

CITY OF PALM BAY  
POLICE AND FIREFIGHTERS' PENSION FUND  
(General Employees)

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2016

CONTRIBUTIONS APPLICABLE TO THE  
FISCAL YEAR ENDED SEPTEMBER 30, 2018

May 4, 2017

Board of Trustees  
City of Palm Bay Police & Fire Pension Fund  
Conlan Professional Center  
1501 Robert J. Conlan Blvd. NE Suite 260  
Palm Bay, FL 32905-3567

Re: City of Palm Bay  
Police and Firefighters' Pension Fund (General Employees)

Dear Board of Trustees:

We are pleased to present our report of the annual actuarial valuation of the City of Palm Bay Police Officers' and Firefighters' Pension Fund (General Employees). 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 Chapters 112, 175 and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by Ms. Adams 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.

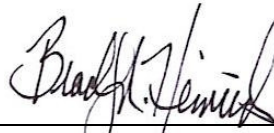
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Palm Bay, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Palm Bay Police Officers' and Firefighters' Pension Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By:



Bradley R. Heinrichs, FSA, EA, MAAA  
Enrolled Actuary #17-6901

BRH/lke

Enclosures

## 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      | Trust Fund   | 12   |
| III     | Member Statistics  |      |
|         | a. Statistical Data  | 16   |
|         | b. Member Reconciliation                                       | 17   |
| IV      | Summary of Assumptions and Funding Method                      | 18   |
| V       | Governmental Accounting Standards Board Disclosure Information | 19   |

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Palm Bay Police Officers' and Firefighters' Pension Fund (General Employees), performed as of October 1, 2016, has been completed, and the results are presented in this Report. The contribution amounts set forth herein are applicable to the fiscal year ended September 30, 2018.

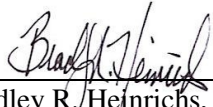
The contribution requirements developed in this valuation, compared with amounts developed in the October 1, 2015, actuarial valuation report, are as follows:

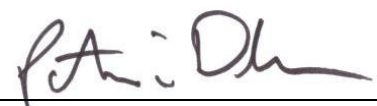
|                               |                  |                  |
|-------------------------------|------------------|------------------|
| Valuation Date                | 10/1/2016        | 10/1/2015        |
| Applicable Fiscal Year End    | <u>9/30/2018</u> | <u>9/30/2017</u> |
| Total Required Contribution   | \$0              | \$0              |
| % of Projected Annual Payroll | 0.0%             | 0.0%             |

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By:   
Bradley R. Heinrichs, FSA, EA, MAAA

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

Plan Changes Since Prior Valuation

There have been no plan changes since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

There have been no changes in assumptions or methods since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

|                                | <u>10/1/2016</u> | <u>10/1/2015</u> |
|--------------------------------|------------------|------------------|
| A. Participant Data            |                  |                  |
| Number Included                |                  |                  |
| Actives                        | 0                | 0                |
| Service Retirees               | 1                | 1                |
| Beneficiaries                  | 1                | 1                |
| Disability Retirees            | 0                | 0                |
| Terminated Vested              | <u>0</u>         | <u>0</u>         |
| Total                          | 2                | 2                |
| Total Annual Payroll           | \$0              | \$0              |
| Payroll Under Assumed Ret. Age | 0                | 0                |
| Annual Rate of Payments to:    |                  |                  |
| Service Retirees               | 1,583            | 1,583            |
| Beneficiaries                  | 2,532            | 2,532            |
| Disability Retirees            | 0                | 0                |
| Terminated Vested              | 0                | 0                |
| B. Assets                      |                  |                  |
| Actuarial Value (AVA)          | 179,250          | 174,076          |
| Market Value (MVA)             | 177,417          | 169,767          |
| C. Liabilities                 |                  |                  |
| Present Value of Benefits      |                  |                  |
| Actives                        |                  |                  |
| Retirement Benefits            | 0                | 0                |
| Disability Benefits            | 0                | 0                |
| Death Benefits                 | 0                | 0                |
| Vested Benefits                | 0                | 0                |
| Refund of Contributions        | 0                | 0                |
| Service Retirees               | 6,590            | 6,921            |
| Beneficiaries                  | 16,423           | 17,037           |
| Disability Retirees            | 0                | 0                |
| Terminated Vested              | 0                | 0                |
| Excess State Monies Reserve    | <u>0</u>         | <u>0</u>         |
| Total                          | 23,013           | 23,958           |

| C. Liabilities - (Continued)                     | <u>10/1/2016</u> | <u>10/1/2015</u> |
|--|------------------|------------------|
| Present Value of Future Salaries                 | 0                | 0                |
| Present Value of Future<br>Member Contributions  | 0                | 0                |
| Aggregate Normal Cost                            | 0                | 0                |
| Present Value of Future<br>Normal Costs (EAN)    | N/A              | N/A              |
| Actuarial Accrued Liability (EAN)                | 23,013           | 23,958           |
| Total Actuarial Accrued<br>Liability (Aggregate) | 179,250          | 174,076          |
| Unfunded Actuarial Accrued<br>Liability (UAAL)   | 0                | 0                |
| Funded Ratio (AVA / AL)                          | 778.9%           | 726.6%           |

D. Actuarial Present Value of Accrued Benefits

|   |          |          |
|---|----------|----------|
| Vested Accrued Benefits                     |          |          |
| Inactives                                   | 23,013   | 23,958   |
| Actives                                     | 0        | 0        |
| Member Contributions                        | <u>0</u> | <u>0</u> |
| Total                                       | 23,013   | 23,958   |
| Non-vested Accrued Benefits                 | <u>0</u> | <u>0</u> |
| Total Present Value Accrued Benefits (PVAB) | 23,013   | 23,958   |
| Funded Ratio (MVA / PVAB)                   | 770.9%   | 708.6%   |

Increase (Decrease) in Present Value of  
Accrued Benefits Attributable to:

|                      |          |
|----------------------|----------|
| Plan Amendments      | 0        |
| Assumption Changes   | 0        |
| New Accrued Benefits | 1,473    |
| Benefits Paid        | (4,115)  |
| Interest             | 1,697    |
| Other                | <u>0</u> |
| Total                | (945)    |



|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Valuation Date                   | 10/1/2016        | 10/1/2015        |
| Applicable to Fiscal Year Ending | <u>9/30/2018</u> | <u>9/30/2017</u> |

E. Pension Cost

|  |     |     |
|--|-----|-----|
| Normal Cost  | \$0 | \$0 |
| Administrative Expenses  | 0   | 0   |
| Payment Required to Amortize<br>Unfunded Actuarial Accrued<br>Liability<br>(as of 10/1/2016) | 0   | 0   |
| Total Required Contribution  | 0   | 0   |
| Expected Member Contributions  | 0   | 0   |
| Expected City Contribution   | 0   | 0   |

F. Past Contributions

Plan Years Ending: 9/30/2016

|                             |   |
|-----------------------------|---|
| Total Required Contribution | 0 |
| City Requirement            | 0 |

Actual Contributions Made:

|                             |          |
|-----------------------------|----------|
| Members (excluding buyback) | 0        |
| City                        | 0        |
|                             | <u>0</u> |
| Total                       | 0        |

G. Net Actuarial (Gain)/Loss N/A

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

| <u>Year</u> | <u>Projected Unfunded<br/>Accrued Liability</u> |
|-------------|---|
|-------------|---|

N/A – Aggregate Actuarial Cost Method

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

|            |           | <u>Actual</u> | <u>Assumed</u> |
|------------|-----------|---------------|----------------|
| Year Ended | 9/30/2016 | N/A           | N/A            |
| Year Ended | 9/30/2015 | N/A           | N/A            |
| Year Ended | 9/30/2014 | N/A           | N/A            |

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

|            |           | <u>Actual</u> | <u>Assumed</u> |
|------------|-----------|---------------|----------------|
| Year Ended | 9/30/2016 | 8.30%         | 7.75%          |
| Year Ended | 9/30/2015 | 11.44%        | 8.00%          |
| Year Ended | 9/30/2014 | 11.40%        | 8.00%          |

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.



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Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #17-6595

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

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2016

| <u>ASSETS</u>                            | COST VALUE     | MARKET VALUE   |
|--|----------------|----------------|
| Cash and Cash Equivalents:               |                |                |
| Short Term Investments                   | 6,173.97       | 6,173.97       |
| Deposits                                 | 8.25           | 8.25           |
| Prepaid Expenses                         | 39.54          | 39.54          |
| Cash                                     | 2.54           | 2.54           |
| <br>Total Cash and Equivalents           | <br>6,224.30   | <br>6,224.30   |
| <br>Receivables:                         |                |                |
| Investment Income                        | 93.23          | 93.23          |
| <br>Total Receivable                     | <br>93.23      | <br>93.23      |
| <br>Investments:                         |                |                |
| Mutual Funds:                            |                |                |
| Fixed Income                             | 59,447.45      | 59,447.45      |
| Equity                                   | 115,607.78     | 115,607.78     |
| <br>Total Investments                    | <br>175,055.23 | <br>175,055.23 |
| <br>Total Assets                         | <br>181,372.76 | <br>181,372.76 |
| <br><u>LIABILITIES</u>                   |                |                |
| Payables:                                |                |                |
| Accounts Payable                         | 61.26          | 61.26          |
| To Firefighters' Trust Fund              | 2,129.59       | 2,129.59       |
| To Police Officers' Trust Fund           | 1,764.78       | 1,764.78       |
| <br>Total Liabilities                    | <br>3,955.63   | <br>3,955.63   |
| <br>NET POSITION RESTRICTED FOR PENSIONS | <br>177,417.13 | <br>177,417.13 |

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2016  
Market Value Basis

ADDITIONS

|   |          |            |
|---|----------|------------|
| Total Contributions                       |          | 0.00       |
| Investment Income:                        |          |            |
| Unrealized Gain (Loss)                    | 3,153.60 |            |
| Net Increase in Fair Value of Investments |          | 3,153.60   |
| Interest & Dividends                      |          | 13,522.78  |
| Less Investment Expense <sup>1</sup>      |          | (115.08)   |
| Net Investment Income                     |          | 16,561.30  |
| Total Additions                           |          | 16,561.30  |
| <u>DEDUCTIONS</u>                         |          |            |
| Distributions to Members:                 |          |            |
| Benefit Payments                          |          | 4,115.16   |
| Total Distributions                       |          | 4,115.16   |
| Administrative Expense                    |          | 4,796.01   |
| Total Deductions                          |          | 8,911.17   |
| Net Increase in Net Position              |          | 7,650.13   |
| NET POSITION RESTRICTED FOR PENSIONS      |          |            |
| Beginning of the Year                     |          | 169,767.00 |
| End of the Year                           |          | 177,417.13 |

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

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 SEPTEMBER 30, 2016  
 Actuarial Asset Basis

REVENUES

Contributions:

|                     |  |      |
|---------------------|--|------|
| Total Contributions |  | 0.00 |
|---------------------|--|------|

Earnings from Investments:

|                           |           |  |
|---------------------------|-----------|--|
| Interest & Dividends      | 13,522.78 |  |
| Change in Actuarial Value | 677.60    |  |

|                                     |  |           |
|-------------------------------------|--|-----------|
| Total Earnings and Investment Gains |  | 14,200.38 |
|-------------------------------------|--|-----------|

EXPENDITURES

Distributions to Members:

|                  |          |  |
|------------------|----------|--|
| Benefit Payments | 4,115.16 |  |
|------------------|----------|--|

|                     |  |          |
|---------------------|--|----------|
| Total Distributions |  | 4,115.16 |
|---------------------|--|----------|

Expenses:

|                                 |          |  |
|---------------------------------|----------|--|
| Investment related <sup>1</sup> | 115.08   |  |
| Administrative                  | 4,796.01 |  |

|                |  |          |
|----------------|--|----------|
| Total Expenses |  | 4,911.09 |
|----------------|--|----------|

|                                   |  |          |
|-----------------------------------|--|----------|
| Change in Net Assets for the Year |  | 5,174.13 |
|-----------------------------------|--|----------|

|                                  |  |            |
|----------------------------------|--|------------|
| Net Assets Beginning of the Year |  | 174,076.00 |
|----------------------------------|--|------------|

|   |  |            |
|---|--|------------|
| Net Assets End of the Year <sup>2</sup> |  | 179,250.13 |
|---|--|------------|

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

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

ACTUARIAL ASSET VALUATION  
September 30, 2016

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a four year period. In the first year, 25% of the gain or loss is recognized. In the second year 50%, in the third year 75%, and in the fourth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

| Plan Year<br>Ending | Gain/(Loss) | <u>Gains/(Losses) Not Yet Recognized</u>     |         |      |      |
|---------------------|-------------|--|---------|------|------|
|                     |             | Amounts Not Yet Recognized by Valuation Year |         |      |      |
|                     |             | 2016   | 2017    | 2018 | 2019 |
| 9/30/2013           | 7,810       | 0  | 0       | 0    | 0    |
| 9/30/2014           | 5,653       | 1,413  | 0       | 0    | 0    |
| 9/30/2015           | (12,118)    | (6,059)                                      | (3,030) | 0    | 0    |
| 9/30/2016           | 3,750       | 2,813  | 1,875   | 938  | 0    |
| Total               |             | (1,833)                                      | (1,155) | 938  | 0    |

Development of Investment Gain/(Loss)

|  |         |
|--|---------|
| Market Value of Assets, 09/30/2015                   | 169,767 |
| Contributions Less Benefit Payments & Admin Expenses | (8,911) |
| Expected Investment Earnings <sup>1</sup>            | 12,812  |
| Actual Net Investment Earnings                       | 16,561  |
| 2016 Actuarial Investment Gain/(Loss)                | 3,750   |

<sup>1</sup> Expected Investment Earnings = 0.0775 \* [169,767 + 0.5 \* (8,911)]

Development of Actuarial Value of Assets

|  |         |
|--|---------|
| (1) Market Value of Assets, 09/30/2016                                 | 177,417 |
| (2) Gains/(Losses) Not Yet Recognized                                  | (1,833) |
| (3) Actuarial Value of Assets, 09/30/2016, (1) - (2)                   | 179,250 |
| (A) 09/30/2015 Actuarial Assets:                                       | 174,076 |
| (I) Net Investment Income:   |         |
| 1. Interest and Dividends  | 13,523  |
| 2. Change in Actuarial Value   | 678     |
| 3. Investment Expenses   | (115)   |
| Total  | 14,085  |
| (B) 09/30/2016 Actuarial Assets:                                       | 179,250 |
| Actuarial Assets Rate of Return = 2I/(A+B-I):                          | 8.30%   |
| Market Value of Assets Rate of Return:                                 | 10.02%  |
| Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis) | 940     |

STATISTICAL DATA

|                         | <u>10/1/2013</u> | <u>10/1/2014</u> | <u>10/1/2015</u> | <u>10/1/2016</u> |
|-------------------------|------------------|------------------|------------------|------------------|
| <u>Service Retirees</u> |                  |                  |                  |                  |
| Number                  | 3                | 3                | 1                | 1                |
| Average Current Age     | N/A              | N/A              | 90.4             | 91.4             |
| Average Annual Benefit  | \$1,768          | \$1,768          | \$1,583          | \$1,583          |
| <u>Beneficiaries</u>    |                  |                  |                  |                  |
| Number                  | 1                | 1                | 1                | 1                |
| Average Current Age     | N/A              | N/A              | 81.3             | 82.3             |
| Average Annual Benefit  | \$2,532          | \$2,532          | \$2,532          | \$2,532          |



VALUATION PARTICIPANT RECONCILIATION

1. Active lives

|   |          |
|---|----------|
| a. Number in prior valuation 10/1/2015                | 0        |
| 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  | <u>0</u> |
| f. Continuing participants                            | 0        |
| g. New entrants                                       | <u>0</u> |
| h. Total active life participants in valuation        | 0        |

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

|                             | Service<br>Retirees,<br>Vested<br>Receiving<br><u>Benefits</u> | Receiving<br>Death<br><u>Benefits</u> | Receiving<br>Disability<br><u>Benefits</u> | Vested<br><u>Deferred</u> | <u>Total</u> |
|-----------------------------|--|---------------------------------------|--|---------------------------|--------------|
| a. Number prior valuation   | 1  | 1                                     | 0  | 0                         | 2            |
| Retired                     | 0  | 0                                     | 0  | 0                         | 0            |
| Vested Deferred             | 0  | 0                                     | 0  | 0                         | 0            |
| Death, With Survivor        | 0  | 0                                     | 0  | 0                         | 0            |
| Death, No Survivor          | 0  | 0                                     | 0  | 0                         | 0            |
| Disabled                    | 0  | 0                                     | 0  | 0                         | 0            |
| Refund of Contributions     | 0  | 0                                     | 0  | 0                         | 0            |
| Rehires                     | 0  | 0                                     | 0  | 0                         | 0            |
| Expired Annuities           | 0  | 0                                     | 0  | 0                         | 0            |
| Data Corrections            | 0  | 0                                     | 0  | 0                         | 0            |
| b. Number current valuation | 1  | 1                                     | 0  | 0                         | 2            |

## SUMMARY OF ACTUARIAL ASSUMPTIONS AND FUNDING METHODS

This actuarial valuation report has been prepared in accordance with generally accepted actuarial principles and practices. The major assumptions and methods used in this valuation are as follows:

### Economic Assumptions

|                          |   |
|--------------------------|---|
| Interest:                | 7.75% per year, net of investment related expenses. |
| Administrative Expenses: | None.   |

### Demographic Assumptions

|            |   |
|------------|---|
| Mortality: | <b>Female:</b> RP2000 Generational, 100% Annuitant White Collar, Scale BB<br><b>Male:</b> RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB |
|------------|---|

**This is the assumption used by the Florida Retirement System in their July 1, 2015 actuarial valuation report.**

### Actuarial Methods

|                            |  |
|----------------------------|--|
| Funding Method:            | Aggregate Actuarial Cost Method.   |
| Actuarial Value of Assets: | The market value of assets is adjusted to recognize, over a four-year period, investment earnings greater than (or less than) the assumed investment return. The Actuarial Value of Assets shall not be more than 120% or less than 80% of the market value of assets. Details are shown in the Asset Information Section of the report. |

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2016

| <u>ASSETS</u>                        | MARKET VALUE |
|--------------------------------------|--------------|
| Cash and Cash Equivalents:           |              |
| Short Term Investments               | 6,174        |
| Deposits                             | 8            |
| Prepaid Expenses                     | 39           |
| Cash                                 | 3            |
| Total Cash and Equivalents           | 6,224        |
| Receivables:                         |              |
| Investment Income                    | 93           |
| Total Receivable                     | 93           |
| Investments:                         |              |
| Mutual Funds:                        |              |
| Fixed Income                         | 59,447       |
| Equity                               | 115,608      |
| Total Investments                    | 175,055      |
| Total Assets                         | 181,372      |
| <u>LIABILITIES</u>                   |              |
| Payables:                            |              |
| Accounts Payable                     | 61           |
| To Firefighters' Trust Fund          | 2,129        |
| To Police Officers' Trust Fund       | 1,765        |
| Total Liabilities                    | 3,955        |
| NET POSITION RESTRICTED FOR PENSIONS | 177,417      |

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2016  
Market Value Basis

ADDITIONS

|   |        |        |
|---|--------|--------|
| Total Contributions                       |        | 0      |
| Investment Income:                        |        |        |
| Net Increase in Fair Value of Investments | 3,153  |        |
| Interest & Dividends                      | 13,523 |        |
| Less Investment Expense <sup>1</sup>      | (115)  |        |
| Net Investment Income                     |        | 16,561 |
| Total Additions                           |        | 16,561 |

DEDUCTIONS

|   |       |         |
|---|-------|---------|
| Distributions to Members:                   |       |         |
| Benefit Payments                            | 4,115 |         |
| Total Distributions                         |       | 4,115   |
| Administrative Expense                      |       | 4,796   |
| Total Deductions                            |       | 8,911   |
| Net Increase in Net Position                |       | 7,650   |
| <b>NET POSITION RESTRICTED FOR PENSIONS</b> |       |         |
| Beginning of the Year                       |       | 169,767 |
| End of the Year                             |       | 177,417 |

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

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

Plan Description

*Plan Membership as of October 1, 2015:*

|   |   |
|---|---|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 2 |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits    | - |
| Active Plan Members   | - |
|   | 2 |
|   | 2 |

*Contributions*

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Investments

*Investment Policy:*

The following was the Board's adopted asset allocation policy as of September 30, 2016:

| Asset Class          | Target Allocation |
|----------------------|-------------------|
| Domestic Equity      | 35%               |
| International Equity | 15%               |
| Bonds                | 25%               |
| Convertibles         | 10%               |
| Private Real Estate  | 10%               |
| MLPs                 | 5%                |
| 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, 2016, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 10.02 percent.

