

TOWN OF BELLEAIR
MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2015

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

January 19, 2016

Ms. Donna Carlen, Recording Secretary
Town of Belleair Municipal Police Officers'
Retirement System
901 Ponce de Leon Blvd.
Belleair, FL 33756

Re: Town of Belleair Municipal Police Officers'
Retirement System

Dear Donna:

We are pleased to present to the Board this report of the annual actuarial valuation of the Town of Belleair Municipal Police Officers' 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 Chapters 112 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 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.

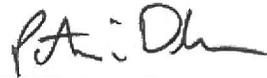
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Town of Belleair, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Town of Belleair Municipal Police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

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

Respectfully submitted,

Foster & Foster, Inc.

By:



Patrick T. Donlan, A.S.A., M.A.A.A.
Enrolled Actuary #14-6595

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Enclosures

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SUMMARY OF REPORT

The annual actuarial valuation of the Town of Belleair Municipal Police Officers' Retirement System, performed as of October 1, 2015, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended September 30, 2017.

The contribution requirements, compared with those developed in the October 1, 2014 actuarial valuation report, 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	\$242,732	\$275,760
Less Member Cont's (Est.)	44,743	52,364
Equals Required Town and State	197,989	223,396
State Contribution *	47,291	47,291
Balance from Town	150,698	176,105

* \$47,291 represents the amount that was received for fiscal 2015. The annual "Frozen" amount is \$54,032.19 (the maximum amount that can be considered when determining the Town's bottom line requirement) according to the traditional interpretation of Chapter 99-1, Florida Statutes. Please note that there was a contribution shortfall during the year of \$80,806.03, in addition to the Town's funding requirement for fiscal 2016.

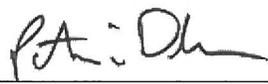
During the past year, there was net favorable actuarial experience, on the basis of the actuarial assumptions. The primary components of actuarial gain were attributable to an 8.84% investment return (Actuarial Value basis) which exceeded the 7.75% assumption, fewer than expected retirements and greater than expected employee turnover. There were no material sources of actuarial loss.

Despite this favorable experience, it can be seen that the Total Required Contribution has increased since the previous valuation. The increase in funding requirements is due to the 17% increase in Total Annual Payroll.

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: 
Patrick T. Donlan, ASA, EA, MAAA

By: 
Tyler A. Koftan

Plan Changes Since Prior Valuation

There have been no changes to the plan since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

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

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2015</u>	<u>10/1/2014</u>
A. Participant Data		
Number Included		
Actives	12	10
Service Retirees	7	5
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	<u>6</u>	<u>6</u>
Total	25	21
Total Annual Payroll	\$788,899	\$674,091
Payroll Under Assumed Ret. Age	788,899	674,091
Annual Rate of Payments to:		
Service Retirees	157,582	130,780
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	0	0
B. Assets		
Actuarial Value	3,122,324	2,734,680
Market Value	3,024,835	2,906,563
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	2,438,282	2,296,707
Disability Benefits	55,775	30,703
Death Benefits	15,133	11,562
Vested Benefits	51,405	74,497
Refund of Contributions	3,635	10,169
Service Retirees	1,609,748	1,362,497
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	28,334	20,674
Excess State Monies Reserve	<u>0</u>	<u>0</u>
Total	4,202,312	3,806,809

C. Liabilities - (Continued)	<u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	2,814,569	2,442,352
Present Value of Future Member Contributions	168,874	146,541
Total Normal Cost (FIL Method)	176,291	147,130
Present Value of Future Normal Costs (EAN)	772,370	584,228
Total Actuarial Accrued Liability	3,573,355	3,273,732
Unfunded Actuarial Accrued Liability (UAAL)	451,031	539,052
Funded Ratio (AVA / AL)	87.4%	83.5%

D. Actuarial Present Value of Accrued Benefits

Vested Accrued Benefits		
Inactives	1,638,082	1,383,171
Actives	1,082,397	1,131,562
Member Contributions	<u>319,693</u>	<u>335,208</u>
Total	3,040,172	2,849,941
Non-vested Accrued Benefits	<u>137,264</u>	<u>71,937</u>
Total Present Value Accrued Benefits	3,177,436	2,921,878
Funded Ratio (MVA / PVAB)	95.2%	99.5%

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

Plan Amendments	0
Assumption Changes	0
New Accrued Benefits	175,581
Benefits Paid	(141,005)
Interest	220,982
Other	<u>0</u>
Total	255,558

