

CITY OF LEESBURG
RETIREMENT PLAN FOR GENERAL EMPLOYEES

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2015

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



November 30, 2015

Board of Trustees

Re: City of Leesburg
Retirement Plan for General Employees

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Leesburg Retirement Plan for General Employees. 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(s). Please note that this valuation may not be applicable for any other purposes.

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

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

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial

opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

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

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

Respectfully submitted,

Foster & Foster, Inc.

By:



Patrick T. Donlan, M.A.A.A., A.S.A.
Enrolled Actuary #14-6595

PTD\lke
Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Leesburg Retirement Plan for General Employees, performed as of October 1, 2015, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2017.

The funding requirements, compared with the amounts developed in the October 1, 2014 actuarial valuation report, are as follows:

Valuation Date	10/1/2014	10/1/2015
Applicable Plan/Fiscal Year End	<u>9/30/2016</u>	<u>9/30/2017</u>
Total Required Contribution	\$1,166,446	\$1,010,847
Valuation Date	10/1/2016	10/1/2017
Applicable Plan/Fiscal Year End	<u>9/30/2018</u>	<u>9/30/2019</u>
<u>Estimated</u> Projected Contribution *	\$1,023,847	\$1,063,847

* Because the Board utilizes use a 4-year smoothing technique on the Actuarial Value of Assets, it is likely that there will be investment losses relative to the assumption during the next three years. Please see Page 21. If the Fund earns 7.50% for each of fiscal 2016, 2017, and 2018, then the rounded 4-year rolling averages would be 7.20%, 6.60% and 5.96% for each of those respective years. Because the 4-year rolling averages are what is used in the valuations, this would produce investment losses (relative to the 7.50% assumption) of approximately \$99,000, \$298,000 and \$510,000 in the October 1, 2016, October 1, 2017 and October 1, 2018 valuation reports. The 10-year amortizations for these losses would increase the Plan's funding requirements by approximately \$14,000, \$43,000 and \$74,000 respectively. Therefore, at the end of the 3-year period, the funding requirements will be approximately \$131,000 per year higher than they are now based upon the 4-year smoothing of the investment returns. However, when we prepare the October 1, 2018 actuarial valuation report (the final year of the 3-year period) two of the individual Unfunded Actuarial Accrued Liability bases will be paid off, which will have the effect of reducing the City's funding requirements by approximately \$114,000, which would mean the funding requirements would be similar to what they are now. It is very important to point out that turnover, retirements, deaths, etc. influence the actual funding requirements on an annual basis. The projection that the October 1, 2018 valuation will have similar funding requirements to the October 1, 2015 valuation is only resulting

from deferred investment gains and the paying off of two bases and makes the assumption that each of the next 3 years the Fund will experience exactly 7.50% returns.

The pensionable payroll for the fiscal year ended September 30, 2015 for the Members who were active on October 1, 2015 was \$9,770,761. If we assume that that amount would drop by 5.00% each year (when Members retire they are not replaced in the defined benefit plan), then the dollar amounts stated above would represent approximately the following percentages of the pensionable payroll (please note that the dollar amounts shown above are what is legally required. These percentages are shown only for comparative purposes):

Valuation Date	10/1/2014	10/1/2015
Applicable Plan/Fiscal Year End	<u>9/30/2016</u>	<u>9/30/2017</u>
Total Required Contribution	12.56%	11.46%

The approximate total payroll for the City for the fiscal year ended September 30, 2015 is \$17,947,176 (this does not include the fire department). If we assume that this amount would stay the same for next year, then the dollar amounts stated above would represent approximately the following percentages of the total payroll of the City's Police and General Employees (please note that the dollar amounts shown above are what is legally required. These percentages are shown only for comparative purposes):

Valuation Date	10/1/2014	10/1/2015
Applicable Plan/Fiscal Year End	<u>9/30/2016</u>	<u>9/30/2017</u>
Total Recommended Contribution	6.50%	5.63%

Net actuarial experience has been favorable during the past 12 months. The primary sources of favorable experience included an 8.77% investment return (Actuarial Asset Value basis) that exceeded the 7.50% assumption, lower than expected retirements and larger than expected turnover.

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

Respectfully submitted,

FOSTER & FOSTER, INC.

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

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

Plan Changes Since Prior Valuation

There have been no plan changes since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

There have been no changes to the assumptions or methods since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2015</u>	<u>10/1/2014</u>
A. Participant Data		
Number Included		
Actives	204	221
Service Retirees	189	185
Beneficiaries	34	35
Disability Retirees	5	5
Terminated Vested	<u>234</u>	<u>221</u>
Total	666	667
Total Annual Payroll	\$9,770,761	\$10,311,777
Payroll Under Assumed Ret. Age	9,413,583	10,028,148
Annual Rate of Payments to:		
Service Retirees	2,423,192	2,392,116
Beneficiaries	161,195	180,987
Disability Retirees	81,382	81,382
Terminated Vested	1,071,817	1,087,545
B. Assets		
Actuarial Value	35,239,358	33,963,202
Market Value	33,820,101	34,948,909
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	7,607,753	7,183,094
Disability Benefits	1,073,019	1,076,541
Death Benefits	138,653	140,250
Vested Benefits	894,622	1,129,688
Refund of Contributions	0	0
Service Retirees	23,867,042	23,997,638
Beneficiaries	1,307,788	1,351,888
Disability Retirees	573,765	585,511
Terminated Vested	<u>4,116,575</u>	<u>4,235,987</u>
Total	39,579,217	39,700,597

C. Liabilities - (Continued)	<u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	N/A	N/A
Present Value of Future Member Contributions	0	0
Normal Cost (Retirement)	50,632	55,875
Normal Cost (Disability)	22,879	24,833
Normal Cost (Death)	4,590	5,122
Normal Cost (Vesting)	29,417	39,099
Normal Cost (Refunds)	<u>0</u>	<u>0</u>
Total Normal Cost	107,518	124,929
Present Value of Future Normal Costs	407,133	491,494
Accrued Liability (Retirement)	7,411,036	6,954,043
Accrued Liability (Disability)	966,067	952,854
Accrued Liability (Death)	119,122	117,518
Accrued Liability (Vesting)	810,689	1,013,664
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives)	29,865,170	30,171,024
Excess State Monies Reserve	<u>0</u>	<u>0</u>
Total Actuarial Accrued Liability	39,172,084	39,209,103
Unfunded Actuarial Accrued Liability (UAAL)	3,932,726	5,245,901
Funded Ratio (AVA / AL)	90.0%	86.6%
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	29,865,170	30,171,024
Actives	9,131,634	8,772,304
Member Contributions	<u>20,102</u>	<u>20,102</u>
Total	39,016,906	38,963,430
Non-vested Accrued Benefits	<u>562,311</u>	<u>737,168</u>
Total Present Value Accrued Benefits	39,579,217	39,700,598
Funded Ratio (MVA / PVAB)	85.4%	88.0%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	6,242	
Benefits Paid	(2,992,933)	
Interest	2,865,310	
Other	<u>0</u>	
Total	(121,381)	

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

E. Pension Cost

Normal Cost (with interest)	\$115,582	\$134,299
Administrative Expenses (with interest)	79,360	87,169
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 22 years (as of 10/1/2015)	815,905	944,978
Total Required Contribution	1,010,847	1,166,446
Expected Member Contributions	0	0
Expected City Contribution	1,010,847	1,166,446

F. Past Contributions

Plan Years Ending:	<u>9/30/2015</u>
Total Required Contribution	1,435,084
Actual Contributions Made:	
Members (excluding buyback)	0
City	<u>1,435,084</u>
Total	1,435,084

G. Net Actuarial (Gain)/Loss	(435,926)
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H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	3,932,726
2016	3,411,778
2017	2,851,757
2022	1,295,574
2027	209,678
2032	(447,510)
2037	0

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

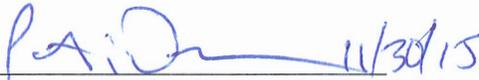
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	N/A	N/A
Year Ended	9/30/2014	N/A	N/A
Year Ended	9/30/2013	N/A	N/A

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	8.77%	7.50%
Year Ended	9/30/2014	8.75%	7.50%
Year Ended	9/30/2013	8.13%	7.50%

STATEMENT BY ENROLLED ACTUARY

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


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

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

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

RECONCILIATION OF CITY'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2015

(1) Required City Contribution for Fiscal 2015	1,435,084.00
(2) Less 2014 Prepaid Contribution	(5,816.22)
(3) Less Actual City Contributions	<u>(1,429,267.78)</u>
(4) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2015	\$0.00

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2014	\$5,245,901
(2) Sponsor Normal Cost developed as of October 1, 2014	124,929
(3) Expected administrative expenses for the year ended September 30, 2015	81,087
(4) Expected interest on (1), (2) and (3)	405,853
(5) Sponsor contributions to the System during the year ended September 30, 2015	1,435,084
(6) Expected interest on (5)	54,034
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	4,368,652
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	(435,926)
(10) Unfunded Accrued Liability as of October 1, 2015	3,932,726

Type of Base	Date Established	Years Remaining	10/1/2015 Amount	Amortization Amount
"A"	10/1/1978	3	\$269,050	\$96,242
"B"	10/1/1990	5	172,569	39,677
"C"	10/1/1991	6	127,840	25,335
"D"	10/1/1993	8	161,552	25,657
"E"	10/1/1995	10	234,724	31,810
"F"	10/1/1999	14	251,772	27,589
"G"	10/1/2000	15	(221,688)	(23,362)
"H"	10/1/2001	16	(2,071,531)	(210,797)
Method Change	10/1/2004	19	(143,161)	(13,372)
Benefit Change	10/1/2005	20	549,898	50,177
Benefit Change	10/1/2006	21	3,146,882	281,110
Method & Assum	10/1/2007	22	3,742,907	327,937
Prior Losses	10/1/2007	13	2,671,235	305,799
Benefit Changes	10/1/2007	22	(8,405,542)	(736,457)
Actuarial Loss	10/1/2008	3	28,149	10,069
Method Change	10/1/2008	13	1,147,288	131,340
Actuarial Loss	10/1/2009	4	669,635	185,983
Assum Change	10/1/2009	14	123,984	13,586
Actuarial Loss	10/1/2010	5	543,630	124,992
Actuarial Loss	10/1/2011	6	1,825,769	361,833
Actuarial Gain	10/1/2012	7	(314,738)	(55,277)
Assumption Change	10/1/2012	17	796,852	78,573
Actuarial Gain	10/1/2013	8	(1,373,310)	(218,103)
Benefit Change	10/1/2013	18	2,114,517	202,657
Actuarial Gain	10/1/2014	9	(1,679,631)	(244,940)
Actuarial Gain	10/1/2015	10	(435,926)	(59,077)
			3,932,726	758,981

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rates RP 2000 Combined Healthy (sex distinct), projected to valuation year using scale AA. Disabled lives set forward 5 years. It is our opinion that this assumption sufficiently accommodates expected future mortality improvements.

Termination Rates See Table on following page. This assumption was adopted by the Board, based on results of the September 3, 2007 Experience Study.

Disability Rates See Table on following page. These rates are similar to those utilized by other municipal General Employee programs.

<u>Retirement Rates</u>	<u>Age</u>	<u>Rate per Year</u>
	50 – 54	2.0%
	55 – 58	20.0%
	59 – 61	20.0%
	62	50.0%
	63 – 64	25.0%
	65	100.0%

This assumption was adopted by the Board, based on results of the September 3, 2007 Experience Study.

Interest Rate 7.50% per year, compounded annually, net of investment related expenses. This assumption was adopted by the Board, based on results of the September 3, 2007 Experience Study.

Salary Increases None (frozen Plan).

Payroll Increase None for amortizing UAAL (frozen Plan).

Interest Adjustment for Required Contribution 7.50% for projecting dollar requirement.

Cost of Living Increases 2.00% per year after 3 years (none for VT's).

Administrative Expenses \$81,087 added to Normal Cost, based on actual administrative expenses from the prior fiscal year.

Funding Method Entry Age Normal Method

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

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	25.0%	0.05%
30	12.4	0.06
40	9.5	0.12
50	7.5	0.43
60	5.5	1.61

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on 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.

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

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

(a) The normal cost accrual rate equals

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

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

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

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

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	696,601.55	696,601.55
Cash	26,597.57	26,597.57
Total Cash and Equivalents	723,199.12	723,199.12
Receivables:		
From Broker for Investments Sold	3,648.71	3,648.71
Investment Income	67,226.68	67,226.68
Total Receivable	70,875.39	70,875.39
Investments:		
U. S. Bonds and Bills	2,106,466.29	2,110,213.33
Federal Agency Guaranteed Securities	2,510,034.53	2,510,253.48
Corporate Bonds	1,382,849.06	1,332,886.83
Stocks	14,704,995.79	17,152,402.86
Mutual Funds:		
Fixed Income	462,020.57	460,267.96
Equity	1,455,375.69	1,791,144.05
Pooled/Common/Commingled Funds:		
Equity	5,945,353.61	7,671,625.59
Total Investments	28,567,095.54	33,028,794.10
Total Assets	29,361,170.05	33,822,868.61
<u>LIABILITIES</u>		
Payables:		
To Broker for Investments Purchased	2,767.76	2,767.76
Total Liabilities	2,767.76	2,767.76
NET POSITION RESTRICTED FOR PENSIONS	29,358,402.29	33,820,100.85

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

ADDITIONS

Contributions:

City 1,435,084.00

Total Contributions 1,435,084.00

Investment Income:

Net Realized Gain (Loss) 841,572.56

Unrealized Gain (Loss) (694,694.97)

Net Increase in Fair Value of Investments 146,877.59

Interest & Dividends 551,831.25

Less Investment Expense¹ (195,844.59)

Net Investment Income 502,864.25

Total Additions 1,937,948.25

DEDUCTIONS

Distributions to Members:

Benefit Payments 2,896,168.69

Lump Sum DROP Distributions 0.00

Lump Sum PLOP Distributions 96,764.49

Refunds of Member Contributions 0.00

Total Distributions 2,992,933.18

Administrative Expense 73,823.02

Total Deductions 3,066,756.20

Net Increase in Net Position (1,128,807.95)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 34,948,908.80

End of the Year 33,820,100.85

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

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2015

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

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*	
09/30/2012	13.94%	
09/30/2013	9.94%	
09/30/2014	10.13%	
09/30/2015	1.47%	
Annualized Rate of Return for prior four (4) years:		8.77%
(A) 10/01/2014 Actuarial Assets:		\$33,963,201.95
(I) Net Investment Income:		
1. Interest and Dividends		551,831.25
2. Realized Gains (Losses)		841,572.56
3. Change in Actuarial Value		1,710,268.67
4. Investment Related Expenses		(195,844.59)
	Total	2,907,827.89
(B) 10/01/2015 Actuarial Assets:		\$35,239,357.64
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		8.77%
10/01/2015 Limited Actuarial Assets:		\$35,239,357.64
10/01/2015 Market Value of Assets:		\$33,820,100.85
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$421,775.45

*Market Value Basis, net of investment related expenses.

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

REVENUES

Contributions:		
City	1,435,084.00	
Total Contributions		1,435,084.00
Earnings from Investments:		
Interest & Dividends	551,831.25	
Net Realized Gain (Loss)	841,572.56	
Change in Actuarial Value	1,710,268.67	
Total Earnings and Investment Gains		3,103,672.48

EXPENDITURES

Distributions to Members:		
Benefit Payments	2,896,168.69	
Lump Sum DROP Distributions	0.00	
Lump Sum PLOP Distributions	96,764.49	
Refunds of Member Contributions	0.00	
Total Distributions		2,992,933.18
Expenses:		
Investment related ¹	195,844.59	
Administrative	73,823.02	
Total Expenses		269,667.61
Change in Net Assets for the Year		1,276,155.69
Net Assets Beginning of the Year		33,963,201.95
Net Assets End of the Year ²		35,239,357.64

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

²Net Assets may be limited for actuarial consideration.

STATISTICAL DATA ¹

	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>
<u>Actives</u>				
Number	290	266	221	204
Average Current Age	46.8	47.5	47.3	48.7
Average Age at Employment	36.9	37.4	32.9	32.9
Average Past Service	9.8	10.1	14.4	15.8
Average Annual Salary	\$43,940	\$44,784	\$46,660	\$47,896
<u>Service Retirees</u>				
Number			185	189
Average Current Age			68.0	68.8
Average Annual Benefit			\$12,930	\$12,821
<u>Beneficiaries</u>				
Number			35	34
Average Current Age			72.1	73.2
Average Annual Benefit			\$5,171	\$4,741
<u>Disability Retirees</u>				
Number			5	5
Average Current Age			62.4	63.4
Average Annual Benefit			\$16,276	\$16,276
<u>Terminated Vested</u>				
Number			221	234
Average Current Age			49.8	49.9
Average Annual Benefit			\$4,921	\$4,580

¹ Prior to 10/1/2014, 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	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	3	0	0	0	0	0	3
30 - 34	0	0	0	0	0	9	10	1	0	0	0	20
35 - 39	0	0	0	0	0	8	5	6	0	0	0	19
40 - 44	0	0	0	0	0	6	9	11	1	0	0	27
45 - 49	0	0	0	0	0	4	7	6	6	6	0	29
50 - 54	0	0	0	0	0	10	9	5	9	11	4	48
55 - 59	0	0	0	0	0	2	10	4	3	6	3	28
60 - 64	0	0	0	0	0	6	9	2	1	1	0	19
65+	0	0	0	0	0	6	3	0	2	0	0	11
Total	0	0	0	0	0	54	62	35	22	24	7	204

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2014	221
b. Terminations	
i. Vested (partial or full) with deferred benefits	(20)
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	<u>(2)</u>
f. Continuing participants	199
g. Reclassified from Vested Deferred	<u>5</u>
h. Total active life participants in valuation	204

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

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested Deferred	<u>Total</u>
a. Number prior valuation	185	35	5	221	446
Retired	2	0	0	(3)	(1)
Vested Deferred	3	0	0	20	23
Death, With Survivor	0	0	0	0	0
Death, No Survivor	(2)	0	0	0	(2)
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	1	1
Reclassified as Actives	0	0	0	(5)	(5)
Expired Annuities	0	(1)	0	0	(1)
Gamble Drawing Portion of Benefit	1	0	0	0	1
b. Number current valuation	189	34	5	234	462

SUMMARY OF PLAN PROVISIONS
(Through Ordinance 14-19)

<u>Eligibility</u>	Regular, full-time employees who are not certified Firefighters enter on date of employment (Optional for City Attorney, Assistant City Attorney, Mayor and City Commissioners). Employees hired on or after October 1, 2008 are not eligible.
<u>Salary</u>	Basic compensation, excluding overtime pay, shift differential, stand-by pay, lump sum vacation pay, accrued sick leave pay, severance pay, bonuses, expense allowances and all other extraordinary compensation, and including all tax deferred, tax sheltered or tax exempt items of income.
<u>Average Compensation</u>	Average Salary of the 3 highest consecutive years of the last 10 years of Credited Service (not including any Salary paid after September 30, 2008).
<u>Credited Service</u>	Years and months of service with the City as a General Employee. For Members who retire after October 1, 1993 with at least 15 years of service, service also includes up to 4 years of prior military service if not receiving a continuing military service pension. For purposes of determining a Member's Normal Retirement Benefit, Credited Service shall not include service with the City after September 30, 2008. Credited Service after September 30, 2008, shall, however, be taken into consideration for vesting and benefit entitlement purposes.
<u>Normal Retirement</u>	
Date	The attainment of age 65 with 5 years of Credited Service.
Benefit	2.00% of Average Compensation <u>times</u> Credited Service prior to October 1, 2008, with a maximum of 45 years of Credited Service.
Form of Benefit	Lifetime benefits, ceasing upon death (options available).
<u>Early Retirement</u>	
Date	Attainment of age 50 with 15 years of Credited Service.
Benefit	Accrued Benefit on Early Retirement Date, reduced 3.33% for each year that Early Retirement precedes Age 65.
Form of Benefit	Lifetime benefits, ceasing upon death (options available).

Pre-Retirement Death Benefit

Requirement	Death while in active service.
Benefit	Monthly benefit provided by the greater of (i) or (ii), where (i) is the single sum value of the deferred monthly retirement income commencing at normal retirement date which has accrued to the date of death, and (ii) is the smaller of (a) 18 times Average Final Compensation at the date of death and (b) 100 times the anticipated monthly retirement income at Normal Retirement.

Disability

Eligibility	10 years of Credited Service.
Amount	Prior to normal retirement date, the benefit payable is the lessor of 50% of Average Final Compensation or \$1,500. At normal retirement date, the benefit payable is 2.00% times Average Final Compensation times years and months of Credited Service (to a maximum of 45 years) as if employment had continued from date of disability to normal retirement date.

Death Benefit

The greater of (i) or (ii), where (i) is equal to the single-sum value, as of the date of the participant's death, of the deferred monthly retirement income commencing at normal retirement date that the disabled participant would have accrued to the date of termination of service due to disability, and (ii) is the smaller of (a) 18 times Average Final Compensation at the date of termination due to disability and (b) 100 times the participant's anticipated monthly retirement income at Normal Retirement.

Termination of Employment

Vesting Schedule	<u>Years of Service</u>	<u>Vested %</u>
	Less than 5	0%
	5 or more	100%
Benefit	Vested Accrued benefit payable at age 65 (unreduced) or, if completed 15 years of Credited Service, Early Retirement Date (reduced).	

Cost of Living Adjustment

Retirees (other than vested terminated members) and their beneficiaries receive a 2.00% increase in benefits each October 1st commencing 3 years after their otherwise Normal Retirement Date.

Board of Trustees

One City of Leesburg resident appointed by Commission, City Manager (or designee), Human Resources Director, one other department head appointed by the City Manager, two Members of the Plan who are not certified Police Officers and one Member of the Plan who is a certified Police Officer.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.
Rate of Return	At Member's election: <ol style="list-style-type: none"> (1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 6.50% per annum compounded quarterly.
Form of Distribution	Cash lump sum (options available) at termination of employment.

Early Retirement Window
(July 1, 2014 to September 30, 2014)

Eligibility	Age 50 with 20 years of service by September 30, 2014 who elect to retire by September 1, 2014.										
Benefit	Accrued Benefit on Early Retirement Date, reduced based on the following schedule for each year that Early Retirement precedes Age 65. <table style="margin-left: 40px;"> <thead> <tr> <th><u>Years of Credited Service at Retirement</u></th> <th><u>Reduction Factor</u></th> </tr> </thead> <tbody> <tr> <td>35 or More</td> <td>0%</td> </tr> <tr> <td>30 to 35</td> <td>0.5%</td> </tr> <tr> <td>25 to 30</td> <td>1.5%</td> </tr> <tr> <td>20 to 25</td> <td>2.0%</td> </tr> </tbody> </table>	<u>Years of Credited Service at Retirement</u>	<u>Reduction Factor</u>	35 or More	0%	30 to 35	0.5%	25 to 30	1.5%	20 to 25	2.0%
<u>Years of Credited Service at Retirement</u>	<u>Reduction Factor</u>										
35 or More	0%										
30 to 35	0.5%										
25 to 30	1.5%										
20 to 25	2.0%										
Form of Benefit	Lifetime benefits, ceasing upon death (options available).										

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STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	696,601
Cash	26,598
Total Cash and Equivalents	723,199
Receivables:	
From Broker for Investments Sold	3,649
Tax Reclaims	0
Investment Income	67,227
Total Receivable	70,876
Investments:	
U. S. Bonds and Bills	2,110,213
Federal Agency Guaranteed Securities	2,510,253
Corporate Bonds	1,332,887
Stocks	17,152,403
Mutual Funds:	
Fixed Income	460,268
Equity	1,791,144
Pooled/Common/Commingled Funds:	
Equity	7,671,626
Total Investments	33,028,794
Total Assets	33,822,869
<u>LIABILITIES</u>	
Payables:	
To Broker for Investments Purchased	2,768
Total Liabilities	2,768
NET POSITION RESTRICTED FOR PENSIONS	33,820,101

GASB 67

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

ADDITIONS

Contributions:

City	1,435,084	
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Total Contributions		1,435,084
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Investment Income:

Net Increase in Fair Value of Investments	146,878	
Interest & Dividends	551,831	
Less Investment Expense ¹	(195,845)	

Net Investment Income		502,864
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Total Additions		1,937,948
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DEDUCTIONS

Distributions to Members:

Benefit Payments	2,896,169	
Lump Sum PLOP Distributions	96,764	

Total Distributions		2,992,933
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Administrative Expense		73,823
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Total Deductions		3,066,756
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Net Increase in Net Position		(1,128,808)
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		34,948,909
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End of the Year		33,820,101
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2015)

Plan Description

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by a Board of Trustees comprised of: One City of Leesburg resident appointed by Commission, City Manager (or designee), Human Resources Director, one other department head appointed by the City Manager, two Members of the Plan who are not certified Police Officers and one Member of the Plan who is a certified Police Officer.

Each person employed by the City as of September 30, 2008 as a full-time General Employee shall remain a Member of the System and is therefore eligible for plan benefits as provided for in the plan document and by applicable law with the exception of designated department heads and administrative management employees who elected to opt out of the System as of September 30, 2008, and all future new General Employees shall be ineligible to become Members of this System.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	225
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	221
Active Plan Members	221
	667
	667

Benefits Provided

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

Normal Retirement:

Date: The attainment of age 65 with 5 years of Credited Service.

Benefit: 2.0% of Average Compensation times Credited Service prior to October 1, 2008, with a maximum of 45 years of Credited Service.

Early Retirement:

Date: Attainment of age 50 with 15 years of Credited Service.

Benefit: Accrued Benefit on Early Retirement Date, reduced 3.33% for each year that Early Retirement precedes Age 65.

Pre-Retirement Death Benefit:

Requirement: Death while in active service.

Benefit: Monthly benefit provided by the greater of (i) or (ii), where (i) is the single sum value of the deferred monthly retirement income commencing at normal retirement date which has accrued to the date of death, and (ii) is the smaller of (a) 18 times Average Final Compensation at the date of death and (b) 100 times the anticipated monthly retirement income at Normal Retirement.

Disability:

Eligibility: 10 years of Credited Service.

Amount: Prior to normal retirement date, the benefit payable is the lesser of 50% of Average Final Compensation or \$1,500. At normal retirement date, the benefit payable is 2% times Average Final Compensation times years and months of Credited Service (to a maximum of 45 years) as if employment had continued from date of disability to normal retirement date.

Death Benefit:

The greater of (i) or (ii), where (i) is equal to the single-sum value, as of the date of the participant's death, of the deferred monthly retirement income commencing at normal retirement date that the disabled participant would have accrued to the date of termination of service due to disability, and (ii) is the smaller of (a) 18 times Average Final Compensation at the date of termination due to disability and (b) 100 times the participant's anticipated monthly retirement income at Normal Retirement.

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Termination of Employment:

Vesting Schedule:	<u>Years of Service</u>	<u>Vested %</u>
	Less than 5	0%
	5 or more	100%

Benefit: Vested Accrued benefit payable at age 65 (unreduced) or, if completed 15 years of Credited Service, Early Retirement Date (reduced).

Cost of Living Adjustment:

Retirees (other than vested terminated members) and their beneficiaries receive a 2.00% increase in benefits each October 1st commencing 3 years after their otherwise Normal Retirement Date.

Early Retirement Window (July 1, 2014 to September 30, 2014)

Eligibility: Age 50 with 20 years of service by September 30, 2014 who elect to retire by September 1, 2014.

Benefit: Accrued Benefit on Early Retirement Date, reduced based on the following schedule for each year that Early Retirement precedes Age 65.

<u>Years of Credited Service at Retirement</u>	<u>Reduction Factor</u>
35 or More	0.0%
30 to 35	0.5%
25 to 30	1.5%
20 to 25	2.0%

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.

InvestmentsInvestment Policy:

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
International Equity	10%
Fixed Income	20%
Real Estate	10%
Hedge Funds	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, 2015, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 1.47 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 quarterly.

The DROP balance as September 30, 2015 is \$0.

GASB 67

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2015 were as follows:

Total Pension Liability	\$ 38,963,325
Plan Fiduciary Net Position	<u>\$ (33,820,101)</u>
Sponsor's Net Pension Liability	<u>\$ 5,143,224</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	86.80%

Actuarial Assumptions:

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

Inflation	2.00%
Salary Increases	None.
Discount Rate	7.50%
Investment Rate of Return	7.50%

RP 2000 Combined Healthy (sex distinct), projected to valuation date using scale AA. Disabled lives set forward 5 years.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study for the period 1999-2006.

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

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

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

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.71%
International Equity	7.72%
Fixed Income	2.32%
Real Estate	5.09%
Hedge Funds	2.87%

Discount Rate:

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

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

	1% Decrease	Current	1% Increase
	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability	\$ 9,331,334	\$ 5,143,224	\$ 1,605,035

GASB 67

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

	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	152,878	208,967	194,388
Interest	2,944,455	2,926,654	2,883,831
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(1,744,070)	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(2,992,933)	(2,691,425)	(2,352,214)
Net Change in Total Pension Liability	(1,639,670)	444,196	726,005
Total Pension Liability - Beginning	40,602,995	40,158,799	39,432,794
Total Pension Liability - Ending (a)	<u>\$ 38,963,325</u>	<u>\$ 40,602,995</u>	<u>\$ 40,158,799</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,435,084	1,456,725	1,250,669
Net Investment Income	502,864	3,281,074	3,036,199
Benefit Payments, including Refunds of Employee Contributions	(2,992,933)	(2,691,425)	(2,352,214)
Administrative Expense	(73,823)	(81,087)	(63,599)
Net Change in Plan Fiduciary Net Position	(1,128,808)	1,965,287	1,871,055
Plan Fiduciary Net Position - Beginning	34,948,909	32,983,622	31,112,567
Plan Fiduciary Net Position - Ending (b)	<u>\$ 33,820,101</u>	<u>\$ 34,948,909</u>	<u>\$ 32,983,622</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,143,224</u>	<u>\$ 5,654,086</u>	<u>\$ 7,175,177</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	86.80%	86.07%	82.13%
Covered Employee Payroll	\$ 11,184,611	N/A	N/A
Net Pension Liability as a percentage of Covered Employee Payroll	45.98%	N/A	N/A

GASB 67

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	1,435,084	1,456,725	1,435,084
Contributions in relation to the Actuarially Determined Contributions	1,435,084	1,456,725	1,435,084
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 11,184,611	N/A	N/A
Contributions as a percentage of Covered Employee Payroll	12.83%	N/A	N/A

Notes to Schedule

Valuation Date: 10/01/2013 (AIS 05/05/2014)
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Method.
Amortization Method: Level Dollar.
Remaining Amortization Period: 24 Years.
Mortality: RP 2000 Combined Healthy (sex distinct), projected to valuation date using scale AA. Disabled lives set forward 5 years.

Termination Rates: See table below.
Disability Rates: See table below.

Retirement Rates:	Age	Rate Per Year
	50-54	2%
	55-58	20%
	59-61	20%
	62	50%
	63-64	25%
	65	100%

Interest Rate: 7.5% per year, compounded annually, net of investment related expenses.
Salary Increases: None.
Payroll Increase: None.
Cost of Living Increases: 2.0% per year after 3 years (no VT's).
Actuarial Asset Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	25.0%	0.05%
30	12.4%	0.05%
40	9.5%	0.09%
50	7.5%	0.40%
60	5.5%	1.74%

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SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2015</u>	<u>09/30/2014</u>	<u>09/30/2013</u>
Annual Money-Weighted Rate of Return			
Net of Investment Expense	1.47%	10.13%	9.94%

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NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2016)

General Information about the Pension Plan

Plan Description

The Plan is a single-employer defined benefit pension plan administered by a Board of Trustees comprised of: One City of Leesburg resident appointed by Commission, City Manager (or designee), Human Resources Director, one other department head appointed by the City Manager, two Members of the Plan who are not certified Police Officers and one Member of the Plan who is a certified Police Officer.

Each person employed by the City as of September 30, 2008 as a full-time General Employee shall remain a Member of the System and is therefore eligible for plan benefits as provided for in the plan document and by applicable law with the exception of designated department heads and administrative management employees who elected to opt out of the System as of September 30, 2008, and all future new General Employees shall be ineligible to become Members of this System.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	225
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	221
Active Plan Members	221
	667

Benefits Provided

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

Normal Retirement:

Date: The attainment of age 65 with 5 years of Credited Service.

Benefit: 2.0% of Average Compensation times Credited Service prior to October 1, 2008, with a maximum of 45 years of Credited Service.

Early Retirement:

Date: Attainment of age 50 with 15 years of Credited Service.

Benefit: Accrued Benefit on Early Retirement Date, reduced 3.33% for each year that Early Retirement precedes Age 65.

Pre-Retirement Death Benefit:

Requirement: Death while in active service.

Benefit: Monthly benefit provided by the greater of (i) or (ii), where (i) is the single sum value of the deferred monthly retirement income commencing at normal retirement date which has accrued to the date of death, and (ii) is the smaller of (a) 18 times Average Final Compensation at the date of death and (b) 100 times the anticipated monthly retirement income at Normal Retirement.

Disability:

Eligibility: 10 years of Credited Service.

Amount: Prior to normal retirement date, the benefit payable is the lesser of 50% of Average Final Compensation or \$1,500. At normal retirement date, the benefit payable is 2% times Average Final Compensation times years and months of Credited Service (to a maximum of 45 years) as if employment had continued from date of disability to normal retirement date.

Death Benefit:

The greater of (i) or (ii), where (i) is equal to the single-sum value, as of the date of the participant's death, of the deferred monthly retirement income commencing at normal retirement date that the disabled participant would have accrued to the date of termination of service due to disability, and (ii) is the smaller of (a) 18 times Average Final Compensation at the date of termination due to disability and (b) 100 times the participant's anticipated monthly retirement income at Normal Retirement.

Termination of Employment:

Vesting Schedule:	Years of Service	Vested %
	Less than 5	0%
	5 or more	100%

Benefit: Vested Accrued benefit payable at age 65 (unreduced) or, if completed 15 years of Credited Service, Early Retirement Date (reduced).

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Cost of Living Adjustment:

Retirees (other than vested terminated members) and their beneficiaries receive a 2.00% increase in benefits each October 1st commencing 3 years after their otherwise Normal Retirement Date.

Early Retirement Window (July 1, 2014 to September 30, 2014)

Eligibility: Age 50 with 20 years of service by September 30, 2014 who elect to retire by September 1, 2014.

Benefit: Accrued Benefit on Early Retirement Date, reduced based on the following schedule for each year that Early Retirement precedes Age 65.

<u>Years of Credited Service</u>	<u>Reduction Factor</u>
35 or More	0.0%
30 to 35	0.5%
25 to 30	1.5%
20 to 25	2.0%

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.

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Net Pension Liability

The measurement date is September 30, 2015.

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

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

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

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

Actuarial Assumptions:

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

Inflation	2.00%
Salary Increases	None.
Discount Rate	7.50%
Investment Rate of Return	7.50%

RP 2000 Combined Healthy (sex distinct), projected to valuation date using scale AA. Disabled lives set forward 5 years.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study for the period 1999-2006.

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

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

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50%	7.71%
International Equity	10%	7.72%
Fixed Income	20%	2.32%
Real Estate	10%	5.09%
Hedge Funds	10%	2.87%
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.

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CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2014	\$ 40,602,995	\$ 34,948,909	\$ 5,654,086
Changes for a Year:			
Service Cost	152,878	-	152,878
Interest	2,944,455	-	2,944,455
Differences between Expected and Actual Experience	(1,744,070)	-	(1,744,070)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,435,084	(1,435,084)
Net Investment Income	-	502,864	(502,864)
Benefit Payments, including Refunds of Employee Contributions	(2,992,933)	(2,992,933)	-
Administrative Expense	-	(73,823)	73,823
Net Changes	(1,639,670)	(1,128,808)	(510,862)
Balances at September 30, 2015	\$ 38,963,325	\$ 33,820,101	\$ 5,143,224

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	\$ 9,331,334	\$ 5,143,224	\$ 1,605,035

Pension Plan Fiduciary Net Position.

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

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

For the year ended September 30, 2016, the Sponsor will recognize a Pension Expense of \$269,915.

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	-	1,162,713
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	1,131,705	-
Employer contributions subsequent to the measurement date	1,166,446	-
Total	<u>\$ 2,298,151</u>	<u>\$ 1,162,713</u>

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

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

Year ended September 30:	
2017	\$ (341,263)
2018	\$ (341,263)
2019	\$ 240,094
2020	\$ 411,424
2021	\$ -
Thereafter	\$ -

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

	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	152,878	208,967	194,388
Interest	2,944,455	2,926,654	2,883,831
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(1,744,070)	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(2,992,933)	(2,691,425)	(2,352,214)
Net Change in Total Pension Liability	(1,639,670)	444,196	726,005
Total Pension Liability - Beginning	40,602,995	40,158,799	39,432,794
Total Pension Liability - Ending (a)	<u>\$ 38,963,325</u>	<u>\$ 40,602,995</u>	<u>\$ 40,158,799</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,435,084	1,456,725	1,250,669
Net Investment Income	502,864	3,281,074	3,036,199
Benefit Payments, including Refunds of Employee Contributions	(2,992,933)	(2,691,425)	(2,352,214)
Administrative Expense	(73,823)	(81,087)	(63,599)
Net Change in Plan Fiduciary Net Position	(1,128,808)	1,965,287	1,871,055
Plan Fiduciary Net Position - Beginning	34,948,909	32,983,622	31,112,567
Plan Fiduciary Net Position - Ending (b)	<u>\$ 33,820,101</u>	<u>\$ 34,948,909</u>	<u>\$ 32,983,622</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,143,224</u>	<u>\$ 5,654,086</u>	<u>\$ 7,175,177</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	86.80%	86.07%	82.13%
Covered Employee Payroll	\$ 11,184,611	N/A	N/A
Net Pension Liability as a percentage of Covered Employee Payroll	45.98%	N/A	N/A

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SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	1,435,084	1,456,725	1,435,084
Contributions in relation to the			
Actuarially Determined Contributions	1,435,084	1,456,725	1,435,084
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 11,184,611	N/A	N/A
Contributions as a percentage of			
Covered Employee Payroll	12.83%	N/A	N/A

Notes to Schedule

Valuation Date: 10/01/2013 (AIS 05/05/2014)
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Method.
Amortization Method: Level Dollar.
Remaining Amortization Period: 24 Years.
Mortality: RP 2000 Combined Healthy (sex distinct), projected to valuation date using scale AA. Disabled lives set forward 5 years.
Termination Rates: See table below.
Disability Rates: See table below.
Retirement Rates:

Age	Rate Per Year
50-54	2%
55-58	20%
59-61	20%
62	50%
63-64	25%
65	100%

Interest Rate: 7.5% per year, compounded annually, net of investment related expenses.
Salary Increases: None.
Payroll Increase: None.
Cost of Living Increases: 2.0% per year after 3 years (no VT's).
Actuarial Asset Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	25.0%	0.05%
30	12.4%	0.05%
40	9.5%	0.09%
50	7.5%	0.40%
60	5.5%	1.74%

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COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 5,654,086	\$ 685,315	\$ 1,435,084	\$ -
Employer Contributions made after September 30, 2015	-	-	1,166,446	-
Total Pension Liability Factors:				
Service Cost	152,878	-	-	152,878
Interest	2,944,455	-	-	2,944,455
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(1,744,070)	1,744,070	-	-
Current year amortization of experience difference	-	(581,357)	-	(581,357)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(2,992,933)	-	-	(2,992,933)
Net change	<u>(1,639,670)</u>	<u>1,162,713</u>	<u>1,166,446</u>	<u>(476,957)</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,435,084	-	(1,435,084)	-
Net Investment Income	2,559,980	-	-	(2,559,980)
Difference between projected and actual earnings on	(2,057,116)	-	2,057,116	-
Current year amortization	-	(171,328)	(411,424)	240,096
Benefit Payments	(2,992,933)	-	-	2,992,933
Administrative Expenses	(73,823)	-	-	73,823
Net change	<u>(1,128,808)</u>	<u>(171,328)</u>	<u>210,608</u>	<u>746,872</u>
Ending Balance	<u>\$ 5,143,224</u>	<u>\$ 1,676,700</u>	<u>\$ 2,812,138</u>	<u>\$ 269,915</u>