

CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2015

CONTRIBUTIONS APPLICABLE TO THE PLAN/FISCAL
YEAR ENDING SEPTEMBER 30, 2017



December 15, 2015

Board of Trustees
City of Lake Alfred
General Employees' Retirement System
120 E. Pomelo Street
Lake Alfred, FL 33850

Re: City of Lake Alfred
General Employees' Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Lake Alfred General Employees' Retirement System. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Please note that this valuation may not be applicable for any other purposes.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

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

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

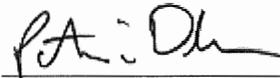
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Lake Alfred, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Lake Alfred General Employees' 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:



Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #14-6595

PTD/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Lake Alfred General Employees' Retirement System, performed as of October 1, 2015, has been completed and the results are presented in this Report. The contribution amounts developed in this valuation are applicable to the plan/fiscal year ended September 30, 2017.

The contribution requirements, compared with those developed in the October 1, 2014 Actuarial Valuation, are as follows:

Valuation Date	10/1/2014	10/1/2015
Applicable Plan/Fiscal Year End	<u>9/30/2016</u>	<u>9/30/2017</u>
Total Required Contribution	\$230,951	\$243,999
Member Contributions	(\$61,991)	(\$64,350)
Balance From City	\$168,960	\$179,649

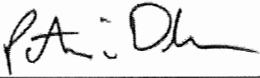
During the past year, the actuarial experience has been more favorable than expected, relative to the Plan's actuarial assumptions. The principal sources of favorable experience included an 8.69% investment return (Actuarial Asset Basis) which exceeded the 7.5% assumption and average increases in Pensionable Earnings that were below the assumed rate by approximately 1.5%. Offsetting these sources of favorable experience were the unfavorable effects of no inactive mortality and more retirements than expected. For a detailed analysis that displays the actuarial gain/loss by component, please refer to page 14 of the report.

Please note that the contribution requirements reflected in the October 1, 2014 column above have been adjusted since the prior valuation as the result of a City contribution in the amount of \$173,325 on October 15, 2015. Should the City elect to deposit the entire required contribution for Fiscal 2017 at the beginning of the fiscal year, they will be able to reduce the interest requirement currently being utilized to determine the costs shown above.

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 to discuss the Report and answer any questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 
Patrick T. Donlan, EA, ASA, MAAA

By: 
Tyler A. Koftan

CHANGES SINCE PRIOR REPORT

Plan Changes

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

Actuarial Assumption/Method Changes

Since the prior valuation, the assumed payroll growth rate was reduced from 1.6% per year to 1.3% as required by Part VII of Chapter 112, Florida Statutes.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2015</u>	<u>10/1/2014</u>
A. Participant Data		
Number Included		
Actives	37	37
Service Retirees	18	16
DROP Retirees	0	0
Beneficiaries	1	1
Disability Retirees	0	0
Terminated Vested	<u>29</u>	<u>29</u>
Total	85	83
Total Annual Payroll	\$1,170,264	\$1,127,360
Payroll Under Assumed Ret. Age	1,170,264	1,127,360
Annual Rate of Payments to:		
Service Retirees	237,115	199,363
DROP Retirees	0	0
Beneficiaries	9,659	9,659
Disability Retirees	0	0
Terminated Vested	97,835	97,835
B. Assets		
Actuarial Value	4,009,016	3,740,538
Market Value	3,825,287	3,883,370
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	2,005,829	2,103,545
Disability Benefits	88,163	79,678
Death Benefits	15,683	15,891
Vested Benefits	263,226	235,418
Refund of Contributions	71,353	69,504
Service Retirees	2,223,023	1,922,516
DROP Retirees	0	0
Beneficiaries	73,628	75,893
Disability Retirees	0	0
Terminated Vested	<u>552,273</u>	<u>519,312</u>
Total	5,293,178	5,021,757

C. Liabilities - (Continued)	<u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	7,925,479	7,467,663
Present Value of Future Member Contributions	396,274	373,383
Normal Cost (Retirement)	120,991	114,824
Normal Cost (Disability)	5,275	4,872
Normal Cost (Death)	1,204	1,298
Normal Cost (Vesting)	13,046	12,566
Normal Cost (Refunds)	<u>13,816</u>	<u>14,175</u>
Total Normal Cost	154,332	147,735
Present Value of Future Normal Costs	969,132	913,433
Accrued Liability (Retirement)	1,231,405	1,377,528
Accrued Liability (Disability)	52,097	45,798
Accrued Liability (Death)	8,691	8,933
Accrued Liability (Vesting)	167,984	143,094
Accrued Liability (Refunds)	14,945	15,250
Accrued Liability (Inactives)	<u>2,848,924</u>	<u>2,517,721</u>
Total Actuarial Accrued Liability	4,324,046	4,108,324
Unfunded Actuarial Accrued Liability (UAAL)	315,030	367,786
Funded Ratio (AVA / AL)	92.7%	91.0%
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	2,848,924	2,517,721
Actives	364,378	484,438
Member Contributions	<u>255,180</u>	<u>245,845</u>
Total	3,468,482	3,248,004
Non-vested Accrued Benefits	<u>192,008</u>	<u>251,963</u>
Total Present Value Accrued Benefits	3,660,490	3,499,967
Funded Ratio (MVA / PVAB)	104.5%	111.0%
 Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	168,094	
Benefits Paid	(260,307)	
Interest	252,736	
Other	<u>0</u>	
Total	160,523	

Valuation Date	10/1/2015	10/1/2014
Applicable to Fiscal Year Ending	<u>9/30/2017</u>	<u>9/30/2016</u>

E. Pension Cost

Normal Cost (with interest) ¹	\$169,727	\$157,082
Administrative Expenses (with interest) ¹	31,105	28,799
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 26 years (as of 10/1/2015, with interest) ¹	43,167	45,070
Total Required Contribution	243,999	230,951
Expected Member Contributions ¹	64,350	61,991
Expected City Contribution	179,649	168,960

F. Past Contributions

Plan Years Ending:	<u>9/30/2015</u>
Total Required Contribution	232,333
City Requirement	172,875
Actual Contributions Made:	
Members (excluding buyback)	56,385
City	<u>177,969</u>
Total	234,354

G. Net Actuarial (Gain)/Loss	(15,965)
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¹ Contributions developed as of 10/1/2015 displayed above have been adjusted to account for assumed salary increase and interest components. Additionally, please note contributions developed as of 10/1/2014 have been adjusted since the prior valuation to reflect a City contribution in the amount of \$173,325 on October 15, 2015. Should the City elect to deposit the entire required contribution for Fiscal 2017 at the beginning of the fiscal year, they will be able to reduce the interest requirement currently being utilized to determine the costs.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	315,030
2016	296,461
2017	275,952
2023	199,384
2029	126,494
2035	16,315
2041	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	4.46%	6.00%
Year Ended	9/30/2014	2.78%	6.00%
Year Ended	9/30/2013	3.66%	6.25%

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	8.69%	7.50%
Year Ended	9/30/2014	8.45%	7.50%
Year Ended	9/30/2013	8.37%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015	\$1,170,264
	10/1/2005	1,025,954
(b) Total Increase		14.07%
(c) Number of Years		10.00
(d) Average Annual Rate		1.3%

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.



Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #14-6595

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2014	\$367,786
(2) Sponsor Normal Cost developed as of October 1, 2014	91,367
(3) Expected administrative expenses for the year ended September 30, 2015	27,085
(4) Expected interest on (1), (2) and (3)	35,452
(5) Sponsor contributions to the System during the year ended September 30, 2015	177,969
(6) Expected interest on (5)	12,726
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	330,995
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	(15,965)
(10) Unfunded Accrued Liability as of October 1, 2015	315,030

Type of Base	Date Established	Years Remaining	10/1/2015 Amount	Amortization Amount
Method Change	10/1/2006	21	\$136,662	\$11,058
Actuarial Loss **	10/1/2006	13	119,354	12,794
Actuarial Gain	10/1/2007	13	(121,270)	(13,000)
Actuarial Loss	10/1/2008	3	3,898	1,377
Method Change	10/1/2008	13	26,133	2,801
Actuarial Loss	10/1/2009	4	31,096	8,480
Actuarial Gain	10/1/2010	5	(57,135)	(12,823)
Benefit Change	10/1/2010	25	40,881	3,048
Actuarial Loss	10/1/2011	6	153,289	29,487
Benefit Change	10/1/2011	26	(31,531)	(2,312)
Actuarial Loss	10/1/2012	7	101,997	17,291
Assum Change	10/1/2012	17	64,023	5,808
Software Change	10/1/2013	18	(33,061)	(2,903)
Actuarial Gain	10/1/2013	8	(50,886)	(7,759)
Assum Changes	10/1/2013	18	91,998	8,079
Actuarial Gain	10/1/2014	9	(144,453)	(20,118)
Actuarial Gain	10/1/2015	10	(15,965)	(2,056)
			315,030	39,252

¹ It is assumed that 50% of the cost method change base from 2006 was attributable to unfavorable actuarial experience prior to that date. This loss will be amortized over a 20 year period effective October 1, 2008. Additionally, prior gain and loss bases are amortized over 20 years (compared to 30 years) and new gain and loss bases on and after October 1, 2008 will be amortized over 10 years.

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2014	\$367,786
(2) Expected UAAL as of October 1, 2015	330,995
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(44,209)
Salary Increases	(22,485)
Active Decrements	4,401
Inactive Mortality	20,574
Other	<u>25,754</u>
Increase in UAAL due to (Gain)/Loss	(15,965)
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2015	\$315,030

ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rate</u>	RP2000 Combined Healthy Mortality Table projected to valuation date using scale AA. Disabled lives set forward 5 years. We feel this assumption sufficiently accommodates expected mortality improvements.								
<u>Interest Rate</u>	7.5% per year compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.								
<u>Retirement Age</u>	Age 59 and 12 years of Credited Service. Also, any member who has reached these requirements is assumed to continue employment for one additional year. We believe this is reasonable based on the Plan's provisions.								
<u>Early Retirement</u>	Commencing with eligibility for Early Retirement Age (55), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This is based on the results of an experience study for the period 1998 – 2006.								
<u>Disability Rate</u>	Age-Based rates table (1202). This assumption was developed from those used by other plans containing Florida municipal General Employees.								
<u>Termination Rate</u>	Please see the table on the following page. The termination rates used are based on the results of an experience study from 1999 – 2012.								
	<table border="0"> <thead> <tr> <th style="text-align: center;"><u>Credited Service</u></th> <th style="text-align: center;"><u>Assumption</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">First 2 Years</td> <td style="text-align: center;">18.0%</td> </tr> <tr> <td style="text-align: center;">Years 3-6</td> <td style="text-align: center;">14.0%</td> </tr> <tr> <td style="text-align: center;">Years 7+</td> <td style="text-align: center;">Age-Based Rates</td> </tr> </tbody> </table>	<u>Credited Service</u>	<u>Assumption</u>	First 2 Years	18.0%	Years 3-6	14.0%	Years 7+	Age-Based Rates
<u>Credited Service</u>	<u>Assumption</u>								
First 2 Years	18.0%								
Years 3-6	14.0%								
Years 7+	Age-Based Rates								
<u>Salary Increases</u>	6.0% per year until the assumed retirement age; see table below. Projected salary at retirement is increased based on individual current accruals to account for non-regular compensation. This rate was developed in an experience study performed by Foster & Foster for the period 1999 – 2012.								
<u>Administrative Expenses</u>	\$28,284 annually. This is equal to the actual non-investment-related expenses paid out of the trust during the year.								

Payroll Growth Assumption

1.3% per year for purposes of amortizing the UAAL. This is limited by Part VII of Chapter 112, Florida Statutes.

Funding Method

Entry Age Normal Actuarial Cost Method.

Actuarial Asset Method

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

<u>Age</u>	<u>% Terminating Each Year (after 7 Yrs of Service)</u>	<u>% Becoming Disabled During the Year</u>	<u>Current Salary as % of Salary at age 57</u>
20	38.6%	0.05%	11.6%
30	19.4	0.06	20.7
40	7.3	0.12	37.1
50	2.7	0.43	66.5

VALUATION NOTES

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 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.

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.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Total Cash and Equivalents	0.00
Receivables:	
Member Contributions in Transit	7.71
Total Receivable	7.71
Investments:	
Mutual Funds:	
FL Municipal Pension Trust Fund	3,825,279.30
Total Investments	3,825,279.30
Total Assets	3,825,287.01
<u>LIABILITIES</u>	
Total Liabilities	0.00
NET POSITION RESTRICTED FOR PENSIONS	3,825,287.01

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

ADDITIONS

Contributions:

Member	56,384.65
City	177,969.23

Total Contributions 234,353.88

Investment Income:

Net Increase in Fair Value of Investments	4,245.91
Less Investment Expense ¹	(8,091.02)

Net Investment Income (3,845.11)

Total Additions 230,508.77

DEDUCTIONS

Distributions to Members:

Benefit Payments	217,694.94
Lump Sum DROP Distributions	0.00
Lump Sum PLOP Distributions	20,315.68
Refunds of Member Contributions	22,296.84

Total Distributions 260,307.46

Administrative Expense 28,284.10

Total Deductions 288,591.56

Net Increase in Net Position (58,082.79)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 3,883,369.80

End of the Year 3,825,287.01

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

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2015

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*	
09/30/2012	15.19%	
09/30/2013	11.87%	
09/30/2014	8.40%	
09/30/2015	-0.09%	
Annualized Rate of Return for prior four (4) years:		8.69%
(A) 10/01/2014 Actuarial Assets:		\$3,740,538.01
(I) Net Investment Income:		
1. Change in Actuarial Value		330,806.44
2. Investment Related Expenses		(8,091.02)
	Total	322,715.42
(B) 10/01/2015 Actuarial Assets:		\$4,009,015.75
Actuarial Asset Rate of Return = 2I/(A+B-I):		8.69%
10/01/2015 Limited Actuarial Assets:		\$4,009,015.75
10/01/2015 Market Value of Assets:		\$3,825,287.01
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$44,208.98

*Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2015
 Actuarial Asset Basis

REVENUES		
Contributions:		
Member	56,384.65	
City	177,969.23	
Total Contributions		234,353.88
Change in Actuarial Value	330,806.44	
Total Earnings and Investment Gains		330,806.44
EXPENDITURES		
Distributions to Members:		
Benefit Payments	217,694.94	
Lump Sum DROP Distributions	0.00	
Lump Sum PLOP Distributions	20,315.68	
Refunds of Member Contributions	22,296.84	
Total Distributions		260,307.46
Expenses:		
Investment related ¹	8,091.02	
Administrative	28,284.10	
Total Expenses		36,375.12
Change in Net Assets for the Year		268,477.74
Net Assets Beginning of the Year		3,740,538.01
Net Assets End of the Year ²		4,009,015.75

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

²Net Assets may be limited for actuarial consideration.

STATISTICAL DATA ¹

	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>
<u>Actives</u>				
Number	39	35	37	37
Average Current Age	40.8	42.6	44.9	44.7
Average Age at Employment	34.9	37.3	40.0	39.8
Average Past Service	5.9	5.3	4.9	4.9
Average Annual Salary	\$28,077	\$30,894	\$30,469	\$31,629
<u>Service Retirees</u>				
Number			16	18
Average Current Age			66.5	67.0
Average Annual Benefit			\$12,460	\$13,173
<u>DROP Retirees</u>				
Number			0	0
Average Current Age			N/A	N/A
Average Annual Benefit			N/A	N/A
<u>Beneficiaries</u>				
Number			1	1
Average Current Age			75.3	76.3
Average Annual Benefit			\$9,659	\$9,659
<u>Disability Retirees</u>				
Number			0	0
Average Current Age			N/A	N/A
Average Annual Benefit			N/A	N/A
<u>Terminated Vested ²</u>				
Number			10	10
Average Current Age			47.8	48.8
Average Annual Benefit			\$9,784	\$9,784

¹ Prior to 10/1/2013, averages were salary weighted.

² Excludes nonvested terminated Members awaiting a refund of Member Contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	1	0	0	0	0	0	0	0	0	0	0	1
25 - 29	1	2	1	0	1	1	0	0	0	0	0	.6
30 - 34	0	0	1	1	0	2	1	0	0	0	0	5
35 - 39	0	1	1	0	0	0	0	0	0	0	0	2
40 - 44	1	1	0	0	0	1	1	0	0	0	0	4
45 - 49	0	0	1	0	1	0	1	0	0	0	0	3
50 - 54	0	0	2	0	0	2	1	0	0	0	0	5
55 - 59	1	2	1	0	0	2	0	0	0	0	0	6
60 - 64	0	1	0	0	0	1	1	1	0	0	0	4
65+	0	0	0	0	0	1	0	0	0	0	0	1
Total	4	7	7	1	2	10	5	1	0	0	0	37

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2014	37
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	(3)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(2)
f. DROP	0
f. Continuing participants	32
g. New entrants	5
h. Total active life participants in valuation	37

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested Deferred ¹	<u>Total</u>
a. Number prior valuation	16	0	1	0	29	46
Retired	2	0	0	0	0	2
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	1	1
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	18	0	1	0	29	48

¹ Includes nonvested terminated Members awaiting a refund of Member Contributions.

SUMMARY OF PLAN PROVISIONS
(Through Ordinance 1304-12)

<u>Eligibility</u>	Full-time employees who are classified as General Employees.
<u>Credited Service</u>	Years and fractional parts of years while employment with the City.
<u>Salary</u>	Total W-2 compensation, plus tax deferred, tax sheltered, and tax exempt items of income. Effective July 1, 2011, Salary shall not include more than three hundred (300) hours of overtime per fiscal year. Additionally, Salary will include the lesser of the amount of sick or annual leave time accrued as of July 1, 2011, or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement.
<u>Average Final Compensation</u>	Average Salary for the best 5 years of the last 10 years preceding retirement or termination.
<u>Member Contributions</u>	5.0% of Salary.
<u>City Contributions</u>	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.
<u>Normal Retirement</u>	
Eligibility	Age 57 and 10 years of Credited Service.
Benefit	2.72% of Average Final Compensation <u>times</u> Credited Service.
Form of Benefit	Five Year Certain and Life Annuity (options available).
<u>Early Retirement</u>	
Eligibility	Age 55 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% for each year that Early retirement precedes Normal retirement.

Disability Benefits

Benefit	Accrued benefit determined as for normal retirement, actuarially reduced to reflect payment prior to normal retirement.
---------	---

Vesting

Schedule	100% after 10 years of Credited Service
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Early (reduced) or Normal Retirement Date.

Death Benefits

Pre-Retirement	If not vested, refund of accumulated member contributions, with interest. If vested, the accrued monthly benefit payable to the designated beneficiary for 5 years immediately (reduced) or at the otherwise Normal Retirement Date (unreduced).
----------------	--

Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.
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Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements.
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Participation	Not to exceed 60 months.
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Rate of Return	At Member's election (may change method once during DROP participation) either actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or 6.5% per annum, compounded quarterly.
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Form of Distribution	Cash lump sum (options available) at termination of employment.
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STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Total Cash and Equivalents	0
Receivables:	
Member Contributions in Transit	8
Total Receivable	8
Investments:	
Mutual Funds:	
FL Municipal Pension Trust Fund	3,825,279
Total Investments	3,825,279
Total Assets	3,825,287
Total Liabilities	0
NET POSITION RESTRICTED FOR PENSIONS	3,825,287

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

ADDITIONS

Contributions:

Member	56,385
City	177,969

Total Contributions		234,354
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Investment Income:

Net Increase in Fair Value of Investments	4,246
Interest & Dividends	0
Less Investment Expense ¹	(8,091)

Net Investment Income		(3,845)
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Total Additions		230,509
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DEDUCTIONS

Distributions to Members:

Benefit Payments	217,695
Lump Sum DROP Distributions	0
Lump Sum PLOP Distributions	20,316
Refunds of Member Contributions	22,297

Total Distributions		260,308
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Administrative Expense		28,284
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Total Deductions		288,592
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Net Increase in Net Position		(58,083)
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		3,883,370
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End of the Year		3,825,287
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

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

Plan Description

Plan Administration

The City of Lake Alfred General Employees' Retirement System is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of seven Trustees, three of whom are legal residents of the City who are appointed by the Lake Alfred City Commission, three of whom are members of the System who are appointed by a majority of the General Employees who are members of the System and a seventh Trustee who is chosen by a majority of the first six Trustees.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	17
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	29
Active Plan Members	37
	83
	83

Benefits Provided

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

Normal Retirement:

Eligibility: Age 57 and 10 years of Credited Service.

Benefit: 2.72% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 55 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% for each year that Early retirement precedes Normal retirement.

Vesting:

Schedule: 100% after 10 years of Credited Service.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Early (reduced) or Normal Retirement Date.

Disability:

Accrued benefit determined as for normal retirement, actuarially reduced to reflect payment prior to normal retirement.

Pre-Retirement Death Benefits:

If not vested, refund of accumulated member contributions, with interest. If vested, the accrued monthly benefit payable to the designated beneficiary for 5 years immediately (reduced) or at the otherwise Normal Retirement Date (unreduced).

Contributions

Member Contributions: 5% of Salary.

City Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.

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Investments*Investment Policy:*

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

Asset Class	Target Allocation
US Large Cap Equity	39%
US Small Cap Equity	11%
Core Bonds	16%
International Equity	10%
Multi Sector	24%
Total	100%

Concentrations:

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

Rate of Return:

For the year ended September 30, 2015, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was -0.09 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 method once during DROP participation) either actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or 6.5% per annum, compounded quarterly.

The DROP balance as September 30, 2015 is \$0.

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NET PENSION LIABILITY OF THE SPONSOR

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

Total Pension Liability	\$ 4,256,899
Plan Fiduciary Net Position	<u>\$ (3,825,287)</u>
Sponsor's Net Pension Liability	<u>\$ 431,612</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	89.86%

Actuarial Assumptions:

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

Inflation	3.00%
Salary Increases	6.00%
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality Rate: RP-2000 Combined Healthy Mortality Table, projected to valuation date using Scale AA. Disabled lives set forward 5 years. Based on a study of over 650 public safety funds, this table reflects more than a 10% margin for future mortality improvements.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study for the period 1999-2012.

The Long-Term Expected Rate of Return on Pension Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

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

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

Asset Class	Long Term Expected Real Rate of Return
US Large Cap Equity	7.14%
US Small Cap Equity	8.45%
Core Bonds	2.48%
International Equity	8.43%
Multi Sector	2.20%

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	\$ 952,491	\$ 431,612	\$ (1,645)

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

	<u>09/30/2015</u>	<u>09/30/2014</u>
Total Pension Liability		
Service Cost	148,309	134,677
Interest	318,656	303,446
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(180,354)	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(260,308)</u>	<u>(237,593)</u>
Net Change in Total Pension Liability	26,303	200,530
Total Pension Liability - Beginning	<u>4,230,596</u>	<u>4,030,066</u>
Total Pension Liability - Ending (a)	<u><u>4,256,899</u></u>	<u><u>\$ 4,230,596</u></u>
Plan Fiduciary Net Position		
Contributions - Employer	177,969	205,381
Contributions - Employee	56,385	56,428
Net Investment Income	(3,845)	308,029
Benefit Payments, including Refunds of Employee Contributions	(260,308)	(237,593)
Administrative Expense	<u>(28,284)</u>	<u>(27,085)</u>
Net Change in Plan Fiduciary Net Position	(58,083)	305,160
Plan Fiduciary Net Position - Beginning	<u>3,883,370</u>	<u>3,578,210</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 3,825,287</u></u>	<u><u>\$ 3,883,370</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 431,612</u></u>	<u><u>\$ 347,226</u></u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	89.86%	91.79%
Covered Employee Payroll*	\$ 1,127,693	\$ 1,098,655
Net Pension Liability as a percentage of Covered Employee Payroll	38.27%	31.60%

Notes to Schedule:

* The Covered Employee Payroll figures were based on Pensionable Salary.

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SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014
Actuarially Determined Contribution	172,875	204,413
Contributions in relation to the Actuarially Determined Contributions	177,969	205,381
Contribution Deficiency (Excess)	<u>\$ (5,094)</u>	<u>\$ (968)</u>
Covered Employee Payroll*	\$ 1,127,693	\$ 1,098,655
Contributions as a percentage of Covered Employee Payroll	15.78%	18.69%

* The Covered Employee Payroll figures were based on Pensionable Salary.

Notes to Schedule

Valuation Date: 10/01/2013

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Actuarial Cost Method.	
Amortization Method:	Level Percentage of Pay, Closed.	
Remaining Amortization Period:	28 Years (as of 10/01/2013 Valuation).	
Actuarial Asset Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below Market Value.	
Inflation:	3.0% per year.	
Salary Increases:	6.0% per year until the assumed retirement age. Projected salary at retirement is increased based on individual current accruals to account for non-regular compensation.	
Interest Rate:	7.5% per year compounded annually, net of investment related expenses.	
Payroll Growth Assumption:	1.6% per year for purposes of amortizing the UAAL.	
Retirement Age:	Age 59 and 12 years of Credited Service. Also, any Member who has reached these requirements is assumed to continue employment for one additional year.	
Early Retirement:	Commencing with eligibility for Early Retirement Age (55), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.	
Termination Rates:	<u>Credited Service</u>	<u>Assumption</u>
	First 2 Years	18%
	Years 3-6	14%
	Years 7+	Age-Based Rates
Disability Rates:	Age-Based table (1202).	
Mortality:	RP2000 Combined Healthy Mortality Table projected to valuation date using scale AA. Disabled lives set forward 5 years.	

Termination and Disability Rate Table:

Age	% Terminating	
	Each Year (after 7 Yrs of Service)	% Becoming Disabled During the Year
20	38.6%	0.05%
30	19.4%	0.06%
40	7.3%	0.12%
50	2.7%	0.43%

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SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2015</u>	<u>09/30/2014</u>
Annual Money-Weighted Rate of Return		
Net of Investment Expense	-0.09%	8.40%

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

General Information about the Pension Plan

Plan Description

The City of Lake Alfred General Employees' Retirement System is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of seven Trustees, three of whom are legal residents of the City who are appointed by the Lake Alfred City Commission, three of whom are members of the System who are appointed by a majority of the General Employees who are members of the System and a seventh Trustee who is chosen by a majority of the first six Trustees.

Each person employed by the City as a full-time General Employee becomes a Member of the System as a condition of his employment. All General Employees are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	17
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	29
Active Plan Members	37
	83
	83

Benefits Provided

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

Normal Retirement:

Eligibility: Age 57 and 10 years of Credited Service.

Benefit: 2.72% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 55 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% for each year that Early retirement precedes Normal retirement.

Vesting:

Schedule: 100% after 10 years of Credited Service.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Early (reduced) or Normal Retirement Date.

Disability:

Accrued benefit determined as for normal retirement, actuarially reduced to reflect payment prior to normal retirement.

Pre-Retirement Death Benefits:

If not vested, refund of accumulated member contributions, with interest. If vested, the accrued monthly benefit payable to the designated beneficiary for 5 years immediately (reduced) or at the otherwise Normal Retirement Date (unreduced).

Contributions

Member Contributions: 5% of Salary.

City Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.

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Net Pension Liability

The measurement date is September 30, 2015.

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

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

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

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

Actuarial Assumptions:

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

Inflation	3.00%
Salary Increases	6.00%
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality Rate: RP-2000 Combined Healthy Mortality Table, projected to valuation date using Scale AA. Disabled lives set forward 5 years. Based on a study of over 650 public safety funds, this table reflects more than a 10% margin for future mortality

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study for the period 1999-2012.

The Long-Term Expected Rate of Return on Pension Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
US Large Cap Equity	39%	7.14%
US Small Cap Equity	11%	8.45%
Core Bonds	16%	2.48%
International Equity	10%	8.43%
Multi Sector	24%	2.20%
<u>Total</u>	<u>100%</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.

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CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2014	\$ 4,230,596	\$ 3,883,370	\$ 347,226
Changes for a Year:			
Service Cost	148,309	-	148,309
Interest	318,656	-	318,656
Differences between Expected and Actual Experience	(180,354)	-	(180,354)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	177,969	(177,969)
Contributions - Employee	-	56,385	(56,385)
Net Investment Income	-	(3,845)	3,845
Benefit Payments, including Refunds of Employee Contributions	(260,308)	(260,308)	-
Administrative Expense	-	(28,284)	28,284
Net Changes	26,303	(58,083)	84,386
Balances at September 30, 2015	\$ 4,256,899	\$ 3,825,287	\$ 431,612

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	\$ 952,491	\$ 431,612	\$ (1,645)

Pension Plan Fiduciary Net Position.

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

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

For the year ended September 30, 2016, the Sponsor will recognize a Pension Expense of \$140,185.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	120,236
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	210,590	-
Employers contributions subsequent to the measurement date	176,884	-
Total	<u>\$ 387,474</u>	<u>\$ 120,236</u>

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

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

Year ended September 30:	
2017	\$ (9,459)
2018	\$ (9,459)
2019	\$ 50,659
2020	\$ 58,613
2021	\$ -
Thereafter	\$ -

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

	<u>09/30/2015</u>	<u>09/30/2014</u>
Total Pension Liability		
Service Cost	148,309	134,677
Interest	318,656	303,446
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(180,354)	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(260,308)</u>	<u>(237,593)</u>
Net Change in Total Pension Liability	26,303	200,530
Total Pension Liability - Beginning	4,230,596	4,030,066
Total Pension Liability - Ending (a)	<u>\$ 4,256,899</u>	<u>\$ 4,230,596</u>
Plan Fiduciary Net Position		
Contributions - Employer	177,969	205,381
Contributions - Employee	56,385	56,428
Net Investment Income	(3,845)	308,029
Benefit Payments, including Refunds of Employee Contributions	(260,308)	(237,593)
Administrative Expense	<u>(28,284)</u>	<u>(27,085)</u>
Net Change in Plan Fiduciary Net Position	(58,083)	305,160
Plan Fiduciary Net Position - Beginning	3,883,370	3,578,210
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,825,287</u>	<u>\$ 3,883,370</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 431,612</u>	<u>\$ 347,226</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	89.86%	91.79%
Covered Employee Payroll*	\$ 1,127,693	\$ 1,098,655
Net Pension Liability as a percentage of Covered Employee Payroll	38.27%	31.60%

Notes to Schedule:

* The Covered Employee Payroll figures were based on Pensionable Salary.

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SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014
Actuarially Determined Contribution	172,875	204,413
Contributions in relation to the Actuarially Determined Contributions	177,969	205,381
Contribution Deficiency (Excess)	\$ (5,094)	\$ (968)
Covered Employee Payroll*	\$ 1,127,693	\$ 1,098,655
Contributions as a percentage of Covered Employee Payroll	15.78%	18.69%

* The Covered Employee Payroll figures were based on Pensionable Salary.

Notes to Schedule

Valuation Date: 10/01/2013

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Actuarial Cost Method.	
Amortization Method:	Level Percentage of Pay, Closed.	
Remaining Amortization Period:	28 Years (as of 10/01/2013 Valuation).	
Actuarial Asset Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below Market Value.	
Inflation:	3.0% per year.	
Salary Increases:	6.0% per year until the assumed retirement age. Projected salary at retirement is increased based on individual current accruals to account for non-regular compensation.	
Interest Rate:	7.5% per year compounded annually, net of investment related expenses.	
Payroll Growth Assumption:	1.6% per year for purposes of amortizing the UAAL.	
Retirement Age:	Age 59 and 12 years of Credited Service. Also, any Member who has reached these requirements is assumed to continue employment for one additional year.	
Early Retirement:	Commencing with eligibility for Early Retirement Age (55), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.	
Termination Rates:	<u>Credited Service</u>	<u>Assumption</u>
	First 2 Years	18%
	Years 3-6	14%
	Years 7+	Age-Based Rates
Disability Rates:	Age-Based table (1202).	
Mortality:	RP2000 Combined Healthy Mortality Table projected to valuation date using scale AA. Disabled lives set forward 5 years.	

Termination and Disability Rate Table:	% Terminating	
	Each Year (after 7 Yrs of Service)	% Becoming Disabled During the Year
Age		
20	38.60%	0.05%
30	19.40%	0.06%
40	7.30%	0.12%
50	2.70%	0.43%

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COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 347,226	\$ 31,816	\$ 177,969	\$ -
Employer Contributions made after September 30, 2015	-	-	176,884	-
Total Pension Liability Factors:				
Service Cost	148,309	-	-	148,309
Interest	318,656	-	-	318,656
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(180,354)	180,354	-	-
Current year amortization of experience difference	-	(60,118)	-	(60,118)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(260,308)	-	-	(260,308)
Net change	<u>26,303</u>	<u>120,236</u>	<u>176,884</u>	<u>146,539</u>
Plan Fiduciary Net Position:				
Contributions - Employer	177,969	-	(177,969)	-
Contributions - Employee	56,385	-	-	(56,385)
Net Investment Income	289,219	-	-	(289,219)
Difference between projected and actual earnings on	(293,064)	-	293,064	-
Current year amortization	-	(7,954)	(58,612)	50,658
Benefit Payments	(260,308)	-	-	260,308
Administrative Expenses	(28,284)	-	-	28,284
Net change	<u>(58,083)</u>	<u>(7,954)</u>	<u>56,483</u>	<u>(6,354)</u>
Ending Balance	<u>\$ 431,612</u>	<u>\$ 144,098</u>	<u>\$ 411,336</u>	<u>\$ 140,185</u>