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 ¹	\$195,025	\$162,765
Administrative Expenses ¹	30,208	22,847
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2015) ¹	50,527	57,120
Total Required Contribution	275,760	242,732
Expected Member Contributions ¹	52,364	44,743
Expected Town & State Contribution	223,396	197,989

F. Past Contributions

Plan Years Ending:	<u>9/30/2015</u>
Total Required Contribution	310,801
Town and State Requirement	261,051

Actual Contributions Made:

Members (excluding buyback)	47,017
Town	213,760
State	<u>47,291</u>
Total	308,068

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

¹ Contributions developed as of 10/1/2015 displayed above have been adjusted to account for assumed salary increase and interest components.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	451,031
2016	436,773
2017	419,934
2023	267,105
2029	114,356
2034	33,532
2040	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	8.41%	6.50%
Year Ended	9/30/2014	8.30%	6.50%
Year Ended	9/30/2013	-1.63%	6.50%

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	8.84%	7.75%
Year Ended	9/30/2014	8.70%	7.75%
Year Ended	9/30/2013	8.02%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015	\$788,899
	10/1/2005	421,946
(b) Total Increase		86.97%
(c) Number of Years		10.00
(d) Average Annual Rate		6.46%

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 copies of the report to the following offices to comply with Chapter 112 Florida Statutes:

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

Ms. Sarah Carr
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2014	\$539,052
(2) Sponsor Normal Cost developed as of October 1, 2014	106,685
(3) Expected administrative expenses for the year ended September 30, 2015	20,652
(4) Expected interest on (1), (2) and (3)	50,845
(5) Sponsor contributions to the System during the year ended September 30, 2015	261,051
(6) Expected interest on (5)	5,152
(7) Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	451,031
(8) Change to UAAL due to Assumption Change	0
(9) Unfunded Accrued Liability as of October 1, 2015	451,031

Type of <u>Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2015 Amount</u>	<u>Amortization Amount</u>
Benefit/Method	10/1/1992	7	\$81,460	\$13,269
Benefit Change	10/1/1997	12	77,941	8,223
Method Change	10/1/1997	12	38,296	4,040
Benefit Change	10/1/2006	21	175,434	12,637
Method Change	10/1/2008	13	12,501	1,243
Assum Changes	10/1/2010	15	81,537	7,313
Benefit Changes	10/1/2010	25	(16,138)	(1,052)
			451,031	45,673

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

RP2000 Combined Healthy – Sex Distinct. Disabled lives set forward five years. We believe this sufficiently accounts for future mortality improvements.

Interest Rate

7.75% 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.

Retirement Age

Earlier of Age 55 with 5 years of credited service or 25 years of credited service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year. We feel that this assumption is reasonable based on Plan provisions.

Early Retirement

Commencing with the earliest Early Retirement (Age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. We feel that this assumption is reasonable based on Plan provisions.

Disability Rate

See table on the following page (65% of which are assumed to be regular in-line of duty, 10% catastrophic, and 25% not-in-line of duty). This assumption was developed from those used by other plans containing Florida municipal Police Officers.

Termination Rate

See table on the following page. This is based on the results of an experience study for the period 2002 to 2010.

Salary Increases

6.5% per year until the assumed retirement age; see table below. Projected salary at retirement is increased 20% to account for final non-regular compensation. This is supported by the results of an experience study for the period 1987 to 2010.

Payroll Growth

3.0% per year. This is in compliance with Part VII of Chapter 112, Florida Statutes.

Funding Method

Frozen Entry Age Actuarial Cost Method.

Actuarial Asset Method

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

Administrative Expenses

\$27,306 annually. This is equal to the actual non-investment-related expenses paid out of the trust during the year.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>	<u>Current Salary as % of Salary at age 55</u>
20	12.0%	0.03%	11.0%
30	10.0	0.04	20.7
40	5.2	0.07	38.9
50	1.6	0.18	73.0

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on 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 Accrued Liability 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.

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.

Frozen Entry Age Actuarial Cost Method is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. See the "Reconciliation of Unfunded Actuarial Accrued Liability" for details regarding the current status of the separate liabilities.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1993	16,743.14	____%
1994	25,378.41	51.6%
1995	24,381.20	-3.9%
1996	27,829.18	14.1%
1997	30,994.69	11.4%
1998	37,803.15	22.0%
1999	33,216.82	-12.1%
2000	35,340.56	6.4%
2001	36,830.80	4.2%
2002	44,841.11	21.7%
2003	55,114.78	22.9%
2004	39,498.56	-28.3%
2005	34,990.81	-11.4%
2006	36,678.80	4.8%
2007	38,602.39	5.2%
2008	40,456.88	4.8%
2009	43,674.67	8.0%
2010	45,233.89	3.6%
2011	40,965.43	-9.4%
2012	43,341.36	5.8%
2013	41,618.00	-4.0%
2014	46,611.95	12.0%
2015	47,290.53	1.5%

EXCESS STATE MONIES RESERVE

	Regular Distribution			Firefighters' Distribution			Special Distribution			Police Officers' Distribution		
	Actual State Contribution	Applicable "Frozen" Amount	Excess State Monies Reserve	Actual State Contribution	Applicable "Frozen" Amount	Excess State Monies Reserve	Actual State Contribution	Applicable "Frozen" Amount	Excess State Monies Reserve	Actual State Contribution	Applicable "Frozen" Amount	Excess State Monies Reserve
1999	\$8,432.88	\$19,585.35	\$0.00	\$3,869.51	\$19,585.35	\$0.00	\$20,914.43	\$20,914.43	\$0.00	\$20,914.43	\$20,914.43	\$0.00
2000	7,915.14	16,943.87	0.00	4,604.34	4,604.34	0.00	22,821.08	22,821.08	0.00	22,821.08	22,821.08	0.00
2001	9,238.22	16,776.71	0.00	4,501.80	4,501.80	0.00	23,090.78	23,090.78	0.00	23,090.78	23,090.78	0.00
2002	10,730.80	10,730.80	0.00	4,854.42	4,382.60	471.82	29,255.89	29,255.89	0.00	29,255.89	29,255.89	0.00
2003	16,012.37	8,632.59	7,379.78	5,948.63	3,869.51	2,079.12	33,153.78	31,867.19	1,286.59	33,153.78	31,867.19	1,286.59
2004	0*	N/A*	0.00	8,922.01	5,187.08	3,734.93	30,549.62	30,549.62	0.00	30,549.62	30,549.62	0.00
2005	0*	N/A*	0.00	0*	N/A*	0.00	34,990.81	31,867.19	3,123.62	34,990.81	31,867.19	3,123.62
2006	0*	N/A*	0.00	0*	N/A*	0.00	36,678.80	31,867.19	4,811.61	36,678.80	31,867.19	4,811.61
2007	0*	N/A*	0.00	0*	N/A*	0.00	38,602.39	53,343.19	0.00	38,602.39	53,343.19	0.00
2008	0*	N/A*	0.00	0*	N/A*	0.00	40,456.88	53,343.19	0.00	40,456.88	53,343.19	0.00
2009	0*	N/A*	0.00	0*	N/A*	0.00	43,674.67	53,343.19	0.00	43,674.67	53,343.19	0.00
2010	0*	N/A*	0.00	0*	N/A*	0.00	45,233.89	53,343.19	0.00	45,233.89	53,343.19	0.00
2011	0*	N/A*	0.00	0*	N/A*	0.00	40,965.43	54,032.19	0.00	40,965.43	54,032.19	0.00
2012	0*	N/A*	0.00	0*	N/A*	0.00	43,341.36	54,032.19	0.00	43,341.36	54,032.19	0.00
2013	0*	N/A*	0.00	0*	N/A*	0.00	41,618.00	54,032.19	0.00	41,618.00	54,032.19	0.00
2014	0*	N/A*	0.00	0*	N/A*	0.00	46,611.95	54,032.19	0.00	46,611.95	54,032.19	0.00
2015	0*	N/A*	0.00	0*	N/A*	0.00	47,290.53	54,032.19	0.00	47,290.53	54,032.19	0.00
			7,379.78			6,285.87			6,285.87			9,221.82
Accumulated Fire Regular Excess			7,379.78			7,379.78						
Accumulated Fire Special Excess			6,285.87			6,285.87						
Accumulated Police Regular Excess			9,221.82			9,221.82						
Total Excess State Monies			22,887.47			22,887.47						
Less Excess Used in Funding Ordinance No. 444 (3.5% Benefit Rate)			(22,887.47)			(22,887.47)						
Equals Current State Monies Reserve			\$0.00			\$0.00						

*There are no more active Firefighters. Therefore, the State is withholding the Chapter 175 monies.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	75,947.08	75,947.08
Cash	11,313.45	11,313.45
Total Cash and Equivalents	87,260.53	87,260.53
Receivables:		
Additional Town Contributions	80,806.03	80,806.03
State Contributions	47,290.53	47,290.53
Investment Income	9,107.96	9,107.96
Total Receivable	137,204.52	137,204.52
Investments:		
U. S. Bonds and Bills	287,468.38	287,406.16
Federal Agency Guaranteed Securities	4,909.64	5,048.10
Corporate Bonds	457,581.97	455,093.05
Stocks	911,268.12	1,019,432.60
Mutual Funds:		
Fixed Income	346,888.66	331,790.42
Equity	644,123.07	701,599.25
Total Investments	2,652,239.84	2,800,369.58
Total Assets	2,876,704.89	3,024,834.63
<u>LIABILITIES</u>		
Total Liabilities	0.00	0.00
NET POSITION RESTRICTED FOR PENSIONS	2,876,704.89	3,024,834.63

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

ADDITIONS

Contributions:

Member	47,016.95
Town	213,760.47
State	47,290.53

Total Contributions 308,067.95

Investment Income:

Net Realized Gain (Loss)	84,843.41
Unrealized Gain (Loss)	(153,591.52)
Net Increase in Fair Value of Investments	(68,748.11)
Interest & Dividends	76,013.34
Less Investment Expense ¹	(28,750.03)

Net Investment Income (21,484.80)

Total Additions 286,583.15

DEDUCTIONS

Distributions to Members:

Benefit Payments	137,708.33
Refunds of Member Contributions	3,297.03

Total Distributions 141,005.36

Administrative Expense 27,306.36

Total Deductions 168,311.72

Net Increase in Net Position 118,271.43

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 2,906,563.20

End of the Year 3,024,834.63

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	16.53%	
09/30/2013	10.46%	
09/30/2014	9.84%	
09/30/2015	-0.75%	
Annualized Rate of Return for prior four (4) years:		8.84%
(A) 10/01/2014 Actuarial Assets:		\$2,734,680.48
(I) Net Investment Income:		
1. Interest and Dividends	76,013.34	
2. Realized Gains (Losses)	84,843.41	
3. Change in Actuarial Value	115,780.58	
4. Investment Related Expenses	(28,750.03)	
Total		247,887.30
(B) 10/01/2015 Actuarial Assets:		\$3,122,324.01
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		8.84%
10/01/2015 Limited Actuarial Assets:		\$3,122,324.01
10/01/2015 Market Value of Assets:		\$3,024,834.63
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$30,534.01

*Market Value Basis, net of investment related expenses.

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

REVENUES

Contributions:		
Member	47,016.95	
Town	213,760.47	
State	47,290.53	
Total Contributions		308,067.95
Earnings from Investments:		
Interest & Dividends	76,013.34	
Net Realized Gain (Loss)	84,843.41	
Change in Actuarial Value	115,780.58	
Total Earnings and Investment Gains		276,637.33

EXPENDITURES

Distributions to Members:		
Benefit Payments	137,708.33	
Refunds of Member Contributions	3,297.03	
Total Distributions		141,005.36
Expenses:		
Investment related ¹	28,750.03	
Administrative	27,306.36	
Total Expenses		56,056.39
Change in Net Assets for the Year		387,643.53
Net Assets Beginning of the Year		2,734,680.48
Net Assets End of the Year²		3,122,324.01

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

²Net Assets may be limited for actuarial consideration.

RECONCILIATION OF TOWN'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2015

(1) Required Town and State Contributions	\$261,051.00
(2) Less Allowable State Contribution	<u>(47,290.53)</u>
(3) Required Town Contribution for Fiscal 2015	213,760.47
(4) Less 2014 Prepaid Contribution	0.00
(5) Less Actual Town Contributions	<u>(132,954.44)</u>
(6) Equals Town's Shortfall/(Prepaid) Contribution as of September 30, 2015	\$80,806.03

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	12	12	10	12
Average Current Age	53.6	54.9	53.9	56.5
Average Age at Employment	47.6	47.9	45.4	50.1
Average Past Service	6.0	7.0	8.5	6.4
Average Annual Salary	\$58,454	\$62,459	\$67,409	\$65,742
<u>Service Retirees</u>				
Number			5	7
Average Current Age			62.3	62.6
Average Annual Benefit			\$26,156	\$22,512
<u>Beneficiaries</u>				
Number			0	0
Average Current Age			N/A	N/A
Average Annual Benefit			N/A	N/A
<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			0	0
Average Current Age			N/A	N/A
Average Annual Benefit			N/A	N/A

¹ Prior to 10/1/2015, 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	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0	0	0
30 - 34	0	0	0	0	0	0	0	0	0	0	0	0
35 - 39	0	0	0	0	0	0	0	0	0	0	0	0
40 - 44	0	0	0	0	0	1	1	0	0	0	0	2
45 - 49	0	0	0	0	0	0	0	0	0	0	0	0
50 - 54	0	0	0	0	0	0	0	0	0	0	0	0
55 - 59	2	1	0	0	0	1	0	0	1	0	0	5
60 - 64	2	0	0	1	0	2	0	0	0	0	0	5
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	4	1	0	1	0	4	1	0	1	0	0	12

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2014	10
b. Terminations	
i. Vested (partial or full) with deferred benefits	(1)
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>(2)</u>
f. Continuing participants	7
g. New entrants	<u>5</u>
h. Total active life participants in valuation	12

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

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested Deferred	<u>Total</u>
a. Number prior valuation	5	0	0	6	11
Retired	2	0	0	0	2
Vested Deferred	0	0	0	1	1
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	(1)	(1)
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
b. Number current valuation	7	0	0	6	13

SUMMARY OF CURRENT PLAN

<u>EFFECTIVE DATE</u>	July 1, 1968.
<u>AMENDED</u>	September 18, 2013.
<u>CREDITED SERVICE</u>	Years and fractional parts of years of service as a Full-time Police Officer.
<u>SALARY</u>	W-2 earnings plus tax deferred, tax sheltered and tax exempt income.
<u>AVERAGE FINAL COMPENSATION</u>	Average of Salary during the best 5 years of the last 10.
<u>NORMAL RETIREMENT</u>	
Eligibility	Age 55 and the completion of 5 years of Credited Service or the completion of 25 years of Credited Service, regardless of age.
Benefit Amount	3.50% of Average Final Compensation <u>times</u> Credited Service.
Form of Benefit	10 year certain and life thereafter (Options available).
<u>EARLY RETIREMENT</u>	
Eligibility	Age 50 and 10 years of Credited Service.
Benefit Amount	Accrued benefit, reduced 3% for each year that benefit commencement precedes normal retirement.
<u>DISABILITY</u>	
Eligibility	Total and permanent disability prior to Normal Retirement Date. 10 years of Creditable Service required for non-service related disability.

Benefit Amount

(Service)

Unreduced accrued benefit, but not less than 42% of Average Final Compensation.

(Non-service)

Unreduced accrued benefit.

DEATH

Vested or On-Duty

Member's accrued benefit payable at what would have been the Member's Normal or Early (reduced) Retirement Date for 10 years.

Non-vested, Off-Duty

Refund of Member contributions.

VESTING (TERMINATION)

Less than 10 years of Credited Service

Refund of member contributions.

10 or more years of Service

Accrued benefit payable at age 50 or later, on Credited an actuarially reduced basis if to commence prior to Normal Retirement Date, or a refund of member contributions with interest.

CONTRIBUTIONS

Employee

6% of Salary.

Town and State

Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII, Florida Statutes, Chapter 112.

BOARD OF TRUSTEES

- a) Two Town Commission appointees,
- b) Two Members of the System elected by a majority of the other covered Police Officers, and
- c) A fifth Member elected by the other 4 and appointed by Commission.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	75,947
Cash	11,313
Total Cash and Equivalents	87,260
Receivables:	
Additional Town Contributions	80,806
State Contributions	47,291
Investment Income	9,108
Total Receivable	137,205
Investments:	
U. S. Bonds and Bills	287,406
Federal Agency Guaranteed Securities	5,048
Corporate Bonds	455,093
Stocks	1,019,433
Mutual Funds:	
Fixed Income	331,791
Equity	701,599
Total Investments	2,800,370
Total Assets	3,024,835
Total Liabilities	0
NET POSITION RESTRICTED FOR PENSIONS	3,024,835

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

ADDITIONS

Contributions:

Member	47,017
Town	213,760
State	47,291

Total Contributions	308,068
---------------------	---------

Investment Income:

Net Increase in Fair Value of Investments	(68,748)
Interest & Dividends	76,013
Less Investment Expense ¹	(28,750)

Net Investment Income	(21,485)
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Total Additions	286,583
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DEDUCTIONS

Distributions to Members:

Benefit Payments	137,708
Refunds of Member Contributions	3,297

Total Distributions	141,005
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Administrative Expense	27,306
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Total Deductions	168,311
------------------	---------

Net Increase in Net Position	118,272
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	2,906,563
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End of the Year	3,024,835
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

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

Plan Description

Plan Administration

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

- a) Two Town Commission appointees,
- b) Two Members of the System elected by a majority of the other covered Police Officers, and
- c) A fifth Member elected by the other 4 and appointed by Commission.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	5
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	6
Active Plan Members	10
	21
	21

Benefits Provided

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

Normal Retirement:

Eligibility: Age 55 and the completion of 5 years of Credited Service or the completion of 25 years of Credited Service, regardless of age.

Benefit Amount: 3.50% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 50 and 10 years of Credited Service.

Benefit Amount: Accrued benefit, reduced 3% for each year that benefit commencement precedes normal retirement.

Disability:

Eligibility: Total and permanent disability prior to Normal Retirement Date. 10 years of Creditable Service required for non-service related disability.

Benefit Amount: (Service): Unreduced accrued benefit, but not less than 42% of Average Final Compensation.

(Non-service): Unreduced accrued benefit.

Pre-Retirement Death Benefits:

Vested or On-Duty: Member's accrued benefit payable at what would have been the Member's Normal or Early (reduced) Retirement Date for 10 years.

Non-vested, Off-Duty: Refund of Member contributions.

Vesting (Termination):

Less than 10 years of Credited Service: Refund of Member contributions.

10 or more years of Service: Accrued benefit payable at age 50 or later, on Credited an actuarially reduced basis if to commence prior to Normal Retirement Date, or a refund of member contributions with interest.

Contributions

Employee 6% of Salary.

Town and State: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII, Florida Statutes, Chapter 112.

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Investments

Investment Policy:

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45%
International Equity	15%
Domestic Fixed Income	35%
Global Fixed income	5%
<u>Total</u>	<u>100.00%</u>

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 -0.75 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, 2015 were as follows:

Total Pension Liability	\$ 3,519,711
Plan Fiduciary Net Position	<u>\$ (3,024,835)</u>
Sponsor's Net Pension Liability	<u>\$ 494,876</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	85.94%

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	6.50%
Discount Rate	7.75%
Investment Rate of Return	7.75%

Mortality Rate: RP2000 Combined Healthy – Sex Distinct. Disabled lives are set forward 5 years. Based upon other studies of municipal Police Officers, we feel this assumption sufficiently accommodates future mortality improvements.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study performed October 19th, 2010, for the period 1990-2010.

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

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

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

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.5%
International Equity	8.5%
Domestic Fixed Income	2.5%
Global Fixed income	3.5%

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 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Sponsor's Net Pension Liability	\$ 838,401	\$ 494,876	\$ 201,026

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	202,940	239,594
Interest	267,366	243,710
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(127,034)	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(141,005)</u>	<u>(141,832)</u>
Net Change in Total Pension Liability	202,267	341,472
Total Pension Liability - Beginning	3,317,444	2,975,972
Total Pension Liability - Ending (a)	<u>\$ 3,519,711</u>	<u>\$ 3,317,444</u>
Plan Fiduciary Net Position		
Contributions - Employer	213,760	239,759
Contributions - State	47,291	46,612
Contributions - Employee	47,017	44,305
Net Investment Income	(21,485)	243,863
Benefit Payments, including Refunds of Employee Contributions	(141,005)	(141,832)
Administrative Expense	<u>(27,306)</u>	<u>(20,652)</u>
Net Change in Plan Fiduciary Net Position	118,272	412,055
Plan Fiduciary Net Position - Beginning	2,906,563	2,494,508
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,024,835</u>	<u>\$ 2,906,563</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 494,876</u>	<u>\$ 410,881</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	85.94%	87.61%
Covered Employee Payroll*	\$ 783,615	\$ 738,422
Net Pension Liability as a percentage of Covered Employee Payroll	63.15%	55.64%

Notes to Schedule:

* For the fiscal year 2014, the Covered Employee Payroll figure was based on Pensionable Salary.

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014
Actuarially Determined Contribution	261,051	286,371
Contributions in relation to the Actuarially Determined Contributions	261,051	286,371
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Employee Payroll*	\$ 783,615	\$ 738,422
Contributions as a percentage of Covered Employee Payroll	33.31%	38.78%

* For the fiscal year 2014, the Covered Employee Payroll figure was 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:	Frozen Entry Age Actuarial Cost Method.
Amortization Method:	Level Percentage of Pay, Closed.
Remaining Amortization Period:	27 Years (as of 10/01/2013 Valuation).
Inflation:	3.0% per year.
Mortality Rate:	RP2000 Combined Healthy – Sex Distinct. Disabled lives set forward five years. Based upon a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.
Interest Rate:	7.75% per year compounded annually, net of investment related expenses.
Retirement Age:	Earlier of Age 55 with 5 years of credited service or 25 years of credited service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early Retirement:	Commencing with the earliest Early Retirement (Age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Disability Rate:	See table below. (65% of which are assumed to be regular in-line of duty, 10% catastrophic, and 25% not-in-line of duty).
Termination Rate:	See table below.
Salary Increases:	6.5% per year until the assumed retirement age. Projected salary at retirement is increased 20% to account for final non-regular compensation.
Payroll Growth:	Up to 3.0% per year (3.0% for 10/1/12 Valuation).
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Termination and Disability Rate Table:	<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Age</th> <th style="text-align: center;">% Terminating During the Year</th> <th style="text-align: center;">% Becoming Disabled During the Year</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">20</td> <td style="text-align: center;">12.0%</td> <td style="text-align: center;">0.03%</td> </tr> <tr> <td style="text-align: center;">30</td> <td style="text-align: center;">10.0%</td> <td style="text-align: center;">0.04%</td> </tr> <tr> <td style="text-align: center;">40</td> <td style="text-align: center;">5.2%</td> <td style="text-align: center;">0.07%</td> </tr> <tr> <td style="text-align: center;">50</td> <td style="text-align: center;">1.6%</td> <td style="text-align: center;">0.18%</td> </tr> </tbody> </table>	Age	% Terminating During the Year	% Becoming Disabled During the Year	20	12.0%	0.03%	30	10.0%	0.04%	40	5.2%	0.07%	50	1.6%	0.18%
Age	% Terminating During the Year	% Becoming Disabled During the Year														
20	12.0%	0.03%														
30	10.0%	0.04%														
40	5.2%	0.07%														
50	1.6%	0.18%														

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	-0.75%	9.84%

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

General Information about the Pension Plan

Plan Description

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

- a) Two Town Commission appointees,
- b) Two Members of the System elected by a majority of the other covered Police Officers, and
- c) A fifth Member elected by the other 4 and appointed by Commission.

Each person employed by the Town Police as a full-time Police Officer ("Member") becomes a member of the Plan as a condition of his employment and are therefore eligible for all plan benefits as provided for in the plan document and by applicable law. The Police Chief, however, may elect, within 90 days of employment, to opt out of the system.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	5
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	6
Active Plan Members	10
	21
	21

Benefits Provided

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

Normal Retirement:

Eligibility: Age 55 and the completion of 5 years of Credited Service or the completion of 25 years of Credited Service, regardless of age.

Benefit Amount: 3.50% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 50 and 10 years of Credited Service.

Benefit Amount: Accrued benefit, reduced 3% for each year that benefit commencement precedes normal retirement.

Disability:

Eligibility: Total and permanent disability prior to Normal Retirement Date. 10 years of Creditable Service required for non-service related disability.

Benefit Amount: (Service): Unreduced accrued benefit, but not less than 42% of Average Final Compensation.

Pre-Retirement Death Benefits:

Vested or On-Duty: Member's accrued benefit payable at what would have been the Member's Normal or Early (reduced) Retirement Date for 10 years.

Non-vested, Off-Duty: Refund of Member contributions.

Vesting (Termination):

Less than 10 years of Credited Service: Refund of Member contributions.

10 or more years of Service: Accrued benefit payable at age 50 or later, on Credited an actuarially reduced basis if to commence prior to Normal Retirement Date, or a refund of member contributions with interest.

Contributions

Employee 6% of Salary.

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

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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, 2014 through September 30, 2015.

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	6.50%
Discount Rate	7.75%
Investment Rate of Return	7.75%

Mortality Rate: RP2000 Combined Healthy – Sex Distinct. Disabled lives are set forward 5 years. Based upon other studies of municipal Police Officers, we feel this assumption sufficiently accommodates future mortality improvements.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study performed October 19th, 2010, for the period 1990-2010.

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	45%	7.5%
International Equity	15%	8.5%
Domestic Fixed Income	35%	2.5%
Global Fixed income	5%	3.5%
Total	<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 Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2014	\$ 3,317,444	\$ 2,906,563	\$ 410,881
Changes for a Year:			
Service Cost	202,940	-	202,940
Interest	267,366	-	267,366
Differences between Expected and Actual Experience	(127,034)	-	(127,034)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	213,760	(213,760)
Contributions - State	-	47,291	(47,291)
Contributions - Employee	-	47,017	(47,017)
Net Investment Income	-	(21,485)	21,485
Benefit Payments, including Refunds of Employee Contributions	(141,005)	(141,005)	-
Administrative Expense	-	(27,306)	27,306
Net Changes	202,267	118,272	83,995
Reporting Period Ending September 30, 2015	\$ 3,519,711	\$ 3,024,835	\$ 494,876

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	\$ 838,401	\$ 494,876	\$ 201,026

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, 2015, the Sponsor will recognize a Pension Expense of \$159,544.
On September 30, 2015, 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	-	63,517
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	201,728	-
Total	\$ 201,728	\$ 63,517

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:		
2016	\$	(13,085)
2017	\$	50,432
2018	\$	50,432
2019	\$	50,432
2020	\$	-
Thereafter	\$	-

Payable to the Pension Plan

On September 30, 2015, the Sponsor reported a payable of \$80,806 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2015.

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

Reporting Period Ending	09/30/2015	09/30/2014
Measurement Date	09/30/2015	09/30/2014
Total Pension Liability		
Service Cost	202,940	239,594
Interest	267,366	243,710
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(127,034)	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	(141,005)	(141,832)
Net Change in Total Pension Liability	202,267	341,472
Total Pension Liability - Beginning	3,317,444	2,975,972
Total Pension Liability - Ending (a)	<u>\$ 3,519,711</u>	<u>\$ 3,317,444</u>
Plan Fiduciary Net Position		
Contributions - Employer	213,760	239,759
Contributions - State	47,291	46,612
Contributions - Employee	47,017	44,305
Net Investment Income	(21,485)	243,863
Benefit Payments, including Refunds of Employee Contributions	(141,005)	(141,832)
Administrative Expense	(27,306)	(20,652)
Net Change in Plan Fiduciary Net Position	118,272	412,055
Plan Fiduciary Net Position - Beginning	2,906,563	2,494,508
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,024,835</u>	<u>\$ 2,906,563</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 494,876</u>	<u>\$ 410,881</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	85.94%	87.61%
Covered Employee Payroll*	\$ 783,615	\$ 738,422
Net Pension Liability as a percentage of Covered Employee Payroll	63.15%	55.64%

Notes to Schedule:

* For the fiscal year 2014, the Covered Employee Payroll figure was based on Pensionable Salary.

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Reporting Period Ending	09/30/2015	09/30/2014
Measurement Date	09/30/2015	09/30/2014
Actuarially Determined Contribution	261,051	286,371
Contributions in relation to the Actuarially Determined Contributions	261,051	286,371
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Employee Payroll	\$ 783,615	\$ 738,422
Contributions as a percentage of Covered Employee Payroll	33.31%	38.78%

* For the fiscal year 2014, the Covered Employee Payroll figure was 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:	Frozen Entry Age Actuarial Cost Method.
Amortization Method:	Level Percentage of Pay, Closed.
Remaining Amortization Period:	27 Years (as of 10/01/2013 Valuation).
Inflation:	3.0% per year.
Mortality Rate:	RP2000 Combined Healthy – Sex Distinct. Disabled lives set forward five years. Based upon a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.
Interest Rate:	7.75% per year compounded annually, net of investment related expenses.
Retirement Age:	Earlier of Age 55 with 5 years of credited service or 25 years of credited service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early Retirement:	Commencing with the earliest Early Retirement (Age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Disability Rate:	See table below. (65% of which are assumed to be regular in-line of duty, 10% catastrophic, and 25% not-in-line of duty).
Termination Rate:	See table below.
Salary Increases:	6.5% per year until the assumed retirement age. Projected salary at retirement is increased 20% to account for final non-regular compensation.
Payroll Growth:	Up to 3.0% per year (3.0% for 10/1/12 Valuation).
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Termination and Disability Rate Table:	% Terminating	% Becoming
	During the	Disabled During
	Year	the Year
Age	Year	the Year
20	12.0%	0.03%
30	10.0%	0.04%
40	5.2%	0.07%
50	1.6%	0.18%

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2015

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 410,881	\$ -	\$ -	\$ -
Total Pension Liability Factors:				
Service Cost	202,940	-	-	202,940
Interest	267,366	-	-	267,366
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(127,034)	127,034	-	-
Current year amortization of experience difference	-	(63,517)	-	(63,517)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(141,005)	-	-	(141,005)
Net change	<u>202,267</u>	<u>63,517</u>	<u>-</u>	<u>265,784</u>
Plan Fiduciary Net Position:				
Contributions - Employer	213,760	-	-	-
Contributions - State	47,291	-	-	(47,291)
Contributions - Employee	47,017	-	-	(47,017)
Net Investment Income	230,674	-	-	(230,674)
Difference between projected and actual earnings on Pension Plan investments	(252,159)	-	252,159	-
Current year amortization	-	-	(50,431)	50,431
Benefit Payments	(141,005)	-	-	141,005
Administrative Expenses	(27,306)	-	-	27,306
Net change	<u>118,272</u>	<u>-</u>	<u>201,728</u>	<u>(106,240)</u>
Ending Balance	<u>\$ 494,876</u>	<u>\$ 63,517</u>	<u>\$ 201,728</u>	<u>\$ 159,544</u>