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

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2016 were as follows:

|  |                     |
|--|---------------------|
| Total Pension Liability  | \$ 21,536           |
| Plan Fiduciary Net Position  | \$ (177,417)        |
| Sponsor's Net Pension Liability  | <u>\$ (155,881)</u> |
| Plan Fiduciary Net Position as a percentage of Total Pension Liability | 823.82%             |

*Actuarial Assumptions:*

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2015 updated to September 30, 2016 using the following actuarial assumptions:

|                           |       |
|---------------------------|-------|
| Inflation                 | 2.70% |
| Salary Increases          | N/A   |
| Discount Rate             | 7.75% |
| Investment Rate of Return | 7.75% |

*Mortality Rate Healthy Lives:*

Mortality Table - RP2000 Fully Generational with Scale BB, with collar and annuitant adjustments as follows:

Males – 50% Annuitant White Collar, 50% Annuitant Blue Collar.

Females – 100% Annuitant White Collar.

*Mortality Rate Disabled Lives:*

Mortality Table - RP2000 without projection, with the following adjustments:

Males – 100% Disabled Male with four year setback

Females – 100% Disabled Female with two year set forward.

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 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.

For 2016 the inflation rate assumption of the investment advisor was 2.70%.

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, 2016 are summarized in the following table:

| <u>Asset Class</u>   | <u>Long Term<br/>Expected Real<br/>Rate of Return</u> |
|----------------------|---|
| Domestic Equity      | 8.0%  |
| International Equity | 3.0%  |
| Bonds                | 4.4%  |
| Convertibles         | 6.4%  |
| Private Real Estate  | 4.6%  |
| MLPs                 | 10.4%   |

## GASB 67

### Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.75 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<br>6.75% | Current<br>Discount Rate<br>7.75% | 1% Increase<br>8.75% |
|---------------------------------|----------------------|-----------------------------------|----------------------|
| Sponsor's Net Pension Liability | \$ (154,898)         | \$ (155,881)                      | \$ (156,783)         |

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

|  | <u>09/30/2016</u>          | <u>09/30/2015</u>          |
|--|----------------------------|----------------------------|
| Total Pension Liability  |                            |                            |
| Service Cost   | -                          | -                          |
| Interest   | 2,381                      | 2,247                      |
| Changes of benefit terms   | -                          | -                          |
| Differences between Expected and Actual Experience                         | (10,628)                   | 4,093                      |
| Changes of assumptions   | 2,080                      | -                          |
| Benefit Payments, including Refunds of Employee Contributions              | <u>(4,115)</u>             | <u>(5,213)</u>             |
| Net Change in Total Pension Liability                                      | (10,282)                   | 1,127                      |
| Total Pension Liability - Beginning  | <u>31,818</u>              | <u>30,691</u>              |
| Total Pension Liability - Ending (a)                                       | <u><u>\$ 21,536</u></u>    | <u><u>\$ 31,818</u></u>    |
| <br>   |                            |                            |
| Plan Fiduciary Net Position  |                            |                            |
| Net Investment Income  | 16,561                     | 1,776                      |
| Benefit Payments, including Refunds of Employee Contributions              | (4,115)                    | (5,213)                    |
| Administrative Expense   | <u>(4,796)</u>             | <u>(6,130)</u>             |
| Net Change in Plan Fiduciary Net Position                                  | 7,650                      | (9,567)                    |
| Plan Fiduciary Net Position - Beginning                                    | <u>169,767</u>             | <u>179,334</u>             |
| Plan Fiduciary Net Position - Ending (b)                                   | <u><u>\$ 177,417</u></u>   | <u><u>\$ 169,767</u></u>   |
| <br>   |                            |                            |
| Net Pension Liability - Ending (a) - (b)                                   | <u><u>\$ (155,881)</u></u> | <u><u>\$ (137,949)</u></u> |
| <br>   |                            |                            |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 823.82%                    | 533.56%                    |
| <br>   |                            |                            |
| Covered Employee Payroll   | N/A                        | N/A                        |
| Net Pension Liability as a percentage of Covered Employee Payroll          | N/A                        | N/A                        |

**Notes to Schedule:***Changes of assumptions:*

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

- The investment return assumption was lowered from 8.00% to 7.75%.
- As mandated by Chapter 2015-137, Laws of Florida, the assumed rates of mortality were changed to the mortality table used by the Florida Retirement System.



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

|  | <u>09/30/2014</u>   | <u>09/30/2013</u>   |
|--|---------------------|---------------------|
| Total Pension Liability  |                     |                     |
| Service Cost   | -                   | -                   |
| Interest   | 2,564               | 3,019               |
| Changes of benefit terms   | -                   | -                   |
| Differences between Expected and Actual Experience                         | -                   | -                   |
| Changes of assumptions   | -                   | -                   |
| Benefit Payments, including Refunds of Employee Contributions              | <u>(7,835)</u>      | <u>(9,586)</u>      |
| Net Change in Total Pension Liability                                      | (5,271)             | (6,567)             |
| Total Pension Liability - Beginning  | <u>35,962</u>       | <u>42,529</u>       |
| Total Pension Liability - Ending (a)                                       | <u>\$ 30,691</u>    | <u>\$ 35,962</u>    |
| <br>   |                     |                     |
| Plan Fiduciary Net Position  |                     |                     |
| Net Investment Income  | 18,826              | 20,163              |
| Benefit Payments, including Refunds of Employee Contributions              | (7,835)             | (9,586)             |
| Administrative Expense   | <u>(455)</u>        | <u>(1,950)</u>      |
| Net Change in Plan Fiduciary Net Position                                  | 10,536              | 8,627               |
| Plan Fiduciary Net Position - Beginning                                    | <u>168,798</u>      | <u>160,171</u>      |
| Plan Fiduciary Net Position - Ending (b)                                   | <u>\$ 179,334</u>   | <u>\$ 168,798</u>   |
| <br>   |                     |                     |
| Net Pension Liability - Ending (a) - (b)                                   | <u>\$ (148,643)</u> | <u>\$ (132,836)</u> |
| <br>   |                     |                     |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 584.32%             | 469.38%             |
| <br>   |                     |                     |
| Covered Employee Payroll   | N/A                 | N/A                 |
| Net Pension Liability as a percentage of Covered Employee Payroll          | N/A                 | N/A                 |

**SCHEDULE OF CONTRIBUTIONS**  
Last 10 Fiscal Years

|   | 09/30/2016 | 09/30/2015 | 09/30/2014 | 09/30/2013 |
|---|------------|------------|------------|------------|
| Actuarially Determined Contribution                                   | -          | -          | -          | -          |
| Contributions in relation to the Actuarially Determined Contributions | -          | -          | -          | -          |
| Contribution Deficiency (Excess)                                      | \$ -       | \$ -       | \$ -       | \$ -       |
| Covered Employee Payroll  | N/A        | N/A        | N/A        | N/A        |
| Contributions as a percentage of Covered Employee Payroll             | N/A        | N/A        | N/A        | N/A        |

Notes to Schedule

Methods and assumptions used to determine contribution rates:

|                                |  |
|--------------------------------|--|
| Funding Method:                | Aggregate Actuarial Cost Method.   |
| Amortization Method:           | N/A.   |
| Remaining Amortization Period: | N/A.   |
| Interest Rate:                 | 7.75% per year, compounded annually, net of investment-related expenses.   |
| Mortality:                     | Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB<br>Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB  |
| Asset Valuation Method:        | The market value of assets is adjusted to recognize, over a four-year period, investment earnings greater than (or less than) the assumed investment return. The Actuarial Value of Assets shall not be more than 120% or less than 80% of the market value of assets. |

SCHEDULE OF INVESTMENT RETURNS  
Last 10 Fiscal Years

|                                      | <u>09/30/2016</u> | <u>09/30/2015</u> | <u>09/30/2014</u> | <u>09/30/2013</u> |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Annual Money-Weighted Rate of Return |                   |                   |                   |                   |
| Net of Investment Expense            | 10.02%            | 1.02%             | 11.43%            | 13.06%            |

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

General Information about the Pension Plan

*Plan Membership as of October 1, 2015:*

|   |   |  |
|---|---|--|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 2 |  |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits    | - |  |
| Active Plan Members   | - |  |
|   | 2 |  |
|   | 2 |  |

*Contributions*

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Net Pension Liability

The measurement date is September 30, 2016.

The measurement period for the pension expense was October 1, 2015 to September 30, 2016.

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

The Sponsor's Net Pension Liability was measured as of September 30, 2016.

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, 2015 updated to September 30, 2016 using the following actuarial assumptions:

|                           |       |
|---------------------------|-------|
| Inflation                 | 2.70% |
| Salary Increases          | N/A   |
| Discount Rate             | 7.75% |
| Investment Rate of Return | 7.75% |

*Mortality Rate Healthy Lives:*

Mortality Table - RP2000 Fully Generational with Scale BB, with collar and annuitant adjustments as follows:

Males – 50% Annuitant White Collar, 50% Annuitant Blue Collar.

Females – 100% Annuitant White Collar.

*Mortality Rate Disabled Lives:*

Mortality Table - RP2000 without projection, with the following adjustments:

Males – 100% Disabled Male with four year setback

Females – 100% Disabled Female with two year set forward.

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 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.

For 2016 the inflation rate assumption of the investment advisor was 2.70%.

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 arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2016 are summarized in the following table:

| <u>Asset Class</u>   | <u>Target Allocation</u> | <u>Long Term Expected<br/>Real Rate of Return</u> |
|----------------------|--------------------------|---|
| Domestic Equity      | 35%                      | 8.0%  |
| International Equity | 15%                      | 3.0%  |
| Bonds                | 25%                      | 4.4%  |
| Convertibles         | 10%                      | 6.4%  |
| Private Real Estate  | 10%                      | 4.6%  |
| MLPs                 | 5%                       | 10.4%   |
| <u>Total</u>         | <u>100%</u>              |   |

### Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.75 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<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|   | (a)                        | (b)                            | (a)-(b)                  |
| Balances at September 30, 2015                                | \$ 31,818                  | \$ 169,767                     | \$ (137,949)             |
| Changes for a Year:   |                            |                                |                          |
| Service Cost  | -                          | -                              | -                        |
| Interest  | 2,381                      | -                              | 2,381                    |
| Differences between Expected and Actual Experience            | (10,628)                   | -                              | (10,628)                 |
| Changes of assumptions  | 2,080                      | -                              | 2,080                    |
| Changes of benefit terms                                      | -                          | -                              | -                        |
| Net Investment Income   | -                          | 16,561                         | (16,561)                 |
| Benefit Payments, including Refunds of Employee Contributions | (4,115)                    | (4,115)                        | -                        |
| Administrative Expense  | -                          | (4,796)                        | 4,796                    |
| Net Changes   | (10,282)                   | 7,650                          | (17,932)                 |
| Balances at September 30, 2016                                | \$ 21,536                  | \$ 177,417                     | \$ (155,881)             |

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

|                                 | Current Discount |              |              |
|---------------------------------|------------------|--------------|--------------|
|                                 | 1% Decrease      | Rate         | 1% Increase  |
|                                 | 6.75%            | 7.75%        | 8.75%        |
| Sponsor's Net Pension Liability | \$ (154,898)     | \$ (155,881) | \$ (156,783) |

*Pension Plan Fiduciary Net Position.*

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

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

For the year ended September 30, 2016, the Sponsor will recognize a Pension Expense of -\$12,840.

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

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between Expected and Actual Experience                               | -                                    | -                                   |
| Changes of assumptions   | -                                    | -                                   |
| Net difference between Projected and Actual Earnings on Pension Plan investments | 4,601                                | -                                   |
| Total  | \$ 4,601                             | \$ -                                |

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

| Year ended September 30: |  |    |       |
|--------------------------|--|----|-------|
| 2017                     |  | \$ | 1,756 |
| 2018                     |  | \$ | 1,756 |
| 2019                     |  | \$ | 1,756 |
| 2020                     |  | \$ | (667) |
| 2021                     |  | \$ | -     |
| Thereafter               |  | \$ | -     |

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

|  | <u>09/30/2016</u>   | <u>09/30/2015</u>   |
|--|---------------------|---------------------|
| Total Pension Liability  |                     |                     |
| Service Cost   | -                   | -                   |
| Interest   | 2,381               | 2,247               |
| Changes of benefit terms   | -                   | -                   |
| Differences between Expected and Actual Experience                         | (10,628)            | 4,093               |
| Changes of assumptions   | 2,080               | -                   |
| Benefit Payments, including Refunds of Employee Contributions              | (4,115)             | (5,213)             |
| Net Change in Total Pension Liability                                      | <u>(10,282)</u>     | <u>1,127</u>        |
| Total Pension Liability - Beginning  | 31,818              | 30,691              |
| Total Pension Liability - Ending (a)                                       | <u>\$ 21,536</u>    | <u>\$ 31,818</u>    |
| <br>   |                     |                     |
| Plan Fiduciary Net Position  |                     |                     |
| Net Investment Income  | 16,561              | 1,776               |
| Benefit Payments, including Refunds of Employee Contributions              | (4,115)             | (5,213)             |
| Administrative Expense   | (4,796)             | (6,130)             |
| Net Change in Plan Fiduciary Net Position                                  | <u>7,650</u>        | <u>(9,567)</u>      |
| Plan Fiduciary Net Position - Beginning                                    | 169,767             | 179,334             |
| Plan Fiduciary Net Position - Ending (b)                                   | <u>\$ 177,417</u>   | <u>\$ 169,767</u>   |
| <br>   |                     |                     |
| Net Pension Liability - Ending (a) - (b)                                   | <u>\$ (155,881)</u> | <u>\$ (137,949)</u> |
| <br>   |                     |                     |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 823.82%             | 533.56%             |
| <br>   |                     |                     |
| Covered Employee Payroll   | N/A                 | N/A                 |
| Net Pension Liability as a percentage of Covered Employee Payroll          | N/A                 | N/A                 |

**Notes to Schedule:**

Changes of assumptions:

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

- The investment return assumption was lowered from 8.00% to 7.75%.
- As mandated by Chapter 2015-137, Laws of Florida, the assumed rates of mortality were changed to the mortality table used by the Florida Retirement System.



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

|  | <u>09/30/2014</u>   | <u>09/30/2013</u>   |
|--|---------------------|---------------------|
| Total Pension Liability  |                     |                     |
| Service Cost   | -                   | -                   |
| Interest   | 2,564               | 3,019               |
| Changes of benefit terms   | -                   | -                   |
| Differences between Expected and Actual Experience                         | -                   | -                   |
| Changes of assumptions   | -                   | -                   |
| Benefit Payments, including Refunds of Employee Contributions              | <u>(7,835)</u>      | <u>(9,586)</u>      |
| Net Change in Total Pension Liability                                      | (5,271)             | (6,567)             |
| Total Pension Liability - Beginning  | 35,962              | 42,529              |
| Total Pension Liability - Ending (a)                                       | <u>\$ 30,691</u>    | <u>\$ 35,962</u>    |
| <br>   |                     |                     |
| Plan Fiduciary Net Position  |                     |                     |
| Net Investment Income  | 18,826              | 20,163              |
| Benefit Payments, including Refunds of Employee Contributions              | (7,835)             | (9,586)             |
| Administrative Expense   | <u>(455)</u>        | <u>(1,950)</u>      |
| Net Change in Plan Fiduciary Net Position                                  | 10,536              | 8,627               |
| Plan Fiduciary Net Position - Beginning                                    | 168,798             | 160,171             |
| Plan Fiduciary Net Position - Ending (b)                                   | <u>\$ 179,334</u>   | <u>\$ 168,798</u>   |
| <br>   |                     |                     |
| Net Pension Liability - Ending (a) - (b)                                   | <u>\$ (148,643)</u> | <u>\$ (132,836)</u> |
| <br>   |                     |                     |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 584.32%             | 469.38%             |
| <br>   |                     |                     |
| Covered Employee Payroll   | N/A                 | N/A                 |
| Net Pension Liability as a percentage of Covered Employee Payroll          | N/A                 | N/A                 |

**SCHEDULE OF CONTRIBUTIONS**  
Last 10 Fiscal Years

|                                      | 09/30/2016 | 09/30/2015 | 09/30/2014 | 09/30/2013 |
|--------------------------------------|------------|------------|------------|------------|
| Actuarially Determined Contribution  | -          | -          | -          | -          |
| Contributions in relation to the     |            |            |            |            |
| Actuarially Determined Contributions | -          | -          | -          | -          |
| Contribution Deficiency (Excess)     | \$ -       | \$ -       | \$ -       | \$ -       |
| <br>                                 |            |            |            |            |
| Covered Employee Payroll             | N/A        | N/A        | N/A        | N/A        |
| Contributions as a percentage of     |            |            |            |            |
| Covered Employee Payroll             | N/A        | N/A        | N/A        | N/A        |

Notes to Schedule

Methods and assumptions used to determine contribution rates:

|                                |  |
|--------------------------------|--|
| Funding Method:                | Aggregate Actuarial Cost Method.   |
| Amortization Method:           | N/A.   |
| Remaining Amortization Period: | N/A.   |
| Interest Rate:                 | 7.75% per year, compounded annually, net of investment-related expenses.   |
| Mortality:                     | Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB<br>Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB  |
| Asset Valuation Method:        | The market value of assets is adjusted to recognize, over a four-year period, investment earnings greater than (or less than) the assumed investment return. The Actuarial Value of Assets shall not be more than 120% or less than 80% of the market value of assets. |

**COMPONENTS OF PENSION EXPENSE**  
FISCAL YEAR SEPTEMBER 30, 2016

|  | Net Pension<br>Liability | Deferred<br>Inflows | Deferred<br>Outflows | Pension<br>Expense |
|--|--------------------------|---------------------|----------------------|--------------------|
| Beginning balance  | \$ (137,949)             | \$ -                | \$ 9,693             | \$ -               |
| Total Pension Liability Factors:   |                          |                     |                      |                    |
| Service Cost   | -                        | -                   | -                    | -                  |
| Interest   | 2,381                    | -                   | -                    | 2,381              |
| Changes in benefit terms   | -                        | -                   | -                    | -                  |
| Differences between Expected and Actual Experience<br>with regard to economic or demographic assumptions | (10,628)                 | 10,628              | -                    | -                  |
| Current year amortization of experience difference   | -                        | (10,628)            | -                    | (10,628)           |
| Change in assumptions about future economic or<br>demographic factors or other inputs                    | 2,080                    | -                   | 2,080                | -                  |
| Current year amortization of change in assumptions   | -                        | -                   | (2,080)              | 2,080              |
| Benefit Payments   | (4,115)                  | -                   | -                    | (4,115)            |
| Net change   | <u>(10,282)</u>          | <u>-</u>            | <u>-</u>             | <u>(10,282)</u>    |
| Plan Fiduciary Net Position:   |                          |                     |                      |                    |
| Net Investment Income  | 13,225                   | -                   | -                    | (13,225)           |
| Difference between projected and actual earnings on<br>Pension Plan investments                          | 3,336                    | 3,336               | -                    | -                  |
| Current year amortization  | -                        | (668)               | (2,424)              | 1,756              |
| Benefit Payments   | (4,115)                  | -                   | -                    | 4,115              |
| Administrative Expenses  | (4,796)                  | -                   | -                    | 4,796              |
| Net change   | <u>7,650</u>             | <u>2,668</u>        | <u>(2,424)</u>       | <u>(2,558)</u>     |
| Ending Balance   | <u>\$ (155,881)</u>      | <u>\$ 2,668</u>     | <u>\$ 7,269</u>      | <u>\$ (12,840)</u> |

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) | 2014 | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021 | 2022 | 2023 | 2024 |
|--|---|----------------------------|------|----------|----------|----------|----------|----------|----------|------|------|------|------|
| 2014                                       | \$ -  | 5                          | \$ - | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ - | \$ - | \$ - | \$ - |
| 2015                                       | \$ 12,117   | 5                          | \$ - | \$ 2,424 | \$ 2,424 | \$ 2,423 | \$ 2,423 | \$ 2,423 | \$ -     | \$ - | \$ - | \$ - | \$ - |
| 2016                                       | \$ (3,336)  | 5                          | \$ - | \$ -     | \$ (668) | \$ (667) | \$ (667) | \$ (667) | \$ (667) | \$ - | \$ - | \$ - | \$ - |
| Net Increase (Decrease) in Pension Expense |   |                            | \$ - | \$ 2,424 | \$ 1,756 | \$ 1,756 | \$ 1,756 | \$ 1,756 | \$ (667) | \$ - | \$ - | \$ - | \$ - |

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) | 2014 | 2015 | 2016     | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|------------------------|----------------------------|------|------|----------|------|------|------|------|------|------|------|------|
| 2014                                       | \$ -                   | 1                          | \$ - | \$ - | \$ -     | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2015                                       | \$ -                   | 1                          | \$ - | \$ - | \$ -     | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2016                                       | \$ 2,080               | 1                          | \$ - | \$ - | \$ 2,080 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net Increase (Decrease) in Pension Expense |                        |                            | \$ - | \$ - | \$ 2,080 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

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) | 2014 | 2015     | 2016        | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|--|----------------------------|------|----------|-------------|------|------|------|------|------|------|------|------|
| 2014                                       | \$ -   | 1                          | \$ - | \$ -     | \$ -        | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2015                                       | \$ 4,093   | 1                          | \$ - | \$ 4,093 | \$ -        | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2016                                       | \$ (10,628)  | 1                          | \$ - | \$ -     | \$ (10,628) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net Increase (Decrease) in Pension Expense |  |                            | \$ - | \$ 4,093 | \$ (10,628) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |