

CITY OF LAKE ALFRED
GENERAL EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2016

CONTRIBUTIONS APPLICABLE TO THE PLAN/FISCAL
YEAR ENDING SEPTEMBER 30, 2018

December 12, 2016

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

Re: City of Lake Alfred
General Employees' Retirement System

Dear Board:

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

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

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

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

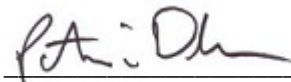
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Lake Alfred, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Lake Alfred General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

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

Respectfully submitted,

Foster & Foster, Inc.

By:



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

PTD/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Lake Alfred General Employees' Retirement System, performed as of October 1, 2016, has been completed and the results are presented in this Report. The contribution amounts developed in this valuation are applicable to the plan/fiscal year ended September 30, 2018.

The contribution requirements, compared with those developed in the October 1, 2015 Actuarial Valuation, are as follows:

Valuation Date	10/1/2016	10/1/2015
Applicable Plan/Fiscal Year End	<u>9/30/2018</u>	<u>9/30/2017</u>
 Total Required Contribution	 \$284,200	 \$235,180
 Member Contributions	 (\$68,102)	 (\$64,350)
 Balance From City ¹	 \$216,098	 \$170,830

¹ Contribution requirements shown above were developed assuming the City continues its practice of making a lump-sum deposit at the beginning of the fiscal year. Should the City change this practice, the contribution requirements will need to be adjusted to include an interest component.

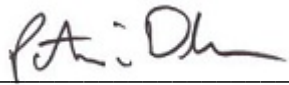
During the past year, the actuarial experience has been less favorable than expected, relative to the Plan's actuarial assumptions. The principal sources of unfavorable experience included a 6.91% investment return (Actuarial Asset Basis) which fell short of the 7.50% assumption and unfavorable turnover experience. These losses were partially offset by the effect of no inactive mortality and favorable retirement experience.

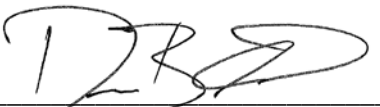
Additionally, the contribution requirements have increased due to a mandated change to the assumed rates of mortality, as described on page 7.

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

Respectfully submitted,

FOSTER & FOSTER, INC.

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

By: 
Drew D. Ballard, EA, MAAA

CHANGES SINCE PRIOR REPORT

Plan Changes

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

Actuarial Assumption/Method Changes

There have been two changes to the actuarial assumptions in conjunction with this report, as outlined below:

- Pursuant to Part VII of Chapter 112, Florida Statutes, the payroll growth assumption utilized for valuation purposes cannot exceed the actual 10-year average payroll growth realized by the plan. Therefore, in order to comply with this requirement, the payroll growth assumption was lowered from 1.30% per year to 0.00% per year.
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Table to the mortality table used by the Florida Retirement System actuary in the July 1, 2015 actuarial valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2016</u>	Old Assump <u>10/1/2016</u>	<u>10/1/2015</u>
A. Participant Data			
Actives	37	37	37
Service Retirees	19	19	18
Beneficiaries	0	0	1
Disability Retirees	0	0	0
Terminated Vested	<u>30</u>	<u>30</u>	<u>29</u>
Total	86	86	85
Total Annual Payroll	\$1,238,502	\$1,238,502	\$1,170,264
Payroll Under Assumed Ret. Age	1,238,502	1,238,502	1,170,264
Annual Rate of Payments to:			
Service Retirees	238,421	238,421	237,115
Beneficiaries	0	0	9,659
Disability Retirees	0	0	0
Terminated Vested	97,835	97,835	97,835
B. Assets			
Actuarial Value (AVA)	4,197,904	4,197,904	4,009,016
Market Value (MVA)	4,043,450	4,043,450	3,825,287
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	2,334,554	2,261,536	2,005,829
Disability Benefits	85,205	103,053	88,163
Death Benefits	26,182	17,643	15,683
Vested Benefits	305,818	299,869	263,226
Refund of Contributions	71,051	71,331	71,353
Service Retirees	2,345,604	2,248,222	2,223,023
Beneficiaries	0	0	73,628
Disability Retirees	0	0	0
Terminated Vested	<u>604,765</u>	<u>594,826</u>	<u>552,273</u>
Total	5,773,179	5,596,480	5,293,178

C. Liabilities - (Continued)	New Assump <u>10/1/2016</u>	Old Assump <u>10/1/2016</u>	<u>10/1/2015</u>
Present Value of Future Salaries	8,558,472	8,625,397	7,925,479
Present Value of Future Member Contributions	427,924	431,270	396,274
Normal Cost (Retirement)	135,263	131,114	120,991
Normal Cost (Disability)	4,785	5,848	5,275
Normal Cost (Death)	1,989	1,317	1,204
Normal Cost (Vesting)	14,257	14,133	13,046
Normal Cost (Refunds)	<u>13,712</u>	<u>13,734</u>	<u>13,816</u>
Total Normal Cost	170,006	166,146	154,332
Present Value of Future Normal Costs	1,082,468	1,065,731	969,132
Accrued Liability (Retirement)	1,454,703	1,402,029	1,231,405
Accrued Liability (Disability)	51,920	62,023	52,097
Accrued Liability (Death)	14,823	10,119	8,691
Accrued Liability (Vesting)	201,842	196,480	167,984
Accrued Liability (Refunds)	17,054	17,050	14,945
Accrued Liability (Inactives)	<u>2,950,369</u>	<u>2,843,048</u>	<u>2,848,924</u>
Total Actuarial Accrued Liability (AL)	4,690,711	4,530,749	4,324,046
Unfunded Actuarial Accrued Liability (UAAL)	492,807	332,845	315,030
Funded Ratio (AVA / AL)	89.5%	92.7%	92.7%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2016</u>	Old Assump <u>10/1/2016</u>	<u>10/1/2015</u>
Vested Accrued Benefits			
Inactives	2,950,369	2,843,048	2,848,924
Actives	356,157	347,347	364,378
Member Contributions	<u>286,360</u>	<u>286,360</u>	<u>255,180</u>
Total	3,592,886	3,476,755	3,468,482
Non-vested Accrued Benefits	<u>269,669</u>	<u>256,428</u>	<u>192,008</u>
Total Present Value Accrued Benefits (PVAB)	3,862,555	3,733,183	3,660,490
Funded Ratio (MVA / PVAB)	104.7%	108.3%	104.5%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	129,372	0	
New Accrued Benefits	0	88,765	
Benefits Paid	0	(280,105)	
Interest	0	264,033	
Other	<u>0</u>	<u>0</u>	
Total	129,372	72,693	

	New Assump	Old Assump	
Valuation Date	10/1/2016	10/1/2016	10/1/2015
Applicable to Fiscal Year Ending	<u>9/30/2018</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
E. Pension Cost			
Normal Cost ¹	\$180,206	\$176,115	\$163,592
Administrative Expenses ¹	38,881	38,881	29,981
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2016) ¹	65,113	47,050	41,607
Total Required Contribution	284,200	262,046	235,180
Expected Member Contributions ¹	68,102	68,102	64,350
Expected City Contribution	216,098	193,944	170,830
F. Past Contributions			
Plan Years Ending:	<u>9/30/2016</u>		
City Requirement	168,960		
Actual Contributions Made:			
Members (excluding buyback)	58,321		
City	<u>173,325</u>		
Total	231,646		
G. Net Actuarial (Gain)/Loss	48,162		

¹ Contributions developed as of 10/1/2016 displayed above have been adjusted to account for assumed salary increases and reflect an expected lump-sum deposit at the beginning of the fiscal year.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2016	492,807
2017	463,734
2018	432,480
2024	322,947
2030	165,096
2035	28,129
2041	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2016	6.98%	6.00%
Year Ended	9/30/2015	4.46%	6.00%
Year Ended	9/30/2014	2.78%	6.00%

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

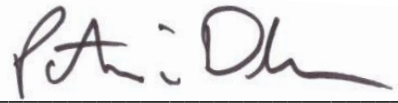
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2016	6.91%	7.50%
Year Ended	9/30/2015	8.69%	7.50%
Year Ended	9/30/2014	8.45%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2016	\$1,238,502
	10/1/2006	1,310,691
(b) Total Increase		-5.51%
(c) Number of Years		10.00
(d) Average Annual Rate		-0.56%

STATEMENT BY ENROLLED ACTUARY

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



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

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2015	\$315,030
(2)	Sponsor Normal Cost developed as of October 1, 2015	95,819
(3)	Expected administrative expenses for the year ended September 30, 2016	28,284
(4)	Expected interest on (1), (2) and (3)	31,874
(5)	Sponsor contributions to the System during the year ended September 30, 2016	173,325
(6)	Expected interest on (5)	12,999
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2016 (1)+(2)+(3)+(4)-(5)-(6)	284,683
(8)	Change to UAAL due to Assumption Change	159,962
(9)	Change to UAAL due to Actuarial (Gain)/Loss	48,162
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2016	492,807

Type of Base	Date Established	Years Remaining	10/1/2016 Amount	Amortization Amount
Method Change	10/1/2006	20	\$129,660	\$11,831
Actuarial Loss **	10/1/2006	12	110,001	13,229
Actuarial Gain	10/1/2007	12	(111,766)	(13,441)
Actuarial Loss	10/1/2008	2	2,602	1,348
Method Change	10/1/2008	12	24,086	2,897
Actuarial Loss	10/1/2009	3	23,346	8,351
Actuarial Gain	10/1/2010	4	(45,743)	(12,705)
Benefit Change	10/1/2010	24	39,054	3,308
Actuarial Loss	10/1/2011	5	127,800	29,384
Benefit Change	10/1/2011	25	(30,162)	(2,517)
Actuarial Loss	10/1/2012	6	87,441	17,329
Assum Change	10/1/2012	16	60,095	6,115
Software Change	10/1/2013	17	(31,132)	(3,070)
Actuarial Gain	10/1/2013	7	(44,520)	(7,819)
Assum Changes	10/1/2013	17	86,629	8,542
Actuarial Gain	10/1/2014	8	(128,350)	(20,384)
Actuarial Gain	10/1/2015	9	(14,358)	(2,094)
Actuarial Loss	10/1/2016	10	48,162	6,527
Assum Change	10/1/2016	20	<u>159,962</u>	<u>14,596</u>
			492,807	61,427

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2015	\$315,030
(2) Expected UAAL as of October 1, 2016	284,683
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	23,397
Salary Increases	(6,202)
Active Decrements	43,532
Inactive Mortality	(50,507)
Other	<u>37,942</u>
Increase in UAAL due to (Gain)/Loss	48,162
Assumption Changes	<u>159,962</u>
(4) Actual UAAL as of October 1, 2016	\$492,807

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Lives:

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

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB

Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years

Male: 100% RP2000 Disabled Male setback four years

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2015 FRS valuation report. We feel this assumption sufficiently accommodates future mortality improvements.

Previously, the RP-2000 Sex-Distinct Healthy Mortality Table, projected to Valuation Date using Scale AA with disabled lives set forward 5 years.

Interest Rate

7.50% 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

Age 59 and 12 years of Credited Service. Also, any member who has reached these requirements is assumed to continue employment for one additional year. We believe this is reasonable based on the Plan's provisions.

Early Retirement

Commencing with eligibility for Early Retirement Age (55), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This is based on the results of an experience study for the period 1998 – 2006.

Disability Rate

Age-Based rates table (1202). This assumption was developed from those used by other plans containing Florida municipal General Employees.

Termination Rate

Please see the table below. The termination rates used

Termination Rate

Please see the table below. The termination rates used are based on the results of an experience study from 1999 – 2012.

<u>Credited Service</u>	<u>Assumption</u>
First 2 Years	18.0%
Years 3-6	14.0%
Years 7+	Age-Based Rates

Salary Increases

6.00% per year until the assumed retirement age; see table below. Projected salary at retirement is increased based on individual current accruals to account for non-regular compensation. This rate was developed in an experience study performed by Foster & Foster for the period 1999 – 2012.

Administrative Expenses

\$36,680 annually. This is equal to the actual non-investment-related expenses paid out of the trust during the year.

Payroll Growth Assumption

None (previously 1.30%).

Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Total Required Contribution:

Interest – None, based on beginning of year funding
Salary – A full year, based on the current 6.00% assumption.

Actuarial Asset Method

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

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

VALUATION NOTES

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

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

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

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

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

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

(a) The normal cost accrual rate equals:

- (i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by
- (ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

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

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2016

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Total Cash and Equivalents	0.00	0.00
Total Receivable	0.00	0.00
Investments:		
Mutual Funds:		
FL Municipal Pension Trust Fund	4,043,450.37	4,043,450.37
Total Investments	4,043,450.37	4,043,450.37
Total Assets	4,043,450.37	4,043,450.37
<u>LIABILITIES</u>		
Total Liabilities	0.00	0.00
NET POSITION RESTRICTED FOR PENSIONS	4,043,450.37	4,043,450.37

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

ADDITIONS

Contributions:		
Member		58,320.95
City		173,325.28
Total Contributions		231,646.23
Investment Income:		
Unrealized Gain (Loss)	311,264.74	
Net Increase in Fair Value of Investments		311,264.74
Less Investment Expense ¹		(7,962.56)
Net Investment Income		303,302.18
Total Additions		534,948.41

DEDUCTIONS

Distributions to Members:		
Benefit Payments		243,412.82
Lump Sum DROP Distributions		0.00
Lump Sum PLOP Distributions		25,014.99
Refunds of Member Contributions		11,677.03
Total Distributions		280,104.84
Administrative Expense		36,680.21
Total Deductions		316,785.05
Net Increase in Net Position		218,163.36
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		3,825,287.01
End of the Year		4,043,450.37

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

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2016

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

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return ¹	
09/30/2013	11.87%	
09/30/2014	8.40%	
09/30/2015	-0.09%	
09/30/2016	7.82%	
Annualized Rate of Return for prior four (4) years:		6.91%
(A) 10/01/2015 Actuarial Assets:		\$4,009,015.75
(I) Net Investment Income:		
1. Interest and Dividends	0.00	
2. Realized Gains (Losses)	0.00	
3. Change in Actuarial Value	281,990.03	
4. Investment Related Expenses	(7,962.56)	
Total		274,027.47
(B) 10/01/2016 Actuarial Assets:		\$4,197,904.40
Actuarial Asset Rate of Return = 2I/(A+B-I):		6.91%
10/01/2016 Limited Actuarial Assets:		\$4,197,904.40
10/01/2016 Market Value of Assets:		\$4,043,450.37
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$23,397.43)

¹Market Value Basis, net of investment related expenses.

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

REVENUES

Contributions:		
Member	58,320.95	
City	173,325.28	
 Total Contributions		 231,646.23
 Total Earnings and Investment Gains		 281,990.03

EXPENDITURES

Distributions to Members:		
Benefit Payments	243,412.82	
Lump Sum DROP Distributions	0.00	
Lump Sum PLOP Distributions	25,014.99	
Refunds of Member Contributions	11,677.03	
 Total Distributions		 280,104.84
 Expenses:		
Investment related ¹	7,962.56	
Administrative	36,680.21	
 Total Expenses		 44,642.77
 Change in Net Assets for the Year		 188,888.65
 Net Assets Beginning of the Year		 4,009,015.75
 Net Assets End of the Year ²		 4,197,904.40

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

²Net Assets may be limited for actuarial consideration.

STATISTICAL DATA

	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>	<u>10/1/2016</u>
<u>Actives</u>				
Number	35	37	37	37
Average Current Age	42.6	44.9	44.7	45.4
Average Age at Employment	37.3	40.0	39.8	40.1
Average Past Service	5.3	4.9	4.9	5.3
Average Annual Salary	\$30,894	\$30,469	\$31,629	\$33,473
<u>Service Retirees</u>				
Number		16	18	19
Average Current Age		66.5	67.0	67.8
Average Annual Benefit		\$12,460	\$13,173	\$12,548
<u>Beneficiaries</u>				
Number		1	1	0
Average Current Age		75.3	76.3	N/A
Average Annual Benefit		\$9,659	\$9,659	N/A
<u>Disability Retirees</u>				
Number		0	0	0
Average Current Age		N/A	N/A	N/A
Average Annual Benefit		N/A	N/A	N/A
<u>Terminated Vested</u>				
Number		29	29	30
Average Current Age ¹		47.8	48.8	49.8
Average Annual Benefit ¹		\$9,784	\$9,784	\$9,784

