability	4,020,273	(1,078,889)
Total Pension Liability - Beginning	<u>36,426,772</u>	<u>37,505,661</u>
Total Pension Liability - Ending (a)	<u>\$ 40,447,045</u>	<u>\$ 36,426,772</u>
Plan Fiduciary Net Position		
Contributions - Employer	1,753,275	1,651,993
Contributions - State	189,276	178,617
Contributions - Employee	40,508	205,801
Contributions - Buy Back	-	17,465
Net Investment Income	(1,481,414)	3,307,423
Benefit Payments, including Refunds of Employee Contributions	(2,240,847)	(2,578,773)
Administrative Expense	<u>(73,554)</u>	<u>(62,991)</u>
Net Change in Plan Fiduciary Net Position	(1,812,756)	2,719,535
Plan Fiduciary Net Position - Beginning	<u>31,832,954</u>	<u>29,113,419</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 30,020,198</u>	<u>\$ 31,832,954</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 10,426,847</u>	<u>\$ 4,593,818</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.22%	87.39%
Covered Employee Payroll	\$ 761,681	N/A
Net Pension Liability as a percentage of Covered Employee Payroll	1368.93%	N/A

Notes to Schedule:*Changes of benefit terms:*

For the 2014 Fiscal year, amounts reported as changes of benefit terms were resulted from the March 6, 2015 Actuarial Impact Statement.

For the 2015 Fiscal year, amounts reported as changes of benefit terms were resulted from the Ordinance 2015-17, adopted and effective June 23, 2015, amended the definition of Salary, in addition to providing 100% vesting in benefits accrued prior to October 1, 2014.

Changes of assumptions:

For the 2015 Fiscal year, amounts reported as changes of assumptions were resulted from:

- The net-of-fees investment return assumption was lowered from 7.9% to 7.0%.
- The Final Salary Load assumption was increased from 0% to the below table, based on census data provided by the City:

Service as of 10/1/2012 Final Salary Load

10 or more years 20.0%

More than 1, less than 10 years 10.0%

Less than 1 year 0.0%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014
Actuarially Determined Contribution	1,942,551	1,818,711
Contributions in relation to the Actuarially Determined Contributions	1,942,551	1,830,610
Contribution Deficiency (Excess)	\$ -	\$ (11,899)
Covered Employee Payroll	\$ 761,681	\$ 2,838,631
Contributions as a percentage of Covered Employee Payroll	255.03%	64.49%

Notes to Schedule

Valuation Date: 10/01/2013 (AIS 03/06/2015)
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. The following loads are applied for determination of the Sponsor dollar funding requirement:
Interest – A half year, based on the current 7.9% assumption.
Salary – A full year, based on the current 7.4% assumption.

Amortization Method: Level Percentage of Pay, Closed.
Remaining Amortization Period: 29 Years (as of 10/01/2013).
Mortality Rate: RP2000 Combined Healthy without projection, sex distinct. Disabled lives are set forward five years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

Termination Rates: See table on following page (1304).
Disability Rates: See table on following page (1205). It is assumed that 75% of disablements and active deaths that occur are service-related.

Retirement Age: Earlier of age 50 and 10 years of service or 25 years of service regardless of age. Also, any member who has reached Normal Retirement Age is assumed to retire at a rate of 25% for the first three years upon attaining first eligibility, and a rate of 100% thereafter.

Early Retirement: Commencing at the member’s eligibility for Early Retirement (20 years of Credited Service), members are assumed to retire with an immediate, subsidized benefit at the rate of 10% per year.

Inflation: 3.0% per year.
Interest Rate: 7.9%, compounded annually, net of investment related expenses.
Salary Increases: 10.0% for Members with less than 10 years of service, and 5.5% with 10 or more years of service.
Additionally, projected salary at retirement is increased as follows for non-regular payments:

Service as of 10/01/2012	Final Salary Load
10 or more years	20.0%
More than 1, less than 10 years	10.0%
Less than 1 year	0.0%

Payroll Growth: Up to 0.2% or the actual ten-year average payroll growth average for all existing bases as of 10/1/2010. Beginning 10/1/2011, all future bases will be amortized using no payroll growth assumption.

GASB 67

Asset Smoothing Methodology:

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	15.0%	0.14%
30	11.0%	0.18%
40	7.0%	0.30%
50	3.5%	1.00%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2015</u>	<u>09/30/2014</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	-4.79%	11.57%

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

General Information about the Pension Plan

Plan Description

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

- 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.

Full-time, sworn police officers shall participate in the System as a condition of employment. Officers hired after September 30, 2014 shall participate in the Florida Retirement System. Members active on September 30, 2014 have the option of participating prospectively in the Florida Retirement System.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	54
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5
Active Plan Members	38
	97

Benefits Provided

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

Normal Retirement:

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

Benefit: 3.50% of Average Final Compensation times Credited Service through September 30, 2014, plus 2.75% of Average Final Compensation times Credited Service on and after October 1, 2014, plus \$175 per month supplement.

Members eligible for Normal Retirement as of October 1, 2014 will continue to accrue benefits under Plan provisions in effect prior to Ordinance No. 2014-23.

Early Retirement:

Date: 20 years of Credited Service, regardless of age. There is no Early Retirement option for Members with less than 10 years of Credited Service as of October 1, 2014.

Benefit: Accrued benefit, reduced 2% per year preceding Normal Retirement Date.

Vesting (Termination):

Members are 100% vested in benefits accrued prior to October 1, 2014.

Disability:

Eligibility: Total and Permanent as determined by the Board.

Service Incurred: Covered from Date of Employment.

Non-Service Incurred: 5 years of Credited Service.

Benefit: 62.5% (Service Incurred), or 50% (Non-Service Incurred) of Salary (base hourly pay, plus shift differential plus incentive pay) at time of disability plus \$175 per month. Paid as a 100% Joint and Survivor Annuity.

Pre-Retirement Death Benefits:

Service Incurred: Covered from Date of Employment. 62.5% of earnings paid to spouse until death, or, if no spouse, in equal shares to dependent children.

Non-Service Incurred: Eligible after 5 years of Credited Service. 50% of earnings paid to spouse until death or remarriage, or, if no spouse, in equal shares to dependent children.

Contributions

Member Contributions: 7.00% of Salary.

City and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years. In no event will City contributions be less than 12% of the total Salary of the Members.

Net Pension Liability

The measurement date is September 30, 2015.

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

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

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

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

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

Inflation	3.00%
Salary Increases	5.50% - 10.00%
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate: RP2000 Combined Healthy without projection, sex distinct. Disabled lives are set forward 5 years. We feel this assumption sufficiently accommodates expected future mortality improvements.

The significant assumptions are based upon the most recent experience study performed on December 9, 2011, for the period 1991-2010.

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.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50%	7.50%
International Equity	15%	8.50%
Broad Market Fixed Income	25%	2.50%
Real Estate	10%	2.50%
Total	100%	

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

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

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2015	\$ 36,426,772	\$ 31,832,954	\$ 4,593,818
Changes for a Year:			
Service Cost	597,047	-	597,047
Interest	2,850,130	-	2,850,130
Differences between Expected and Actual Experience	(638,090)	-	(638,090)
Changes of assumptions	3,277,827	-	3,277,827
Changes of benefit terms	174,206	-	174,206
Contributions - Employer	-	1,753,275	(1,753,275)
Contributions - State	-	189,276	(189,276)
Contributions - Employee	-	40,508	(40,508)
Net Investment Income	-	(1,481,414)	1,481,414
Benefit Payments, including Refunds of Employee Contributions	(2,240,847)	(2,240,847)	-
Administrative Expense	-	(73,554)	73,554
Net Changes	4,020,273	(1,812,756)	5,833,029
Reporting Period Ending September 30, 2016	\$ 40,447,045	\$ 30,020,198	\$ 10,426,847

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 14,716,284	\$ 10,426,847	\$ 6,806,372

Pension Plan Fiduciary Net Position.

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

**PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS**

For the year ended September 30, 2016, the Sponsor will recognize a Pension Expense of \$2,623,115.

On September 30, 2016, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	425,394
Changes of assumptions	2,185,218	-
Net difference between Projected and Actual Earnings on Pension Plan investments	2,568,093	-
Employer and State Contributions subsequent to the measurement date	2,268,143	-
Total	\$ 7,021,454	\$ 425,394

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

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:				
2017		\$	1,470,401	
2018		\$	1,470,401	
2019		\$	590,489	
2020		\$	796,626	
2021		\$	-	
Thereafter		\$	-	

Payable to the Pension Plan

On September 30, 2015, the Sponsor reported a payable of \$1,377,398 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2015.

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

Reporting Period Ending	09/30/2016	09/30/2015
Measurement Date	<u>09/30/2015</u>	<u>09/30/2014</u>
Total Pension Liability		
Service Cost	597,047	560,060
Interest	2,850,130	2,760,145
Changes of benefit terms	174,206	(1,837,786)
Differences between Expected and Actual Experience	(638,090)	-
Changes of assumptions	3,277,827	-
Contributions - Buy Back	-	17,465
Benefit Payments, including Refunds of Employee Contributions	<u>(2,240,847)</u>	<u>(2,578,773)</u>
Net Change in Total Pension Liability	4,020,273	(1,078,889)
Total Pension Liability - Beginning	<u>36,426,772</u>	<u>37,505,661</u>
Total Pension Liability - Ending (a)	<u>\$ 40,447,045</u>	<u>\$ 36,426,772</u>
Plan Fiduciary Net Position		
Contributions - Employer	1,753,275	1,651,993
Contributions - State	189,276	178,617
Contributions - Employee	40,508	205,801
Contributions - Buy Back	-	17,465
Net Investment Income	(1,481,414)	3,307,423
Benefit Payments, including Refunds of Employee Contributions	(2,240,847)	(2,578,773)
Administrative Expense	<u>(73,554)</u>	<u>(62,991)</u>
Net Change in Plan Fiduciary Net Position	(1,812,756)	2,719,535
Plan Fiduciary Net Position - Beginning	<u>31,832,954</u>	<u>29,113,419</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 30,020,198</u>	<u>\$ 31,832,954</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 10,426,847</u>	<u>\$ 4,593,818</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.22%	87.39%
Covered Employee Payroll	\$ 761,681	N/A
Net Pension Liability as a percentage of Covered Employee Payroll	1368.93%	N/A

Notes to Schedule:

Changes of benefit terms:

For the 2015 Reporting Period Ending year, amounts reported as changes of benefit terms were resulted from the March 6, 2015 Actuarial Impact Statement.

For the 2016 Reporting Period Ending year, amounts reported as changes of benefit terms were resulted from the Ordinance 2015-17, adopted and effective June 23, 2015, amended the definition of Salary, in addition to providing 100% vesting in benefits accrued prior to October 1, 2014.

Changes of assumptions:

For the 2016 Reporting Period Ending year, amounts reported as changes of assumptions were resulted from:

- The net-of-fees investment return assumption was lowered from 7.9% to 7.0%.
- The Final Salary Load assumption was increased from 0% to the below table, based on census data provided by the City:

Service as of 10/1/2012 Final Salary Load

10 or more years 20.0%

More than 1, less than 10 years 10.0%

Less than 1 year 0.0%

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Reporting Period Ending	09/30/2016	09/30/2015
Measurement Date	09/30/2015	09/30/2014
Actuarially Determined Contribution	1,942,551	1,818,711
Contributions in relation to the Actuarially Determined Contributions	1,942,551	1,830,610
Contribution Deficiency (Excess)	\$ -	\$ (11,899)
Covered Employee Payroll	\$ 761,681	\$ 2,838,631
Contributions as a percentage of Covered Employee Payroll	255.03%	64.49%

Notes to Schedule

Valuation Date: 10/01/2013 (AIS 03/06/2015)
 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. The following loads are applied for determination of the Sponsor dollar funding requirement:
 Interest – A half year, based on the current 7.9% assumption.
 Salary – A full year, based on the current 7.4% assumption.

Amortization Method: Level Percentage of Pay, Closed.
 Remaining Amortization Period: 29 Years (as of 10/01/2013).
 Mortality Rate: RP2000 Combined Healthy without projection, sex distinct. Disabled lives are set forward five years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

Termination Rates: See table on following page (1304).
 Disability Rates: See table on following page (1205). It is assumed that 75% of disablements and active deaths that occur are service-related.

Retirement Age: Earlier of age 50 and 10 years of service or 25 years of service regardless of age. Also, any member who has reached Normal Retirement Age is assumed to retire at a rate of 25% for the first three years upon attaining first eligibility, and a rate of 100% thereafter.

Early Retirement: Commencing at the member’s eligibility for Early Retirement (20 years of Credited Service), members are assumed to retire with an immediate, subsidized benefit at the rate of 10% per year.

Inflation: 3.0% per year.
 Interest Rate: 7.9%, compounded annually, net of investment related expenses.
 Salary Increases: 10.0% for Members with less than 10 years of service, and 5.5% with 10 or more years of service.
 Additionally, projected salary at retirement is increased as follows for non-regular payments:

Service as of 10/01/2012	Final Salary Load
10 or more years	20%
More than 1, less than 10 years	10%
Less than 1 year	0%

Payroll Growth: Up to 0.2% or the actual ten-year average payroll growth average for all existing bases as of 10/1/2010. Beginning 10/1/2011, all future bases will be amortized using no payroll growth assumption.

GASB 68

Asset Smoothing Methodology: The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	15.00%	0.14%
30	11.00%	0.18%
40	7.00%	0.30%
50	3.50%	1.00%

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2015

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 8,392,242	\$ -	\$ 1,830,610	\$ -
Employer and State Contributions made after 09/30/2014	-	-	1,942,551	-
Total Pension Liability Factors:				
Service Cost	560,060	-	-	560,060
Interest	2,760,145	-	-	2,760,145
Changes in benefit terms	(1,837,786)	-	-	(1,837,786)
Contributions - Buy Back	17,465	-	-	17,465
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	-	-	-	-
Current year amortization of experience difference	-	-	-	-
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(2,578,773)	-	-	(2,578,773)
Net change	<u>(1,078,889)</u>	<u>-</u>	<u>1,942,551</u>	<u>(1,078,889)</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,651,993	-	(1,651,993)	-
Contributions - State	178,617	-	(178,617)	-
Contributions - Employee	205,801	-	-	(205,801)
Contributions - Buy Back	17,465	-	-	(17,465)
Net Investment Income	2,276,739	-	-	(2,276,739)
Difference between projected and actual earnings on Pension Plan investments	1,030,684	1,030,684	-	-
Current year amortization	-	(206,137)	-	(206,137)
Benefit Payments	(2,578,773)	-	-	2,578,773
Administrative Expenses	(62,991)	-	-	62,991
Net change	<u>2,719,535</u>	<u>824,547</u>	<u>(1,830,610)</u>	<u>(64,378)</u>
Ending Balance	<u>\$ 4,593,818</u>	<u>\$ 824,547</u>	<u>\$ 1,942,551</u>	<u>\$ (1,143,267)</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 4,593,818	\$ 824,547	\$ 1,942,551	\$ -
Employer and State Contributions made after 09/30/2015	-	-	2,268,143	-
Total Pension Liability Factors:				
Service Cost	597,047	-	-	597,047
Interest	2,850,130	-	-	2,850,130
Changes in benefit terms	174,206	-	-	174,206
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(638,090)	638,090	-	-
Current year amortization of experience difference	-	(212,696)	-	(212,696)
Change in assumptions about future economic or demographic factors or other inputs	3,277,827	-	3,277,827	-
Current year amortization of change in assumptions	-	-	(1,092,609)	1,092,609
Benefit Payments	(2,240,847)	-	-	(2,240,847)
Net change	<u>4,020,273</u>	<u>425,394</u>	<u>4,453,361</u>	<u>2,260,449</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,753,275	-	(1,753,275)	-
Contributions - State	189,276	-	(189,276)	-
Contributions - Employee	40,508	-	-	(40,508)
Net Investment Income	2,501,715	-	-	(2,501,715)
Difference between projected and actual earnings on Pension Plan investments	(3,983,129)	-	3,983,129	-
Current year amortization	-	(206,137)	(796,625)	590,488
Benefit Payments	(2,240,847)	-	-	2,240,847
Administrative Expenses	(73,554)	-	-	73,554
Net change	<u>(1,812,756)</u>	<u>(206,137)</u>	<u>1,243,953</u>	<u>362,666</u>
Ending Balance	<u>\$ 10,426,847</u>	<u>\$ 1,043,804</u>	<u>\$ 7,639,865</u>	<u>\$ 2,623,115</u>