

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

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

ADDITIONS

## Contributions:

City	1,435,084	
Total Contributions		1,435,084
Investment Income:		
Net Increase in Fair Value of Investments	146,878	
Interest & Dividends	551,831	
Less Investment Expense <sup>1</sup>	(195,845)	
Net Investment Income		502,864
Total Additions		1,937,948

DEDUCTIONS

## Distributions to Members:

Benefit Payments	2,896,169	
Lump Sum PLOP Distributions	96,764	
Total Distributions		2,992,933
Administrative Expense		73,823
Total Deductions		3,066,756
Net Increase in Net Position		(1,128,808)

## NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		34,948,909
End of the Year		33,820,101

<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, 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.

Years of Credited Service

<u>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.

### *Investments*

#### *Investment 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%
<u>Total</u>	<u>100%</u>

### *Concentrations:*

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

### *Rate of Return:*

For the year ended September 30, 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.

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	\$ (33,820,101)
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%

Mortality Rate: 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.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study performed on September 3, 2007, 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 Discount Rate	1% Increase
Sponsor's Net Pension Liability	<u>\$ 9,331,334</u>	<u>\$ 5,143,224</u>	<u>\$ 1,605,035</u>

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

**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:	% Terminating During the Year	% Becoming Disabled During the Year
Age		
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%

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%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2015)

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
	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.

## GASB 68

### 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, 2014 through September 30, 2015.

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%

Mortality Rate: 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.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study performed on September 3, 2007, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
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%
<u>Total</u>	<u>100%</u>	

#### 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	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.

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

For the year ended September 30, 2015, the Sponsor will recognize a Pension Expense of \$269,915.

On September 30, 2015, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	-	1,162,714
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	1,131,705	-
Total	<u>\$ 1,131,705</u>	<u>\$ 1,162,714</u>

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:	
2016	\$ (341,263)
2017	\$ (341,263)
2018	\$ 240,094
2019	\$ 411,423
2020	\$ -
Thereafter	\$ -

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

	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	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

**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%

**COMPONENTS OF PENSION EXPENSE**  
**FISCAL YEAR SEPTEMBER 30, 2015**

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 5,654,086	\$ 685,316	\$ -	\$ -
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	-	(581,356)	-	(581,356)
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>1,162,714</u>	<u>-</u>	<u>(476,956)</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,435,084	-	-	-
Net Investment Income	2,559,980	-	-	(2,559,980)
Difference between projected and actual earnings on Pension Plan investments	(2,057,116)	-	2,057,116	-
Current year amortization	-	(171,329)	(411,424)	240,095
Benefit Payments	(2,992,933)	-	-	2,992,933
Administrative Expenses	(73,823)	-	-	73,823
Net change	<u>(1,128,808)</u>	<u>(171,329)</u>	<u>1,645,692</u>	<u>746,871</u>
Ending Balance	<u>\$ 5,143,224</u>	<u>\$ 1,676,701</u>	<u>\$ 1,645,692</u>	<u>\$ 269,915</u>