

CITY OF AVON PARK  
POLICE OFFICERS' RETIREMENT SYSTEM

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2017

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

March 16, 2018

Board of Trustees  
c/o Brian Robinson, Plan Administrator  
1535 State Road 64 West, Suite 101  
Avon Park, FL 33825

Re: City of Avon Park  
Police Officers' Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Avon Park Police Officers' Retirement System. 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. Use of the results for other purposes may not be applicable and may produce significantly different results.

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 reflect 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 the valuations, 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 City of Avon Park and the Board of Trustees, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The 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 Avon Park, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Avon Park Police Officers' Retirement System. 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:   
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Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #17-7778

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Enclosures

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## SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Avon Park Police Officers' Retirement System, 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 ended September 30, 2019. Funding requirements assume that the City will make a lump sum deposit on October 1, 2018.

The contribution requirements, compared with those developed in the October 1, 2016 report, are as follows:

Valuation Date Applicable Plan/Fiscal Yr. End	<u>10/1/2017</u> <u>9/30/2019</u>	<u>10/1/2016</u> <u>9/30/2018</u>
Total Required Contribution	\$0	\$5,161
Member Contributions (Est.)	4,582	9,819
City and State Required Contribution	\$0	\$0
State Contribution (Est.) <sup>1</sup>	18,170	34,253
Balance from City <sup>1</sup>	\$0	\$0
Normal Cost Minimum Funding (City and State)	\$18,170	\$34,253

<sup>1</sup> Based on mutual consent, the State contribution is applied to reduce the City's required annual contribution. Any excess State contributions are allocated to member share accounts.


Experience since the prior valuation was near the Plan's actuarial assumptions, in total. The primary sources of favorable experience were greater than expected inactive mortality and smaller than expected average individual salary increases. This gain was largely offset by the effect of a 6.60% investment return (Actuarial Asset Basis) that fell short of the 8.00% assumption and active retirement experience.

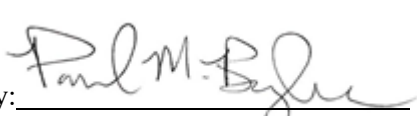
As a reminder, Plan funding is based on the assumption that the City deposits a lump sum payment at the beginning of each fiscal year. Accordingly, the City is required to deposit a lump sum payment of \$18,170, less the portion of the State Contribution sufficient for funding the City and State normal cost minimum funding requirement. Based on current levels, the City is expected to have no contribution requirement for the October 1, 2018 deposit date.

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:   
\_\_\_\_\_  
Douglas H. Lozen, EA, MAAA

By:   
\_\_\_\_\_  
Paul M. Baugher, FSA, EA, MAAA

## CHANGES SINCE PRIOR VALUATION

### Plan Changes

There have been no plan changes since the prior valuation.

### Actuarial Assumption/Method Changes

Since the prior valuation the mortality table has changed to comply with Chapter 2015-157, Laws of Florida to be the same rates as used in the July 1, 2016 Florida Retirement System (FRS) valuation for special risk lives. Previously the July 1, 2015 FRS rates for special risk lives were used.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2017</u>	<u>10/1/2016</u>
<b>A. Participant Data</b>		
Actives	1	3
Service Retirees	8	7
Beneficiaries	1	2
Disability Retirees	6	6
Terminated Vested	<u>14</u>	<u>13</u>
<b>Total</b>	<b>30</b>	<b>31</b>
Total Annual Payroll	\$86,453	\$185,255
Payroll Under Assumed Ret. Age	86,453	185,255
Annual Rate of Payments to:		
Service Retirees	216,197	176,233
Beneficiaries	5,715	16,193
Disability Retirees	114,543	113,386
Terminated Vested	96,636	96,636
<b>B. Assets</b>		
Actuarial Value (AVA) <sup>1</sup>	6,549,433	6,466,041
Market Value (MVA) <sup>1</sup>	6,525,239	6,139,238
<b>C. Liabilities</b>		
Present Value of Benefits		
Actives		
Retirement Benefits	640,939	1,183,162
Disability Benefits	1,056	3,331
Death Benefits	1,668	15,658
Vested Benefits	11,535	21,791
Refund of Contributions	0	1,954
Service Retirees	3,041,562	2,463,668
Beneficiaries	27,500	137,612
Disability Retirees	1,311,236	1,309,986
Terminated Vested	980,796	925,770
Share Plan Balances <sup>1</sup>	<u>47,876</u>	<u>47,639</u>
<b>Total</b>	<b>6,064,168</b>	<b>6,110,571</b>



C. Liabilities - (Continued)	<u>10/1/2017</u>	<u>10/1/2016</u>
Present Value of Future Salaries	169,574	796,979
Present Value of Future Member Contributions	8,479	39,849
Normal Cost (Retirement)	19,166	36,275
Normal Cost (Disability)	195	475
Normal Cost (Death)	463	2,599
Normal Cost (Vesting)	1,640	1,985
Normal Cost (Refunds)	<u>0</u>	<u>243</u>
Total Normal Cost	21,464	41,577
Present Value of Future Normal Costs	42,100	151,840
Accrued Liability (Retirement)	603,345	1,057,007
Accrued Liability (Disability)	674	1,166
Accrued Liability (Death)	761	3,695
Accrued Liability (Vesting)	8,318	11,934
Accrued Liability (Refunds)	0	254
Accrued Liability (Inactives)	5,361,094	4,837,036
Share Plan Balances <sup>1</sup>	<u>47,876</u>	<u>47,639</u>
Total Actuarial Accrued Liability (EAN AL)	6,022,068	5,958,731
Unfunded Actuarial Accrued Liability (UAAL)	(527,365)	(507,310)
Funded Ratio (AVA / EAN AL)	108.8%	108.5%

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2017</u>	<u>10/1/2016</u>
Vested Accrued Benefits		
Inactives + Share Plan Balances <sup>1</sup>	5,408,970	4,884,675
Actives	494,018	684,758
Member Contributions	<u>46,553</u>	<u>85,462</u>
Total	5,949,541	5,654,895
Non-vested Accrued Benefits	<u>0</u>	<u>171,567</u>
Total Present Value		
Accrued Benefits (PVAB)	5,949,541	5,826,462
Funded Ratio (MVA / PVAB)	109.7%	105.4%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	25,263	
Benefits Paid	(354,136)	
Interest	451,952	
Other	<u>0</u>	
Total	123,079	

Valuation Date Applicable to Fiscal Year Ending	10/1/2017 <u>9/30/2019</u>	10/1/2016 <u>9/30/2018</u>
E. Pension Cost		
Normal Cost <sup>2</sup>	\$22,752	\$44,072
Administrative Expenses <sup>2</sup>	57,964	34,359
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2017) <sup>2</sup>	(81,634)	(73,270)
Total Required Contribution	(918)	5,161
Expected Member Contributions <sup>2</sup>	4,582	9,819
Expected City and State Contribution	0	0
F. Past Contributions		
Plan Years Ending:	<u>9/30/2017</u>	
City and State Requirement	35,124 <sup>3</sup>	
Actual Contributions Made:		
Members (excluding buyback)	7,358	
City	10,475	
State	<u>35,124</u>	
Total	52,957	
G. Net Actuarial (Gain)/Loss	(1,566)	

<sup>1</sup> The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2017 and 9/30/2016.

<sup>2</sup> Contribution rates include an assumed salary increase, based on a beginning of year funding method.

<sup>3</sup> Based on the statutory Normal Cost minimum.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u> <sup>1</sup>
2017	(527,365)

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	-1.30%	6.00%
Year Ended	9/30/2016	-5.10%	6.00%
Year Ended	9/30/2015	11.02%	6.00%

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	6.60%	8.00%
Year Ended	9/30/2016	6.99%	8.00%
Year Ended	9/30/2015	9.14%	8.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2017	\$86,453
	10/1/2007	1,051,409
(b) Total Increase		-91.78%
(c) Number of Years		10.00
(d) Average Annual Rate		-22.11%

<sup>1</sup> Based on current State law, no amortization credit will be available to offset the City's funding requirements.

STATEMENT BY ENROLLED ACTUARY

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



Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #17-7778

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

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

Mr. Steve Bardin  
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	(\$507,310)
(2) Sponsor Normal Cost developed as of October 1, 2016	32,314
(3) Expected administrative expenses for the year ended September 30, 2017	32,414
(4) Expected interest on (1), (2) and (3)	(36,703)
(5) Sponsor contributions to the System during the year ended September 30, 2017	45,599
(6) Expected interest on (5)	915
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2017 (1)+(2)+(3)+(4)-(5)-(6)	(525,799)
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	(1,566)
(10) Unfunded Actuarial Accrued Liability as of October 1, 2017	(527,365)

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2017 Amount</u>	<u>Amortization Amount</u>
method change	10/1/2007	5	(131,878)	(30,583)
actuarial loss	10/1/2008	1	16,073	16,073
method change	10/1/2008	11	48,497	6,290
actuarial loss	10/1/2009	2	18,975	9,852
reconciliation base	10/1/2010	13	10,628	1,245
actuarial loss	10/1/2010	3	62,351	22,402
assum. change	10/1/2010	13	20,605	2,414
actuarial loss	10/1/2011	4	55,178	15,425
actuarial gain	10/1/2012	5	(12,229)	(2,836)
benefit change	10/1/2012	25	954	83
actuarial gain	10/1/2013	6	(49,772)	(9,969)
actuarial gain	10/1/2014	7	(394,113)	(70,091)
actuarial gain	10/1/2015	8	(275,113)	(44,328)
actuarial gain	10/1/2016	9	(54,151)	(8,026)
assum. change	10/1/2016	19	158,196	15,252
actuarial gain	10/1/2017	10	<u>(1,566)</u>	<u>(216)</u>
			(527,365)	(77,013)

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2016	(\$507,310)
(2) Expected UAAL as of October 1, 2017	(525,799)
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	88,240
Salary Increases	(23,238)
Active Decrements	38,208
Inactive Mortality	(88,252)
Other	<u>(16,524)</u>
Increase in UAAL due to (Gain)/Loss	(1,566)
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2017	(\$527,365)

## ACTUARIAL ASSUMPTIONS AND METHODS

### Mortality Rate

#### *Healthy Active Lives:*

**Female:** RP2000 Generational, 100% Combined Healthy (previously annuitant) White Collar, Scale BB  
**Male:** RP2000 Generational, 10% Combined Healthy (previously annuitant) White Collar / 90% Combined Healthy (previously annuitant) 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 above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2016 FRS valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

### Interest Rate

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

### Retirement Age

Hired On/Before 4/27/2014

Earlier of age 55 and 10 years of service, the completion of 20 years of service, regardless of age or attainment of age 60. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.

Hired After 4/27/2014

Earlier of age 55 and 10 years of service, the completion of 25 years of service, regardless of age or attainment of age 60. Also, any Member who has reached Normal



Retirement is assumed to continue employment for one additional year.

Early Retirement

This assumption is reasonable based on Plan provisions. Commencing with eligibility for Early Retirement Age (age 50 with 10 years of Service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

This assumption reasonable based on Plan provisions.

Disability Rate

See table on following page (1201). It is assumed that 75% of disablements and active Member deaths are service-related.

The above rates are consistent with other Florida public safety Plans.

Termination Rate

See table on following page (1302). These rates are consistent with other Florida public safety Plans.

Salary Increases

6.0% per year until the assumed retirement age; see table on following page. This assumption is reasonable, based on long-term Plan experience.

Additionally, projected salary at retirement is increased individually for each Member to account for non-regular compensation (but not exceeding amounts in place on November 4, 2012). These individual amounts are based on data provided by the City.

Payroll Growth

None.

Administrative Expenses

\$54,683 annually, based on administrative expenses incurred during the prior fiscal year.

Funding Method

Entry Age Normal Actuarial Cost Method, with a funding load based on the current 6.0% salary increase assumption.

Actuarial Asset Method

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

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>	<u>Current Salary as % of Salary at age 53</u>
20	6.0%	0.03%	14.6%
30	5.0	0.04	26.2
40	2.6	0.07	46.9
50	0.8	0.18	84.0

## VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay as of the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Actuarial Accrued Liability (UAAL) is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service. Under the Entry Age Normal Actuarial Cost Method, there is also a new UAAL created each year equal to the actuarial gain or loss for that year.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

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.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	42,126.48	_____ %
1999	42,572.86	1.1%
2000	47,041.63	10.5%
2001	42,458.75	-9.7%
2002	49,517.04	16.6%
2003	57,268.25	15.7%
2004	60,209.76	5.1%
2005	66,163.01	9.9%
2006	66,598.84	0.7%
2007	91,165.27	36.9%
2008	66,163.01	-27.4%
2009	57,902.64	-12.5%
2010	56,071.70	-3.2%
2011	52,414.01	-6.5%
2012	50,740.91	-3.2%
2013	53,069.18	4.6%
2014	51,389.64	-3.2%
2015	54,942.97	6.9%
2016	55,146.74	0.4%
2017	58,391.49	5.9%

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2017

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	367,000.00	367,000.00
Prepaid Benefits	28,037.90	28,037.90
Cash	6,788.59	6,788.59
Total Cash and Equivalents	401,826.49	401,826.49
Receivables:		
Member Contributions in Transit	153.85	153.85
Tax Reclaims	660.44	660.44
Investment Income	2,564.92	2,564.92
Total Receivable	3,379.21	3,379.21
Investments:		
Stocks	2,264,717.10	2,616,723.37
Mutual Funds:		
Fixed Income	2,237,874.51	2,251,421.48
Equity	1,029,035.40	1,252,593.28
Total Investments	5,531,627.01	6,120,738.13
Total Assets	5,936,832.71	6,525,943.83
<u>LIABILITIES</u>		
Payables:		
Prior Refunds	704.42	704.42
Total Liabilities	704.42	704.42
NET POSITION RESTRICTED FOR PENSIONS	5,936,128.29	6,525,239.41

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

ADDITIONS

Contributions:		
Member		7,357.67
City		10,474.71
State		58,391.49
Total Contributions		76,223.87
Investment Income:		
Net Realized Gain (Loss)	257,481.95	
Unrealized Gain (Loss)	350,556.91	
Net Increase in Fair Value of Investments		608,038.86
Interest & Dividends		151,445.27
Less Investment Expense <sup>1</sup>		(40,887.58)
Net Investment Income		718,596.55
Total Additions		794,820.42

DEDUCTIONS

Distributions to Members:		
Benefit Payments		328,605.84
Lump Sum Share Distributions		25,530.33
Refunds of Member Contributions		0.00
Total Distributions		354,136.17
Administrative Expense		54,682.58
Total Deductions		408,818.75
Net Increase in Net Position		386,001.67
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		6,139,237.74
End of the Year		6,525,239.41

<sup>1</sup>Investment 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 <sup>1</sup>	
09/30/2014	9.69%	
09/30/2015	-1.16%	
09/30/2016	6.29%	
09/30/2017	12.07%	
Annualized Rate of Return for prior four (4) years:		6.60%
(A) 10/01/2016 Actuarial Assets:		\$6,466,041.08
(I) Net Investment Income:		
1. Interest and Dividends	151,445.27	
2. Realized Gains (Losses)	257,481.95	
3. Change in Actuarial Value	47,947.30	
4. Investment Related Expenses	(40,887.58)	
Total		415,986.94
(B) 10/01/2017 Actuarial Assets:		\$6,549,433.14
Actuarial Asset Rate of Return = 2I/(A+B-I):		6.60%
10/01/2017 Limited Actuarial Assets:		\$6,549,433.14
10/01/2017 Market Value of Assets:		\$6,525,239.41
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$88,239.65)

<sup>1</sup>Market Value Basis, net of investment related expenses.

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

REVENUES

Contributions:		
Member	7,357.67	
City	10,474.71	
State	58,391.49	
<b>Total Contributions</b>		<b>76,223.87</b>
Earnings from Investments:		
Interest & Dividends	151,445.27	
Net Realized Gain (Loss)	257,481.95	
Change in Actuarial Value	47,947.30	
<b>Total Earnings and Investment Gains</b>		<b>456,874.52</b>

EXPENDITURES

Distributions to Members:		
Benefit Payments	328,605.84	
Lump Sum Share Distributions	25,530.33	
Refunds of Member Contributions	0.00	
<b>Total Distributions</b>		<b>354,136.17</b>
Expenses:		
Investment related <sup>1</sup>	40,887.58	
Administrative	54,682.58	
<b>Total Expenses</b>		<b>95,570.16</b>
<b>Change in Net Assets for the Year</b>		<b>83,392.06</b>
<b>Net Assets Beginning of the Year</b>		<b>6,466,041.08</b>
<b>Net Assets End of the Year<sup>2</sup></b>		<b>6,549,433.14</b>

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup>Net Assets may be limited for actuarial consideration.



SUPPLEMENTAL CHAPTER 185 SHARE PLAN ACTIVITY  
October 1, 2016 through September 30, 2017

9/30/2016 Balance	47,639
Prior Year Adjustment	0
Plus Additions	23,267
Investment Return Earned (est.)	2,650
Administrative Fees	(150)
Less Distributions	(25,530)
9/30/2017 Balance (est.)	47,876

STATISTICAL DATA <sup>1</sup>

	<u>10/1/2014</u>	<u>10/1/2015</u>	<u>10/1/2016</u>	<u>10/1/2017</u>
<u>Actives</u>				
Number	2	3	3	1
Average Current Age	42.1	38.4	39.4	43.9
Average Age at Employment	25.0	26.3	26.3	25.1
Average Past Service	17.1	12.1	13.1	18.8
Average Annual Salary	\$72,393	\$65,072	\$61,752	\$86,453
<u>Service Retirees</u>				
Number	6	6	7	8
Average Current Age	55.0	56.0	56.8	56.4
Average Annual Benefit	\$25,341	\$25,718	\$25,176	\$27,025
<u>Beneficiaries</u>				
Number	2	2	2	1
Average Current Age	41.4	42.4	43.4	23.0
Average Annual Benefit	\$8,097	\$8,097	\$8,097	\$5,715
<u>Disability Retirees</u>				
Number	6	6	6	6
Average Current Age	55.7	56.7	57.7	58.7
Average Annual Benefit	\$18,520	\$18,708	\$18,898	\$19,091
<u>Terminated Vested</u>				
Number	13	13	13	14
Average Current Age	47.1	48.1	40.2	40.5
Average Annual Benefit <sup>2</sup>	\$19,623	\$19,623	\$19,327	\$19,327

<sup>1</sup> Averages were salary-weighted prior to 10/1/2015.

<sup>2</sup> 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	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0	0	0
30 - 34	0	0	0	0	0	0	0	0	0	0	0	0
35 - 39	0	0	0	0	0	0	0	0	0	0	0	0
40 - 44	0	0	0	0	0	0	0	1	0	0	0	1
45 - 49	0	0	0	0	0	0	0	0	0	0	0	0
50 - 54	0	0	0	0	0	0	0	0	0	0	0	0
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	1	0	0	0	1

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2016	3
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	<u>(1)</u>
f. Continuing participants	1
g. New entrants	<u>0</u>
h. Total active life participants in valuation	1

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

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	<u>Vested Deferred</u>	<u>Total</u>
a. Number prior valuation	7	2	6	13	28
Retired	1	0	0	0	1
Vested Deferred	0	0	0	0	0
Death, With Survivor	0	0	0	0	0
Death, No Survivor	0	(1)	0	0	(1)
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	1	1
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
b. Number current valuation	8	1	6	14	29

SUMMARY OF PLAN PROVISIONS

(Through Ordinance 03-16)

CREDITED SERVICE

Years and fractional parts of years of service with the City as a Police Officer.

SALARY

Total compensation reportable on form W-2, plus all tax deferred, tax sheltered, and tax exempt items of income. Lump sum payments of unused sick and vacation time are limited to amounts in place on November 4, 2012.

AVERAGE FINAL COMPENSTATION

Average salary of the 5 highest years during the last 10.

NORMAL RETIREMENT

Eligibility

Hired On/Before 4/27/2014:

Earlier of: a) Age 55 and 10 years of Credited Service, b) 20 years of Credited Service, or c) Age 60.

Hired After 4/27/2014:

Earlier of: a) Age 55 and 10 years of Credited Service, b) 25 years of Credited Service, or c) Age 60.

Benefit Amount

Hired On/Before 4/27/2014

3.0% of Average Final Compensation times Credited Service.

Hired After 4/27/2014

2.0% of Average Final Compensation times Credited Service.

Form of Benefit

10 year certain and life thereafter (options available).

EARLY RETIREMENT

Eligibility

Age 50 and 10 years of Credited Service.

Benefit Amount

Accrued benefit, reduced 3% for each year.

DISABILITY

Eligibility

a. Non-Service Incurred: 10 years of Credited Service.  
b. Service Incurred: Covered from Date of Employment  
c. Total and permanent disability as determined by the Board of Trustees.

Benefit Amount

Accrued benefit, but not less than 42% of AFC for service incurred disabilities.

PRE-RETIREMENT DEATH

Eligibility	a. Non-Service incurred; 5 years of Credited Service. b. Service incurred; covered from date of employment.
Benefit Amount	
Surviving Spouse	50% of rate of pay in effect on the date of death payable for life, plus 10% of rate of pay to each minor child. Maximum benefit is 80% of base pay.
No Spouse, No Dependents	Actuarial equivalent of Member's accrued benefit, payable to beneficiary for life, provided Member had completed 10 years Credited Service.
Minimum Benefit	Accrued benefit with a 2% accrual rate, payable to beneficiary for 10 years, less any spouse or children benefits payable.

VESTING (TERMINATION)

Less than 10 years of	Refund of Member Contributions Credited Service with interest at 3%.
10 years or more	Accrued benefit payable at age 50 or later, on a reduced basis if to commence prior to Normal Retirement Date, or a refund of Contributions.

COST-OF-LIVING-ADJUSTMENT

All Retirees, Beneficiaries, and Joint Annuitants (including Disability Retirees and Vested Terminated Members, but excluding Beneficiaries of Pre-Retirement Death Members) shall receive annual 1.46% cost-of-living-adjustments for life, beginning the first October 1 following the otherwise Normal Retirement Date (or actual retirement date for Disability Retirees). Optional equivalent forms of this COLA are available.

CONTRIBUTIONS

Employee	5.0% of Salary.
Premium Tax	0.85% tax on premiums for casualty insurance.
City	Remaining amount necessary for payment of Normal (current year's) Cost, but in no event less than 5% of the total Salary of the Members.

BOARD OF TRUSTEES

Two City residents appointed by the City Council, two police officers elected by majority of covered Members, and a fifth Member elected by the other 4 and appointed by City Council.

DEFERRED RETIREMENT OPTION PLAN

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.
Rate of Return	At Member's election (may change once), 6.5% or net investment return.
Distribution	Cash lump sum (options available) at termination of employment.

CHAPTER 185 SHARE PLAN

Share accounts are established as of September 30, 2015. In accordance with the May 9, 2017 mutual consent agreement, State contributions in excess of the City's required annual contribution, if any, will be allocated to Member Share Accounts.

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2017

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	367,000
Prepaid Benefits	28,038
Cash	6,788
Total Cash and Equivalents	401,826
Receivables:	
Member Contributions in Transit	154
Tax Reclaims	660
Investment Income	2,565
Total Receivable	3,379
Investments:	
Stocks	2,616,723
Mutual Funds:	
Fixed Income	2,251,422
Equity	1,252,593
Total Investments	6,120,738
Total Assets	6,525,943
<u>LIABILITIES</u>	
Payables:	
Prior Refunds	704
Total Liabilities	704
NET POSITION RESTRICTED FOR PENSIONS	6,525,239



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

ADDITIONS

## Contributions:

Member	7,358	
State	58,391	
Total Contributions		65,749
Investment Income:		
Net Increase in Fair Value of Investments	608,039	
Interest & Dividends	151,445	
Less Investment Expense <sup>1</sup>	(40,888)	
Net Investment Income		718,596
Total Additions		784,345

DEDUCTIONS

## Distributions to Members:

Benefit Payments	328,606	
Lump Sum Share Distributions	25,530	
Refunds of Member Contributions	0	
Total Distributions		354,136
Administrative Expense		54,683
Total Deductions		408,819
Net Increase in Net Position		375,526

## NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		6,149,713
End of the Year		6,525,239

<sup>1</sup>Investment 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: Two City residents appointed by the City Council, two police officers elected by majority of covered Members, and a fifth Member elected by the other four and appointed by City Council.

*Plan Membership as of October 1, 2016:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	15
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	13
Active Plan Members	3
	31

*Benefits Provided*

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

Normal Retirement:

Eligibility Hired On/Before 4/27/2014 : Earlier of: a) Age 55 and 10 years of Credited Service, b) 20 years of Credited Service, or c) Age 60.

Eligibility Hired After 4/27/2014 : Earlier of: a) Age 55 and 10 years of Credited Service, b) 25 years of Credited Service, or c) Age 60.

Benefit Amount Hired On/Before 4/27/2014: 3.0% of Average Final Compensation times Credited Service.

Benefit Amount Hired After 4/27/2014: 2.0% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 50 and 10 years of Credited Service.

Benefit Amount: Accrued benefit, reduced 3% for each year.

Disability:

Eligibility: a. Non-Service Incurred: 10 years of Credited Service.

b. Service Incurred: Covered from Date of Employment

c. Total and permanent disability as determined by the Board of Trustees.

Benefit Amount: Accrued benefit, but not less than 42% of AFC for service incurred disabilities.

Pre-Retirement Death Benefits:

Eligibility: a. Non-Service incurred: 5 years of Credited Service.

b. Service incurred: covered from date of employment.

Benefit Amount, Surviving Spouse: 50% of rate of pay in effect on the date of death payable for life, plus 10% of rate of pay to each minor child. Maximum benefit is 80% of base pay.

Benefit Amount: No Spouse, No Dependants: Actuarial equivalent of Member's accrued benefit, payable to beneficiary for life, provided Member had completed 10 years Credited Service.

Minimum Benefit: Accrued benefit with a 2% accrual rate, payable to beneficiary for 10 years, less any spouse or children benefits payable.

Vesting (Termination):

Less than 10 years of Credited Service: Refund of Member Contributions with interest at 3%.

10 years or more: Accrued benefit payable at age 50 or later, on a reduced basis if to commence prior to Normal Retirement Date, or a refund of Contributions.

Cost-Of-Living Adjustments:

All Retirees, Beneficiaries, and Joint Annuitants (including Disability Retirees and Vested Terminated Members, but excluding Beneficiaries of Pre-Retirement Death Members) shall receive annual 1.46% cost-of-living-adjustments for life, beginning the first October 1 following the otherwise Normal Retirement Date (or actual retirement date for Disability Retirees). Optional equivalent forms of this COLA are available.

*Contributions*

Employee: 5.0% of Salary

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

City: Remaining amount necessary for payment of Normal (current year's) Cost, but in no event less than 5% of the total Salary of the Members.

*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	45.00%
International Equity	15.00%
Domestic Fixed Income	27.50%
Global Fixed Income	5.00%
Real Estate	7.50%
Total	100.00%

*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 12.07 percent.

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

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: At Member's election (may change once), 6.5% or net investment return.

The DROP balance as September 30, 2017 is \$0.

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	\$ 6,134,163
Plan Fiduciary Net Position	\$ (6,525,239)
Sponsor's Net Pension Liability	<u>\$ (391,076)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	<u>106.38%</u>

*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	2.50%
Salary Increases	6.00%
Discount Rate	8.00%
Investment Rate of Return	8.00%

*Mortality Rate Healthy Lives:*

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

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

*Mortality Rate Disabled Lives:*

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

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

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

The Long-Term Expected Rate of Return on Pension Plan investments 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 2.50%.

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

Best estimates of 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>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Domestic Fixed Income	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%

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### Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 8.00 percent.

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

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Sponsor's Net Pension Liability	\$ 349,454	\$ (391,076)	\$ (1,000,456)

**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	43,637	43,485	34,314
Interest	473,710	457,532	464,239
Change in Excess State Money	-	(44,955)	-
Share Plan Allocation	23,267	44,955	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(107,123)	(156,072)	(302,143)
Changes of assumptions	-	138,973	-
Benefit Payments, including Refunds of Employee Contributions	(354,136)	(299,468)	(279,363)
Net Change in Total Pension Liability	79,355	184,450	(82,953)
Total Pension Liability - Beginning	6,054,808	5,870,358	5,953,311
Total Pension Liability - Ending (a)	<u>\$ 6,134,163</u>	<u>\$ 6,054,808</u>	<u>\$ 5,870,358</u>
Plan Fiduciary Net Position			
Contributions - Employer	-	30,977	84,937
Contributions - State	58,391	55,147	54,943
Contributions - Employee	7,358	9,075	7,634
Net Investment Income	718,596	369,683	(71,456)
Benefit Payments, including Refunds of Employee Contributions	(354,136)	(299,468)	(279,363)
Administrative Expense	(54,683)	(32,414)	(39,184)
Net Change in Plan Fiduciary Net Position	375,526	133,000	(242,489)
Plan Fiduciary Net Position - Beginning	6,149,713	6,016,713	6,259,202
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,525,239</u>	<u>\$ 6,149,713</u>	<u>\$ 6,016,713</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (391,076)</u>	<u>\$ (94,905)</u>	<u>\$ (146,355)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	106.38%	101.57%	102.49%
Covered Employee Payroll	\$ 147,151	\$ 181,491	\$ 167,672
Net Pension Liability as a percentage of Covered Employee Payroll	-265.77%	-52.29%	-87.29%

**Notes to Schedule:***Changes of benefit terms:*

For measurement date 09/30/2016, Ordinance 03-16 was adopted which made the following changes:

- For Members hired after April 27, 2014, a benefit accrual rate equal to 2.0% of Average Final Compensation for each year of Credited Service.
- For Members hired after April 27, 2014, a Normal Retirement Date which is the earlier of a) Age 55 with 10 years of Credited Service, b) Age 60, regardless of years of Credited Service, and c) the completion of 25 years of Credited Service, regardless of age.

*Changes of assumptions:*

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

The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

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	37,818	35,017
Interest	448,862	445,501
Change in Excess State Money	-	-
Share Plan Allocation	-	-
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(302,555)</u>	<u>(580,059)</u>
Net Change in Total Pension Liability	184,125	(99,541)
Total Pension Liability - Beginning	<u>5,769,186</u>	<u>5,868,727</u>
Total Pension Liability - Ending (a)	<u>\$ 5,953,311</u>	<u>\$ 5,769,186</u>
Plan Fiduciary Net Position		
Contributions - Employer	127,576	296,360
Contributions - State	51,390	53,069
Contributions - Employee	7,872	9,464
Net Investment Income	563,391	726,290
Benefit Payments, including Refunds of Employee Contributions	(302,555)	(580,059)
Administrative Expense	<u>(68,811)</u>	<u>(70,999)</u>
Net Change in Plan Fiduciary Net Position	378,863	434,125
Plan Fiduciary Net Position - Beginning	<u>5,880,339</u>	<u>5,446,214</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,259,202</u>	<u>\$ 5,880,339</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (305,891)</u>	<u>\$ (111,153)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	105.14%	101.93%
Covered Employee Payroll	\$ 157,440	\$ 189,286
Net Pension Liability as a percentage of Covered Employee Payroll	-194.29%	-58.72%

**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	35,124	75,649	139,880	178,966	349,429
Contributions in relation to the Actuarially Determined Contributions	35,124	86,124	139,880	178,966	349,429
Contribution Deficiency (Excess)	\$ -	\$ (10,475)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 147,151	\$ 181,491	\$ 167,672	\$ 157,440	\$ 189,286
Contributions as a percentage of Covered Employee Payroll	23.87%	47.45%	83.42%	113.67%	184.60%

Notes to Schedule

Valuation Date: 10/01/2015 (AIS 04/22/2016)  
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, with a funding load based on the current 6% salary increase assumption.

Amortization Method: Level Dollar, Closed.

Remaining Amortization Period: 27 Years (as of 10/01/2015 Valuation).

Mortality Rate: RP-2000 Table with no projection. Disabled lives are set forward 5 years. Based on other studies for public safety funds, this table reflects a sufficient margin for expected future mortality improvements.

Interest Rate: 8.0% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan’s target asset allocation and expected long-term return by individual asset class.

Retirement Age: Earlier of age 55 and 10 years of service, the completion of 20 years of service, regardless of age or attainment of age 60. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption reasonable based on Plan provisions.

Early Retirement: Commencing with eligibility for Early Retirement Age (age 50 with 10 years of Service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption reasonable based on Plan provisions.

Disability Rate: See table below (1201). It is assumed that 75% of disablements and active Member deaths are service related. The above rates are consistent with other Florida public safety Plans.

Termination Rate: See table on following page (1302). These rates are consistent with other Florida public safety Plans.

Salary Increases: 6.0% per year until the assumed retirement age. This assumption is reasonable, based on long-term Plan experience. Additionally, projected salary at retirement is increased individually for each Member to account for non-regular compensation (but not exceeding amounts in place on November 4, 2012). These individual amounts are based on data provided by the City.

Cost-of-Living (COLA): 1.46% automatic lifetime COLA, beginning one year after the Normal Retirement Date for all Retirees and Beneficiaries except for Pre-Retirement Death Beneficiaries.

Payroll Growth: None.



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### Asset Valuation Method:

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

### Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	6.0%	0.03%
30	5.0%	0.04%
40	2.6%	0.07%
50	0.8%	0.18%

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	12.07%	6.29%	-1.16%	9.69%	13.70%

**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: Two City residents appointed by the City Council, two police officers elected by majority of covered Members, and a fifth Member elected by the other four and appointed by City Council.

Each person employed by the City Police Department as a full-time Police Officer becomes a member of the Plan as a condition of his employment. All Police Officers are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

*Plan Membership as of October 1, 2016:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	15
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	13
Active Plan Members	3
	31
	31

*Benefits Provided*

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

Normal Retirement:

Eligibility Hired On/Before 4/27/2014 : Earlier of: a) Age 55 and 10 years of Credited Service, b) 20 years of Credited Service, or c) Age 60.

Eligibility Hired After 4/27/2014 : Earlier of: a) Age 55 and 10 years of Credited Service, b) 25 years of Credited Service, or c) Age 60.

Benefit Amount Hired On/Before 4/27/2014: 3.0% of Average Final Compensation times Credited Service.

Benefit Amount Hired After 4/27/2014: 2.0% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 50 and 10 years of Credited Service.

Benefit Amount: Accrued benefit, reduced 3% for each year.

Disability:

Eligibility: a. Non-Service Incurred: 10 years of Credited Service.

b. Service Incurred: Covered from Date of Employment

Benefit Amount: Accrued benefit, but not less than 42% of AFC for service incurred disabilities.

Pre-Retirement Death Benefits:

Eligibility: a. Non-Service incurred: 5 years of Credited Service.

b. Service incurred: covered from date of employment.

Benefit Amount, Surviving Spouse: 50% of rate of pay in effect on the date of death payable for life, plus 10% of rate of pay to each minor child. Maximum benefit is 80% of base pay.

Benefit Amount: No Spouse, No Dependants: Actuarial equivalent of Member's accrued benefit, payable to beneficiary for life, provided Member had completed 10 years Credited Service.

Minimum Benefit: Accrued benefit with a 2% accrual rate, payable to beneficiary for 10 years, less any spouse or children benefits payable.

Vesting (Termination):

Less than 10 years of Credited Service: Refund of Member Contributions with interest at 3%.

10 years or more: Accrued benefit payable at age 50 or later, on a reduced basis if to commence prior to Normal Retirement Date, or a refund of Contributions.

Cost-Of-Living Adjustments:

All Retirees, Beneficiaries, and Joint Annuitants (including Disability Retirees and Vested Terminated Members, but excluding Beneficiaries of Pre-Retirement Death Members) shall receive annual 1.46% cost-of-living-adjustments for life, beginning the first October 1 following the otherwise Normal Retirement Date (or actual retirement date for Disability Retirees). Optional equivalent forms of this COLA are available.

*Contributions*

Employee: 5.0% of Salary

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

City: Remaining amount necessary for payment of Normal (current year's) Cost, but in no event less than 5% of the total Salary of the Members.

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	2.50%
Salary Increases	6.00%
Discount Rate	8.00%
Investment Rate of Return	8.00%

*Mortality Rate Healthy Lives:*

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

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

*Mortality Rate Disabled Lives:*

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

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

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

The Long-Term Expected Rate of Return on Pension Plan investments 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 2.50%.

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

Best estimates of 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	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45%	7.50%
International Equity	15%	8.50%
Domestic Fixed Income	28%	2.50%
Global Fixed Income	5%	3.50%
Total	100%	

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### Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 8.00 percent.

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

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2017	\$ 6,054,808	\$ 6,149,713	\$ (94,905)
Changes for a Year:			
Service Cost	43,637	-	43,637
Interest	473,710	-	473,710
Share Plan Allocation	23,267	-	23,267
Differences between Expected and Actual Experience	(107,123)	-	(107,123)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	-	-
Contributions - State	-	58,391	(58,391)
Contributions - Employee	-	7,358	(7,358)
Net Investment Income	-	718,596	(718,596)
Benefit Payments, including Refunds of Employee Contributions	(354,136)	(354,136)	-
Administrative Expense	-	(54,683)	54,683
Net Changes	79,355	375,526	(296,171)
Reporting Period Ending September 30, 2018	\$ 6,134,163	\$ 6,525,239	\$ (391,076)

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	7.00%	8.00%	9.00%
Sponsor's Net Pension Liability	\$ 349,454	\$ (391,076)	\$ (1,000,456)

*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 \$148,826.

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	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	380,821	-
Employer and State contributions subsequent to the measurement date	58,391	-
<b>Total</b>	<b>\$ 439,212</b>	<b>\$ -</b>

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.

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

Year ended September 30:		
2018	\$	113,439
2019	\$	113,438
2020	\$	133,507
2021	\$	20,437
2022	\$	-
Thereafter	\$	-

**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 \$67,931.

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	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	75,110	-
Employer and State contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ -

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.

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:	
2019	\$ 65,370
2020	\$ 85,439
2021	\$ (27,631)
2022	\$ (48,068)
2023	\$ -
Thereafter	\$ -



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

Reporting Period Ending	09/30/2018	09/30/2017	09/29/2016
Measurement Date	09/30/2017	09/30/2016	09/30/2015
Total Pension Liability			
Service Cost	43,637	43,485	34,314
Interest	473,710	457,532	464,239
Change in Excess State Money	-	(44,955)	-
Share Plan Allocation	23,267	44,955	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(107,123)	(156,072)	(302,143)
Changes of assumptions	-	138,973	-
Benefit Payments, including Refunds of Employee Contributions	(354,136)	(299,468)	(279,363)
Net Change in Total Pension Liability	79,355	184,450	(82,953)
Total Pension Liability - Beginning	6,054,808	5,870,358	5,953,311
Total Pension Liability - Ending (a)	<u>\$ 6,134,163</u>	<u>\$ 6,054,808</u>	<u>\$ 5,870,358</u>
Plan Fiduciary Net Position			
Contributions - Employer	-	30,977	84,937
Contributions - State	58,391	55,147	54,943
Contributions - Employee	7,358	9,075	7,634
Net Investment Income	718,596	369,683	(71,456)
Benefit Payments, including Refunds of Employee Contributions	(354,136)	(299,468)	(279,363)
Administrative Expense	(54,683)	(32,414)	(39,184)
Net Change in Plan Fiduciary Net Position	375,526	133,000	(242,489)
Plan Fiduciary Net Position - Beginning	6,149,713	6,016,713	6,259,202
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,525,239</u>	<u>\$ 6,149,713</u>	<u>\$ 6,016,713</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (391,076)</u>	<u>\$ (94,905)</u>	<u>\$ (146,355)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	106.38%	101.57%	102.49%
Covered Employee Payroll	\$ 147,151	\$ 181,491	\$ 167,672
Net Pension Liability as a percentage of Covered Employee Payroll	-265.77%	-52.29%	-87.29%

**Notes to Schedule:**

*Changes of benefit terms:*

For measurement date 09/30/2016, Ordinance 03-16 was adopted which made the following changes:

- For Members hired after April 27, 2014, a benefit accrual rate equal to 2.0% of Average Final Compensation for each year of Credited Service.
- For Members hired after April 27, 2014, a Normal Retirement Date which is the earlier of a) Age 55 with 10 years of Credited Service, b) Age 60, regardless of years of Credited Service, and c) the completion of 25 years of Credited Service, regardless of age.

*Changes of assumptions:*

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

The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

**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	37,818	35,017
Interest	448,862	445,501
Change in Excess State Money	-	-
Share Plan Allocation	-	-
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(302,555)</u>	<u>(580,059)</u>
Net Change in Total Pension Liability	184,125	(99,541)
Total Pension Liability - Beginning	<u>5,769,186</u>	<u>5,868,727</u>
Total Pension Liability - Ending (a)	<u>\$ 5,953,311</u>	<u>\$ 5,769,186</u>
Plan Fiduciary Net Position		
Contributions - Employer	127,576	296,360
Contributions - State	51,390	53,069
Contributions - Employee	7,872	9,464
Net Investment Income	563,391	726,290
Benefit Payments, including Refunds of Employee Contributions	(302,555)	(580,059)
Administrative Expense	<u>(68,811)</u>	<u>(70,999)</u>
Net Change in Plan Fiduciary Net Position	378,863	434,125
Plan Fiduciary Net Position - Beginning	<u>5,880,339</u>	<u>5,446,214</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,259,202</u>	<u>\$ 5,880,339</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (305,891)</u>	<u>\$ (111,153)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	105.14%	101.93%
Covered Employee Payroll	\$ 157,440	\$ 189,286
Net Pension Liability as a percentage of Covered Employee Payroll	-194.29%	-58.72%

**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	35,124	75,649	139,880	178,966	349,429
Contributions in relation to the Actuarially Determined Contributions	35,124	86,124	139,880	178,966	349,429
Contribution Deficiency (Excess)	\$ -	\$ (10,475)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 147,151	\$ 181,491	\$ 167,672	\$ 157,440	\$ 189,286
Contributions as a percentage of Covered Employee Payroll	23.87%	47.45%	83.42%	113.67%	184.60%

Notes to Schedule

Valuation Date: 10/01/2015 (AIS 04/22/2016)  
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, with a funding load based on the current 6% salary increase assumption.

**Amortization Method:** Level Dollar, Closed.

**Remaining Amortization Period:** 27 Years (as of 10/01/2015 Valuation).

**Mortality Rate:** RP-2000 Table with no projection. Disabled lives are set forward 5 years. Based on other studies for public safety funds, this table reflects a sufficient margin for expected future mortality improvements.

**Interest Rate:** 8.0% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan’s target asset allocation and expected long-term return by individual asset class.

**Retirement Age:** Earlier of age 55 and 10 years of service, the completion of 20 years of service, regardless of age or attainment of age 60. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption reasonable based on Plan provisions.

**Early Retirement:** Commencing with eligibility for Early Retirement Age (age 50 with 10 years of Service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption reasonable based on Plan provisions.

**Disability Rate:** See table below (1201). It is assumed that 75% of disablements and active Member deaths are service related. The above rates are consistent with other Florida public safety Plans.

**Termination Rate:** See table on following page (1302). These rates are consistent with other Florida public safety Plans.

**Salary Increases:** 6.0% per year until the assumed retirement age. This assumption is reasonable, based on long-term Plan experience. Additionally, projected salary at retirement is increased individually for each Member to account for non-regular compensation (but not exceeding amounts in place on November 4, 2012). These individual amounts are based on data provided by the City.

**Cost-of-Living (COLA):** 1.46% automatic lifetime COLA, beginning one year after the Normal Retirement Date for all Retirees and Beneficiaries except for Pre-Retirement Death Beneficiaries.

**Payroll Growth:** None.

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Asset Valuation Method:

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

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	6.00%	0.03%
30	5.00%	0.04%
40	2.60%	0.07%
50	0.80%	0.18%

FINAL COMPONENTS OF PENSION EXPENSE  
FISCAL YEAR SEPTEMBER 30, 2017

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (146,355)	\$ 60,207	\$ 538,404	\$ -
Employer and State Contributions made after 09/30/2016	-	-	58,391	-
Total Pension Liability Factors:				
Service Cost	43,485	-	-	43,485
Interest	457,532	-	-	457,532
Change in Excess State Money	(44,955)	-	-	(44,955)
Share Plan Allocation	44,955	-	-	44,955
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(156,072)	156,072	-	-
Current year amortization of experience difference	-	(156,072)	-	(156,072)
Change in assumptions about future economic or demographic factors or other inputs	138,973	-	138,973	-
Current year amortization of change in assumptions	-	-	(138,973)	138,973
Benefit Payments, including Refunds of Employee Contributions	(299,468)	-	-	-
Net change	184,450	-	58,391	483,918
Plan Fiduciary Net Position:				
Contributions - Employer	30,977	-	(30,977)	-
Contributions - State	55,147	-	(55,147)	-
Contributions - Employee	9,075	-	-	(9,075)
Projected Net Investment Income	471,870	-	-	(471,870)
Difference between projected and actual earnings on Pension Plan investments	(102,187)	-	102,187	-
Current year amortization	-	(20,069)	(133,508)	113,439
Benefit Payments, including Refunds of Employee Contributions	(299,468)	-	-	-
Administrative Expenses	(32,414)	-	-	32,414
Net change	133,000	(20,069)	(117,445)	(335,092)
Ending Balance	\$ (94,905)	\$ 40,138	\$ 479,350	\$ 148,826

**PRELIMINARY COMPONENTS OF PENSION EXPENSE**  
**FISCAL YEAR SEPTEMBER 30, 2018**

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (94,905)	\$ 40,138	\$ 479,350	\$ -
Employer and State Contributions made after 09/30/2017	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	43,637	-	-	43,637
Interest	473,710	-	-	473,710
Share Plan Allocation	23,267	-	-	23,267
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(107,123)	107,123	-	-
Current year amortization of experience difference	-	(107,123)	-	(107,123)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(354,136)	-	-	-
Net change	<u>79,355</u>	<u>-</u>	<u>-</u>	<u>433,491</u>
Plan Fiduciary Net Position:				
Contributions - Employer	-	-	-	-
Contributions - State	58,391	-	(58,391)	-
Contributions - Employee	7,358	-	-	(7,358)
Projected Net Investment Income	478,254	-	-	(478,254)
Difference between projected and actual earnings on Pension Plan investments	240,342	240,342	-	-
Current year amortization	-	(68,139)	(133,508)	65,369
Benefit Payments, including Refunds of Employee Contributions	(354,136)	-	-	-
Administrative Expenses	(54,683)	-	-	54,683
Net change	<u>375,526</u>	<u>172,203</u>	<u>(191,899)</u>	<u>(365,560)</u>
Ending Balance	<u>\$ (391,076)</u>	<u>\$ 212,341</u>	<u>TBD</u>	<u>\$ 67,931</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	\$ (100,345)	5	\$ (20,069)	\$ (20,069)	\$ (20,069)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 565,351	5	\$ 113,070	\$ 113,070	\$ 113,070	\$ 113,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 102,187	5	\$ 20,438	\$ 20,438	\$ 20,437	\$ 20,437	\$ 20,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (240,342)	5	\$ -	\$ (48,070)	\$ (48,068)	\$ (48,068)	\$ (48,068)	\$ (48,068)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 113,439	\$ 65,369	\$ 65,370	\$ 85,439	\$ (27,631)	\$ (48,068)	\$ -	\$ -	\$ -	\$ -	\$ -

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	\$ 138,973	1	\$ 138,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 138,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



AMORTIZATION SCHEDULE - INVESTMENTS

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

Plan Year Ending	Differences Between		Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Expected and Actual Experience													
2016	\$	(156,072)	1	\$ (156,072)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$	(107,123)	1	\$ -	\$ (107,123)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense				\$ (156,072)	\$ (107,123)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -