

CITY OF PARKLAND
POLICE OFFICERS RETIREMENT PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2015

DETERMINES THE CONTRIBUTION
FOR THE 2015/16 FISCAL YEAR



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January 27, 2016

Introduction

This report presents the results of the October 1, 2015 actuarial valuation for the City of Parkland Police Officers Retirement Plan. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2015 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2015/16 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, , statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the normal cost rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2015/16 plan year. The minimum required contribution is \$145,000, which represents an increase of \$66,807 from the prior valuation.

Table I-C provides a breakdown of the sources of change in the minimum required contribution. Significantly, the minimum required contribution increased by \$33,444 due to investment losses, increased by \$32,228 due to a change in the expected amortization payments, and increased by another \$1,135 due to demographic experience. The market value of assets only earned 0.01% during the 2014/15 plan year, whereas a 7.00% annual investment return was required to maintain a stable contribution rate.



Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2015/16 minimum required contribution will be equal to \$145,000 and reduced by the portion of the Chapter 175/185 contribution that is allowed to be recognized during the 2015/16 plan year. As of the date of this report, the allowable portion of the Chapter 175/185 contribution is \$69,006 per year. However, this amount is subject to change depending on the amount of the Chapter 175/185 contribution for the 2015/16 plan year.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$2,212,341 without regard to future administrative expenses. As illustrated in Table I-A, current assets are sufficient to cover \$1,961,246 of this amount and the employer's 2015/16 expected contribution will cover \$145,000 of this amount, leaving \$106,095 to be covered by future employer funding beyond the 2015/16 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Contents of the Report

Tables I-D through I-H provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Tables III-A through III-D provide statistical information concerning the plan's participant population. In particular, Table III-D gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A and IV-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits as of October 1, 2015, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared 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 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 change in plan costs or required contribution rates have been taken into account in the valuation.



For the firm,



Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

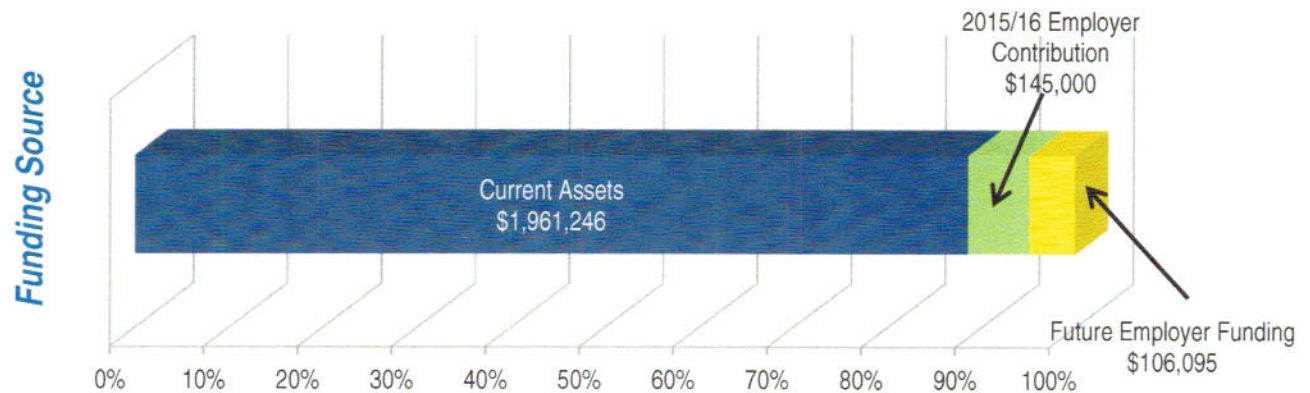
Enrolled Actuary No. 14-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Minimum Required Contribution

Table I-A



* without the expense loading

For the 2015/16 Plan Year

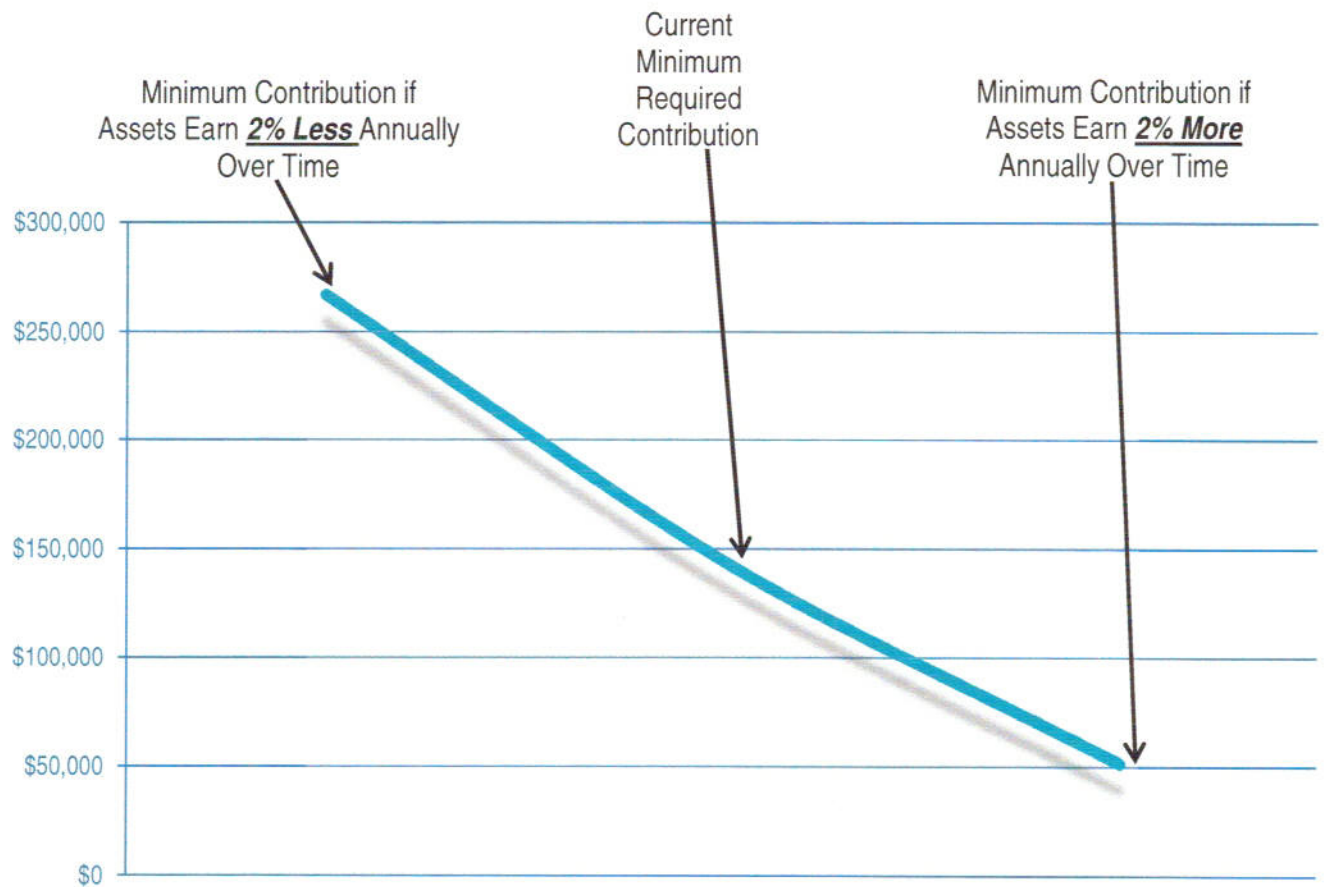
| | |
|---|-----------|
| Entry Age Normal Cost | \$0 |
| Unfunded Liability Amortization Payment | \$114,021 |
| Expense Allowance | \$25,000 |
| Expected Employee Contribution | \$0 |
| | <hr/> |
| | \$139,021 |
| Adjustment to Reflect End-of-Quarter Employer Contributions | <hr/> |
| | \$5,979 |

| | |
|--------------------------------------|------------------|
| Minimum Required Contribution | \$145,000 |
|--------------------------------------|------------------|



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the minimum required contribution to changes in the long-term investment return.



Gain and Loss Analysis

Table I-C

| | |
|--|------------------|
| Previous minimum required contribution | \$78,193 |
| Increase (decrease) due to investment gains and losses | \$33,444 |
| Increase (decrease) due to change in expected amortization pmts. | \$32,228 |
| Increase (decrease) due to other experience | \$1,135 |
| Increase (decrease) due to plan amendments | \$0 |
| Increase (decrease) due to actuarial assumption changes | \$0 |
| Increase (decrease) due to actuarial method changes | \$0 |
| Current minimum required contribution | <u>\$145,000</u> |



Present Value of Future Benefits

Table I-D

| | Old Assumptions <u>w/o Amendment</u> | Old Assumptions <u>w/ Amendment</u> | New Assumptions <u>w/ Amendment</u> |
|---|---|--|--|
| <u>Actively Employed Participants</u> | | | |
| Retirement benefits | \$0 | \$0 | \$0 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <u>Deferred Vested Participants</u> | | | |
| Retirement benefits | \$0 | \$0 | \$0 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <u>Due a Refund of Contributions</u> | \$0 | \$0 | \$0 |
| <u>Deferred Beneficiaries</u> | \$0 | \$0 | \$0 |
| <u>Retired Participants</u> | | | |
| Service retirements | \$1,716,114 | \$1,716,114 | \$1,716,114 |
| Disability retirements | \$496,227 | \$496,227 | \$496,227 |
| Beneficiaries receiving | \$0 | \$0 | \$0 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$2,212,341 | \$2,212,341 | \$2,212,341 |
| <u>Grand Total</u> | <u>\$2,212,341</u> | <u>\$2,212,341</u> | <u>\$2,212,341</u> |
| Present Value of Future Payroll | \$0 | \$0 | \$0 |
| Present Value of Future Employee Contribs. | \$0 | \$0 | \$0 |
| Present Value of Future Employer Contribs. (without the expense loading) | \$251,095 | \$251,095 | \$251,095 |



Present Value of Accrued Benefits

Table I-E

| | Old Assumptions <u>w/o Amendment</u> | Old Assumptions <u>w/ Amendment</u> | New Assumptions <u>w/ Amendment</u> |
|---------------------------------------|---|--|--|
| <u>Actively Employed Participants</u> | | | |
| Retirement benefits | \$0 | \$0 | \$0 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <u>Deferred Vested Participants</u> | | | |
| Retirement benefits | \$0 | \$0 | \$0 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <u>Due a Refund of Contributions</u> | \$0 | \$0 | \$0 |
| <u>Deferred Beneficiaries</u> | \$0 | \$0 | \$0 |
| <u>Retired Participants</u> | | | |
| Service retirements | \$1,716,114 | \$1,716,114 | \$1,716,114 |
| Disability retirements | \$496,227 | \$496,227 | \$496,227 |
| Beneficiaries receiving | \$0 | \$0 | \$0 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$2,212,341 | \$2,212,341 | \$2,212,341 |
| <u>Grand Total</u> | <u>\$2,212,341</u> | <u>\$2,212,341</u> | <u>\$2,212,341</u> |



Present Value of Vested Benefits

Table I-F

| | Old Assumptions <u>w/o Amendment</u> | Old Assumptions <u>w/ Amendment</u> | New Assumptions <u>w/ Amendment</u> |
|--|---|--|--|
| <i><u>Actively Employed Participants</u></i> | | | |
| Retirement benefits | \$0 | \$0 | \$0 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <i><u>Deferred Vested Participants</u></i> | | | |
| Retirement benefits | \$0 | \$0 | \$0 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <i><u>Due a Refund of Contributions</u></i> | \$0 | \$0 | \$0 |
| <i><u>Deferred Beneficiaries</u></i> | \$0 | \$0 | \$0 |
| <i><u>Retired Participants</u></i> | | | |
| Service retirements | \$1,716,114 | \$1,716,114 | \$1,716,114 |
| Disability retirements | \$496,227 | \$496,227 | \$496,227 |
| Beneficiaries receiving | \$0 | \$0 | \$0 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$2,212,341 | \$2,212,341 | \$2,212,341 |
| <i><u>Grand Total</u></i> | <u>\$2,212,341</u> | <u>\$2,212,341</u> | <u>\$2,212,341</u> |



Entry Age Normal Accrued Liability

Table I-G

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|---------------------------------------|----------------------------------|---------------------------------|---------------------------------|
| <u>Actively Employed Participants</u> | | | |
| Retirement benefits | \$0 | \$0 | \$0 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <u>Deferred Vested Participants</u> | | | |
| Retirement benefits | \$0 | \$0 | \$0 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <u>Due a Refund of Contributions</u> | \$0 | \$0 | \$0 |
| <u>Deferred Beneficiaries</u> | \$0 | \$0 | \$0 |
| <u>Retired Participants</u> | | | |
| Service retirements | \$1,716,114 | \$1,716,114 | \$1,716,114 |
| Disability retirements | \$496,227 | \$496,227 | \$496,227 |
| Beneficiaries receiving | \$0 | \$0 | \$0 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$2,212,341 | \$2,212,341 | \$2,212,341 |
| <u>Grand Total</u> | <u>\$2,212,341</u> | <u>\$2,212,341</u> | <u>\$2,212,341</u> |
| less Actuarial Value of Assets | (\$1,961,246) | (\$1,961,246) | (\$1,961,246) |
| <u>Unfunded Accrued Liability</u> | <u>\$251,095</u> | <u>\$251,095</u> | <u>\$251,095</u> |



Unfunded Liability Bases

Table I-H

| <u>Description</u> | <u>Original Amount</u> | <u>Outstanding Balance</u> | <u>Amortization Payment</u> | <u>Years Rem.</u> |
|-----------------------------|----------------------------|--------------------------------|---------------------------------|-----------------------|
| | Total | \$251,095 | \$114,021 | |
| | | ↓ | ↓ | |
| 2005/06 Experience Loss | \$24,989 | \$3,298 | \$3,298 | 1 |
| 5/16/2007 Amendment | \$486,215 | \$125,163 | \$64,697 | 2 |
| 10/1/2007 Assumption Change | (\$93,549) | (\$24,080) | (\$12,448) | 2 |
| 2006/07 Experience Loss | \$173,467 | \$44,655 | \$23,082 | 2 |
| 2007/08 Experience Loss | \$177,981 | \$66,498 | \$23,683 | 3 |
| 2008/09 Experience Loss | (\$37,260) | (\$17,967) | (\$4,958) | 4 |
| 10/1/2009 Assumption Change | (\$161,252) | (\$77,764) | (\$21,457) | 4 |
| 2010/11 Experience Loss | \$177,778 | \$40,521 | \$40,521 | 1 |
| 2011/12 Experience Gain | (\$162,950) | (\$71,855) | (\$37,142) | 2 |
| 2012/13 Experience Gain | (\$23,235) | (\$14,872) | (\$5,296) | 3 |
| 10/1/2013 Assumption Change | \$22,017 | \$18,717 | \$2,930 | 8 |
| 2013/14 Experience Loss | \$23,200 | \$19,166 | \$5,288 | 4 |
| 2014/15 Experience Loss | \$139,615 | \$139,615 | \$31,823 | 5 |



Actuarial Value of Assets

Table II-A

| | |
|--|---------------------------|
| Market Value of Assets as of October 1, 2015 | \$1,961,246 |
| Minus advance employer contributions | \$0 |
| Minus excess Chapter 175/185 contributions | \$0 |
| Actuarial Value of Assets as of October 1, 2015 | <u>\$1,961,246</u> |

Historical Actuarial Value of Assets

| | |
|-----------------|-------------|
| October 1, 2006 | \$565,801 |
| October 1, 2007 | \$868,031 |
| October 1, 2008 | \$896,556 |
| October 1, 2009 | \$1,078,605 |
| October 1, 2010 | \$1,346,172 |
| October 1, 2011 | \$1,416,392 |
| October 1, 2012 | \$1,756,197 |
| October 1, 2013 | \$1,952,986 |
| October 1, 2014 | \$2,062,405 |
| October 1, 2015 | \$1,961,246 |

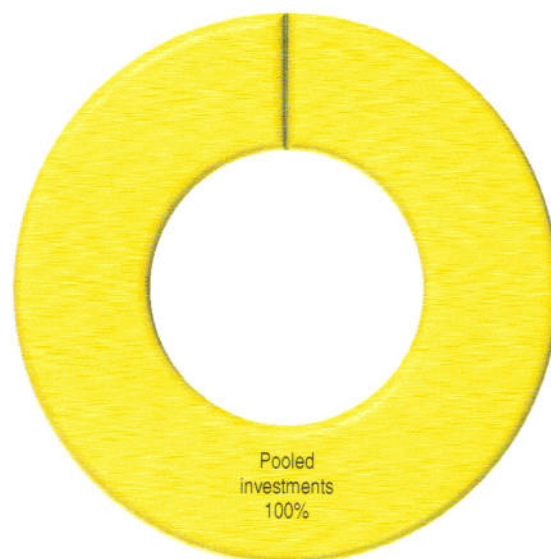


Market Value of Assets

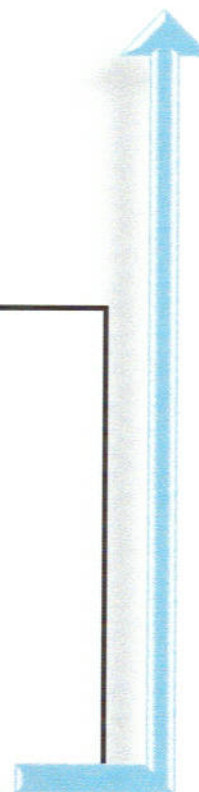
Table II-B

As of October 1, 2015

| | |
|-------------------------------|---------------------------|
| Market Value of Assets | <u>\$1,961,246</u> |
| Pooled investments | \$1,964,131 |
| Accounts payable | (\$2,885) |

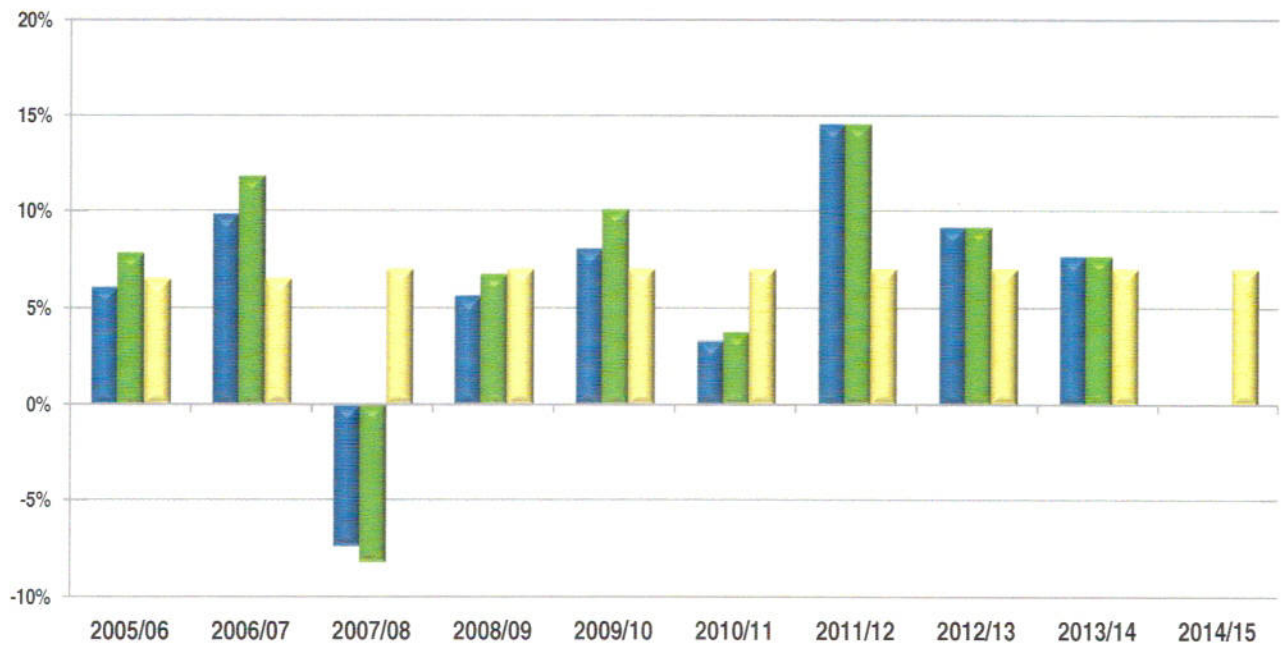
Historical Market Value of Assets

| | |
|-----------------|-------------|
| October 1, 2006 | \$768,575 |
| October 1, 2007 | \$935,443 |
| October 1, 2008 | \$1,033,383 |
| October 1, 2009 | \$1,314,133 |
| October 1, 2010 | \$1,694,567 |
| October 1, 2011 | \$1,416,392 |
| October 1, 2012 | \$1,756,197 |
| October 1, 2013 | \$1,952,986 |
| October 1, 2014 | \$2,062,405 |
| October 1, 2015 | \$1,961,246 |



Investment Return

Table II-C

*Annual Investment Returns*

■ Market Value Return
 ■ Actuarial Value Return
 ■ Assumed Return

| Plan Year | Market Value Return | Actuarial Value Return | Assumed Return |
|--------------|---------------------------|------------------------------|-------------------|
| 2005/06 | 6.08% | 7.85% | 6.50% |
| 2006/07 | 9.86% | 11.83% | 6.50% |
| 2007/08 | -7.39% | -8.21% | 7.00% |
| 2008/09 | 5.65% | 6.76% | 7.00% |
| 2009/10 | 8.06% | 10.10% | 7.00% |
| 2010/11 | 3.34% | 3.77% | 7.00% |
| 2011/12 | 14.54% | 14.54% | 7.00% |
| 2012/13 | 9.17% | 9.17% | 7.00% |
| 2013/14 | 7.66% | 7.66% | 7.00% |
| 2014/15 | 0.01% | 0.01% | 7.00% |
| 10yr. Avg. | 5.54% | 6.16% | 6.90% |



Asset Reconciliation

Table II-D

| | <u>Market Value</u> | <u>Actuarial Value</u> |
|-------------------------------------|---------------------------|---------------------------|
| As of October 1, 2014 | \$2,062,405 | \$2,062,405 |
| <i>Increases Due To:</i> | | |
| Employer Contributions | \$9,187 | \$9,187 |
| Chapter 175/185 Contributions | \$254,476 | \$254,476 |
| Employee Contributions | \$0 | \$0 |
| Total Contributions | <u>\$263,663</u> | <u>\$263,663</u> |
| Interest and Dividends | \$0 | |
| Realized Gains (Losses) | \$0 | |
| Unrealized Gains (Losses) | \$293 | |
| Total Investment Income | <u>\$293</u> | (\$185,177) |
| Other Income | \$0 | |
| Total Income | <u>\$263,956</u> | <u>\$78,486</u> |
| <i>Decreases Due To:</i> | | |
| Monthly Benefit Payments | (\$148,026) | (\$148,026) |
| Refund of Employee Contributions | \$0 | \$0 |
| Transfer to Share Plan | (\$185,470) | |
| Total Benefit Payments | <u>(\$333,496)</u> | <u>(\$148,026)</u> |
| Investment Expenses | \$0 | |
| Administrative Expenses | (\$31,619) | (\$31,619) |
| Advance Employer Contribution | | \$0 |
| Excess Chapter 175/185 Contribution | | \$0 |
| Total Expenses | <u>(\$365,115)</u> | <u>(\$179,645)</u> |
| As of October 1, 2015 | <u>\$1,961,246</u> | <u>\$1,961,246</u> |



Historical Trust Fund Detail

Table II-E

Income

| Plan | Employer | Chapter | Employee | Interest / | Realized | Unrealized | Other |
|-------------|------------------|------------------|------------------|------------------|---------------------------------|---------------------------------|---------------|
| <u>Year</u> | <u>Contribs.</u> | <u>Contribs.</u> | <u>Contribs.</u> | <u>Dividends</u> | <u>Gains /</u> <u>Losses</u> | <u>Gains /</u> <u>Losses</u> | <u>Income</u> |
| 2005/06 | \$137,962 | \$106,003 | \$8,426 | \$15,741 | \$0 | \$34,136 | \$0 |
| 2006/07 | \$57,309 | \$136,419 | \$7,166 | \$25,744 | \$0 | \$64,805 | \$0 |
| 2007/08 | \$165,177 | \$138,420 | \$3,775 | \$0 | \$0 | -\$75,501 | \$0 |
| 2008/09 | \$181,139 | \$167,707 | \$3,777 | \$0 | \$0 | \$64,540 | \$0 |
| 2009/10 | \$205,726 | \$181,873 | \$4,111 | \$0 | \$0 | \$116,539 | \$0 |
| 2010/11 | \$94,376 | \$170,714 | \$3,089 | \$0 | \$0 | \$51,136 | \$0 |
| 2011/12 | \$221,653 | \$193,256 | \$0 | \$0 | \$0 | \$214,966 | \$0 |
| 2012/13 | \$144,592 | \$216,205 | \$0 | \$0 | \$0 | \$162,590 | \$0 |
| 2013/14 | \$77,179 | \$233,777 | \$0 | \$0 | \$0 | \$148,145 | \$0 |
| 2014/15 | \$9,187 | \$254,476 | \$0 | \$0 | \$0 | \$293 | \$0 |

Expenses

| Plan | Monthly | Contrib. | Admin. | Invest. | <u>Other Actuarial Adjustments</u> | | |
|-------------|-----------------------------------|----------------|-----------------|-----------------|---|---|---|
| <u>Year</u> | <u>Benefit</u> <u>Payments</u> | <u>Refunds</u> | <u>Expenses</u> | <u>Expenses</u> | <u>Transfer to</u> <u>Share Plan</u> | <u>Advance</u> <u>Employer</u> <u>Contribs.</u> | <u>Excess</u> <u>Chapter</u> <u>Contribs.</u> |
| 2005/06 | \$55,458 | \$0 | \$33,090 | \$10,500 | \$0 | \$8,276 | \$106,003 |
| 2006/07 | \$68,948 | \$0 | \$45,127 | \$10,500 | \$0 | -\$8,276 | -\$127,085 |
| 2007/08 | \$91,484 | \$0 | \$42,447 | \$0 | \$0 | \$0 | \$69,414 |
| 2008/09 | \$93,159 | \$0 | \$43,254 | \$0 | \$0 | \$0 | \$98,701 |
| 2009/10 | \$95,023 | \$0 | \$32,792 | \$0 | \$0 | \$0 | \$112,867 |
| 2010/11 | \$107,130 | \$0 | \$40,257 | \$0 | \$450,103 | \$0 | -\$348,395 |
| 2011/12 | \$139,688 | \$0 | \$26,132 | \$0 | \$124,250 | \$0 | \$0 |
| 2012/13 | \$142,278 | \$0 | \$37,121 | \$0 | \$147,199 | \$0 | \$0 |
| 2013/14 | \$145,124 | \$0 | \$39,787 | \$0 | \$164,771 | \$0 | \$0 |
| 2014/15 | \$148,026 | \$0 | \$31,619 | \$0 | \$185,470 | \$0 | \$0 |

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.



Other Reconciliations

Table II-F

Advance Employer Contribution

| | |
|---|------------|
| Advance Employer Contribution as of October 1, 2014 | \$0 |
| Additional Employer Contribution | \$78,193 |
| Minimum Required Contribution | (\$78,193) |
| Net Increase in Advance Employer Contribution | \$0 |
| Advance Employer Contribution as of October 1, 2015 | \$0 |

Excess Chapter 175/185 Contribution

| | |
|---|-------------|
| Excess Chapter 175/185 Contribution as of October 1, 2014 | \$0 |
| Additional Chapter 175/185 Contribution | \$254,476 |
| Transfer to Share Plan | (\$185,470) |
| Allowable Chapter 175/185 Contribution | (\$69,006) |
| Net Increase in Excess Chapter 175/185 Contribution | \$0 |
| Excess Chapter 175/185 Contribution as of October 1, 2015 | \$0 |



Allowable Chapter 175/185 Contribution

Table II-G

1997 Base Amounts

| | |
|---------------------------------------|-----|
| Chapter 175 Regular Distribution | \$0 |
| Chapter 175 Supplemental Distribution | \$0 |
| Chapter 185 Distribution | \$0 |

Qualifying Benefit Improvements

| | |
|-------------------|----------|
| Ordinance 2006-45 | \$69,006 |
|-------------------|----------|



Historical Chapter 175/185 Contributions

Table II-H

Total Accumulated Excess Chapter 175/185 Contribution \$0

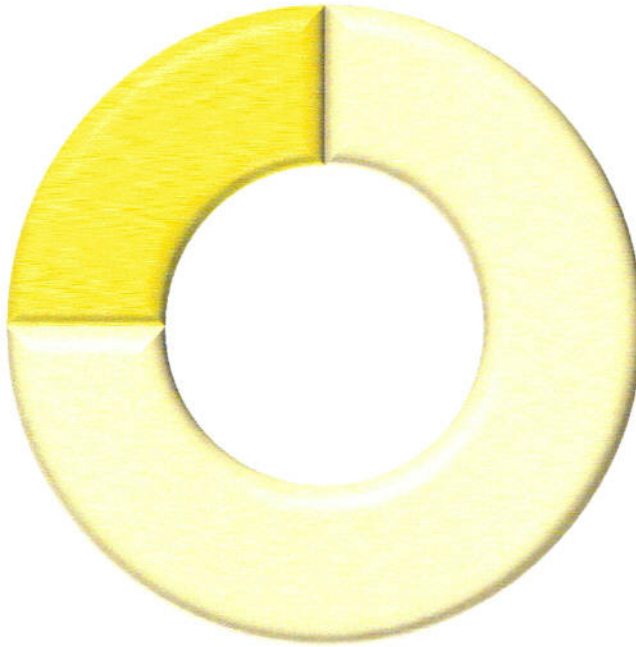
| | Chapter 175 Regular <u>Distribution</u> | Chapter 175 Supplemental <u>Distribution</u> | Chapter 185 <u>Distribution</u> | Allowable <u>Amount</u> |
|------------------------|---|--|------------------------------------|----------------------------|
| 1998 Distribution | \$0 | \$0 | \$0 | \$0 |
| 1999 Distribution | \$0 | \$0 | \$0 | \$0 |
| 2000 Distribution | \$0 | \$0 | \$0 | \$0 |
| 2001 Distribution | \$0 | \$0 | \$0 | \$0 |
| 2002 Distribution | \$0 | \$0 | \$0 | \$0 |
| 2003 Distribution | \$0 | \$0 | \$0 | \$0 |
| 2004 Distribution | \$0 | \$0 | \$88,495 | \$0 |
| 2005 Distribution | \$0 | \$0 | \$106,003 | \$0 |
| 2006 Distribution | \$0 | \$0 | \$136,419 | (\$263,504) |
| 2007 Distribution | \$0 | \$0 | \$138,420 | (\$69,006) |
| 2008 Distribution | \$0 | \$0 | \$167,707 | (\$69,006) |
| 2009 Distribution | \$0 | \$0 | \$181,873 | (\$69,006) |
| 2010 Distribution | \$0 | \$0 | \$170,714 | (\$69,006) |
| 2011 Distribution | \$0 | \$0 | \$193,256 | (\$69,006) |
| 2012 Distribution | \$0 | \$0 | \$216,205 | (\$69,006) |
| 2013 Distribution | \$0 | \$0 | \$233,777 | (\$69,006) |
| 2014 Distribution | \$0 | \$0 | \$254,476 | (\$69,006) |
| Transfer to Share Plan | | | | (\$1,071,793) |



Summary of Participant Data

Table III-A

As of October 1, 2015



Participant Distribution by Status

Actively Employed Participants

| | |
|-----------------------|---|
| ◆ Active Participants | 0 |
| ◆ DROP Participants | 0 |

Inactive Participants

| | |
|---------------------------------|---|
| ◆ Deferred Vested Participants | 0 |
| ◆ Due a Refund of Contributions | 0 |
| ◆ Deferred Beneficiaries | 0 |

Participants Receiving a Benefit

| | |
|---------------------------|---|
| ◆ Service Retirements | 3 |
| ◆ Disability Retirements | 1 |
| ◆ Beneficiaries Receiving | 0 |

Total Participants 4Number of Participants Included in Prior Valuations

| | <i>Active</i> | <i>DROP</i> | <i>Inactive</i> | <i>Retired</i> | <i>Total</i> |
|-----------------|---------------|-------------|-----------------|----------------|--------------|
| October 1, 2006 | 2 | 0 | 0 | 2 | 4 |
| October 1, 2007 | 1 | 0 | 0 | 3 | 4 |
| October 1, 2008 | 1 | 0 | 0 | 3 | 4 |
| October 1, 2009 | 1 | 0 | 0 | 3 | 4 |
| October 1, 2010 | 1 | 0 | 0 | 3 | 4 |
| October 1, 2011 | 1 | 0 | 0 | 3 | 4 |
| October 1, 2012 | 0 | 0 | 0 | 4 | 4 |
| October 1, 2013 | 0 | 0 | 0 | 4 | 4 |
| October 1, 2014 | 0 | 0 | 0 | 4 | 4 |
| October 1, 2015 | 0 | 0 | 0 | 4 | 4 |



Data Reconciliation

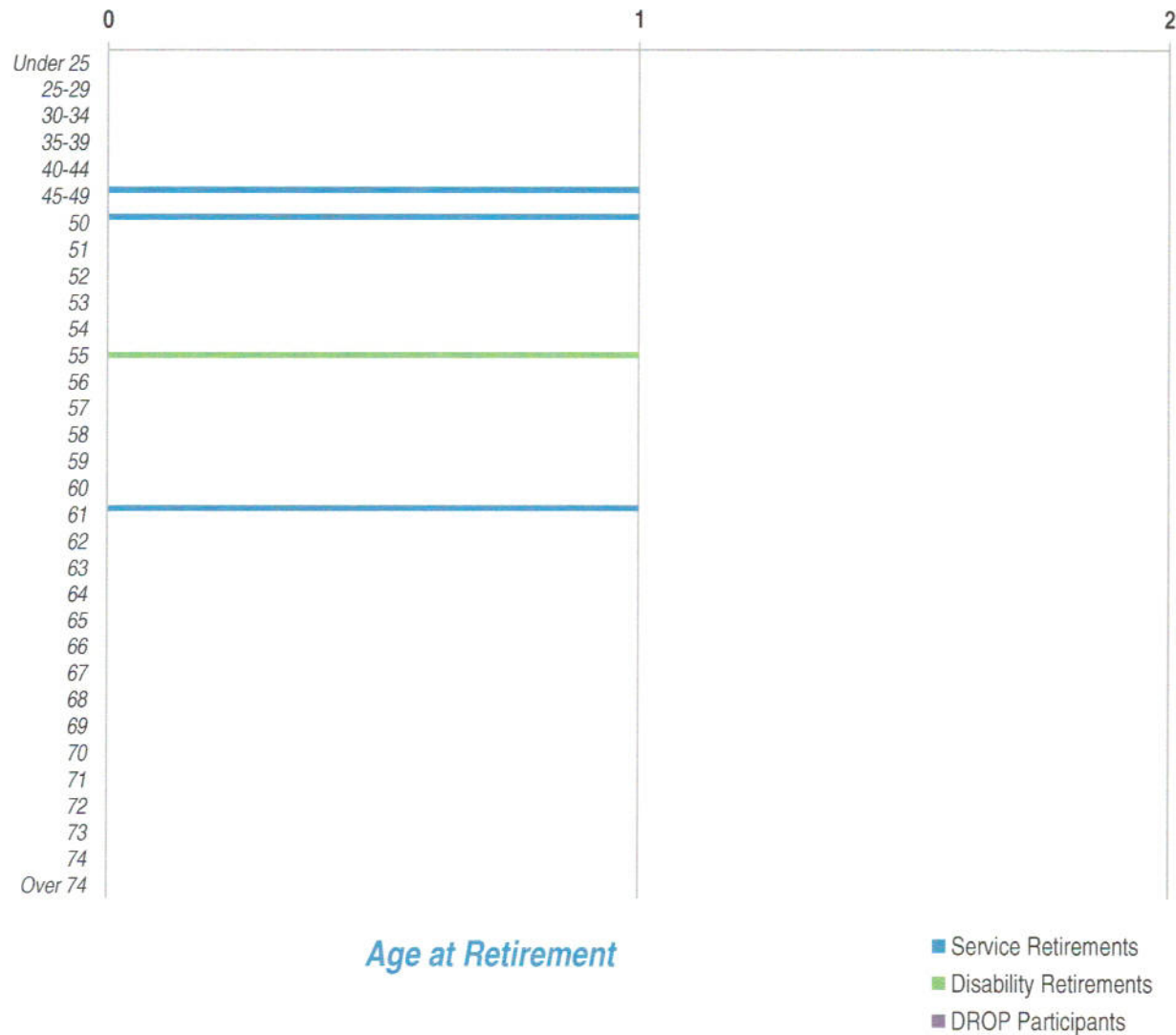
Table III-B

| | <u>Active</u> | <u>DROP</u> | <u>Deferred Vested</u> | <u>Due a Refund</u> | <u>Def. Benef.</u> | <u>Service Retiree</u> | <u>Disabled Retiree</u> | <u>Benef. Rec'v.</u> | <u>Total</u> |
|----------------------------|---------------|-------------|----------------------------|-------------------------|------------------------|----------------------------|-----------------------------|--------------------------|--------------|
| <u>October 1, 2014</u> | 0 | 0 | 0 | 0 | 0 | 3 | 1 | 0 | 4 |
| <u>Change in Status</u> | | | | | | | | | |
| Re-employed | | | | | | | | | |
| Terminated | | | | | | | | | |
| Retired | | | | | | | | | |
| <u>Participation Ended</u> | | | | | | | | | |
| Transferred Out | | | | | | | | | |
| Cashed Out | | | | | | | | | |
| Died | | | | | | | | | |
| <u>Participation Began</u> | | | | | | | | | |
| Newly Hired | | | | | | | | | |
| Transferred In | | | | | | | | | |
| New Beneficiary | | | | | | | | | |
| Other Adjustment | | | | | | | | | |
| <u>October 1, 2015</u> | 0 | 0 | 0 | 0 | 0 | 3 | 1 | 0 | 4 |



Inactive Participant Data

Table III-C

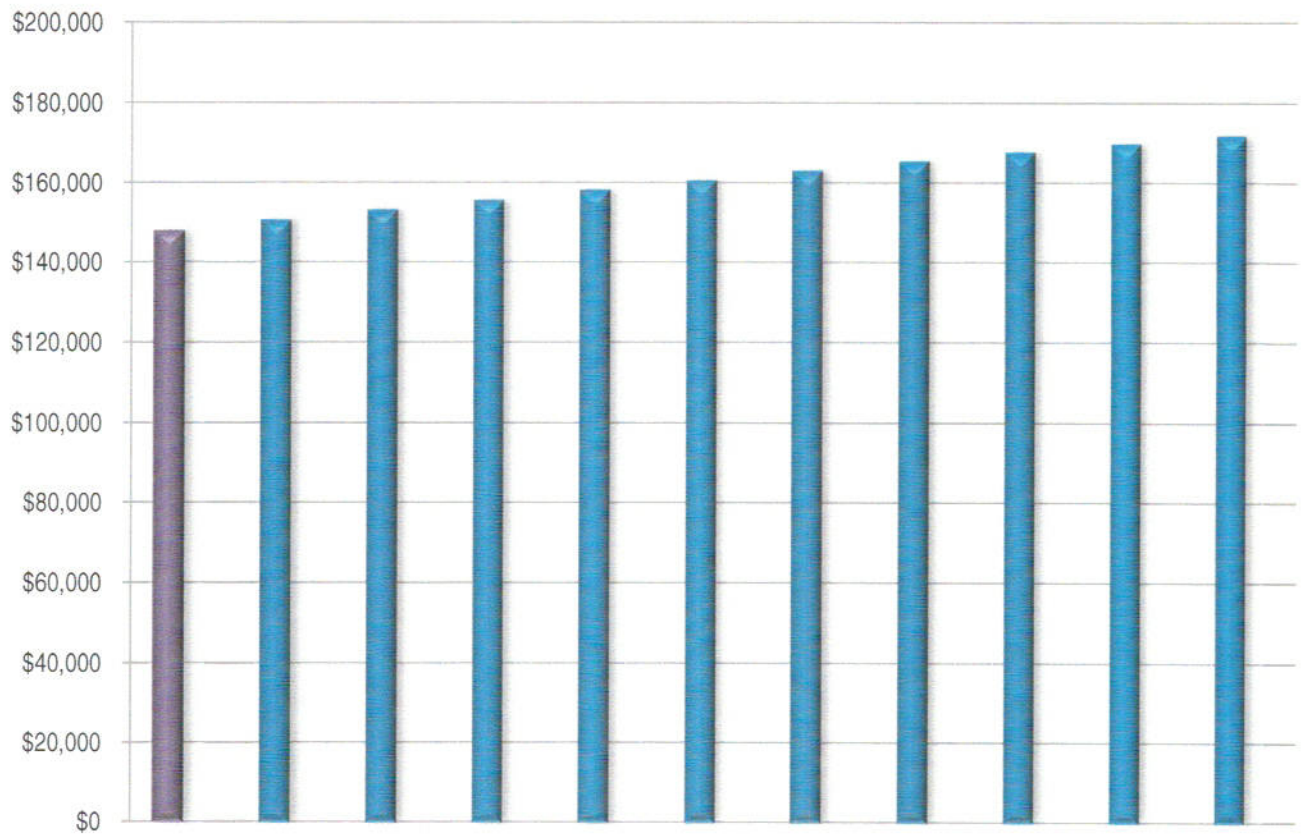
Average Monthly Benefit

| | |
|------------------------------|----------------|
| Service Retirements | \$3,251.83 |
| Disability Retirements | \$2,826.71 |
| Beneficiaries Receiving | Not applicable |
| DROP Participants | Not applicable |
| Deferred Vested Participants | Not applicable |
| Deferred Beneficiaries | Not applicable |



Projected Benefit Payments

Table III-D

Actual

For the period October 1, 2014 through September 30, 2015

\$148,026

Projected

For the period October 1, 2015 through September 30, 2016

\$150,593

For the period October 1, 2016 through September 30, 2017

\$153,164

For the period October 1, 2017 through September 30, 2018

\$155,723

For the period October 1, 2018 through September 30, 2019

\$158,259

For the period October 1, 2019 through September 30, 2020

\$160,755

For the period October 1, 2020 through September 30, 2021

\$163,197

For the period October 1, 2021 through September 30, 2022

\$165,551

For the period October 1, 2022 through September 30, 2023

\$167,811

For the period October 1, 2023 through September 30, 2024

\$169,932

For the period October 1, 2024 through September 30, 2025

\$171,893



Summary of Actuarial Methods and Assumptions

Table IV-A

1. **Actuarial Cost Method**

Individual entry age normal cost method (nominally)

2. **Amortization Method**

The unfunded accrued liability has been amortized as a level-dollar payment; experience gains and losses are amortized over a five-year period.

3. **Asset Method**

The actuarial value of assets is equal to the market value of assets.

4. **Interest (or Discount) Rate**

7.00% per annum

5. **Decrements**

- Post-retirement mortality: Rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.

6. **Expenses**

Administrative expenses payable from the plan have been assumed to be \$25,000 per year. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.



Changes in Actuarial Methods and Assumptions

Table IV-B

No assumptions or methods have been changed since the completion of the previous valuation.

