

DESTIN FIRE CONTROL DISTRICT  
FIREFIGHTERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2016

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

February 10, 2017

Board of Trustees  
Destin Fire Control District  
Firefighters' Retirement Trust Fund  
848 Airport Road  
Destin, FL 32541

Re: Destin Fire Control District  
Firefighters' Retirement Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Destin Fire Control District 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 Board of Trustees, financial reports prepared by the custodian bank, Salem Trust, 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.

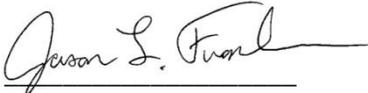
The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the 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 Destin Fire Control District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Destin Fire Control District 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:   
\_\_\_\_\_  
Jason L. Franken  
Enrolled Actuary #14-6888

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Destin Fire Control District Firefighters' Retirement Trust Fund, performed as of October 1, 2016, 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 funding requirements, compared with the amounts set forth in the October 1, 2015 actuarial valuation report, are as follows:

Valuation Date	10/1/2016	10/1/2015
Applicable Fiscal Year End	<u>9/30/2017</u>	<u>9/30/2016</u>
Total Required Contribution % of Total Annual Payroll	86.7%	75.5%
Member Contributions (Est.) % of Total Annual Payroll	6.8%	6.8%
Required District and State Cont. % of Total Annual Payroll	79.9%	68.7%
State Contributions <sup>1</sup> % of Total Annual Payroll	293,568 19.5%	293,568 19.5%
Balance from District % of Total Annual Payroll	60.4%	49.2%

<sup>1</sup> Amount shown is an estimated based on the amounts received during fiscal 2016. The District and membership have mutually agreed that the District may use all State Contributions when determining its minimum funding requirements for the duration of the current collective bargaining agreement. For budgeting purposes, the required Sponsor Contribution (District and State) is 79.9% of Pensionable Earnings for the fiscal year ending September 30, 2017. The precise District requirement for the year is this amount, less actual allowable State Contributions. Please note that the District has a prepaid contribution of \$39,961.90 available to offset its current year funding requirements.

Over the last 12 months the actuarial experience was more favorable than expected on the basis of the actuarial assumptions. The principal sources of favorable experience were an average decrease in pensionable earnings despite increases being assumed, no retirements, and the death of an active firefighter. These gains were offset in part by the effects of a 7.75% investment return (Actuarial Asset basis) that fell short of the 8.00% assumption, and no inactive deaths.

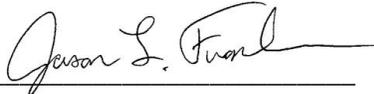
Despite net favorable experience realized by the plan during the year, the District's funding requirements have increased due to changes in actuarial assumptions made in conjunction with this valuation as well as a decrease in available State Monies by over 20%. Please see page 7 for a breakdown of the change in contribution requirements since the prior valuation.

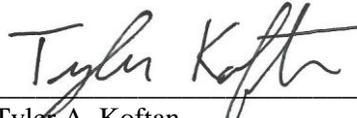
For informational purposes, the District's funding requirements when expressed as a percentage of payroll including an estimate of the annual pay for the DROP Members, is approximately 8.0% less than the rate shown above. The District should budget based on the information on page 5.

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 answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By:   
Jason L. Franken, FSA, EA, MAAA

By:   
Tyler A. Koftan

## CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1) Contribution Determined as of October 1, 2015	45.2%
(2) Summary of Contribution Impact by component:	
Change in Normal Cost Rate	-0.9%
Change in Administrative Expenses	-0.5%
Investment Return (Actuarial Asset Basis)	0.2%
Salary Increases	-2.1%
Active Decrements	-2.8%
Inactive Mortality	0.1%
Payroll Change	1.2%
Assumption Change	14.7%
Change in Available State Money	5.0%
Other	<u>0.3%</u>
Total Change in Contribution	15.2%
(3) Contribution Determined as of October 1, 2016	60.4%

## CHANGES SINCE PRIOR VALUATION

Plan Changes - There have been no changes since the prior valuation.

### Actuarial Assumption/Method Changes

The following changes were made in conjunction with this valuation:

- The investment return assumption was reduced from 8.00% to 7.50%.
- The payroll growth rate utilized for amortization of the UAAL has been reduced to 0% in compliance with Part VII of Chapter 112, Florida Statutes.
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables used by the Florida Retirement System for special risk employees.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2016</u>	Old Assump <u>10/1/2016</u>	<u>10/1/2015</u>
<b>A. Participant Data</b>			
Actives	25	25	25
Service Retirees	10	10	9
DROP Retirees	3	3	4
Beneficiaries	1	1	0
Disability Retirees	1	1	1
Terminated Vested	<u>7</u>	<u>7</u>	<u>6</u>
<b>Total</b>	<b>47</b>	<b>47</b>	<b>45</b>
Total Annual Payroll	\$1,507,040	\$1,507,040	\$1,579,196
Payroll Under Assumed Ret. Age	1,507,040	1,507,040	1,579,196
Annual Rate of Payments to:			
Service Retirees	704,831	704,831	639,905
DROP Retirees	168,669	168,669	215,465
Beneficiaries	56,617	56,617	0
Disability Retirees	14,297	14,297	14,297
Terminated Vested	155,124	155,124	142,921
<b>B. Assets</b>			
Actuarial Value (AVA) <sup>1</sup>	16,222,499	16,222,499	14,866,493
Market Value (MVA) <sup>1</sup>	15,601,817	15,601,817	13,924,319
<b>C. Liabilities</b>			
Present Value of Benefits			
Actives			
Retirement Benefits	10,798,928	9,879,230	10,243,565
Disability Benefits	45,593	46,837	44,832
Death Benefits	64,655	23,578	23,199
Vested Benefits	533,030	499,494	582,428
Refund of Contributions	12,810	12,629	8,213
Service Retirees	10,535,592	9,808,342	9,040,535
DROP Retirees <sup>1</sup>	3,308,136	3,124,700	3,843,615
Beneficiaries	437,458	421,086	0
Disability Retirees	177,037	172,577	173,239
Terminated Vested	1,336,131	1,264,390	1,117,790
Excess State Monies Reserve	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>27,249,370</b>	<b>25,252,863</b>	<b>25,077,416</b>

C. Liabilities - (Continued)	New Assump <u>10/1/2016</u>	Old Assump <u>10/1/2016</u>	<u>10/1/2015</u>
Present Value of Future Salaries	7,918,292	7,821,913	8,041,948
Present Value of Future Member Contributions	538,444	531,890	546,852
Normal Cost (Retirement)	359,796	321,897	347,967
Normal Cost (Disability)	4,684	4,850	4,478
Normal Cost (Death)	4,992	1,735	1,619
Normal Cost (Vesting)	45,987	42,462	47,022
Normal Cost (Refunds)	<u>2,019</u>	<u>2,011</u>	<u>2,141</u>
Total Normal Cost	417,478	372,955	403,227
Present Value of Future Normal Costs	2,040,995	1,805,634	2,006,483
Accrued Liability (Retirement)	9,058,662	8,337,817	8,522,172
Accrued Liability (Disability)	19,862	20,571	21,560
Accrued Liability (Death)	40,511	15,086	15,501
Accrued Liability (Vesting)	293,585	281,258	334,730
Accrued Liability (Refunds)	1,401	1,402	1,791
Accrued Liability (Inactives) <sup>1</sup>	15,794,354	14,791,095	14,175,179
Excess State Monies Reserve	<u>0</u>	<u>0</u>	<u>0</u>
Total Actuarial Accrued Liability (AL)	25,208,375	23,447,229	23,070,933
Unfunded Actuarial Accrued Liability (UAAL)	8,985,876	7,224,730	8,204,440
Funded Ratio (AVA / AL)	64.4%	69.2%	64.4%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2016</u>	Old Assump <u>10/1/2016</u>	<u>10/1/2015</u>
Vested Accrued Benefits			
Inactives <sup>1</sup>	15,794,354	14,791,095	14,175,179
Actives	5,976,061	5,507,558	5,331,035
Member Contributions	<u>1,095,111</u>	<u>1,095,111</u>	<u>1,078,470</u>
Total	22,865,526	21,393,764	20,584,684
Non-vested Accrued Benefits	<u>1,177,123</u>	<u>960,967</u>	<u>1,114,783</u>
Total Present Value			
Accrued Benefits (PVAB)	24,042,649	22,354,731	21,699,467
Funded Ratio (MVA / PVAB)	64.9%	69.8%	64.2%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	1,687,918	0	
New Accrued Benefits	0	(63,745)	
Benefits Paid	0	(977,835)	
Interest	0	1,696,844	
Other	<u>0</u>	<u>0</u>	
Total	1,687,918	655,264	

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

#### E. Pension Cost

Normal Cost (with interest) % of Total Annual Payroll <sup>2</sup>	28.7	25.7	26.6
Administrative Expenses (with interest) % of Total Annual Payroll <sup>2</sup>	1.7	1.7	2.2
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2016, with interest) % of Total Annual Payroll <sup>2</sup>	56.3	44.6	46.7
Total Required Contribution % of Total Annual Payroll <sup>2</sup>	86.7	72.0	75.5
Expected Member Contributions % of Total Annual Payroll <sup>2</sup>	6.8	6.8	6.8
Expected District and State Contribution % of Total Annual Payroll <sup>2</sup>	79.9	65.2	68.7

#### F. Past Contributions

Plan Years Ending:	<u>9/30/2016</u>
District and State Requirement	1,090,290
Actual Contributions Made:	
Members (excluding buyback)	107,918
District	796,723
State	<u>293,567</u>
Total	1,198,208

#### G. Net Actuarial (Gain)/Loss

(863,241)

<sup>1</sup> The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2016 and 9/30/2015.

<sup>2</sup> Contributions developed as of 10/1/2016 are expressed as a percentage of total annual payroll at 10/1/2016 of \$1,507,040.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2016	8,985,876
2017	8,780,035
2018	8,558,755
2024	6,835,589
2030	4,176,211
2035	1,063,406
2041	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2016	-1.94%	4.63%
Year Ended	9/30/2015	0.70%	7.50%
Year Ended	9/30/2014	0.04%	7.50%

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

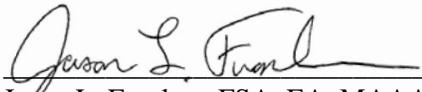
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2016	7.75%	8.00%
Year Ended	9/30/2015	6.87%	8.00%
Year Ended	9/30/2014	9.72%	8.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2016	\$1,507,040
	10/1/2006	1,607,408
(b) Total Increase		-6.24%
(c) Number of Years		10.00
(d) Average Annual Rate		-0.64%

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.



Jason L. Franken, FSA, EA, MAAA  
Enrolled Actuary #14-6888

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, 2015	\$8,204,440
(2) Sponsor Normal Cost developed as of October 1, 2015	295,842
(3) Expected administrative expenses for the year ended September 30, 2016	32,924
(4) Expected interest on (1), (2) and (3)	681,340
(5) Sponsor contributions to the System during the year ended September 30, 2016	1,090,290
(6) Expected interest on (5)	36,285
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2016 (1)+(2)+(3)+(4)-(5)-(6)	8,087,971
(8) Change to UAAL due to Assumption Change	1,761,146
(9) Change to UAAL due to Actuarial (Gain)/Loss	(863,241)
(10) Unfunded Actuarial Accrued Liability as of October 1, 2016	8,985,876

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2016 Amount</u>	<u>Amortization Amount</u>
Benefit Improv.	10/1/2002	16	\$503,745	\$51,261
Benefit Improv.	10/1/2005	19	937,228	87,542
Actuarial Loss	10/1/2006	20	1,027,485	93,757
Method Change	10/1/2006	20	533,816	48,710
Actuarial Loss	10/1/2007	21	205,778	18,382
Benefit Improv.	10/1/2007	21	1,848,963	165,167
Benefit Improv.	10/1/2007	21	2,999,834	267,974
Actuarial Loss	10/1/2008	21	2,444,446	218,362
Method Change	10/1/2008	21	(148,572)	(13,272)
Actuarial Gain	10/1/2009	21	(882,478)	(78,831)
Assump Change	10/1/2009	21	309,028	27,605
Actuarial Loss	10/1/2010	21	506,596	45,254
Method Change	10/1/2010	21	(32,912)	(2,940)
Actuarial Gain	10/1/2011	21	(206,604)	(18,456)
Actuarial Gain	10/1/2012	21	(134,449)	(12,010)
Benefit Improv.	10/1/2012	21	657,321	58,718
Actuarial Gain	10/1/2013	22	(372,786)	(32,662)
Actuarial Gain	10/1/2014	23	(1,815,631)	(156,288)
Actuarial Gain	10/1/2015	24	(267,080)	(22,621)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2016 <u>Amount</u>	Amortization <u>Amount</u>
Assump Change	10/1/2015	24	(25,757)	(2,182)
Assump Change	10/1/2016	25	1,761,146	146,971
Actuarial Gain	10/1/2016	25	<u>(863,241)</u>	<u>(72,039)</u>
			8,985,876	818,402

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2015	\$8,204,440
(2) Expected UAAL as of October 1, 2016	8,087,971
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	37,777
Salary Increases	(385,329)
Active Decrements	(510,339)
Inactive Mortality	23,199
Other	<u>(28,549)</u>
Increase in UAAL due to (Gain)/Loss	(863,241)
Assumption Changes	<u>1,761,146</u>
(4) Actual UAAL as of October 1, 2016	\$8,985,876

## ACTUARIAL ASSUMPTIONS AND METHODS

### Mortality Rate

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

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

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

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

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

Previously, the RP 2000 Combined Healthy – Sex Distinct with disabled lives set forward 5 years was utilized.

### Interest Rate

7.5% per year (prior year 8.0%) compounded annually, net of investment related expenses. This assumption is supported by the Plan's target asset allocation and expected long-term rate of return by asset class.

### Retirement Age

Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age (Age 52 with 25 years of Credited Service for Members hired on or after October 1, 2012). Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption is reasonable based on plan provisions.

### Early Retirement

Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption is reasonable based on plan provisions.

### Disability Rate

See table on following page (1201). It is assumed that 75% of disablements are service related. This assumption is based on assumptions used for other plans containing municipal firefighters.

Termination Rate

See table on following page (1302). This assumption is based on assumptions used for other plans containing municipal firefighters.

Salary Increases

Credited Service	Salary Increase
0	10.0%
1	9.0%
2	8.0%
3	7.5%
4	7.0%
5	6.5%
6	6.0%
7	5.5%
8	5.0%
9	4.5%
10+	4.0%

This assumption is based on the results of an experience study dated August 28, 2015.

Administrative Expenses

\$25,310, based on administrative expenses incurred during the prior fiscal year.

Payroll Increase

None.

Funding Method

Entry Age Normal Actuarial Cost Method

Actuarial Asset Method

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>
20	0.03%	6.0%
30	0.04%	5.0%
40	0.07%	2.6%
50	0.18%	0.8%

## VALUATION NOTES

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

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

Normal (Current Year's) Cost is determined for each participant as the present value of future benefits, determined as of the member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost Method (Level Percent of Compensation) 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.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

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.

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2016

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	491,700.65	491,700.65
Cash	21,336.34	21,336.34
Total Cash and Equivalents	513,036.99	513,036.99
Receivables:		
Investment Income	8,384.76	8,384.76
Total Receivable	8,384.76	8,384.76
Investments:		
Mutual Funds:		
Fixed Income	4,698,573.80	4,755,471.72
Equity	9,035,868.66	8,961,605.37
Pooled/Common/Commingled Funds:		
Real Estate	1,425,701.59	1,428,677.36
Total Investments	15,160,144.05	15,145,754.45
Total Assets	15,681,565.80	15,667,176.20
<u>LIABILITIES</u>		
Payables:		
Investment Expenses	7,009.52	7,009.52
Administrative Expenses	18,387.76	18,387.76
Prepaid District Contribution	39,961.90	39,961.90
Total Liabilities	65,359.18	65,359.18
NET POSITION RESTRICTED FOR PENSIONS	15,616,206.62	15,601,817.02

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

ADDITIONS

Contributions:		
Member		107,918.03
District		796,722.20
State		293,567.31
Total Contributions		1,198,207.54
Investment Income:		
Net Realized Gain (Loss)	1,869,738.39	
Unrealized Gain (Loss)	(902,072.36)	
Net Increase in Fair Value of Investments		967,666.03
Interest & Dividends		567,866.60
Less Investment Expense <sup>1</sup>		(53,097.49)
Net Investment Income		1,482,435.14
Total Additions		2,680,642.68

DEDUCTIONS

Distributions to Members:		
Benefit Payments		700,129.78
Lump Sum DROP Distributions		277,704.72
Refunds of Member Contributions		0.00
Total Distributions		977,834.50
Administrative Expense		25,310.14
Total Deductions		1,003,144.64
Net Increase in Net Position		1,677,498.04
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		13,924,318.98
End of the Year		15,601,817.02

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION  
September 30, 2016

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2016	2017	2018	2019	2020
09/30/2012	1,006,999	0	0	0	0	0
09/30/2013	243,204	48,640	0	0	0	0
09/30/2014	519,012	207,605	103,804	0	0	0
09/30/2015	(1,940,329)	(1,164,197)	(776,132)	(388,065)	0	0
09/30/2016	359,088	287,270	215,453	143,635	71,816	0
<b>Total</b>		<b>(620,682)</b>	<b>(456,875)</b>	<b>(244,430)</b>	<b>71,816</b>	<b>0</b>

<u>Development of Investment Gain/Loss</u>	
Market Value of Assets 10/01/2015	13,924,319
Contributions Less Benefit Payments & Admin Expenses	235,025
Expected Investment Earnings	1,123,347
Actual Net Investment Earnings	1,482,435
2016 Actuarial Investment Gain/(Loss)	<u>359,088</u>

\*Expected Investment Earnings = 0.08 \* (13,924,319 + 0.5 \* 235,025)

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2016	15,601,817
(2) Gains/(Losses) Not Yet Recognized	(620,682)
(3) Actuarial Value of Assets, 09/30/2016, (1) - (2)	<u>16,222,499</u>
(A) 09/30/2015 Actuarial Assets:	14,866,493
(I) Net Investment Income:	
1. Interest and Dividends	567,867
2. Realized Gains (Losses)	1,869,738
3. Change in Actuarial Value	(1,223,564)
4. Investment Expenses	(53,097)
Total	<u>1,160,943</u>
(B) 09/30/2016 Actuarial Assets, including Prepaid Contribution:	16,262,461
Actuarial Assets Rate of Return = 2I/(A+B-I):	7.75%
Market Value of Assets Rate of Return:	10.74%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(37,777)
10/01/2016 Limited Actuarial Assets:	16,222,499

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

REVENUES

Contributions:		
Member	107,918.03	
District	796,722.20	
State	293,567.31	
 Total Contributions		 1,198,207.54
Earnings from Investments:		
Interest & Dividends	567,866.60	
Miscellaneous Income	0.00	
Net Realized Gain (Loss)	1,869,738.39	
Change in Actuarial Value	(1,223,564.36)	
 Total Earnings and Investment Gains		 1,214,040.63

EXPENDITURES

Distributions to Members:		
Benefit Payments	700,129.78	
Lump Sum DROP Distributions	277,704.72	
Refunds of Member Contributions	0.00	
 Total Distributions		 977,834.50
Expenses:		
Investment related <sup>1</sup>	53,097.49	
Administrative	25,310.14	
 Total Expenses		 78,407.63
 Change in Net Assets for the Year		 1,356,006.04
 Net Assets Beginning of the Year		 14,866,492.98
 Net Assets End of the Year <sup>2</sup>		 16,222,499.02

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup>Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY  
October 1, 2015 to September 30, 2016

Beginning of the Year Balance	617,131.77
Plus Additions	169,537.07
Investment Return Earned	28,100.25
Less Distributions	(277,704.72)
End of the Year Balance	537,064.37

RECONCILIATION OF DISTRICT'S SHORTFALL/(PREPAID) CONTRIBUTION  
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2016

(1)	Total Required Contribution Rate	75.5%
(2)	Pensionable Payroll Derived from Member Contributions	\$1,587,029.85
(3)	Total Required Contribution (1) x (2)	1,198,207.54
(4)	Less Actual Member Contributions	(107,918.03)
(5)	Less Allowable State Contribution	<u>(293,567.31)</u>
(6)	Equals Required District Contribution for Fiscal 2016	796,722.20
(7)	Less 2015 Prepaid Contribution	0.00
(8)	Less Actual District Contributions	<u>(836,684.10)</u>
(9)	Equals District's Shortfall/(Prepaid) Contribution as of September 30, 2016	(\$39,961.90)

STATISTICAL DATA <sup>1</sup>

	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>	<u>10/1/2016</u>
<u>Actives</u>				
Number	33	26	25	25
Average Current Age	39.6	40.4	40.2	40.3
Average Age at Employment	26.9	26.8	27.2	27.4
Average Past Service	12.7	13.6	13.0	12.9
Average Annual Salary	\$65,282	\$64,722	\$63,168	\$60,282
<u>Service Retirees</u>				
Number	7	7	9	10
Average Current Age	N/A	N/A	55.3	56.8
Average Annual Benefit	\$78,051	\$79,930	\$71,101	\$70,483
<u>DROP Retirees</u>				
Number	3	3	4	3
Average Current Age	N/A	N/A	49.4	46.8
Average Annual Benefit	\$54,355	\$54,355	\$53,866	\$56,223
<u>Beneficiaries</u>				
Number	0	0	0	1
Average Current Age	N/A	N/A	N/A	52.4
Average Annual Benefit	N/A	N/A	N/A	\$56,617
<u>Disability Retirees</u>				
Number	1	1	1	1
Average Current Age	N/A	N/A	51.9	52.9
Average Annual Benefit	\$14,297	\$14,297	\$14,297	\$14,297
<u>Terminated Vested</u>				
Number	0	8	6	7
Average Current Age	N/A	N/A	37.7	38.1
Average Annual Benefit	N/A	\$26,252	\$23,820	\$22,161

<sup>1</sup> Prior to 10/1/2015, averages were salary weighted.

## AGE AND SERVICE DISTRIBUTION

### PAST SERVICE

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

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2015	25
b. Terminations	
i. Vested (partial or full) with deferred benefits	(1)
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	(1)
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	23
h. New entrants	<u>2</u>
i. Total active life participants in valuation	25

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	9	4	0	1	6	20
Retired	1	(1)	0	0	0	0
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	1	1
Death, With Survivor	0	0	1	0	0	1
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	10	3	1	1	7	22

SUMMARY OF PLAN PROVISIONS  
(Through Resolution No. 13-08)

<u>Eligibility</u>	Full-time employees who are classified as full-time certified firefighters participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the District as a Firefighter.
<u>Salary</u>	Base pay, plus state supplemental education pay, plus EMT and Paramedic educational differential pay.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	6.8% of Salary.
<u>District and State Contributions</u>	Remaining amount required in order to pay current costs and amortize any unfunded past service cost as provided in Part VII of Chapter 112, F.S.
 <u>Normal Retirement</u>	
Date	Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age.  Members hired on or after October 1, 2012 become eligible following the earlier of 1) Age 55 with 10 years of Credited Service or 2) Age 52 with 25 years of Credited Service.
Benefit	3.5% of Average Final Compensation <u>times</u> Credited Service (2.5% if hired on or after October 1, 2012)
Form of Benefit	Ten Year Certain and Life Annuity (options available).
 <u>Early Retirement</u>	
Eligibility	Age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% for each year prior to Normal Retirement.

Cost-of-Living Adjustment

Service retirees on and after 10/1/02 (hired before 10/1/12) receive annual 2% increases beginning the October 1 following one full year of retirement. Members hired on and after 10/1/12 are not eligible for the cost-of-living adjustment.

Vesting

Schedule

100% after 7 years of contributing service if hired before 10/1/12. Members hired on and after 10/1/12 are 100% vested after 10 years.

Benefit Amount

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

Disability

Eligibility

Service Incurred

Covered from Date of Employment.

Non-Service Incurred

10 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 but not less than 42% of Average Final Compensation (if Service Incurred).

Duration

Payable for life and ten years certain or until recovery (as determined by the Board). Options available.

Death Benefits

Pre-Retirement

Vested

Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested

Refund of accumulated contributions without interest.

Post-Retirement

Benefits payable to beneficiary in accordance with option selected at retirement.

Board of Trustees

Two District appointees, two Members of the Department elected by the membership, and a fifth Member elected by other 4 and appointed by the District.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.
Rate of Return	At Member's election:  (1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or  (2) 6.5% per annum compounded monthly.  Members may elect to change form of return one time.
Form of Distribution	Cash lump sum (options available) at termination of employment.

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2016

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	491,701
Cash	21,336
Total Cash and Equivalents	513,037
Receivables:	
Investment Income	8,385
Total Receivable	8,385
Investments:	
Mutual Funds:	
Fixed Income	4,755,472
Equity	8,961,605
Pooled/Common/Commingled Funds:	
Real Estate	1,428,677
Total Investments	15,145,754
Total Assets	15,667,176
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	7,009
Administrative Expenses	18,388
Total Liabilities	25,397
NET POSITION RESTRICTED FOR PENSIONS	15,641,779

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

ADDITIONS

## Contributions:

Member	107,918	
District	836,684	
State	293,567	
 Total Contributions		 1,238,169
 Investment Income:		
Net Increase in Fair Value of Investments	967,666	
Interest & Dividends	567,867	
Less Investment Expense <sup>1</sup>	(53,097)	
 Net Investment Income		 1,482,436
 Total Additions		 2,720,605

DEDUCTIONS

## Distributions to Members:

Benefit Payments	700,130	
Lump Sum DROP Distributions	277,705	
Refunds of Member Contributions	0	
 Total Distributions		 977,835
 Administrative Expense		 25,310
 Total Deductions		 1,003,145
 Net Increase in Net Position		 1,717,460
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		13,924,319
 End of the Year		 15,641,779

<sup>1</sup>Investment 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 District appointees, two Members of the Department elected by the membership, and a fifth Member elected by other four and appointed by the District.

*Plan Membership as of October 1, 2015:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	14
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	6
Active Plan Members	25
	45

*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) 20 Years of Credited Service regardless of age.  
Benefit: 3.5% of Average Final Compensation times Credited Service (2.5% if hired on or after October 1, 2012).

Early Retirement:

Eligibility: Age 50 and 10 Years of Credited Service.  
Benefit: Accrued benefit, reduced 3% for each year prior to Normal Retirement.

Cost-of-Living Adjustment:

Service retirees on and after 10/1/02 (hired before 10/1/12) receive annual 2% increases beginning the October 1 following one full year of retirement. Members hired on and after 10/1/12 are not eligible for the cost-of-living adjustment.

Vesting (Termination):

Schedule: 100% after 7 years of contributing service if hired before 10/1/12, Members hired on and after 10/1/12 are 100% vested after 10 years.  
Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise 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 (if Service Incurred).

Pre-Retirement Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.  
Non-Vested: Refund of accumulated contributions without interest.

*Contributions*

Member Contributions: 6.8% of Salary.  
District and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

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	50%
International Equity	10%
Broad Market Fixed Income	25%
Global Fixed Income	5%
Real Estate	10%
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, 2016, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 10.74 percent.

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

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: At Member's election:

- (1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or
- (2) 6.5% per annum compounded monthly.

Members may elect to change form of return one time.

The DROP balance as September 30, 2016 is \$537,064.

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	\$ 25,939,514
Plan Fiduciary Net Position	<u>\$ (15,641,779)</u>
Sponsor's Net Pension Liability	<u>\$ 10,297,735</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	60.30%

*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	Service based
Discount Rate	7.50%
Investment Rate of Return	7.50%

*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 28, 2015.

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:

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

## GASB 67

### Discount Rate:

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

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Sponsor's Net Pension Liability	\$ 13,847,413	\$ 10,297,735	\$ 7,417,879

**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	412,422	540,120
Interest	1,854,384	1,893,391
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(240,493)	(1,748,273)
Changes of assumptions	1,634,737	(256,184)
Benefit Payments, including Refunds of Employee Contributions	<u>(977,835)</u>	<u>(600,036)</u>
Net Change in Total Pension Liability	2,683,215	(170,982)
Total Pension Liability - Beginning	<u>23,256,299</u>	<u>23,427,281</u>
Total Pension Liability - Ending (a)	<u>\$ 25,939,514</u>	<u>\$ 23,256,299</u>
Plan Fiduciary Net Position		
Contributions - Employer	836,684	687,531
Contributions - State	293,567	371,910
Contributions - Employee	107,918	104,560
Net Investment Income	1,482,436	(784,838)
Benefit Payments, including Refunds of Employee Contributions	(977,835)	(600,036)
Administrative Expense	<u>(25,310)</u>	<u>(32,924)</u>
Net Change in Plan Fiduciary Net Position	1,717,460	(253,797)
Plan Fiduciary Net Position - Beginning	<u>13,924,319</u>	<u>14,178,116</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 15,641,779</u>	<u>\$ 13,924,319</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 10,297,735</u>	<u>\$ 9,331,980</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	60.30%	59.87%
Covered Employee Payroll	\$ 1,587,030	\$ 1,537,650
Net Pension Liability as a percentage of Covered Employee Payroll	648.87%	606.90%

**Notes to Schedule:***Changes of assumptions:*

For measurement date 09/30/2016, amounts reported as changes of assumptions resulted from the following changes:

- The investment return assumption was reduced from 8.00% to 7.50%.
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables used by the Florida Retirement System for special risk employees.

For measurement date 09/30/2015, amounts reported as changes of assumptions were in conjunction with the August 28, 2015 experience study, the Board adopted the following assumption changes:

- Salary Increases change from 7.5% per year to a table based on service that grades down from 10% to 4%.
- Mortality Rates change from the RP 2000 table with no-projection for healthy lives to the RP-2000 table projected with scale BB through 2015 (disabled lives are set forward 5 years).

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	702,391	650,362
Interest	1,756,834	1,616,439
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(579,955)</u>	<u>(547,818)</u>
Net Change in Total Pension Liability	1,879,270	1,718,983
Total Pension Liability - Beginning	<u>21,548,011</u>	<u>19,829,028</u>
Total Pension Liability - Ending (a)	<u><u>\$ 23,427,281</u></u>	<u><u>\$ 21,548,011</u></u>
 Plan Fiduciary Net Position		
Contributions - Employer	697,413	882,319
Contributions - State	326,318	342,803
Contributions - Employee	126,109	141,681
Net Investment Income	1,510,241	1,092,797
Benefit Payments, including Refunds of Employee Contributions	(579,955)	(547,818)
Administrative Expense	<u>(14,883)</u>	<u>(18,656)</u>
Net Change in Plan Fiduciary Net Position	2,065,243	1,893,126
Plan Fiduciary Net Position - Beginning	<u>12,112,873</u>	<u>10,219,747</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 14,178,116</u></u>	<u><u>\$ 12,112,873</u></u>
 Net Pension Liability - Ending (a) - (b)	<u><u>\$ 9,249,165</u></u>	<u><u>\$ 9,435,138</u></u>
 Plan Fiduciary Net Position as a percentage of the Total Pension Liability	60.52%	56.21%
 Covered Employee Payroll	\$ 1,854,542	\$ 2,083,542
Net Pension Liability as a percentage of Covered Employee Payroll	498.73%	452.84%

**SCHEDULE OF CONTRIBUTIONS**  
Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	1,090,290	1,059,441	1,023,707	1,225,122
Contributions in relation to the Actuarially Determined Contributions	1,130,251	1,059,441	1,023,731	1,225,122
Contribution Deficiency (Excess)	\$ (39,961)	\$ -	\$ (24)	\$ -
Covered Employee Payroll	\$ 1,587,030	\$ 1,537,650	\$ 1,854,542	\$ 2,083,542
Contributions as a percentage of Covered Employee Payroll	71.22%	68.90%	55.20%	58.80%

Notes to Schedule

Valuation Date: 10/01/2015  
Actuarially determined contribution rates are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.  
 Amortization Method: Level percentage of pay, closed.  
 Remaining Amortization Period: 25 Years (as of 10/01/2015 Valuation).  
 Mortality: RP-2000 Combined Healthy table projected with Scale BB through the valuation year (disabled lives are set forward 5 years).  
 Interest Rate: 8.0% per year compounded annually, net of investment related expenses.  
 Retirement Age: Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age. (Age 52 with 25 years of Credited Service for Members hired on or after October 1, 2012). Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.  
 Early Retirement: Commencing with the earliest Early Retirement Age (50), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.  
 Disability Rates: See Table on following page (1201). It is assumed that 75% of disablements are service related.  
 Termination Rates: See Table on following page (1302).  
 Salary Increases:

Credited Service	Salary Increase
0	10.00%
1	9.00%
2	8.00%
3	7.50%
4	7.00%
5	6.50%
6	6.00%
7	5.50%
8	5.00%
9	4.50%
10+	4.00%

Payroll Increase: 1.0% per year.  
 Actuarial Asset Method: All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

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Termination and Disability Rate Tables:

Age	% Becoming Disabled During the Year	% Terminating During the Year
20	0.03%	6.00%
30	0.04%	5.00%
40	0.07%	2.60%
50	0.18%	0.80%

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	10.74%	-5.49%	12.26%	10.08%

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 District appointees, two Members of the Department elected by the membership, and a fifth Member elected by other four and appointed by the District.  
Full-time employees who are classified as full-time certified firefighters participate in the System as a condition of employment.

*Plan Membership as of October 1, 2015:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	14
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	6
Active Plan Members	25
	45

*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) 20 Years of Credited Service regardless of age.

Benefit: 3.5% of Average Final Compensation times Credited Service (2.5% if hired on or after October 1, 2012).

Early Retirement:

Eligibility: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% for each year prior to Normal Retirement.

Cost-of-Living Adjustment:

Service retirees on and after 10/1/02 (hired before 10/1/12) receive annual 2% increases beginning the October 1 following one full year of retirement. Members hired on and after 10/1/12 are not eligible for the cost-of-living adjustment.

Vesting (Termination):

Schedule: 100% after 7 years of contributing service if hired before 10/1/12, Members hired on and after 10/1/12 are 100% vested after 10 years.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise 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 (if Service Incurred).

Pre-Retirement Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested: Refund of accumulated contributions without interest.

*Contributions*

Member Contributions: 6.8% of Salary.

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

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	Service based
Discount Rate	7.50%
Investment Rate of Return	7.50%

*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 28, 2015.

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	50%	7.5%
International Equity	10%	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 7.50 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate.

Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current Plan Members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting period ending at September 30, 2016	\$ 23,256,299	\$ 13,924,319	\$ 9,331,980
Changes for a Year:			
Service Cost	412,422	-	412,422
Interest	1,854,384	-	1,854,384
Differences between Expected and Actual Experience	(240,493)	-	(240,493)
Changes of assumptions	1,634,737	-	1,634,737
Changes of benefit terms	-	-	-
Contributions - Employer	-	836,684	(836,684)
Contributions - State	-	293,567	(293,567)
Contributions - Employee	-	107,918	(107,918)
Net Investment Income	-	1,482,436	(1,482,436)
Benefit Payments, including Refunds of Employee Contributions	(977,835)	(977,835)	-
Administrative Expense	-	(25,310)	25,310
Net Changes	2,683,215	1,717,460	965,755
Reporting period ending at September 30, 2017	\$ 25,939,514	\$ 15,641,779	\$ 10,297,735

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability	\$ 13,847,413	\$ 10,297,735	\$ 7,417,879

*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 will recognize a Pension Expense of \$989,531.

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	-	1,311,204
Changes of assumptions	-	192,138
Net difference between Projected and Actual Earnings on Pension Plan investments	1,240,858	-
Employer and State contributions subsequent to the measurement date	1,130,251	-
<b>Total</b>	<b>\$ 2,371,109</b>	<b>\$ 1,503,342</b>

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, 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	\$ (216,850)
2018	\$ (216,850)
2019	\$ (216,850)
2020	\$ 388,066
2021	\$ -
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 \$1,120,745.

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	-	1,054,505
Changes of assumptions	1,226,052	128,092
Net difference between Projected and Actual Earnings on Pension Plan investments	669,322	-
Employer and State contributions subsequent to the measurement date	TBD	-
<b>Total</b>	<b>TBD</b>	<b>\$ 1,182,597</b>

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	\$	59,893
2019	\$	59,893
2020	\$	664,809
2021	\$	(71,818)
2022	\$	-
Thereafter	\$	-

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending	09/30/2017	09/30/2016	09/30/2015
Measurement Date	09/30/2016	09/30/2015	09/30/2014
Total Pension Liability			
Service Cost	412,422	540,120	702,391
Interest	1,854,384	1,893,391	1,756,834
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(240,493)	(1,748,273)	-
Changes of assumptions	1,634,737	(256,184)	-
Benefit Payments, including Refunds of Employee Contributions	(977,835)	(600,036)	(579,955)
Net Change in Total Pension Liability	2,683,215	(170,982)	1,879,270
Total Pension Liability - Beginning	23,256,299	23,427,281	21,548,011
Total Pension Liability - Ending (a)	<u>\$ 25,939,514</u>	<u>\$ 23,256,299</u>	<u>\$ 23,427,281</u>
Plan Fiduciary Net Position			
Contributions - Employer	836,684	687,531	697,413
Contributions - State	293,567	371,910	326,318
Contributions - Employee	107,918	104,560	126,109
Net Investment Income	1,482,436	(784,838)	1,510,241
Benefit Payments, including Refunds of Employee Contributions	(977,835)	(600,036)	(579,955)
Administrative Expense	(25,310)	(32,924)	(14,883)
Net Change in Plan Fiduciary Net Position	1,717,460	(253,797)	2,065,243
Plan Fiduciary Net Position - Beginning	13,924,319	14,178,116	12,112,873
Plan Fiduciary Net Position - Ending (b)	<u>\$ 15,641,779</u>	<u>\$ 13,924,319</u>	<u>\$ 14,178,116</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 10,297,735</u>	<u>\$ 9,331,980</u>	<u>\$ 9,249,165</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	60.30%	59.87%	60.52%
Covered Employee Payroll	\$ 1,587,030	\$ 1,537,650	\$ 1,854,542
Net Pension Liability as a percentage of Covered Employee Payroll	648.87%	606.90%	498.73%

**Notes to Schedule:***Changes of assumptions:*

For measurement date 09/30/2016, amounts reported as changes of assumptions resulted from the following changes:

- The investment return assumption was reduced from 8.00% to 7.50%.
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables used by the Florida Retirement System for special risk employees.

For measurement date 09/30/2015, amounts reported as changes of assumptions were in conjunction with the August 28, 2015 experience study, the Board adopted the following assumption changes:

- Salary Increases change from 7.5% per year to a table based on service that grades down from 10% to 4%.
- Mortality Rates change from the RP 2000 table with no-projection for healthy lives to the RP-2000 table projected with scale BB through 2015 (disabled lives are set forward 5 years).

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	702,391	650,362
Interest	1,756,834	1,616,439
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(579,955)</u>	<u>(547,818)</u>
Net Change in Total Pension Liability	1,879,270	1,718,983
Total Pension Liability - Beginning	<u>21,548,011</u>	<u>19,829,028</u>
Total Pension Liability - Ending (a)	<u><u>\$ 23,427,281</u></u>	<u><u>\$ 21,548,011</u></u>
Plan Fiduciary Net Position		
Contributions - Employer	697,413	882,319
Contributions - State	326,318	342,803
Contributions - Employee	126,109	141,681
Net Investment Income	1,510,241	1,092,797
Benefit Payments, including Refunds of Employee Contributions	(579,955)	(547,818)
Administrative Expense	<u>(14,883)</u>	<u>(18,656)</u>
Net Change in Plan Fiduciary Net Position	2,065,243	1,893,126
Plan Fiduciary Net Position - Beginning	<u>12,112,873</u>	<u>10,219,747</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 14,178,116</u></u>	<u><u>\$ 12,112,873</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 9,249,165</u></u>	<u><u>\$ 9,435,138</u></u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	60.52%	56.21%
Covered Employee Payroll	\$ 1,854,542	\$ 2,083,542
Net Pension Liability as a percentage of Covered Employee Payroll	498.73%	452.84%

**SCHEDULE OF CONTRIBUTIONS**  
Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	1,090,290	1,059,441	1,023,707	1,225,122
Contributions in relation to the				
Actuarially Determined Contributions	1,130,251	1,059,441	1,023,731	1,225,122
Contribution Deficiency (Excess)	\$ (39,961)	\$ -	\$ (24)	\$ -
Covered Employee Payroll	\$ 1,587,030	\$ 1,537,650	\$ 1,854,542	\$ 2,083,542
Contributions as a percentage of				
Covered Employee Payroll	71.22%	68.90%	55.20%	58.80%

Notes to Schedule

Valuation Date: 10/01/2015

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

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Actuarial Cost Method.																								
Amortization Method:	Level percentage of pay, closed.																								
Remaining Amortization Period:	25 Years (as of 10/01/2015 Valuation).																								
Mortality:	RP-2000 Combined Healthy table projected with Scale BB through the valuation year (disabled lives are set forward 5 years).																								
Interest Rate:	8.0% per year compounded annually, net of investment related expenses.																								
Retirement Age:	Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age. (Age 52 with 25 years of Credited Service for Members hired on or after October 1, 2012). Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.																								
Early Retirement:	Commencing with the earliest Early Retirement Age (50), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.																								
Disability Rates:	See Table on following page (1201). It is assumed that 75% of disablements are service related.																								
Termination Rates:	See Table on following page (1302).																								
Salary Increases:	<table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;">Credited Service</th> <th style="text-align: center;">Salary Increase</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">0</td><td style="text-align: center;">10.00%</td></tr> <tr><td style="text-align: center;">1</td><td style="text-align: center;">9.00%</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">8.00%</td></tr> <tr><td style="text-align: center;">3</td><td style="text-align: center;">7.50%</td></tr> <tr><td style="text-align: center;">4</td><td style="text-align: center;">7.00%</td></tr> <tr><td style="text-align: center;">5</td><td style="text-align: center;">6.50%</td></tr> <tr><td style="text-align: center;">6</td><td style="text-align: center;">6.00%</td></tr> <tr><td style="text-align: center;">7</td><td style="text-align: center;">5.50%</td></tr> <tr><td style="text-align: center;">8</td><td style="text-align: center;">5.00%</td></tr> <tr><td style="text-align: center;">9</td><td style="text-align: center;">4.50%</td></tr> <tr><td style="text-align: center;">10+</td><td style="text-align: center;">4.00%</td></tr> </tbody> </table>	Credited Service	Salary Increase	0	10.00%	1	9.00%	2	8.00%	3	7.50%	4	7.00%	5	6.50%	6	6.00%	7	5.50%	8	5.00%	9	4.50%	10+	4.00%
Credited Service	Salary Increase																								
0	10.00%																								
1	9.00%																								
2	8.00%																								
3	7.50%																								
4	7.00%																								
5	6.50%																								
6	6.00%																								
7	5.50%																								
8	5.00%																								
9	4.50%																								
10+	4.00%																								
Payroll Increase:	1.0% per year.																								

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Actuarial Asset Method:

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

Termination and Disability Rate Tables:

Age	% Becoming Disabled During the Year	% Terminating During the Year
20	0.03%	6.00%
30	0.04%	5.00%
40	0.07%	2.60%
50	0.18%	0.80%

FINAL COMPONENTS OF PENSION EXPENSE  
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 9,249,165	\$ 415,209	\$ 1,059,441	\$ -
Employer and State Contributions made after 09/30/2015	-	-	1,130,251	-
Total Pension Liability Factors:				
Service Cost	540,120	-	-	540,120
Interest	1,893,391	-	-	1,893,391
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(1,748,273)	1,748,273	-	-
Current year amortization of experience difference	-	(437,069)	-	(437,069)
Change in assumptions about future economic or demographic factors or other inputs	(256,184)	256,184	-	-
Current year amortization of change in assumptions	-	(64,046)	-	(64,046)
Benefit Payments	(600,036)	-	-	(600,036)
Net change	<u>(170,982)</u>	<u>1,503,342</u>	<u>1,130,251</u>	<u>1,332,360</u>
Plan Fiduciary Net Position:				
Contributions - Employer	687,531	-	(687,531)	-
Contributions - State	371,910	-	(371,910)	-
Contributions - Employee	104,560	-	-	(104,560)
Net Investment Income	1,155,491	-	-	(1,155,491)
Difference between projected and actual earnings on Pension Plan investments	(1,940,329)	-	1,940,329	-
Current year amortization	-	(103,803)	(388,065)	284,262
Benefit Payments	(600,036)	-	-	600,036
Administrative Expenses	(32,924)	-	-	32,924
Net change	<u>(253,797)</u>	<u>(103,803)</u>	<u>492,823</u>	<u>(342,829)</u>
Ending Balance	<u>\$ 9,331,980</u>	<u>\$ 1,814,748</u>	<u>\$ 2,682,515</u>	<u>\$ 989,531</u>

**PRELIMINARY COMPONENTS OF PENSION EXPENSE**  
**FISCAL YEAR SEPTEMBER 30, 2017**

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 9,331,980	\$ 1,814,748	\$ 2,682,515	\$ -
Employer and State Contributions made after 09/30/2016	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	412,422	-	-	412,422
Interest	1,854,384	-	-	1,854,384
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(240,493)	240,493	-	-
Current year amortization of experience difference	-	(497,192)	-	(497,192)
Change in assumptions about future economic or demographic factors or other inputs	1,634,737	-	1,634,737	-
Current year amortization of change in assumptions	-	(64,046)	(408,685)	344,639
Benefit Payments	(977,835)	-	-	(977,835)
Net change	<u>2,683,215</u>	<u>(320,745)</u>	<u>1,226,052</u>	<u>1,136,418</u>
Plan Fiduciary Net Position:				
Contributions - Employer	836,684	-	(836,684)	-
Contributions - State	293,567	-	(293,567)	-
Contributions - Employee	107,918	-	-	(107,918)
Net Investment Income	1,123,346	-	-	(1,123,346)
Difference between projected and actual earnings on Pension Plan investments	359,090	359,090	-	-
Current year amortization	-	(175,620)	(388,066)	212,446
Benefit Payments	(977,835)	-	-	977,835
Administrative Expenses	(25,310)	-	-	25,310
Net change	<u>1,717,460</u>	<u>183,470</u>	<u>(1,518,317)</u>	<u>(15,673)</u>
Ending Balance	<u>\$ 10,297,735</u>	<u>\$ 1,677,473</u>	<u>TBD</u>	<u>\$ 1,120,745</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)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ (519,011)	5	\$ (103,802)	\$ (103,803)	\$ (103,802)	\$ (103,802)	\$ (103,802)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 1,940,329	5	\$ -	\$ 388,065	\$ 388,066	\$ 388,066	\$ 388,066	\$ 388,066	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (359,090)	5	\$ -	\$ -	\$ (71,818)	\$ (71,818)	\$ (71,818)	\$ (71,818)	\$ (71,818)	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (103,802)	\$ 284,262	\$ 212,446	\$ 212,446	\$ 212,446	\$ 316,248	\$ (71,818)	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ -	6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ (256,184)	4	\$ -	\$ (64,046)	\$ (64,046)	\$ (64,046)	\$ (64,046)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 1,634,737	4	\$ -	\$ -	\$ 408,685	\$ 408,684	\$ 408,684	\$ 408,684	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ -	\$ (64,046)	\$ 344,639	\$ 344,638	\$ 344,638	\$ 408,684	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ -	6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ (1,748,273)	4	\$ -	\$ (437,069)	\$ (437,068)	\$ (437,068)	\$ (437,068)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (240,493)	4	\$ -	\$ -	\$ (60,124)	\$ (60,123)	\$ (60,123)	\$ (60,123)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ -	\$ (437,069)	\$ (497,192)	\$ (497,191)	\$ (497,191)	\$ (60,123)	\$ -	\$ -	\$ -	\$ -	\$ -