

May 2, 2017

Ms. Kathy Austin, Administrative Assistant
City of Crestview
Police and Fire Retirement Board
715 N. Ferdon Blvd.
Crestview, FL 32536

RE: GASB Statement No.67 and No.68 – City of Crestview Police Officers' and Firefighters' Retirement Plan

Dear Board:

We are pleased to present to the Board a GASB Statement No.67 and No.68 measured as of September 30, 2016 for the City of Crestview Police Officers' and Firefighters' Retirement Plan.

The calculation of the liability associated with the benefits referenced in this report was performed for the purpose of satisfying the requirements of GASB No.67 and No.68 is not applicable for purposes, such as determining the plans' funding requirements. A calculation of the plan's liability for other purposes may produce significantly different results.

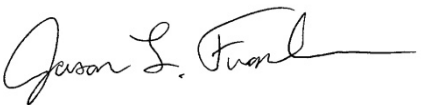
The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2015. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30th, 2016 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purposes are internally consistent, reasonable, and comply with the requirements under GASB No.67 and No.68.

Certain schedules should include a 10-year history of information. As provided for in GASB No.67 and No.68, this historical information is only presented for the years in which the information was measured in conformity with the requirements of GASB No.67 and No.68.

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: 

Jason L. Franken, FSA, EA, MAAA
Enrolled Actuary #014-06888

JLF/lke
Enclosures

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2016

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	612,971
Cash	193
Total Cash and Equivalents	613,164
Receivables:	
Member Contributions in Transit	4,443
Member Contributions	72
City Contributions in Transit	1,874
State Contributions	87
Total Receivable	6,476
Investments:	
Fixed Income	5,134,576
Stocks	10,084,002
Mutual Funds:	
Real Estate	1,650,862
Total Investments	16,869,440
Total Assets	17,489,080
Total Liabilities	0
NET POSITION RESTRICTED FOR PENSIONS	17,489,080

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

ADDITIONS

Contributions:

Member	267,931	
City	111,296	
State	300,086	
 Total Contributions		 679,313
 Investment Income:		
Net Increase in Fair Value of Investments	718,318	
Interest & Dividends	445,888	
Less Investment Expense ¹	(91,277)	
 Net Investment Income		 1,072,929
 Total Additions		 1,752,242

DEDUCTIONS

Distributions to Members:

Benefit Payments	544,621	
Lump Sum DROP Distributions	0	
Lump Sum Share Distributions	0	
Refunds of Member Contributions	74,111	
 Total Distributions		 618,732
 Administrative Expense		 47,835
 Total Deductions		 666,567
 Net Increase in Net Position		 1,085,675
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		16,403,405
 End of the Year		 17,489,080

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 Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of: Two Council appointees, one Member from each Department elected by the membership, and a fifth Member elected by other 4 and appointed by Council.

Plan Membership as of October 1, 2015:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	22
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	9
Active Plan Members	87
	118

Benefits Provided

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

Normal Retirement:

Date: Earlier of: 1) age 55 and 10 years of Credited Service, or 2) age 52 and 25 years of Credited Service.

Benefit: 3.2% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 45 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year to age 50 and actuarially reduced from age 50 to age 45.

Vesting:

Schedule: 100% after 10 years of Credited Service.

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

Disability:

Eligibility: Service Incurred: Covered from Date of Employment.

Non-Service Incurred: 10 years of Credited Service.

Benefit: Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).

Pre-Retirement Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years at otherwise Early (reduced) or Normal (unreduced) Retirement Date.

Non-Vested: Refund of accumulated contributions with interest.

Supplemental Benefit:

Effective January 26, 2015. Retirees who meet the normal retirement requirements are entitled to a monthly supplemental benefit equal to \$85.00 payable as a 10-year certain & life annuity (or actuarially equivalent benefit).

Contributions

Member Contributions: 6.40% of Salary.

City and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII, Chapter 112, F.S. Minimum City contribution is 5.0% of Members' salaries.

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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>
Domestic Equity	45%
International Equity	15%
Broad Market Fixed Income	25%
Global Fixed Income	5%
Real Estate	10%
<u>Total</u>	<u>100%</u>

Concentrations:

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

Rate of Return:

For the year ended September 30, 2016, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 6.60 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 more than 60 months.

Rate of Return: At election of Member (may change once during DROP period) either: 1) actual net rate of investment return (total return net of brokerage commissions, transaction costs, and management fees), or 2) 6.5%. Earnings are credited each fiscal quarter.

The DROP balance as September 30, 2016 is \$166,103.

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	\$ 17,387,252
Plan Fiduciary Net Position	\$ (17,489,080)
Sponsor's Net Pension Liability	<u>\$ (101,828)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	100.59%

Actuarial Assumptions:

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

Inflation	2.50%
Salary Increases	6.50%
Discount Rate	8.00%
Investment Rate of Return	8.00%

Mortality Rate Healthy Lives:

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

Male: RP2000 Generational, 10% Annuitant White Collar /90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The most recent actuarial experience study used to review the other significant assumptions was dated August 29, 2016.

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

For 2016, the inflation rate assumption of the investment advisor was 2.50%.

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:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.5%
International Equity	8.5%
Broad Market Fixed Income	2.5%
Global Fixed Income	3.5%
Real Estate	4.5%

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Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 8.00 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 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Sponsor's Net Pension Liability	\$ 2,121,170	\$ (101,828)	\$ (1,930,375)

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

	<u>09/30/2016</u>	<u>09/30/2015</u>
Total Pension Liability		
Service Cost	675,767	650,319
Interest	1,205,985	1,207,893
Change in Excess State Money	(798,033)	102,691
Other	-	-
Share Plan Allocation	775,763	-
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	293,542	(1,131,354)
Changes of assumptions	337,452	-
Benefit Payments, including Refunds of Employee Contributions	(618,732)	(933,578)
Net Change in Total Pension Liability	<u>1,871,744</u>	<u>(104,029)</u>
Total Pension Liability - Beginning	<u>15,515,508</u>	<u>15,619,537</u>
Total Pension Liability - Ending (a)	<u>\$ 17,387,252</u>	<u>\$ 15,515,508</u>
Plan Fiduciary Net Position		
Contributions - Employer	111,296	429,649
Contributions - State	300,086	296,275
Contributions - Employee	267,931	255,354
Net Investment Income	1,072,929	(374,169)
Benefit Payments, including Refunds of Employee Contributions	(618,732)	(933,578)
Administrative Expense	(47,835)	(46,407)
Other	-	-
Net Change in Plan Fiduciary Net Position	<u>1,085,675</u>	<u>(372,876)</u>
Plan Fiduciary Net Position - Beginning	<u>16,403,405</u>	<u>16,776,281</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 17,489,080</u>	<u>\$ 16,403,405</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (101,828)</u>	<u>\$ (887,897)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	100.59%	105.72%
Covered Employee Payroll	\$ 4,186,426	\$ 3,989,908
Net Pension Liability as a percentage of Covered Employee Payroll	-2.43%	-22.25%

Notes to Schedule:*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 for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

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

	<u>09/30/2014</u>	<u>09/30/2013</u>
Total Pension Liability		
Service Cost	704,926	645,804
Interest	1,142,097	1,050,053
Change in Excess State Money	110,979	-
Other	36,400	-
Share Plan Allocation	-	-
Changes of benefit terms	102,466	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(1,079,145)</u>	<u>(334,643)</u>
Net Change in Total Pension Liability	1,017,723	1,361,214
Total Pension Liability - Beginning	<u>14,601,814</u>	<u>13,240,600</u>
Total Pension Liability - Ending (a)	<u>\$ 15,619,537</u>	<u>\$ 14,601,814</u>
Plan Fiduciary Net Position		
Contributions - Employer	576,763	746,119
Contributions - State	296,686	291,738
Contributions - Employee	235,503	264,486
Net Investment Income	1,512,913	1,596,346
Benefit Payments, including Refunds of Employee Contributions	(1,079,145)	(334,643)
Administrative Expense	(37,041)	(30,354)
Other	<u>(44,105)</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	1,461,574	2,533,692
Plan Fiduciary Net Position - Beginning	<u>15,314,707</u>	<u>12,781,015</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 16,776,281</u>	<u>\$ 15,314,707</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (1,156,744)</u>	<u>\$ (712,893)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	107.41%	104.88%
Covered Employee Payroll	\$ 3,701,314	\$ 4,132,599
Net Pension Liability as a percentage of Covered Employee Payroll	-31.25%	-17.25%

Notes to Schedule:*Changes of benefit terms:*

For measurement date 09/30/2014, amounts reported as changes of benefit terms resulted from a monthly supplemental benefit equal to \$85.00 payable as a 10-year certain & life annuity (or actuarially equivalent benefit) to all retirees on or after January 26, 2015 who meet the normal retirement requirements.

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	322,355	542,628	762,470	929,835
From Excess State Money Reserve	102,941	-	-	-
Contributions in relation to the Actuarially Determined Contributions	330,709	623,233	762,470	929,835
Contribution Deficiency (Excess)	<u>\$ (111,295)</u>	<u>\$ (80,605)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 4,186,426	\$ 3,989,908	\$ 3,701,314	\$ 4,132,599
Contributions as a percentage of Covered Employee Payroll	7.90%	15.62%	20.60%	22.50%

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: Frozen Entry Age Actuarial Cost Method.
 Amortization Method: Level percentage of pay, closed.
 Remaining Amortization Period: 29 Years (as of 10/01/2014).
 Mortality: RP-2000 Mortality Table (Combined Healthy) with no projection. Disabled lives set forward 5 years.
 Interest Rate: 8% per year compounded annually, net of investment related expenses.
 Retirement Age: Earlier of age 55 and 10 years of service or age 52 and 25 years of service. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.
 Early Retirement: Commencing with the earliest Early Retirement Age (45), Members are assumed to retire with an immediate benefit at the rate of 5% per year.
 Disability Rates: See Table Below (1205). It is assumed that 75% of disablements and active Member deaths are service related.
 Termination Rates: See Table Below.
 Salary Increases: 6.5% per year until the assumed retirement age.
 Payroll Growth: 3.0% per year.
 Actuarial Asset 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	15.00%	0.14%
30	12.50%	0.18%
40	6.50%	0.30%
50	2.00%	1.00%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2016</u>	<u>09/30/2015</u>	<u>09/30/2014</u>	<u>09/30/2013</u>
Annual Money-Weighted Rate of Return				
Net of Investment Expense	6.60%	-2.25%	9.92%	12.04%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2017)

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: Two Council appointees, one Member from each Department elected by the membership, and a fifth Member elected by other 4 and appointed by Council.
Full-time employees who are classified as Police Officers or Firefighters participate as a condition of employment.

Plan Membership as of October 1, 2015:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	22
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	9
Active Plan Members	87
	118
	118

Benefits Provided

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

Normal Retirement:

Date: Earlier of: 1) age 55 and 10 years of Credited Service, or 2) age 52 and 25 years of Credited Service.

Benefit: 3.2% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 45 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year to age 50 and actuarially reduced from age 50 to age 45.

Vesting:

Schedule: 100% after 10 years of Credited Service.

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

Disability:

Eligibility: Service Incurred: Covered from Date of Employment.

Non-Service Incurred: 10 years of Credited Service.

Benefit: Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).

Pre-Retirement Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years at otherwise Early (reduced) or Normal (unreduced) Retirement Date.

Non-Vested: Refund of accumulated contributions with interest.

Supplemental Benefit:

Effective January 26, 2015. Retirees who meet the normal retirement requirements are entitled to a monthly supplemental benefit equal to \$85.00 payable as a 10-year certain & life annuity (or actuarially equivalent benefit).

Contributions

Member Contributions: 6.40% of Salary.

City and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII, Chapter 112, F.S. Minimum City contribution is 5.0% of Members' salaries.

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	2.50%
Salary Increases	6.50%
Discount Rate	8.00%
Investment Rate of Return	8.00%

Mortality Rate Healthy Lives:

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

Male: RP2000 Generational, 10% Annuitant White Collar /90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The most recent actuarial experience study used to review the other significant assumptions was dated August 29, 2016.

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

For 2016, the inflation rate assumption of the investment advisor was 2.50%.

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:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45%	7.5%
International Equity	15%	8.5%
Broad Market Fixed Income	25%	2.5%
Global Fixed Income	5%	3.5%
Real Estate	10%	4.5%
Total	100%	

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 8.00 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	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2016	\$ 15,515,508	\$ 16,403,405	\$ (887,897)
Changes for a Year:			
Service Cost	675,767	-	675,767
Interest	1,205,985	-	1,205,985
Change in Excess State Money	(798,033)	-	(798,033)
Share Plan Allocation	775,763	-	775,763
Differences between Expected and Actual Experience	293,542	-	293,542
Changes of assumptions	337,452	-	337,452
Changes of benefit terms	-	-	-
Contributions - Employer	-	111,296	(111,296)
Contributions - State	-	300,086	(300,086)
Contributions - Employee	-	267,931	(267,931)
Net Investment Income	-	1,072,929	(1,072,929)
Benefit Payments, including Refunds of Employee Contributions	(618,732)	(618,732)	-
Administrative Expense	-	(47,835)	47,835
Net Changes	1,871,744	1,085,675	786,069
Reporting Period Ending September 30, 2017	\$ 17,387,252	\$ 17,489,080	\$ (101,828)

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	7.00%	8.00%	9.00%
Sponsor's Net Pension Liability	\$ 2,121,170	\$ (101,828)	\$ (1,930,375)

Pension Plan Fiduciary Net Position.

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

**FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2016**

For the year ended September 30, 2016, the Sponsor has recognized a Pension Expense of \$506,902.

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	-	942,795
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	1,200,243	-
Employer and State contributions subsequent to the measurement date	411,382	-
Total	\$ 1,611,625	\$ 942,795

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date has been 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	\$	97,099
2018	\$	97,101
2019	\$	97,101
2020	\$	154,706
2021	\$	(188,559)
Thereafter	\$	-

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2017**

For the year ended September 30, 2017, the Sponsor will recognize a Pension Expense of \$576,838.

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	244,619	754,236
Changes of assumptions	281,210	-
Net difference between Projected and Actual Earnings on Pension Plan investments	1,106,468	-
Employer and State contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 754,236

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State 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	\$	250,236
2019	\$	250,238
2020	\$	307,843
2021	\$	(35,422)
2022	\$	105,166
Thereafter	\$	-

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

Reporting Period Ending	09/30/2017	09/30/2016
Measurement Date	<u>09/30/2016</u>	<u>09/30/2015</u>
Total Pension Liability		
Service Cost	675,767	650,319
Interest	1,205,985	1,207,893
Change in Excess State Money	(798,033)	102,691
Other	-	-
Share Plan Allocation	775,763	-
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	293,542	(1,131,354)
Changes of assumptions	337,452	-
Benefit Payments, including Refunds of Employee Contributions	<u>(618,732)</u>	<u>(933,578)</u>
Net Change in Total Pension Liability	1,871,744	(104,029)
Total Pension Liability - Beginning	15,515,508	15,619,537
Total Pension Liability - Ending (a)	<u>\$ 17,387,252</u>	<u>\$ 15,515,508</u>
Plan Fiduciary Net Position		
Contributions - Employer	111,296	429,649
Contributions - State	300,086	296,275
Contributions - Employee	267,931	255,354
Net Investment Income	1,072,929	(374,169)
Benefit Payments, including Refunds of Employee Contributions	(618,732)	(933,578)
Administrative Expense	(47,835)	(46,407)
Other	-	-
Net Change in Plan Fiduciary Net Position	<u>1,085,675</u>	<u>(372,876)</u>
Plan Fiduciary Net Position - Beginning	16,403,405	16,776,281
Plan Fiduciary Net Position - Ending (b)	<u>\$ 17,489,080</u>	<u>\$ 16,403,405</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (101,828)</u>	<u>\$ (887,897)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	100.59%	105.72%
Covered Employee Payroll	\$ 4,186,426	\$ 3,989,908
Net Pension Liability as a percentage of Covered Employee Payroll	-2.43%	-22.25%

Notes to Schedule:*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 for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

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

Reporting Period Ending	09/30/2015	09/30/2014
Measurement Date	<u>09/30/2014</u>	<u>09/30/2013</u>
Total Pension Liability		
Service Cost	704,926	645,804
Interest	1,142,097	1,050,053
Change in Excess State Money	110,979	-
Other	36,400	-
Share Plan Allocation	-	-
Changes of benefit terms	102,466	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(1,079,145)</u>	<u>(334,643)</u>
Net Change in Total Pension Liability	1,017,723	1,361,214
Total Pension Liability - Beginning	<u>14,601,814</u>	<u>13,240,600</u>
Total Pension Liability - Ending (a)	<u><u>\$ 15,619,537</u></u>	<u><u>\$ 14,601,814</u></u>
Plan Fiduciary Net Position		
Contributions - Employer	576,763	746,119
Contributions - State	296,686	291,738
Contributions - Employee	235,503	264,486
Net Investment Income	1,512,913	1,596,346
Benefit Payments, including Refunds of Employee Contributions	<u>(1,079,145)</u>	<u>(334,643)</u>
Administrative Expense	<u>(37,041)</u>	<u>(30,354)</u>
Other	<u>(44,105)</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	1,461,574	2,533,692
Plan Fiduciary Net Position - Beginning	<u>15,314,707</u>	<u>12,781,015</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 16,776,281</u></u>	<u><u>\$ 15,314,707</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ (1,156,744)</u></u>	<u><u>\$ (712,893)</u></u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	107.41%	104.88%
Covered Employee Payroll	\$ 3,701,314	\$ 4,132,599
Net Pension Liability as a percentage of Covered Employee Payroll	-31.25%	-17.25%

Notes to Schedule:*Changes of benefit terms:*

For measurement date 09/30/2014, amounts reported as changes of benefit terms resulted from a monthly supplemental benefit equal to \$85.00 payable as a 10-year certain & life annuity (or actuarially equivalent benefit) to all retirees on or after January 26, 2015 who meet the normal retirement requirements.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	322,355	542,628	762,470	929,835
From Excess State Money Reserve	102,941	-	-	-
Contributions in relation to the Actuarially Determined Contributions	330,709	623,233	762,470	929,835
Contribution Deficiency (Excess)	\$ (111,295)	\$ (80,605)	\$ -	\$ -
Covered Employee Payroll	\$ 4,186,426	\$ 3,989,908	\$ 3,701,314	\$ 4,132,599
Contributions as a percentage of Covered Employee Payroll	7.90%	15.62%	20.60%	22.50%

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: Frozen Entry Age Actuarial Cost Method.
 Amortization Method: Level percentage of pay, closed.
 Remaining Amortization Period: 29 Years (as of 10/01/2014).
 Mortality: RP-2000 Mortality Table (Combined Healthy) with no projection. Disabled lives set forward 5 years.
 Interest Rate: 8% per year compounded annually, net of investment related expenses.
 Retirement Age: Earlier of age 55 and 10 years of service or age 52 and 25 years of service. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.
 Early Retirement: Commencing with the earliest Early Retirement Age (45), Members are assumed to retire with an immediate benefit at the rate of 5% per year.
 Disability Rates: See Table Below (1205). It is assumed that 75% of disablements and active Member deaths are service related.
 Termination Rates: See Table Below.
 Salary Increases: 6.5% per year until the assumed retirement age.
 Payroll Growth: 3.0% per year.
 Actuarial Asset 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 During the Year	% Becoming Disabled During the Year
Age		
20	15.00%	0.14%
30	12.50%	0.18%
40	6.50%	0.30%
50	2.00%	1.00%

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ (1,156,744)	\$ 230,421	\$ 725,924	\$ -
Employer and State contributions made after 09/30/2015	-	-	411,382	-
Total Pension Liability Factors:				
Service Cost	650,319	-	-	650,319
Interest	1,207,893	-	-	1,207,893
Change in Excess State Money	102,691	-	-	102,691
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(1,131,354)	1,131,354	-	-
Current year amortization of experience difference	-	(188,559)	-	(188,559)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(933,578)	-	-	(933,578)
Net change	(104,029)	942,795	411,382	838,766
Plan Fiduciary Net Position:				
Contributions - Employer	429,649	-	(429,649)	-
Contributions - State	296,275	-	(296,275)	-
Contributions - Employee	255,354	-	-	(255,354)
Projected Net Investment Income	1,342,154	-	-	(1,342,154)
Difference between projected and actual earnings on Pension Plan investments	(1,716,323)	-	1,716,323	-
Current year amortization	-	(57,605)	(343,264)	285,659
Benefit Payments	(933,578)	-	-	933,578
Administrative Expenses	(46,407)	-	-	46,407
Other	-	-	-	-
Net change	(372,876)	(57,605)	647,135	(331,864)
Ending Balance	\$ (887,897)	\$ 1,115,611	\$ 1,784,441	\$ 506,902

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2017

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (887,897)	\$ 1,115,611	\$ 1,784,441	\$ -
Employer and State Contributions made after 09/30/2016	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	675,767	-	-	675,767
Interest	1,205,985	-	-	1,205,985
Change in Excess State Money	(798,033)	-	-	(798,033)
Share Plan Allocation	775,763	-	-	775,763
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	293,542	-	293,542	-
Current year amortization of experience difference	-	(188,559)	(48,923)	(139,636)
Change in assumptions about future economic or demographic factors or other inputs	337,452	-	337,452	-
Current year amortization of change in assumptions	-	-	(56,242)	56,242
Benefit Payments	(618,732)	-	-	(618,732)
Net change	<u>1,871,744</u>	<u>(188,559)</u>	<u>525,829</u>	<u>1,157,356</u>
Plan Fiduciary Net Position:				
Contributions - Employer	111,296	-	(111,296)	-
Contributions - State	300,086	-	(300,086)	-
Contributions - Employee	267,931	-	-	(267,931)
Contributions - Buy Back	-	-	-	-
Projected Net Investment Income	1,312,782	-	-	(1,312,782)
Difference between projected and actual earnings on Pension Plan investments	(239,853)	-	239,853	-
Current year amortization	-	(57,606)	(391,234)	333,628
Benefit Payments	(618,732)	-	-	618,732
Administrative Expenses	(47,835)	-	-	47,835
Net change	<u>1,085,675</u>	<u>(57,606)</u>	<u>(562,763)</u>	<u>(580,518)</u>
Ending Balance	<u>\$ (101,828)</u>	<u>\$ 869,446</u>	<u>TBD</u>	<u>\$ 576,838</u>

* Employer and State 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 Projected and Actual Earnings	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2014	\$ (288,026)	5	\$ (57,606)	\$ (57,605)	\$ (57,605)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 1,716,323	5	\$ 343,264	\$ 343,265	\$ 343,265	\$ 343,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 239,853	5	\$ 47,970	\$ 47,970	\$ 47,971	\$ 47,971	\$ 47,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 333,628	\$ 333,630	\$ 333,631	\$ 391,236	\$ 47,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2016	\$ 337,452	6	\$ 56,242	\$ 56,242	\$ 56,242	\$ 56,242	\$ 56,242	\$ 56,242	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 56,242	\$ 56,242	\$ 56,242	\$ 56,242	\$ 56,242	\$ 56,242	\$ -	\$ -	\$ -	\$ -	\$ -

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)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2015	\$ (1,131,354)	6	\$ (188,559)	\$ (188,559)	\$ (188,559)	\$ (188,559)	\$ (188,559)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 293,542	6	\$ 48,923	\$ 48,923	\$ 48,924	\$ 48,924	\$ 48,924	\$ 48,924	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (139,636)	\$ (139,636)	\$ (139,635)	\$ (139,635)	\$ (139,635)	\$ 48,924	\$ -	\$ -	\$ -	\$ -	\$ -