

CITY OF PALM COAST
VOLUNTEER FIREFIGHTERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2015

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

January 18, 2016

Mr. Chris Quinn, Finance Director
City of Palm Coast
160 Lake Avenue
Palm Coast, FL 32164

Re: City of Palm Coast
Volunteer Firefighters' Retirement Trust Fund

Dear Chris:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Palm Coast Volunteer Firefighters' Retirement Trust Fund. 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 175, 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 City of Palm Coast and 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 Palm Coast, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Palm Coast Volunteer Firefighters' Retirement Trust Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

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

Respectfully submitted,

Foster & Foster, Inc.

By: 

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

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Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Palm Coast Volunteer Firefighters' Retirement Trust Fund, performed as of October 1, 2015, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2017.

The contribution requirements, compared with those set forth in October 1, 2014 Actuarial Valuation Report, are as follows:

Valuation Date Applicable Plan/Fiscal Yr. End	10/1/2015 <u>9/30/2017</u>	10/1/2014 <u>9/30/2016</u>
Total Required Contribution ¹	\$109,250	\$117,326
Member Contributions (Est.)	0	0
City and State Required Contribution	109,250	117,326
State Contribution ²	144,307	144,307
Balance from City	0	0

¹ The City must contribute amount equal to the applicable Normal Cost (adjusted for interest), less the applicable State Contribution. The Total Required Contribution for the fiscal year ending September 30, 2017 reflects this statutory funding requirement (Chapter 112.66(13)).

² Mutual Consent reached per Chapter 2015-39, Florida Statutes. Annual State Monies in excess of \$144,307 are allocated to the Share Plan

Experience during the last year was more favorable than expected relative to the Plan's actuarial assumptions. The primary sources of gain included an 8.60% investment return (Actuarial Asset basis), exceeding the 7.65% assumption, greater than expected turnover, and the impact of crediting Share Plan Balances with a -0.18% net-of-fees investment return (Market Value Basis), compared to the 7.65% assumption. The components of actuarial loss were relatively immaterial. Please see page 14 for a detailed listing of actuarial experience by source.

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: 

Douglas H. Lozen, EA, MAAA

By: 

Christine M. O'Neal, ASA, EA, MAAA

CHANGES SINCE PRIOR VALUATION

Plan Changes

Ordinance 2015-10, adopted August 4, 2015, and effective March 3, 2015, amended the “Reserve Amount” utilized for the initial Share Plan allocation. A letter of no actuarial impact was submitted for this amendment.

Actuarial Assumption/Method Changes

There have been no changes in methods or assumptions 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	31	36
Service Retirees	21	20
Beneficiaries	1	1
Disability Retirees	0	0
Terminated Vested	<u>1</u>	<u>1</u>
Total	54	58
Total Annual Payroll	\$0	\$0
Payroll Under Assumed Ret. Age	0	0
Annual Rate of Payments to:		
Service Retirees	115,060	110,726
Beneficiaries	3,600	3,600
Disability Retirees	0	0
Terminated Vested	3,900	3,900
B. Assets		
Actuarial Value	3,632,462	3,594,367
Market Value	3,544,142	3,810,744
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	772,932	777,550
Disability Benefits	17,219	18,770
Death Benefits	7,850	8,549
Vested Benefits	128,119	143,888
Refund of Contributions	0	0
Service Retirees	875,879	865,559
Beneficiaries	12,509	15,102
Disability Retirees	0	0
Terminated Vested	3,234	3,003
City Reserve ¹	301,147	301,147
Share Plan Balances ¹	<u>951,083</u>	<u>1,204,590</u>
Total	3,069,972	3,338,158

C. Liabilities - (Continued)	<u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	0	0
Present Value of Future Member Contributions	0	0
Normal Cost (Retirement)	82,223	86,903
Normal Cost (Disability)	2,099	2,260
Normal Cost (Death)	876	968
Normal Cost (Vesting)	12,806	14,577
Normal Cost (Refunds)	<u>0</u>	<u>0</u>
Total Normal Cost	98,004	104,708
Present Value of Future Normal Costs	442,564	488,375
Accrued Liability (Retirement)	406,776	377,339
Accrued Liability (Disability)	7,695	7,734
Accrued Liability (Death)	3,750	3,887
Accrued Liability (Vesting)	65,335	71,422
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives)	891,622	883,664
City Reserve ¹	301,147	301,147
Share Plan Balances ¹	<u>951,083</u>	<u>1,204,590</u>
Total Actuarial Accrued Liability	2,627,408	2,849,783
Unfunded Actuarial Accrued Liability (UAAL)	(1,005,054)	(744,584)
Funded Ratio (AVA / AL)	138.3%	126.1%
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	891,622	883,664
Share Plan Balances ¹	951,083	1,204,590
Actives	219,792	175,961
Member Contributions	<u>0</u>	<u>0</u>
Total	2,062,497	2,264,215
Non-vested Accrued Benefits	<u>148,839</u>	<u>145,744</u>
Total Present Value Accrued Benefits	2,211,336	2,409,959
Funded Ratio (MVA / PVAB)	160.3%	158.1%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	180,785	
Benefits Paid	(543,000)	
Interest	163,592	
Other	<u>0</u>	
Total	(198,623)	

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

E. Pension Cost

Normal Cost (with interest)	\$109,250	\$116,723
Administrative Expenses (with interest)	46,199	67,985
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (with interest) (as of 10/1/2015)	(91,364)	(67,382)
Total Required Contribution	64,085	117,326
Expected Member Contributions	0	0
Expected City & State Contribution	64,085	117,326

F. Past Contributions

Plan Years Ending:	<u>9/30/2015</u>
Total Required Contribution	127,816
City and State Requirement	127,816

Actual Contributions Made:

Members (excluding buyback)	-
City	-
State	<u>144,307</u> ²
Total	144,307

G. Net Actuarial (Gain)/Loss (234,213)

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2015 and 9/30/2014. For prior valuations, the City Reserve and Share Plan Balances comprised the Excess State Monies Reserve.

² Reflects traditional interpretation of Chapter 99-1, Florida Statutes.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	(1,005,054)
2016	(993,711)
2017	(981,502)
2024	(865,471)
2031	(671,085)
2038	(237,958)
2045	0

I. (i) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	8.60%	7.65%
Year Ended	9/30/2014	8.95%	7.65%
Year Ended	9/30/2013	8.71%	7.65%

(ii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015	N/A
	10/1/2005	N/A
(b) Total Increase		0.00%
(c) Number of Years		10.00
(d) Average Annual Rate		0.00%

STATEMENT BY ENROLLED ACTUARY

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



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

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

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

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	(\$744,583)
(2) Sponsor Normal Cost developed as of October 1, 2014	104,708
(3) Expected administrative expenses for the year ended September 30, 2015	60,987
(4) Expected interest on (1), (2) and (3)	(46,618)
(5) Sponsor contributions to the System during the year ended September 30, 2015	144,307
(6) Expected interest on (5)	1,028
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	(770,841)
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	(234,213)
(10) Unfunded Accrued Liability as of October 1, 2015	(1,005,054)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2015 <u>Amount</u>	Amortization <u>Amount</u>
method change	10/1/2005	20	\$643,148	\$59,275
actuarial gain	10/1/2006	21	(249,666)	(22,535)
actuarial gain	10/1/2007	22	(512,881)	(45,420)
benefit change	10/1/2007	22	2,834	251
actuarial gain	10/1/2008	23	(163,831)	(14,259)
method change	10/1/2008	23	(108,400)	(9,435)
actuarial loss	10/1/2009	24	82,235	7,045
actuarial loss	10/1/2010	25	10,432	881
assumption	10/1/2010	25	13,432	1,134
benefit change	10/1/2010	25	(174,454)	(14,730)
actuarial gain	10/1/2011	26	(18,223)	(1,518)
actuarial gain	10/1/2012	27	(97,733)	(8,045)
assumption	10/1/2012	27	34,751	2,860
actuarial gain	10/1/2013	28	(104,708)	(8,523)
software change	10/1/2013	28	55,402	4,510
actuarial gain	10/1/2014	29	(183,179)	(14,758)
actuarial gain	10/1/2015	30	<u>(234,213)</u>	<u>(18,692)</u>
			(1,005,054)	(81,959)

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2014	(\$744,583)
(2) Expected UAAL as of October 1, 2015	(770,841)
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(32,864)
New Entrants	14,793
Active Decrements	(89,653)
Inactive Mortality	13,546
Interest Credit on Share Plan Balances	(94,319)
Other	<u>(45,716)</u>
Increase in UAAL due to (Gain)/Loss	(234,213)
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2015	(\$1,005,054)

ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rates</u>	RP-2000 Table with no projection. Disabled lives set forward 5 years. Based on studies of other public safety plans, we believe this assumption sufficiently accommodates expected future mortality improvements.
<u>Termination Rates</u>	See table on following page (1304B). These rates are conservative compared to long-term plan experience.
<u>Disability Rates</u>	See table on following page (1201); 75% of disabled lives are assumed to be service-related. This assumption is consistent with other Florida public safety plans.
<u>Retirement Age</u>	<p>The earlier of attainment of age 55 with 10 years of credited service, age 52 with 25 years of credited service, or age 62 with 5 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.</p> <p>The above assumption is consistent with historical plan experience.</p>
<u>Interest Rate</u>	7.65% per year, compounded annually, net of investment-related expenses. This assumption is reasonable, given the plan's investment policy and long-term target returns by asset class.
<u>Early Retirement</u>	<p>Commencing with attainment of Early Retirement Status (age 50 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.</p> <p>The above assumption is reasonable for the existing plan provisions regarding Early Retirement.</p>
<u>Payroll Growth</u>	None.
<u>Administrative Expenses</u>	\$41,443, based on actual expenses incurred during the prior fiscal year.

Funding Method

Entry Age Normal Actuarial Cost Method.

An interest load of 1.5 years (at the current valuation assumption of 7.65%) has been applied for the determination of Sponsor funding requirement.

Asset Valuation Method

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

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	14.4%	0.03%
30	12.5	0.04
40	7.7	0.07
50	3.5	0.18

VALUATION NOTES

Total Annual Payroll not applicable.

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.

Individual Entry Age Normal 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. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
2003	14,328.55	_____%
2004	62,129.98	333.6%
2005	96,546.34	55.4%
2006	128,816.42	33.4%
2007	242,231.00	88.0%
2008	380,757.00	57.2%
2009	499,181.00	31.1%
2010	339,246.90	-32.0%
2011	359,373.51	5.9%
2012	377,962.48	5.2%
2013	364,571.49	-3.5%
2014	381,967.45	4.8%
2015	324,642.30	-15.0%

EXCESS STATE MONIES
HISTORICAL ACCUMULATION AND UTILIZATION

	Regular Distribution			Special Distribution		
	<u>Actual State Contribution ¹</u>	<u>Applicable "Frozen" Amount ²</u>	<u>Excess State Monies Reserve</u>	<u>Actual State Contribution ¹</u>	<u>Applicable "Frozen" Amount ²</u>	<u>Excess State Monies Reserve</u>
2006	91,837.01	91,837.01	0.00	36,979.41	20,570.99	16,408.42
2007	187,121.72	91,837.01	95,284.71	55,109.02	20,570.99	34,538.03
2008	221,390.42	91,837.01	129,553.41	159,367.06	20,570.99	138,796.07
2009	212,319.07	123,737.01	88,582.06	286,862.12	20,570.99	266,291.13
2010	227,276.54	123,737.01	103,539.53	111,970.36	20,570.99	91,399.37
2011	243,058.45	123,737.01	119,321.44	116,315.06	20,570.99	95,744.07
2012	244,954.57	123,737.01	121,217.56	133,007.91	20,570.99	112,436.92
2013	236,585.58	123,737.01	112,848.57	127,985.91	20,570.99	107,414.92
2014	245,948.79	123,737.00	122,211.79	136,018.66	20,570.00	115,448.66
2015	226,117.40	123,737.00	<u>102,380.40</u>	98,524.90	20,570.00	<u>77,954.90</u>
			994,939.47			1,056,432.49
Accumulated Regular Excess			994,939.47			
Accumulated Special Excess			<u>1,056,432.49</u>			
Total Accumulated Excess			2,051,371.96			
Less Excess Reserve Utilized for Ordinance 2009-04			(146,231.00)			
Less Excess Reserve Utilized for Ordinance 2011-18			(219,068.00)			
Less Excess Reserve Utilized for Ordinance 2015-10 (Share Plan)			(1,204,590.40)			
Less Amounts Allocated to Share Plan			(180,335.30)			
Equals Current City Reserve			<u>\$301,147.26</u>			

¹ Status change from Chapter to Local Law, effective February 15, 2005. The City had access to all State Monies prior to fiscal 2006.

² Frozen per traditional interpretation of Chapter 99-1, Florida Statutes. Amounts disclosed for 2014 and later reflect Section 2-549 of Ordinance 2015-02.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Cash	31,783.15
Total Cash and Equivalents	31,783.15
Investments:	
Mutual Funds:	
Fixed Income	1,581,211.95
Equity	2,359,899.23
Total Investments	3,941,111.18
Total Assets	3,972,894.33
<u>LIABILITIES</u>	
Payables:	
Share Distributions	428,673.72
Administrative Expenses	78.80
Total Liabilities	428,752.52
NET POSITION RESTRICTED FOR PENSIONS	3,544,141.81

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

ADDITIONS

Contributions:		
State	324,642.30	
Total Contributions		324,642.30
Investment Income:		
Miscellaneous Income	0.00	
Net Realized Gain (Loss)	0.00	
Unrealized Gain (Loss)	0.00	
Net Increase in Fair Value of Investments	0.00	
Interest & Dividends	927.02	
Less Investment Expense ¹	(7,728.89)	
Net Investment Income		(6,801.87)
Total Additions		317,840.43
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	114,326.28	
Lump Sum Share Distributions	428,673.72	
Total Distributions		543,000.00
Administrative Expense		41,443.11
Total Deductions		584,443.11
Net Increase in Net Position		(266,602.68)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		3,810,744.49
End of the Year		3,544,141.81

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

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

REVENUES

Contributions:		
State	324,642.30	
Total Contributions		324,642.30
Earnings from Investments:		
Interest & Dividends	927.02	
Change in Actuarial Value	304,698.04	
Total Earnings and Investment Gains		305,625.06

EXPENDITURES

Distributions to Members:		
Benefit Payments	114,326.28	
Lump Sum Share Distributions	428,673.72	
Total Distributions		543,000.00
Expenses:		
Investment related ¹	7,728.89	
Administrative	41,443.11	
Total Expenses		49,172.00
Change in Net Assets for the Year		38,095.36
Net Assets Beginning of the Year		3,594,367.04
Net Assets End of the Year ²		3,632,462.40

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

²Net Assets may be limited for actuarial consideration.

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2015

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

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*	
09/30/2012	15.71%	
09/30/2013	11.24%	
09/30/2014	8.26%	
09/30/2015	-0.18%	
Annualized Rate of Return for prior four (4) years:		8.60%
(A) 10/01/2014 Actuarial Assets:		\$3,594,367.04
(I) Net Investment Income:		
1. Interest and Dividends	927.02	
2. Realized Gains (Losses)	0.00	
3. Change in Actuarial Value	304,698.04	
4. Investment Related Expenses	(7,728.89)	
Total		297,896.17
(B) 10/01/2015 Actuarial Assets:		\$3,632,462.40
Actuarial Asset Rate of Return = 2I/(A+B-I):		8.60%
10/01/2015 Limited Actuarial Assets:		\$3,632,462.40
10/01/2015 Market Value of Assets:		\$3,544,141.81
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$32,864.47

*Market Value Basis, net of investment related expenses.

SUPPLEMENTAL CHAPTER 175 SHARE PLAN ACTIVITY
October 1, 2014 to September 30, 2015

09/30/2014 Balance	\$1,204,590
Plus Additions	180,335
Investment Return Earned	(2,168)
Less Distributions	(428,674)
Less Expenses	(3,000)
09/30/2015 Balance (est.)	\$951,083

STATISTICAL DATA

	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>
<u>Actives</u>				
Number	42	45	36	31
Average Current Age	41.2	37.6	41.1	43.2
Average Age at Employment	38.6	35.9	38.7	40.1
Average Past Service	2.6	1.7	2.4	3.1
<u>Service Retirees</u>				
Number	17	20	20	21
Average Current Age	72.6	73.9	74.0	74.5
Average Annual Benefit	\$5,253	\$5,541	\$5,536	\$5,479
<u>Beneficiaries</u>				
Number	0	0	1	1
Average Current Age	N/A	N/A	82.4	83.4
Average Annual Benefit	N/A	N/A	\$3,600	\$3,600
<u>Disability Retirees</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Terminated Vested</u>				
Number	0	1	1	1
Average Current Age	N/A	27.0	28.0	29.0
Average Annual Benefit	N/A	\$3,900	\$3,900	\$3,900

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	2	1	0	0	0	0	0	0	0	0	0	3
25 - 29	0	0	1	0	1	1	0	0	0	0	0	3
30 - 34	2	0	2	0	1	0	0	0	0	0	0	5
35 - 39	1	1	0	0	0	0	1	0	0	0	0	3
40 - 44	0	1	0	1	0	2	0	0	0	0	0	4
45 - 49	0	1	0	0	0	1	0	0	0	0	0	2
50 - 54	1	0	0	0	0	0	0	0	0	0	0	1
55 - 59	0	0	0	3	1	0	0	0	0	0	0	4
60 - 64	1	0	0	0	0	3	0	0	0	0	0	4
65+	0	1	0	1	0	0	0	0	0	0	0	2
Total	7	5	3	5	3	7	1	0	0	0	0	31

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2014	36
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	(11)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	<u>(1)</u>
f. Continuing participants	24
g. New entrants	<u>7</u>
h. Total active life participants in valuation	31

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	20	1	0	1	22
Retired	1	0	0	0	1
Vested Deferred	0	0	0	0	0
Death, With Survivor	0	0	0	0	0
Death, No Survivor	0	0	0	0	0
Disabled	0	0	0	0	0
Non-vested Terminations	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	21	1	0	1	23

SUMMARY OF PLAN PROVISIONS
(Through Ordinance No. 2015-10)

Credited Service Total years and fractional parts of years of service with the City as Firefighter. Credited Service is based on “Length of Service Award Pension Program – Qualification Criteria.”

Normal Retirement

Date Earlier of age 62 with the completion of 5 years of Credited Service, age 55 with the completion of 10 years of Credited Service, or age 52 with the completion of 25 years of Credited Service.

Benefit (Monthly) \$65.00 times Credited Service.

Form of Benefit 10 Year Certain and Life thereafter (options available).

Early Retirement

Date Age 50 & 10 years of Credited Service.

Benefit Amount Accrued benefit, reduced 3% per year, from age 55 or age 62.

Disability

Eligibility

Service Incurred Covered from Date of Employment.

Non-Service Incurred Ten years of Credited Service.

Exclusions Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

Benefit Benefit accrued to date of disability.

Duration Payable for life (with 120 payments guaranteed) or until recovery (as determined by the Board).

Death

Eligibility	Five years of Credited Service.
Benefit	Accrued benefit paid to Beneficiary for ten years, beginning at the Member's Normal Retirement Date (unreduced) or Early Retirement Date (reduced).
Post-Retirement	According to option selected, if any.

Vesting (Termination)

Eligibility	Five years of Credited Service.
Benefit	Accrued benefit payable at the Member's election, on his otherwise Early or Normal Retirement Date.

Contributions

Premium Tax	1.85% tax on premiums for fire insurance policies.
City	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.

Supplement Benefit (Share Accounts)

Initial Crediting	80% of the \$1,505,738 Excess State Monies Reserve, established as of September 30, 2014, is allocated to eligible participants.
Annual Crediting	Annual Premium tax revenues received by the City in excess of the \$144,307 applicable frozen amount shall be allocated to participant accounts on a pro-rata basis (based on Credited Service).
Investment earnings	Eligible Share Accounts shall be credited or debited annually, based on the Plan's net-of-fees investment performance for the immediately preceding Plan Year.
Maximum Benefit	\$3,000 combined for benefits payable under the "Length of Service Award Pension Program" and allocations pursuant to the Supplement Benefit program.
Vesting	Five years of Credited Service.
Eligibility for Distribution	Eligible for Normal or Early Retirement.

Board of Trustees

- a. Two appointees of City Council;
- b. Two Firefighters elected by the members of the department; and
- c. Fifth member elected by the other four and appointed by Council (as a ministerial duty).

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Cash	31,783
Total Cash and Equivalents	31,783
Total Receivable	0
Investments:	
Mutual Funds:	
Fixed Income	1,581,212
Equity	2,359,900
Total Investments	3,941,112
Total Assets	3,972,895
<u>LIABILITIES</u>	
Payables:	
Share Distributions	428,674
Administrative Expenses	79
Total Liabilities	428,753
NET POSITION RESTRICTED FOR PENSIONS	3,544,142

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

ADDITIONS

Contributions:

State	324,642	
Total Contributions		324,642
Investment Income:		
Net Increase in Fair Value of Investments	0	
Interest & Dividends	927	
Less Investment Expense ¹	(7,728)	
Net Investment Income		(6,801)
Total Additions		317,841

DEDUCTIONS

Distributions to Members:

Benefit Payments	114,326	
Lump Sum Share Distributions	428,674	
Total Distributions		543,000
Administrative Expense		41,443
Total Deductions		584,443
Net Increase in Net Position		(266,602)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	3,810,744
End of the Year	3,544,142

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 appointees of City Council;
- b. Two Firefighters elected by the members of the department; and
- c. Fifth member elected by the other four and appointed by Council (as a ministerial duty).

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	21
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	1
Active Plan Members	36
	58
	58

Benefits Provided

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

Normal Retirement:

Date: Earlier of age 62 with the completion of 5 years of Credited Service, age 55 with the completion of 10 years of Credited Service, or age 52 with the completion of 25 years of Credited Service.

Benefit: \$65.00 times Credited Service.

Early Retirement:

Date: Age 50 & 10 years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year, from age 55 or age 62.

Disability:

Eligibility: Service Incurred: Covered from Date of Employment.

Non-Service Incurred: 10 years of Credited Service.

Benefit: Benefit accrued to date of disability.

Pre-Retirement Death Benefits:

Eligibility: Five years of Credited Service.

Benefit: Accrued benefit paid to beneficiary for ten years, beginning at the Member's Normal Retirement Date (unreduced) or Early Retirement Date (reduced).

Vesting (Termination):

Eligibility: Five years of Credited Service.

Accrued benefit payable at the Member's election, on his otherwise Early or Normal Retirement Date.

Supplement Benefit (Share Accounts):

Initial Crediting: 80% of the \$1,505,738 Excess State Monies Reserve, established as of September 30, 2013, is allocated to eligible participants.

Annual Crediting: Annual Premium tax revenues received by the City in excess of the \$144,307 applicable frozen amount shall be allocated to participant accounts on a pro-rata basis (based on Credited Service).

Investment earnings: Eligible Share Accounts shall be credited or debited annually, based on the Plan's net-of-fees investment performance for the immediately preceding Plan Year.

Maximum Benefit: \$3,000 combined for benefits payable under the "Length of Service Award Pension Program" and allocations pursuant to the Supplement Benefit program.

Vesting: Five years of Credited Service.

Contributions

Premium Tax: 1.85% tax on premiums for fire insurance policies.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.

Investments

Investment Policy:

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

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

Concentrations:

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

Rate of Return:

For the year ended September 30, 2015, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was -0.18 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	\$ 2,676,283
Plan Fiduciary Net Position	<u>\$ (3,544,142)</u>
Sponsor's Net Pension Liability	<u>\$ (867,859)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	132.43%

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	N/A
Discount Rate	7.65%
Investment Rate of Return	7.65%

Mortality Rate: RP 2000 Combined Healthy Mortality Table. Disabled lives set forward 5 years. Based upon other studies of municipal Firefighters, we feel this assumption sufficiently accommodates future mortality improvements.

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>Long Term Expected Real Rate of Return</u>
US Large Cap Equity	7.14%
US Small Cap Equity	8.45%
International Equity	8.43%
Core Bonds	2.48%
Multi Sector	2.20%

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.65 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>6.65%</u>	<u>7.65%</u>	<u>8.65%</u>
Sponsor's Net Pension Liability	\$ (722,558)	\$ (867,859)	\$ (989,825)

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

	<u>09/30/2015</u>	<u>09/30/2014</u>	<u>09/30/2013</u>
Total Pension Liability			
Service Cost	104,091	113,712	105,631
Interest	94,316	103,447	95,623
Change in Excess State Money	-	237,659	-
Share Plan Allocation	180,335	-	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(65,491)	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(543,000)	(110,810)	(103,288)
Net Change in Total Pension Liability	(229,749)	344,008	97,966
Total Pension Liability - Beginning	2,906,032	2,562,024	2,464,058
Total Pension Liability - Ending (a)	<u>2,676,283</u>	<u>\$ 2,906,032</u>	<u>\$ 2,562,024</u>
Plan Fiduciary Net Position			
Contributions - State	324,642	381,967	364,571
Net Investment Income	(6,801)	270,512	324,552
Benefit Payments, including Refunds of Employee Contributions	(543,000)	(110,810)	(103,288)
Administrative Expense	(41,443)	(60,987)	(25,630)
Net Change in Plan Fiduciary Net Position	(266,602)	480,682	560,205
Plan Fiduciary Net Position - Beginning	3,810,744	3,330,062	2,769,857
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,544,142</u>	<u>\$ 3,810,744</u>	<u>\$ 3,330,062</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (867,859)</u>	<u>\$ (904,712)</u>	<u>\$ (768,038)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	132.43%	131.13%	129.98%
Covered Employee Payroll	N/A	N/A	N/A
Net Pension Liability as a percentage of Covered Employee Payroll	N/A	N/A	N/A

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	127,816	130,671	120,718
Contributions in relation to the Actuarially Determined Contributions	127,816	130,671	120,718
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	N/A	N/A	N/A
Contributions as a percentage of Covered Employee Payroll	N/A	N/A	N/A

Notes to Schedule

Valuation Date: 10/01/2013
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method. An interest load of 1.5 years has been applied for the determination of Sponsor funding requirement.

Amortization Method: Level dollar.

Remaining Amortization Period: 30 Years (as of 10/01/2013).

Mortality: RP-2000 Table with no projection. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years).

Termination Rates: See table below (1304B).

Disability Rates: See table below (1201), 75% of disablements are assumed to be service related.

Retirement Age: The earlier of attainment of age 55 with 10 years of credited service, age 52 with 25 years of credited service, or age 62 with 5 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.

Interest Rate: 7.65% per year, compounded annually, net of investment-related expenses.

Inflation: 3% per year.

Early Retirement: Commencing with attainment of Early Retirement Status (age 50 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

Payroll Growth: None.

Asset Valuation Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. 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 During the Year	% Becoming Disabled During the Year
20	14.40%	0.03%
30	12.50%	0.04%
40	7.70%	0.07%
50	3.50%	0.18%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2015</u>	<u>09/30/2014</u>	<u>09/30/2013</u>
Annual Money-Weighted Rate of Return			
Net of Investment Expense	-0.18%	8.26%	11.24%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2016)

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 appointees of City Council;
- b. Two Firefighters elected by the members of the department; and
- c. Fifth member elected by the other four and appointed by Council (as a ministerial duty).

All volunteer firefighters as of February 17, 2009, and all future new volunteer firefighters, shall become members of this system as a condition of employment or upon being added to the roll of volunteer firefighters by the fire chief. All volunteer firefighters are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	21
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	1
Active Plan Members	36
	58

Benefits Provided

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

Normal Retirement:

Date: Earlier of age 62 with the completion of 5 years of Credited Service, age 55 with the completion of 10 years of Credited Service, or age 52 with the completion of 25 years of Credited Service.

Benefit: \$65.00 times Credited Service.

Early Retirement:

Date: Age 50 & 10 years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year, from age 55 or age 62.

Disability:

Eligibility: Service Incurred: Covered from Date of Employment.

Benefit: Benefit accrued to date of disability.

Pre-Retirement Death Benefits:

Eligibility: Five years of Credited Service.

Benefit: Accrued benefit paid to beneficiary for ten years, beginning at the Member's Normal Retirement Date (unreduced) or Early Retirement Date (reduced).

Vesting (Termination):

Eligibility: Five years of Credited Service.

Accrued benefit payable at the Member's election, on his otherwise Early or Normal Retirement Date.

Supplement Benefit (Share Accounts):

Initial Crediting: 80% of the \$1,505,738 Excess State Monies Reserve, established as of September 30, 2013, is allocated to eligible participants.

Annual Crediting; Annual Premium tax revenues received by the City in excess of the \$144,307 applicable frozen amount shall be allocated to participant accounts on a pro-rata basis (based on Credited Service).

Investment earnings: Eligible Share Accounts shall be credited or debited annually, based on the Plan's net-of-fees investment performance for the immediately preceding Plan Year.

Maximum Benefit: \$3,000 combined for benefits payable under the "Length of Service Award Pension Program" and allocations pursuant to the Supplement Benefit program.

Vesting: Five years of Credited Service.

Contributions

Premium Tax: 1.85% tax on premiums for fire insurance policies.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.

Net Pension Liability

The measurement date is September 30, 2015.

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

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

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

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

Actuarial Assumptions:

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

Inflation	3.00%
Salary Increases	N/A
Discount Rate	7.65%
Investment Rate of Return	7.65%

Mortality Rate: RP 2000 Combined Healthy Mortality Table. Disabled lives set forward 5 years. Based upon other studies of municipal Firefighters, we feel this assumption sufficiently accommodates future mortality improvements.

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

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

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

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

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.65 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)
Balances at September 30, 2014	\$ 2,906,032	\$ 3,810,744	\$ (904,712)
Changes for a Year:			
Service Cost	104,091	-	104,091
Interest	94,316	-	94,316
Change in Excess State Money	-	-	-
Share Plan Allocation	180,335	-	180,335
Differences between Expected and Actual Experience	(65,491)	-	(65,491)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - State	-	324,642	(324,642)
Net Investment Income	-	(6,801)	6,801
Benefit Payments, including Refunds of Employee Contributions	(543,000)	(543,000)	-
Administrative Expense	-	(41,443)	41,443
Net Changes	(229,749)	(266,602)	36,853
Balances at September 30, 2015	\$ 2,676,283	\$ 3,544,142	\$ (867,859)

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.65%	7.65%	8.65%
Sponsor's Net Pension Liability	\$ (722,558)	\$ (867,859)	\$ (989,825)

Pension Plan Fiduciary Net Position.

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

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

For the year ended September 30, 2016, the Sponsor will recognize a Pension Expense of -\$140,824.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	54,575
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	226,073	-
Employer contributions subsequent to the measurement date	-	-
Total	\$ 226,073	\$ 54,575

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

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

Year ended September 30:		
2017	\$	45,217
2018	\$	45,217
2019	\$	45,217
2020	\$	46,762
2021	\$	(10,915)
Thereafter	\$	-

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	104,091	113,712	105,631
Interest	94,316	103,447	95,623
Change in Excess State Money	-	237,659	-
Share Plan Allocation	180,335	-	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(65,491)	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(543,000)	(110,810)	(103,288)
Net Change in Total Pension Liability	(229,749)	344,008	97,966
Total Pension Liability - Beginning	2,906,032	2,562,024	2,464,058
Total Pension Liability - Ending (a)	<u>\$ 2,676,283</u>	<u>\$ 2,906,032</u>	<u>\$ 2,562,024</u>
Plan Fiduciary Net Position			
Contributions - State	324,642	381,967	364,571
Net Investment Income	(6,801)	270,512	324,552
Benefit Payments, including Refunds of Employee Contributions	(543,000)	(110,810)	(103,288)
Administrative Expense	(41,443)	(60,987)	(25,630)
Net Change in Plan Fiduciary Net Position	(266,602)	480,682	560,205
Plan Fiduciary Net Position - Beginning	3,810,744	3,330,062	2,769,857
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,544,142</u>	<u>\$ 3,810,744</u>	<u>\$ 3,330,062</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (867,859)</u>	<u>\$ (904,712)</u>	<u>\$ (768,038)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	132.43%	131.13%	129.98%
Covered Employee Payroll	N/A	N/A	N/A
Net Pension Liability as a percentage of Covered Employee Payroll	N/A	N/A	N/A

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	127,816	130,671	120,718
Contributions in relation to the Actuarially Determined Contributions	127,816	130,671	120,718
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	N/A	N/A	N/A
Contributions as a percentage of Covered Employee Payroll	N/A	N/A	N/A

Notes to Schedule

Valuation Date: 10/01/2013

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method. An interest load of 1.5 years has been applied for the determination of Sponsor funding requirement.

Amortization Method: Level dollar.

Remaining Amortization Period: 30 Years (as of 10/01/2013).

Mortality: RP-2000 Table with no projection. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years).

Termination Rates: See table below (1304B).

Disability Rates: See table below (1201), 75% of disablements are assumed to be service related.

Retirement Age: The earlier of attainment of age 55 with 10 years of credited service, age 52 with 25 years of credited service, or age 62 with 5 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.

Interest Rate: 7.65% per year, compounded annually, net of investment-related expenses.

Inflation: 3% per year.

Early Retirement: Commencing with attainment of Early Retirement Status (age 50 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

Payroll Growth: None.

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

Termination and Disability Rate Table:	% Terminating	% Becoming
	During the	Disabled During
Age	Year	the Year
20	14.40%	0.03%
30	12.50%	0.04%
40	7.70%	0.07%
50	3.50%	0.18%

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (904,712)	\$ 6,178	\$ -	\$ -
Employer Contributions made after September 30, 2015	-	-	-	-
Total Pension Liability Factors:				
Service Cost	104,091	-	-	104,091
Interest	94,316	-	-	94,316
Change in Excess State Money	-	-	-	-
Share Plan Allocation	180,335	-	-	180,335
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(65,491)	65,491	-	-
Current year amortization of experience difference	-	(10,916)	-	(10,916)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(543,000)	-	-	(543,000)
Net change	<u>(229,749)</u>	<u>54,575</u>	<u>-</u>	<u>(175,174)</u>
Plan Fiduciary Net Position:				
Contributions - State	324,642	-	-	(324,642)
Net Investment Income	281,585	-	-	(281,585)
Difference between projected and actual earnings on Pension Plan investments	(288,386)	-	288,386	-
Current year amortization	-	(1,544)	(57,678)	56,134
Benefit Payments	(543,000)	-	-	543,000
Administrative Expenses	(41,443)	-	-	41,443
Net change	<u>(266,602)</u>	<u>(1,544)</u>	<u>230,708</u>	<u>34,350</u>
Ending Balance	<u>\$ (867,859)</u>	<u>\$ 59,209</u>	<u>\$ 230,708</u>	<u>\$ (140,824)</u>