¹ Excludes participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	1	0	0	2	0	0	0	0	0	3
30 - 34	2	0	1	1	1	1	2	0	0	0	0	8
35 - 39	1	0	1	1	0	0	0	0	0	0	0	3
40 - 44	1	1	0	0	0	1	1	0	0	0	0	4
45 - 49	0	0	1	1	0	1	0	0	0	0	0	3
50 - 54	2	0	0	0	0	2	1	1	0	0	0	6
55 - 59	0	0	2	1	0	2	0	0	0	0	0	5
60 - 64	0	1	1	0	0	1	0	1	0	0	0	4
65+	0	0	0	0	0	1	0	0	0	0	0	1
Total	6	2	7	4	1	11	4	2	0	0	0	37

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2015	37
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	(5)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	<u>(1)</u>
f. Continuing participants	31
g. New entrants	<u>6</u>
h. Total active life participants in valuation	37

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 <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	18	1	0	29	48
Retired	1	0	0	0	1
Vested Deferred	0	0	0	1	1
Death, With Survivor	0	0	0	0	0
Death, No Survivor	0	(1)	0	0	(1)
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	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	19	0	0	30	49

SUMMARY OF PLAN PROVISIONS
(Through Ordinance 1304-12)

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

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2016

<u>ASSETS</u>	MARKET VALUE
Total Cash and Equivalents	0
Receivables:	
Total Receivable	0
Investments:	
Mutual Funds:	
FL Municipal Pension Trust Fund	4,043,450
Total Investments	4,043,450
Total Assets	4,043,450
Total Liabilities	0
NET POSITION RESTRICTED FOR PENSIONS	4,043,450

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

ADDITIONS

Contributions:

Member	58,321	
City	173,325	
Total Contributions		231,646
Investment Income:		
Net Increase in Fair Value of Investments	311,265	
Interest & Dividends	0	
Less Investment Expense ¹	(7,963)	
Net Investment Income		303,302
Total Additions		534,948

DEDUCTIONS

Distributions to Members:

Benefit Payments	243,413	
Lump Sum DROP Distributions	0	
Lump Sum PLOP Distributions	25,015	
Refunds of Member Contributions	11,677	
Total Distributions		280,105
Administrative Expense		36,680
Total Deductions		316,785
Net Increase in Net Position		218,163

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		3,825,287
End of the Year		4,043,450

¹Investment 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 Administration

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

Plan Membership as of October 1, 2015:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	19
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	29
Active Plan Members	37
	85

Benefits Provided

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

Normal Retirement:

Eligibility: Age 57 and 10 years of Credited Service.

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

Early Retirement:

Eligibility: Age 55 and 10 Years of Credited Service.

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

Vesting:

Schedule: 100% after 10 years of Credited Service.

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

Disability:

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

Pre-Retirement Death Benefits:

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

Contributions

Member Contributions: 5% of Salary.

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

Investments

Investment Policy:

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

<u>Asset Class</u>	<u>Target Allocation</u>
N/A	N/A

Concentrations:

Unknown is if the Plan 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 7.82 percent.

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

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: At Member's election (may change method once during DROP participation) either actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or 6.5% per annum, compounded quarterly.

The DROP balance as September 30, 2016 is \$0.

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	\$ 4,629,460
Plan Fiduciary Net Position	\$ (4,043,450)
Sponsor's Net Pension Liability	<u>\$ 586,010</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	87.34%

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

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 most recent actuarial experience study used to review the other significant assumptions was dated, September 16, 2013.

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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
N/A	N/A

Discount Rate:

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

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

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Sponsor's Net Pension Liability	\$ 1,182,781	\$ 586,010	\$ 95,368

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

	09/30/2016	09/30/2015	09/30/2014
Total Pension Liability			
Service Cost	154,686	148,309	134,677
Interest	320,365	318,656	303,446
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	12,782	(180,354)	-
Changes of assumptions	164,833	-	-
Benefit Payments, including Refunds of Employee Contributions	(280,105)	(260,308)	(237,593)
Net Change in Total Pension Liability	372,561	26,303	200,530
Total Pension Liability - Beginning	4,256,899	4,230,596	4,030,066
Total Pension Liability - Ending (a)	<u>\$ 4,629,460</u>	<u>\$ 4,256,899</u>	<u>\$ 4,230,596</u>
Plan Fiduciary Net Position			
Contributions - Employer	173,325	177,969	205,381
Contributions - Employee	58,321	56,385	56,428
Net Investment Income	303,302	(3,845)	308,029
Benefit Payments, including Refunds of Employee Contributions	(280,105)	(260,308)	(237,593)
Administrative Expense	(36,680)	(28,284)	(27,085)
Net Change in Plan Fiduciary Net Position	218,163	(58,083)	305,160
Plan Fiduciary Net Position - Beginning	3,825,287	3,883,370	3,578,210
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,043,450</u>	<u>\$ 3,825,287</u>	<u>\$ 3,883,370</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 586,010</u>	<u>\$ 431,612</u>	<u>\$ 347,226</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	87.34%	89.86%	91.79%
Covered Employee Payroll ¹	\$ 1,166,417	\$ 1,127,693	\$ 1,098,655
Net Pension Liability as a percentage of Covered Employee Payroll	50.24%	38.27%	31.60%

Notes to Schedule:

¹ The Covered Employee Payroll numbers shown are in compliance with GASB 82.

Changes of assumptions:

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

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014
Actuarially Determined Contribution	168,960	172,875	204,413
Contributions in relation to the Actuarially Determined Contributions	173,325	177,969	205,381
Contribution Deficiency (Excess)	\$ (4,365)	\$ (5,094)	\$ (968)
Covered Employee Payroll ¹	\$ 1,166,417	\$ 1,127,693	\$ 1,098,655
Contributions as a percentage of Covered Employee Payroll	14.86%	15.78%	18.69%

¹ The Covered Employee Payroll numbers shown are in compliance with GASB 82.

Notes to Schedule

Valuation Date: 10/01/2014
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.
 Amortization Method: Level Percentage of Pay, Closed.
 Remaining Amortization Period: 28 Years (as of 10/01/2013 Valuation).
 Mortality: RP2000 Combined Healthy Mortality Table projected to valuation date using scale AA. Disabled lives set forward 5 years.
 Interest Rate: 7.5% per year compounded annually, net of investment related expenses.
 Retirement Age: Age 59 and 12 years of Credited Service. Also, any Member who has reached these requirements is assumed to continue employment for one additional year.
 Early Retirement: Commencing with eligibility for Early Retirement Age (55), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
 Disability Rates: Age-Based table (1202).
 Termination Rates:

Credited Service	Assumption
First 2 Years	18%
Years 3-6	14%
Years 7+	Age-Based Rates

Salary Increases: 6.0% per year until the assumed retirement age. Projected salary at retirement is increased based on individual current accruals to account for non-regular compensation.
 Payroll Growth Assumption: 1.6% per year for purposes of amortizing the UAAL.
 Actuarial Asset Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Termination and Disability Rate Table:

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

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2016</u>	<u>09/30/2015</u>	<u>09/30/2014</u>
Annual Money-Weighted Rate of Return			
Net of Investment Expense	7.82%	-0.09%	8.40%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2016)

General Information about the Pension Plan

Plan Description

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

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

Plan Membership as of October 1, 2015:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	19
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	29
Active Plan Members	37
	85
	85

Benefits Provided

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

Normal Retirement:

Eligibility: Age 57 and 10 years of Credited Service.

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

Early Retirement:

Eligibility: Age 55 and 10 Years of Credited Service.

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

Vesting:

Schedule: 100% after 10 years of Credited Service.

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

Disability:

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

Pre-Retirement Death Benefits:

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

Contributions

Member Contributions: 5% of Salary.

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

GASB 68

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, 2016 through September 30, 2017.

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

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 most recent actuarial experience study used to review the other significant assumptions was dated, September 16, 2013.

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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
N/A	N/A	N/A

Discount Rate:

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

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

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2016	\$ 4,256,899	\$ 3,825,287	\$ 431,612
Changes for a Year:			
Service Cost	154,686	-	154,686
Interest	320,365	-	320,365
Differences between Expected and Actual Experience	12,782	-	12,782
Changes of assumptions	164,833	-	164,833
Changes of benefit terms	-	-	-
Contributions - Employer	-	173,325	(173,325)
Contributions - Employee	-	58,321	(58,321)
Net Investment Income	-	303,302	(303,302)
Benefit Payments, including Refunds of Employee Contributions	(280,105)	(280,105)	-
Administrative Expense	-	(36,680)	36,680
Net Changes	372,561	218,163	154,398
Reporting Period Ending September 30, 2017	\$ 4,629,460	\$ 4,043,450	\$ 586,010

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability	\$ 1,182,781	\$ 586,010	\$ 95,368

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, 2017, the Sponsor will recognize a Pension Expense of \$215,533.

On September 30, 2017, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	8,522	60,118
Changes of assumptions	109,888	-
Net difference between Projected and Actual Earnings on Pension Plan investments	144,252	-
Employer contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 60,118

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2017.

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

Year ended September 30:		
2018	\$	45,827
2019	\$	105,944
2020	\$	54,693
2021	\$	(3,920)
2022	\$	-
Thereafter	\$	-

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2017 09/30/2016	09/30/2016 09/30/2015	09/30/2015 09/30/2014
Total Pension Liability			
Service Cost	154,686	148,309	134,677
Interest	320,365	318,656	303,446
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	12,782	(180,354)	-
Changes of assumptions	164,833	-	-
Benefit Payments, including Refunds of Employee Contributions	(280,105)	(260,308)	(237,593)
Net Change in Total Pension Liability	372,561	26,303	200,530
Total Pension Liability - Beginning	4,256,899	4,230,596	4,030,066
Total Pension Liability - Ending (a)	\$ 4,629,460	\$ 4,256,899	\$ 4,230,596
Plan Fiduciary Net Position			
Contributions - Employer	173,325	177,969	205,381
Contributions - Employee	58,321	56,385	56,428
Net Investment Income	303,302	(3,845)	308,029
Benefit Payments, including Refunds of Employee Contributions	(280,105)	(260,308)	(237,593)
Administrative Expense	(36,680)	(28,284)	(27,085)
Net Change in Plan Fiduciary Net Position	218,163	(58,083)	305,160
Plan Fiduciary Net Position - Beginning	3,825,287	3,883,370	3,578,210
Plan Fiduciary Net Position - Ending (b)	\$ 4,043,450	\$ 3,825,287	\$ 3,883,370
Net Pension Liability - Ending (a) - (b)	\$ 586,010	\$ 431,612	\$ 347,226
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	87.34%	89.86%	91.79%
Covered Employee Payroll ¹	\$ 1,166,417	\$ 1,127,693	\$ 1,098,655
Net Pension Liability as a percentage of Covered Employee Payroll	50.24%	38.27%	31.60%

Notes to Schedule:

¹ The Covered Employee Payroll numbers shown are in compliance with GASB 82.

Changes of assumptions:

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

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014
Actuarially Determined Contribution	168,960	172,875	204,413
Contributions in relation to the Actuarially Determined Contributions	173,325	177,969	205,381
Contribution Deficiency (Excess)	\$ (4,365)	\$ (5,094)	\$ (968)
Covered Employee Payroll ¹	\$ 1,166,417	\$ 1,127,693	\$ 1,098,655
Contributions as a percentage of Covered Employee Payroll	14.86%	15.78%	18.69%

¹ The Covered Employee Payroll numbers shown are in compliance with GASB 82.

Notes to Schedule

Valuation Date: 10/01/2014

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.
 Amortization Method: Level Percentage of Pay, Closed.
 Remaining Amortization Period: 28 Years (as of 10/01/2013 Valuation).
 Mortality: RP2000 Combined Healthy Mortality Table projected to valuation date using scale AA. Disabled lives set forward 5 years.
 Interest Rate: 7.5% per year compounded annually, net of investment related expenses.
 Retirement Age: Age 59 and 12 years of Credited Service. Also, any Member who has reached these requirements is assumed to continue employment for one additional year.
 Early Retirement: Commencing with eligibility for Early Retirement Age (55), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
 Disability Rates: Age-Based table (1202).
 Termination Rates:

<u>Credited Service</u>	<u>Assumption</u>
First 2 Years	18%
Years 3-6	14%
Years 7+	Age-Based Rates

Salary Increases: 6.0% per year until the assumed retirement age. Projected salary at retirement is increased based on individual current accruals to account for non-regular

Payroll Growth Assumption: 1.6% per year for purposes of amortizing the UAAL.

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

Termination and Disability Rate Table:

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

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 347,226	\$ 31,816	\$ 177,969	\$ -
Employer Contributions made after September 30, 2015	-	-	173,325	-
Total Pension Liability Factors:				
Service Cost	148,309	-	-	148,309
Interest	318,656	-	-	318,656
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(180,354)	180,354	-	-
Current year amortization of experience difference	-	(60,118)	-	(60,118)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(260,308)	-	-	(260,308)
Net change	<u>26,303</u>	<u>120,236</u>	<u>173,325</u>	<u>146,539</u>
Plan Fiduciary Net Position:				
Contributions - Employer	177,969	-	(177,969)	-
Contributions - Employee	56,385	-	-	(56,385)
Net Investment Income	289,219	-	-	(289,219)
Difference between projected and actual earnings on Pension Plan investments	(293,064)	-	293,064	-
Current year amortization	-	(7,954)	(58,612)	50,658
Benefit Payments	(260,308)	-	-	260,308
Administrative Expenses	(28,284)	-	-	28,284
Net change	<u>(58,083)</u>	<u>(7,954)</u>	<u>56,483</u>	<u>(6,354)</u>
Ending Balance	<u>\$ 431,612</u>	<u>\$ 144,098</u>	<u>\$ 407,777</u>	<u>\$ 140,185</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2017

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 431,612	\$ 144,098	\$ 407,777	\$ -
Employer Contributions made after September 30, 2016	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	154,686	-	-	154,686
Interest	320,365	-	-	320,365
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	12,782	-	12,782	-
Current year amortization of experience difference	-	(60,118)	(4,260)	(55,858)
Change in assumptions about future economic or demographic factors or other inputs	164,833	-	164,833	-
Current year amortization of change in assumptions	-	-	(54,945)	54,945
Benefit Payments	(280,105)	-	-	(280,105)
Net change	<u>372,561</u>	<u>(60,118)</u>	<u>118,410</u>	<u>194,033</u>
Plan Fiduciary Net Position:				
Contributions - Employer	173,325	-	(173,325)	-
Contributions - Employee	58,321	-	-	(58,321)
Net Investment Income	283,704	-	-	(283,704)
Difference between projected and actual earnings on Pension Plan investments	19,598	19,598	-	-
Current year amortization	-	(11,873)	(58,613)	46,740
Benefit Payments	(280,105)	-	-	280,105
Administrative Expenses	(36,680)	-	-	36,680
Net change	<u>218,163</u>	<u>7,725</u>	<u>(231,938)</u>	<u>21,500</u>
Ending Balance	<u>\$ 586,010</u>	<u>\$ 91,705</u>	<u>\$ 294,249</u>	<u>\$ 215,533</u>

* Employer Contributions subsequent to the measurement date made after September 30, 2016 but made on or before September 30, 2017 need to be added.

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ (39,771)	5	\$ (7,955)	\$ (7,954)	\$ (7,954)	\$ (7,954)	\$ (7,954)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 293,064	5	\$ -	\$ 58,612	\$ 58,613	\$ 58,613	\$ 58,613	\$ 58,613	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (19,598)	5	\$ -	\$ -	\$ (3,919)	\$ (3,919)	\$ (3,920)	\$ (3,920)	\$ (3,920)	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (7,955)	\$ 50,658	\$ 46,740	\$ 46,740	\$ 46,739	\$ 54,693	\$ (3,920)	\$ -	\$ -	\$ -	\$ -

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	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 164,833	3	\$ -	\$ -	\$ 54,945	\$ 54,944	\$ 54,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ -	\$ -	\$ 54,945	\$ 54,944	\$ 54,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ (180,354)	3	\$ -	\$ (60,118)	\$ (60,118)	\$ (60,118)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 12,782	3	\$ -	\$ -	\$ 4,260	\$ 4,261	\$ 4,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ -	\$ (60,118)	\$ (55,858)	\$ (55,857)	\$ 4,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -