

CITY OF AVON PARK
POLICE OFFICERS' RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2018

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2020

GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2018



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

February 28, 2019

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. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the City of Avon Park, 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, 2017. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2018 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 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 us at 239-433-5500.

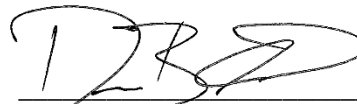
Respectfully submitted,

Foster & Foster, Inc.

By:



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



Drew D. Ballard, EA, MAAA
Enrolled Actuary #17-8193

TABLE OF CONTENTS

Section	Title	Page
I	Introduction	
	a. Summary of Report	5
	b. Changes Since Prior Valuation	6
	c. Comparative Summary of Principal Valuation Results	7
II	Valuation Information	
	a. Reconciliation of Unfunded Actuarial Accrued Liabilities	13
	b. Detailed Actuarial (Gain)/Loss Analysis	14
	c. Actuarial Assumptions and Methods	15
	d. Glossary	18
	e. Partial History of Premium Tax Refunds	20
III	Trust Fund	21
IV	Member Statistics	
	a. Statistical Data	26
	b. Age and Service Distribution	27
	c. Valuation Participant Reconciliation	28
V	Summary of Current Plan	29
VI	Governmental Accounting Standards Board Statements No. 67 and No. 68 Disclosure Information	32

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Avon Park Police Officers' Retirement System, performed as of October 1, 2018, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2020.

The contribution requirements, compared with those set forth in the October 1, 2017 actuarial valuation report, are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2018 <u>9/30/2020</u>	10/1/2017 <u>9/30/2019</u>
Minimum Required Contribution	\$26,490	\$22,752
Member Contributions (Est.)	4,673	4,582
City And State Required Contribution	21,817	18,170
State Contribution (Est.) ¹	21,817	18,170
City Required Contribution	\$0	\$0

¹ As per a Mutual Consent Agreement between the Membership and the City, the State contribution is applied to reduce the City's minimum required contribution. Any excess State contributions are allocated to member share accounts.

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. As you can see above, the annual State contribution is expected to be sufficient to cover the City and State required contribution for fiscal 2020 and therefore the City is expected to have no contribution requirement for the October 1, 2019 deposit date.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary source of unfavorable experience was an investment return of 6.08% (Actuarial Asset Basis) which fell short of the 8.00% assumption. There were no significant sources of favorable experience.

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

The investment return assumption has been lowered from 8.00% to 7.50% per year, net of investment related expenses.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2018</u>	Old Assump <u>10/1/2018</u>	<u>10/1/2017</u>
A. Participant Data			
Actives	1	1	1
Service Retirees	8	8	8
DROP Retirees	0	0	0
Beneficiaries	1	1	1
Disability Retirees	6	6	6
Terminated Vested	<u>13</u>	<u>13</u>	<u>14</u>
Total	29	29	30
Total Annual Payroll	\$88,174	\$88,174	\$86,453
Payroll Under Assumed Ret. Age	88,174	88,174	86,453
Annual Rate of Payments to:			
Service Retirees	219,398	219,398	216,197
DROP Retirees	0	0	0
Beneficiaries	5,715	5,715	5,715
Disability Retirees	115,717	115,717	114,543
Terminated Vested	96,636	96,636	96,636
B. Assets			
Actuarial Value (AVA) ¹	6,602,030	6,602,030	6,549,433
Market Value (MVA) ¹	6,667,622	6,667,622	6,525,239
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	738,139	694,274	640,939
Disability Benefits	640	611	1,056
Death Benefits	943	893	1,668
Vested Benefits	6,701	6,202	11,535
Refund of Contributions	0	0	0
Service Retirees	3,237,465	3,062,331	3,041,562
DROP Retirees ¹	0	0	0
Beneficiaries	24,014	23,760	27,500
Disability Retirees	1,379,790	1,312,394	1,311,236
Terminated Vested	1,101,414	1,034,985	980,796
Share Plan Balances ¹	<u>67,328</u>	<u>67,328</u>	<u>47,876</u>
Total	6,556,434	6,202,778	6,064,168

C. Liabilities - (Continued)	New Assump <u>10/1/2018</u>	Old Assump <u>10/1/2018</u>	<u>10/1/2017</u>
Present Value of Future Salaries	88,174	88,174	169,574
Present Value of Future Member Contributions	4,409	4,409	8,479
Normal Cost (Retirement)	22,374	19,961	19,166
Normal Cost (Disability)	206	193	195
Normal Cost (Death)	498	464	463
Normal Cost (Vesting)	1,913	1,680	1,640
Normal Cost (Refunds)	<u>0</u>	<u>0</u>	<u>0</u>
Total Normal Cost	24,991	22,298	21,464
Present Value of Future Normal Costs	24,991	22,296	42,100
Accrued Liability (Retirement)	715,764	674,313	603,345
Accrued Liability (Disability)	435	418	674
Accrued Liability (Death)	445	430	761
Accrued Liability (Vesting)	4,788	4,523	8,318
Accrued Liability (Refunds)	0	0	0
Accrued Liability (Inactives) ¹	5,742,683	5,433,470	5,361,094
Share Plan Balances ¹	<u>67,328</u>	<u>67,328</u>	<u>47,876</u>
Total Actuarial Accrued Liability (EAN AL)	6,531,443	6,180,482	6,022,068
Unfunded Actuarial Accrued Liability (UAAL)	(70,587)	(421,548)	(527,365)
Funded Ratio (AVA / EAN AL)	101.1%	106.8%	108.8%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2018</u>	Old Assump <u>10/1/2018</u>	<u>10/1/2017</u>
Vested Accrued Benefits			
Inactives + Share Plan Balances ¹	5,810,011	5,500,798	5,408,970
Actives	637,093	596,134	494,018
Member Contributions	<u>50,712</u>	<u>50,712</u>	<u>46,553</u>
Total	6,497,816	6,147,644	5,949,541
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>	<u>0</u>
Total Present Value Accrued Benefits (PVAB)	6,497,816	6,147,644	5,949,541
Funded Ratio (MVA / PVAB)	102.6%	108.5%	109.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	350,172	0	
New Accrued Benefits	0	88,368	
Benefits Paid	0	(352,143)	
Interest	0	461,878	
Other	<u>0</u>	<u>0</u>	
Total	350,172	198,103	

	New Assump	Old Assump	
Valuation Date	10/1/2018	10/1/2018	10/1/2017
Applicable to Fiscal Year Ending	<u>9/30/2020</u>	<u>9/30/2020</u>	<u>9/30/2019</u>
E. Pension Cost			
Normal Cost ²	\$26,490	\$23,636	\$22,752
Administrative Expenses ²	53,677	53,677	57,964
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 24 years (as of 10/1/2018) ²	(56,810)	(91,565)	(81,634)
Minimum Required Contribution ³	26,490	23,636	22,752
Expected Member Contributions ²	4,673	4,673	4,582
Expected City and State Contribution ³	21,817	18,963	18,170
F. Past Contributions			
Plan Years Ending:	<u>9/30/2018</u>		
City and State Requirement	34,253 ³		
Actual Contributions Made:			
Members (excluding buyback)	4,159		
City	0		
State	<u>34,253</u>		
Total	38,412		
G. Net Actuarial (Gain)/Loss	106,877		

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2018 and 9/30/2017.

² Contributions developed as of 10/1/2018 displayed above have been adjusted to account for assumed salary increase components.

³ Reflects 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>
2018	(70,587) ¹

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2018	1.99%	6.00%
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%
Year Ended 9/30/2014	11.44%	6.00%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2018	7.56%	6.08%	8.00%
Year Ended 9/30/2017	12.07%	6.60%	8.00%
Year Ended 9/30/2016	6.29%	6.99%	8.00%
Year Ended 9/30/2015	-1.16%	9.14%	8.00%
Year Ended 9/30/2014	9.69%	8.62%	8.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2018	\$88,174
	10/1/2008	1,041,764
(b) Total Increase		-91.54%
(c) Number of Years		10.00
(d) Average Annual Rate		-21.88%

¹ Based on current State law and the existing UAAL bases, the UAAL will never be positive.

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, 2017	(\$527,365)
(2) Sponsor Normal Cost developed as of October 1, 2017	17,141
(3) Expected administrative expenses for the year ended September 30, 2018	54,683
(4) Expected interest on (1), (2) and (3)	(38,631)
(5) Sponsor contributions to the System during the year ended September 30, 2018	34,253
(6) Expected interest on (5)	0
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2018 (1)+(2)+(3)+(4)-(5)-(6)	(528,425)
(8) Change to UAAL due to Assumption Change	350,961
(9) Change to UAAL due to Actuarial (Gain)/Loss	106,877
(10) Unfunded Actuarial Accrued Liability as of October 1, 2018	(70,587)

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2018 Amount</u>	<u>Amortization Amount</u>
Method Change	10/1/2007	4	(118,856)	(33,011)
Method Change	10/1/2008	10	49,525	6,712
Actuarial Loss	10/1/2009	1	10,705	10,705
Reconciliation Base	10/1/2010	12	11,010	1,324
Actuarial Loss	10/1/2010	2	46,875	24,285
Assump Change	10/1/2010	12	21,344	2,567
Actuarial Loss	10/1/2011	3	46,644	16,685
Actuarial Gain	10/1/2012	4	(11,021)	(3,061)
Benefit Change	10/1/2012	24	1,022	87
Actuarial Gain	10/1/2013	5	(46,703)	(10,738)
Actuarial Gain	10/1/2014	6	(380,196)	(75,348)
Actuarial Gain	10/1/2015	7	(270,795)	(47,559)
Actuarial Gain	10/1/2016	8	(54,121)	(8,595)
Assump Change	10/1/2016	18	167,726	16,075
Actuarial Gain	10/1/2017	9	(1,584)	(231)
Actuarial Loss	10/1/2018	10	106,877	14,484
Assump Change	10/1/2018	20	<u>350,961</u>	<u>32,025</u>
			(70,587)	(53,594)

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2017	(\$527,365)
(2) Expected UAAL as of October 1, 2018	(528,425)
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	122,567
Salary Increases	(11,108)
Active Decrements	6,371
Inactive Mortality	22,763
Other	<u>(33,716)</u>
Increase in UAAL due to (Gain)/Loss	106,877
Assumption Changes	<u>350,961</u>
(4) Actual UAAL as of October 1, 2018	(\$70,587)

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

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

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

Healthy Inactive Lives:

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

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

Disabled Lives:

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

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

The 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, 2018 FRS valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

75% of active deaths are assumed to be service-incurred.

Interest Rate

7.50% (prior year 8.00%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

6.00% 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

0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption is in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses

\$50,639 annually, based on actual expenses incurred in the prior fiscal year.

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.

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 on following page (1201). It is assumed that 75% of disablements 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.

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

GLOSSARY

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

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

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

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

- (a) The normal cost accrual rate equals:
 - (i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by
 - (ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.
- (b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.
- (c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Unfunded Actuarial Accrued Liability (UAAL) is 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.

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%
2018	63,091.90	8.0%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2018

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	90,000.00	90,000.00
Prepaid Benefits	28,402.47	28,402.47
Cash	23,350.88	23,350.88
 Total Cash and Equivalents	 141,753.35	 141,753.35
Receivables:		
Member Contributions in Transit	153.85	153.85
State Contributions	63,091.90	63,091.90
From Broker for Investments Sold	18,685.23	18,685.23
Tax Reclaims	785.59	785.59
Investment Income	8,166.42	8,166.42
 Total Receivable	 90,882.99	 90,882.99
Investments:		
Stocks	2,206,140.98	2,601,214.68
Mutual Funds:		
Fixed Income	2,206,950.28	2,129,269.27
Equity	972,923.53	1,216,686.25
Pooled/Common/Commingled Funds:		
Real Estate	500,000.00	510,601.19
 Total Investments	 5,886,014.79	 6,457,771.39
 Total Assets	 6,118,651.13	 6,690,407.73
 <u>LIABILITIES</u>		
Payables:		
Investment Expenses	4,386.41	4,386.41
Prior Refunds	704.42	704.42
To Broker for Investments Purchased	17,694.43	17,694.43
 Total Liabilities	 22,785.26	 22,785.26
 NET POSITION RESTRICTED FOR PENSIONS	 6,095,865.87	 6,667,622.47

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Market Value Basis

ADDITIONS

Contributions:		
Member		4,159.25
State		63,091.90
Total Contributions		67,251.15
Investment Income:		
Net Realized Gain (Loss)	334,454.96	
Unrealized Gain (Loss)	(26,072.75)	
Net Increase in Fair Value of Investments		308,382.21
Interest & Dividends		203,447.06
Less Investment Expense ¹		(33,915.58)
Net Investment Income		477,913.69
Total Additions		545,164.84
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments		336,454.80
Lump Sum DROP Distributions		0.00
Lump Sum Share Distributions		12,102.15
Refunds of Member Contributions		3,585.78
Total Distributions		352,142.73
Administrative Expense		50,639.05
Total Deductions		402,781.78
Net Increase in Net Position		142,383.06
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		6,525,239.41
End of the Year		6,667,622.47

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

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2018

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return ¹	
09/30/2015	-1.16%	
09/30/2016	6.29%	
09/30/2017	12.07%	
09/30/2018	7.56%	
Annualized Rate of Return for prior four (4) years:		6.08%
(A) 10/01/2017 Actuarial Assets:		\$6,549,433.14
(I) Net Investment Income:		
1. Interest and Dividends	203,447.06	
2. Realized Gains (Losses)	334,454.96	
3. Change in Actuarial Value	(115,859.20)	
4. Investment Related Expenses	(33,915.58)	
Total		388,127.24
(B) 10/01/2018 Actuarial Assets:		\$6,602,029.75
Actuarial Asset Rate of Return = 2I/(A+B-I):		6.08%
10/01/2018 Limited Actuarial Assets:		\$6,602,029.75
10/01/2018 Market Value of Assets:		\$6,667,622.47
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$122,566.50)

¹Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2018
 Actuarial Asset Basis

REVENUES

Contributions:		
Member	4,159.25	
State	63,091.90	
Total Contributions		67,251.15
Earnings from Investments:		
Interest & Dividends	203,447.06	
Net Realized Gain (Loss)	334,454.96	
Change in Actuarial Value	(115,859.20)	
Total Earnings and Investment Gains		422,042.82

EXPENDITURES

Distributions to Members:		
Benefit Payments	336,454.80	
Lump Sum DROP Distributions	0.00	
Lump Sum Share Distributions	12,102.15	
Refunds of Member Contributions	3,585.78	
Total Distributions		352,142.73
Expenses:		
Investment related ¹	33,915.58	
Administrative	50,639.05	
Total Expenses		84,554.63
Change in Net Assets for the Year		52,596.61
Net Assets Beginning of the Year		6,549,433.14
Net Assets End of the Year²		6,602,029.75

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

²Net Assets may be limited for actuarial consideration.

SUPPLEMENTAL CHAPTER 185 SHARE PLAN ACTIVITY
October 1, 2017 through September 30, 2018

9/30/2017 Balance (est.)	47,876
Prior Year Adjustment	120
Plus Additions	28,839
Investment Return Earned	2,671
Administrative Fees	(75)
Less Distributions	(12,102)
9/30/2018 Balance	67,328

STATISTICAL DATA

	<u>10/1/2015</u>	<u>10/1/2016</u>	<u>10/1/2017</u>	<u>10/1/2018</u>
<u>Actives</u>				
Number	3	3	1	1
Average Current Age	38.4	39.4	43.9	44.9
Average Age at Employment	26.3	26.3	25.1	25.1
Average Past Service	12.1	13.1	18.8	19.8
Average Annual Salary	\$65,072	\$61,752	\$86,453	\$88,174
<u>Service Retirees</u>				
Number	6	7	8	8
Average Current Age	56.0	56.8	56.4	57.4
Average Annual Benefit	\$25,718	\$25,176	\$27,025	\$27,425
<u>DROP Retirees</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Beneficiaries</u>				
Number	2	2	1	1
Average Current Age	42.4	43.4	23.0	24.0
Average Annual Benefit	\$8,097	\$8,097	\$5,715	\$5,715
<u>Disability Retirees</u>				
Number	6	6	6	6
Average Current Age	56.7	57.7	58.7	59.7
Average Annual Benefit	\$18,708	\$18,898	\$19,091	\$19,286
<u>Terminated Vested</u>				
Number	13	13	14	13
Average Current Age ¹	48.1	40.2	40.5	49.7
Average Annual Benefit ²	\$19,623	\$19,327	\$19,327	\$19,327

¹ Effective 10/1/2018, the Average Current Age excludes participants awaiting a refund of contributions.

² The Average Annual Benefit excludes participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	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	0	0	0	0	0
45 - 49	0	0	0	0	0	0	0	1	0	0	0	1
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 10/1/2017	1
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	1
h. New entrants	<u>0</u>
i. Total active life participants in valuation	1

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

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

SUMMARY OF CURRENT PLAN

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, 2018

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	90,000
Prepaid Benefits	28,402
Cash	23,351
Total Cash and Equivalents	141,753
Receivables:	
Member Contributions in Transit	154
State Contributions	63,092
From Broker for Investments Sold	18,685
Tax Reclaims	786
Investment Income	8,166
Total Receivable	90,883
Investments:	
Stocks	2,601,215
Mutual Funds:	
Fixed Income	2,129,269
Equity	1,216,686
Real Estate	510,601
Total Investments	6,457,771
Total Assets	6,690,407
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	4,387
Prior Refunds	704
To Broker for Investments Purchased	17,694
Total Liabilities	22,785
NET POSITION RESTRICTED FOR PENSIONS	6,667,622

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Market Value Basis

ADDITIONS

Contributions:

Member	4,159	
State	63,092	
Total Contributions		67,251
Investment Income:		
Net Increase in Fair Value of Investments	308,382	
Interest & Dividends	203,447	
Less Investment Expense ¹	(33,915)	
Net Investment Income		477,914
Total Additions		545,165

DEDUCTIONS

Distributions to Members:

Benefit Payments	336,455	
Lump Sum Share Distributions	12,102	
Refunds of Member Contributions	3,586	
Total Distributions		352,143
Administrative Expense		50,639
Total Deductions		402,782
Net Increase in Net Position		142,383

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		6,525,239
End of the Year		6,667,622

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

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

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, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	15
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	14
Active Plan Members	1
	30

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 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 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.

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.

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, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45.0%
International Equity	15.0%
Fixed Income (Core)	27.5%
Global Fixed Income	5.0%
Real Estate	7.5%
Total	100.0%

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, 2018, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 7.56 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, 2018 is \$0.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2018 were as follows:

Total Pension Liability	\$ 6,538,606
Plan Fiduciary Net Position	\$ (6,667,622)
Sponsor's Net Pension Liability	<u>\$ (129,016)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	<u>101.97%</u>

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	6.00%
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate 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.

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 2018, 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, 2018 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Fixed Income (Core)	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%

GASB 67

Discount Rate:

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

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Sponsor's Net Pension Liability	\$ 687,711	\$ (129,016)	\$ (796,573)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2018	09/30/2017	09/30/2016
Total Pension Liability			
Service Cost	21,881	43,637	43,485
Interest	478,398	473,710	457,532
Change in Excess State Money	-	-	(44,955)
Share Plan Allocation	28,839	23,267	44,955
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(121,947)	(107,123)	(156,072)
Changes of assumptions	349,415	-	138,973
Benefit Payments, including Refunds of Employee Contributions	(352,143)	(354,136)	(299,468)
Net Change in Total Pension Liability	404,443	79,355	184,450
Total Pension Liability - Beginning	6,134,163	6,054,808	5,870,358
Total Pension Liability - Ending (a)	<u>\$ 6,538,606</u>	<u>\$ 6,134,163</u>	<u>\$ 6,054,808</u>
Plan Fiduciary Net Position			
Contributions - Employer	-	-	30,977
Contributions - State	63,092	58,391	55,147
Contributions - Employee	4,159	7,358	9,075
Net Investment Income	477,914	718,596	369,683
Benefit Payments, including Refunds of Employee Contributions	(352,143)	(354,136)	(299,468)
Administrative Expense	(50,639)	(54,683)	(32,414)
Net Change in Plan Fiduciary Net Position	142,383	375,526	133,000
Plan Fiduciary Net Position - Beginning	6,525,239	6,149,713	6,016,713
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,667,622</u>	<u>\$ 6,525,239</u>	<u>\$ 6,149,713</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (129,016)</u>	<u>\$ (391,076)</u>	<u>\$ (94,905)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	101.97%	106.38%	101.57%
Covered Payroll	\$ 83,183	\$ 147,151	\$ 181,491
Net Pension Liability as a percentage of Covered Payroll	-155.10%	-265.77%	-52.29%

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 09/30/2018, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 8.00% to 7.75% per year compounded annually, net of investment related expenses.

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

	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	34,314	37,818	35,017
Interest	464,239	448,862	445,501
Change in Excess State Money	-	-	-
Share Plan Allocation	-	-	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(302,143)	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(279,363)	(302,555)	(580,059)
Net Change in Total Pension Liability	(82,953)	184,125	(99,541)
Total Pension Liability - Beginning	5,953,311	5,769,186	5,868,727
Total Pension Liability - Ending (a)	<u>\$ 5,870,358</u>	<u>\$ 5,953,311</u>	<u>\$ 5,769,186</u>
Plan Fiduciary Net Position			
Contributions - Employer	84,937	127,576	296,360
Contributions - State	54,943	51,390	53,069
Contributions - Employee	7,634	7,872	9,464
Net Investment Income	(71,456)	563,391	726,290
Benefit Payments, including Refunds of Employee Contributions	(279,363)	(302,555)	(580,059)
Administrative Expense	(39,184)	(68,811)	(70,999)
Net Change in Plan Fiduciary Net Position	(242,489)	378,863	434,125
Plan Fiduciary Net Position - Beginning	6,259,202	5,880,339	5,446,214
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,016,713</u>	<u>\$ 6,259,202</u>	<u>\$ 5,880,339</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (146,355)</u>	<u>\$ (305,891)</u>	<u>\$ (111,153)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	102.49%	105.14%	101.93%
Covered Payroll	\$ 167,672	\$ 157,440	\$ 189,286
Net Pension Liability as a percentage of Covered Payroll	-87.29%	-194.29%	-58.72%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2018	\$ 34,253	\$ 34,253	\$ -	\$ 83,183	41.18%
09/30/2017	\$ 35,124	\$ 35,124	\$ -	\$ 147,151	23.87%
09/30/2016	\$ 75,649	\$ 86,124	\$ (10,475)	\$ 181,491	47.45%
09/30/2015	\$ 139,880	\$ 139,880	\$ -	\$ 167,672	83.42%
09/30/2014	\$ 178,966	\$ 178,966	\$ -	\$ 157,440	113.67%
09/30/2013	\$ 349,429	\$ 349,429	\$ -	\$ 189,286	184.60%

Notes to Schedule

Valuation Date: 10/01/2016
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:

Mortality Rate: *Healthy Lives:*
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.
Disabled Lives:
Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.
Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.
The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the 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, 2015 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.
This assumption is 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 is reasonable based on Plan provisions.

GASB 67

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 below (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.

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

Amortization Method: Level Dollar, Closed.

Remaining Amortization Period: 26 Years (as of 10/01/2016 Valuation).

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.

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

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2018	7.56%
09/30/2017	12.07%
09/30/2016	6.29%
09/30/2015	-1.16%
09/30/2014	9.69%
09/30/2013	13.70%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2019)

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, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	15
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	14
Active Plan Members	1
	30
	30

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 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 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.

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.

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, 2018.

The measurement period for the pension expense was October 1, 2017 to September 30, 2018.

The reporting period is October 1, 2018 through September 30, 2019.

The Sponsor's Net Pension Liability was measured as of September 30, 2018.

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, 2017 updated to September 30, 2018 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	6.00%
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate 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.

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 2018, 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.

GASB 68

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	45.0%	7.50%
International Equity	15.0%	8.50%
Fixed Income (Core)	27.5%	2.50%
Global Fixed Income	5.0%	3.50%
Real Estate	7.5%	4.50%
<u>Total</u>	<u>100.0%</u>	

Discount Rate:

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

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

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2018	\$ 6,134,163	\$ 6,525,239	\$ (391,076)
Changes for a Year:			
Service Cost	21,881	-	21,881
Interest	478,398	-	478,398
Share Plan Allocation	28,839	-	28,839
Differences between Expected and Actual Experience	(121,947)	-	(121,947)
Changes of assumptions	349,415	-	349,415
Changes of benefit terms	-	-	-
Contributions - Employer	-	-	-
Contributions - State	-	63,092	(63,092)
Contributions - Employee	-	4,159	(4,159)
Net Investment Income	-	477,914	(477,914)
Benefit Payments, including Refunds of Employee Contributions	(352,143)	(352,143)	-
Administrative Expense	-	(50,639)	50,639
Net Changes	404,443	142,383	262,060
Reporting Period Ending September 30, 2019	\$ 6,538,606	\$ 6,667,622	\$ (129,016)

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability	\$ 687,711	\$ (129,016)	\$ (796,573)

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, 2018**

For the year ended September 30, 2018, the Sponsor has recognized 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	63,092	-
Total	\$ 138,202	\$ -

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, 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	\$	-

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2019**

For the year ended September 30, 2019, the Sponsor will recognize a Pension Expense of \$365,974.

On September 30, 2019, 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	34,288	-
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, 2019.

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:		
2020	\$	91,576
2021	\$	(21,494)
2022	\$	(41,931)
2023	\$	6,137
2024	\$	-
Thereafter	\$	-

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

Reporting Period Ending Measurement Date	09/30/2019 09/30/2018	09/30/2018 09/30/2017	09/30/2017 09/30/2016
Total Pension Liability			
Service Cost	21,881	43,637	43,485
Interest	478,398	473,710	457,532
Change in Excess State Money	-	-	(44,955)
Share Plan Allocation	28,839	23,267	44,955
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(121,947)	(107,123)	(156,072)
Changes of assumptions	349,415	-	138,973
Benefit Payments, including Refunds of Employee Contributions	(352,143)	(354,136)	(299,468)
Net Change in Total Pension Liability	404,443	79,355	184,450
Total Pension Liability - Beginning	6,134,163	6,054,808	5,870,358
Total Pension Liability - Ending (a)	<u>\$ 6,538,606</u>	<u>\$ 6,134,163</u>	<u>\$ 6,054,808</u>
 Plan Fiduciary Net Position			
Contributions - Employer	-	-	30,977
Contributions - State	63,092	58,391	55,147
Contributions - Employee	4,159	7,358	9,075
Net Investment Income	477,914	718,596	369,683
Benefit Payments, including Refunds of Employee Contributions	(352,143)	(354,136)	(299,468)
Administrative Expense	(50,639)	(54,683)	(32,414)
Net Change in Plan Fiduciary Net Position	142,383	375,526	133,000
Plan Fiduciary Net Position - Beginning	6,525,239	6,149,713	6,016,713
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,667,622</u>	<u>\$ 6,525,239</u>	<u>\$ 6,149,713</u>
 Net Pension Liability - Ending (a) - (b)	<u>\$ (129,016)</u>	<u>\$ (391,076)</u>	<u>\$ (94,905)</u>
 Plan Fiduciary Net Position as a percentage of the Total Pension Liability	101.97%	106.38%	101.57%
 Covered Payroll	\$ 83,183	\$ 147,151	\$ 181,491
Net Pension Liability as a percentage of Covered Payroll	-155.10%	-265.77%	-52.29%

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 09/30/2018, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 8.00% to 7.75% per year compounded annually, net of investment related expenses.

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 Measurement Date	09/30/2016 09/30/2015	09/30/2015 09/30/2014	09/30/2014 09/30/2013
Total Pension Liability			
Service Cost	34,314	37,818	35,017
Interest	464,239	448,862	445,501
Change in Excess State Money	-	-	-
Share Plan Allocation	-	-	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(302,143)	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(279,363)	(302,555)	(580,059)
Net Change in Total Pension Liability	(82,953)	184,125	(99,541)
Total Pension Liability - Beginning	5,953,311	5,769,186	5,868,727
Total Pension Liability - Ending (a)	<u>\$ 5,870,358</u>	<u>\$ 5,953,311</u>	<u>\$ 5,769,186</u>
Plan Fiduciary Net Position			
Contributions - Employer	84,937	127,576	296,360
Contributions - State	54,943	51,390	53,069
Contributions - Employee	7,634	7,872	9,464
Net Investment Income	(71,456)	563,391	726,290
Benefit Payments, including Refunds of Employee Contributions	(279,363)	(302,555)	(580,059)
Administrative Expense	(39,184)	(68,811)	(70,999)
Net Change in Plan Fiduciary Net Position	(242,489)	378,863	434,125
Plan Fiduciary Net Position - Beginning	6,259,202	5,880,339	5,446,214
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,016,713</u>	<u>\$ 6,259,202</u>	<u>\$ 5,880,339</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (146,355)</u>	<u>\$ (305,891)</u>	<u>\$ (111,153)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	102.49%	105.14%	101.93%
Covered Payroll	\$ 167,672	\$ 157,440	\$ 189,286
Net Pension Liability as a percentage of Covered Payroll	-87.29%	-194.29%	-58.72%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2018	\$ 34,253	\$ 34,253	\$ -	\$ 83,183	41.18%
09/30/2017	\$ 35,124	\$ 35,124	\$ -	\$ 147,151	23.87%
09/30/2016	\$ 75,649	\$ 86,124	\$ (10,475)	\$ 181,491	47.45%
09/30/2015	\$ 139,880	\$ 139,880	\$ -	\$ 167,672	83.42%
09/30/2014	\$ 178,966	\$ 178,966	\$ -	\$ 157,440	113.67%
09/30/2013	\$ 349,429	\$ 349,429	\$ -	\$ 189,286	184.60%

Notes to Schedule

Valuation Date: 10/01/2016

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:

Mortality Rate:

Healthy Lives:

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

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

Disabled Lives:

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

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

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the 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, 2015 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.

This assumption is 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 is reasonable based on Plan provisions.

GASB 68

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 below (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.
Funding Method:	Entry Age Normal Actuarial Cost Method, with a funding load based on the current 6.0% salary increase assumption.
Amortization Method:	Level Dollar, Closed.
Remaining Amortization Period:	26 Years (as of 10/01/2016 Valuation).
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.

Termination and Disability Rate Table:	% Terminating During the Year	% Becoming Disabled During the Year
Age		
20	6.00%	0.03%
30	5.00%	0.04%
40	2.60%	0.07%
50	0.80%	0.18%

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

The following information is not required to be disclosed but is provided for informational purposes.

FINAL 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	-	-	63,092	-
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>63,092</u>	<u>433,491</u>
Plan Fiduciary Net Position:				
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>\$ 350,543</u>	<u>\$ 67,931</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2019

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (391,076)	\$ 212,341	\$ 350,543	\$ -
Employer and State Contributions made after 09/30/2018	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	21,881	-	-	21,881
Interest	478,398	-	-	478,398
Share Plan Allocation	28,839	-	-	28,839
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(121,947)	121,947	-	-
Current year amortization of experience difference	-	(121,947)	-	(121,947)
Change in assumptions about future economic or demographic factors or other inputs	349,415	-	349,415	-
Current year amortization of change in assumptions	-	-	(349,415)	349,415
Benefit Payments, including Refunds of Employee Contributions	(352,143)	-	-	-
Net change	<u>404,443</u>	<u>-</u>	<u>-</u>	<u>756,586</u>
Plan Fiduciary Net Position:				
Contributions - State	63,092	-	(63,092)	-
Contributions - Employee	4,159	-	-	(4,159)
Projected Net Investment Income	508,598	-	-	(508,598)
Difference between projected and actual earnings on Pension Plan investments	(30,684)	-	30,684	-
Current year amortization	-	(68,137)	(139,643)	71,506
Benefit Payments, including Refunds of Employee Contributions	(352,143)	-	-	-
Administrative Expenses	(50,639)	-	-	50,639
Net change	<u>142,383</u>	<u>(68,137)</u>	<u>(172,051)</u>	<u>(390,612)</u>
Ending Balance	<u>\$ (129,016)</u>	<u>\$ 144,204</u>	<u>TBD</u>	<u>\$ 365,974</u>

* Employer and State Contributions subsequent to the measurement date made after September 30, 2018 but made on or before September 30, 2019 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)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2014	\$ (100,345)	5	\$ (20,069)	\$ (20,069)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 565,351	5	\$ 113,070	\$ 113,070	\$ 113,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 102,187	5	\$ 20,438	\$ 20,437	\$ 20,437	\$ 20,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (240,342)	5	\$ (48,070)	\$ (48,068)	\$ (48,068)	\$ (48,068)	\$ (48,068)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 30,684	5	\$ -	\$ 6,136	\$ 6,137	\$ 6,137	\$ 6,137	\$ 6,137	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 65,369	\$ 71,506	\$ 91,576	\$ (21,494)	\$ (41,931)	\$ 6,137	\$ -	\$ -	\$ -	\$ -	\$ -

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)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2018	\$ 349,415	1	\$ -	\$ 349,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ -	\$ 349,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

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

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2017	\$ (107,123)	1	\$ (107,123)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (121,947)	1	\$ -	\$ (121,947)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (107,123)	\$ (121,947)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -