

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	337,180
Money Market	9,445
Cash	25,187
Total Cash and Equivalents	371,812
Receivables:	
Investment Income	34,592
Total Receivable	34,592
Investments:	
U. S. Bonds and Bills	373,875
Federal Agency Guaranteed Securities	148,244
Corporate Bonds	3,314,645
Stocks	4,956,040
Mutual Funds:	
Fixed Income	1,545,031
Equity	3,947,140
Pooled/Common/Commingled Funds:	
Real Estate	1,561,124
Total Investments	15,846,099
Total Assets	16,252,503
<u>LIABILITIES</u>	
Payables:	
Benefit Payments	3,953
Unearned Revenue	1,051
Total Liabilities	10,597
NET POSITION RESTRICTED FOR PENSIONS	16,241,906

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

ADDITIONS

Contributions:

Member	178,693	
City	609,819	
State	166,380	
Total Contributions		954,892
Investment Income:		
Net Increase in Fair Value of Investments	(668,341)	
Interest & Dividends	537,076	
Less Investment Expense ¹	(113,067)	
Net Investment Income		(244,332)
Total Additions		710,560

DEDUCTIONS

Distributions to Members:

Benefit Payments	912,496	
Lump Sum Share Distributions	85,985	
Lump Sum PLOP Distributions	366,165	
Refunds of Member Contributions	81,211	
Total Distributions		1,445,857
Administrative Expense		50,322
Total Deductions		1,496,179
Net Increase in Net Position		(785,619)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		17,027,525
End of the Year		16,241,906

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 City of Leesburg Firefighters' Retirement Plan is a governmental single-employer defined benefit plan created by ordinances of the City of Leesburg. The administration of the plan is conducted by a Board of Trustees consisting of five persons:

- a. Two City appointees;
- b. Two Members of the Department elected by the membership, and a
- c. Fifth Member elected by other 4 and appointed by City.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	25
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Plan Members	52
	79
	79

Benefits Provided

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

Normal Retirement:

Date: Earlier of a.) Age 52 and the completion of 25 years of Credited Service, or b.) Age 55 and the completion of 10 years of Credited Service.

Benefit Amount: 3.00% of Average Monthly Earnings times Credited Service.

Early Retirement:

Date: Age 50 and 10 years of Credited Service.

Benefit Amount: Accrued benefit, reduced 3.00% for each year prior to Normal Retirement Date.

Vesting (Termination):

Less than 10 years of Credited Service: Refund of Member Contributions, with 5.00% interest.

10 years or more: Accrued benefit payable at the Member's election, at age 52 (unreduced) or as early as age 50 (reduced) or refund of Member Contributions, with 5.00% interest.

Disability:

Eligibility: Total and permanent as determined by Board of Trustees, and for at least a period of 5 months if not service-incurred.

Benefit Amount Non-Line-of Duty Less than 10 Years:

The monthly income which can be provided by the greater of (A) or (B), where:

(A) is the actuarial present value of the accrued benefit at date of disability, and

(B) is two times the Basic Compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 60% of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

Benefit Amount Non-Line of Duty More than 10 Years:

The monthly income which is the greater of (A) or (B), where:

(A) is the monthly income which can be provided by the actuarial present value of the accrued benefit at date of

(B) is 30% (.3) of the Participant's Basic Compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 100% of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date

Line-of-Duty Benefit Amount: A monthly income equal to 50% of the Basic Compensation paid in the calendar year preceding the date of disability. This amount is limited to the actuarial present value of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

Pre-Retirement Death Benefits:

The monthly income, payable to designated Beneficiary for 10 years certain and life thereafter, which can be provided by the greater of (A) or (B), where:

(A) is the actuarial present value of the accrued benefit at date of death, and

(B) is two times the Basic Compensation paid in the calendar year preceding the date of death, but no greater than the actuarial present value of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

Supplemental Benefit:

\$10.50 per month times the years of Credited Service, payable for life, with a maximum of 13 years.

Contributions

Employee: 6.50% of Basic Compensation.

Premium Tax: 1.85% tax on fire insurance premiums.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability, as provided in Part VII of Florida Statutes Chapter 112.

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	35%
International Equity	15%
Bonds	22%
TIPS	3%
Convertibles	10%
Private Real Estate	7%
REITS	3%
MLPs	5%
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 -1.45 percent.

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

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	\$ 20,324,302
Plan Fiduciary Net Position	<u>\$ (16,241,906)</u>
Sponsor's Net Pension Liability	<u>\$ 4,082,396</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	79.91%

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	3.00%
Salary Increases	4.00% - 6.00%
Discount Rate	7.50%
Investment Rate of Return	7.50%

RP2000 Combined Healthy - Sex Distinct. Disabled lives set forward 5 years. Based upon other studies of municipal Firefighters, we feel this assumption sufficiently accommodates 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 March 7, 2014, for the period 1998-2013.

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>	Long Term Expected Real Rate of Return
Domestic Equity	8.0%
International Equity	3.0%
Bonds	4.4%
TIPS	3.1%
Convertibles	6.4%
Private Real Estate	4.6%
REITS	7.0%
MLPs	10.4%

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
	<u>6.50%</u>	<u>Discount Rate</u>	<u>8.50%</u>
	\$	\$	\$
Sponsor's Net Pension Liability	6,532,594	4,082,396	2,010,677

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	512,330	542,778	504,910
Interest	1,483,143	1,419,978	1,339,445
Change in Excess State Money	-	-	-
Share Plan Allocation	55,931	51,032	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(267,086)	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,445,857)	(836,424)	(780,467)
Net Change in Total Pension Liability	338,461	1,177,364	1,063,888
Total Pension Liability - Beginning	19,985,840	18,808,476	17,744,588
Total Pension Liability - Ending (a)	<u>\$ 20,324,301</u>	<u>\$ 19,985,840</u>	<u>\$ 18,808,476</u>
Plan Fiduciary Net Position			
Contributions - Employer	609,819	866,635	827,920
Contributions - State	166,380	161,481	156,635
Contributions - Employee	178,693	190,151	187,674
Net Investment Income	(244,332)	1,362,537	1,792,048
Benefit Payments, including Refunds of Employee Contributions	(1,445,857)	(836,424)	(780,467)
Administrative Expense	(50,322)	(46,621)	(34,748)
Net Change in Plan Fiduciary Net Position	(785,619)	1,697,759	2,149,062
Plan Fiduciary Net Position - Beginning	17,027,525	15,329,766	13,180,704
Plan Fiduciary Net Position - Ending (b)	<u>\$ 16,241,906</u>	<u>\$ 17,027,525</u>	<u>\$ 15,329,766</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,082,395</u>	<u>\$ 2,958,315</u>	<u>\$ 3,478,710</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	79.91%	85.20%	81.50%
Covered Employee Payroll*	\$ 2,901,491	\$ 2,925,402	\$ 2,887,291
Net Pension Liability as a percentage of Covered Employee Payroll	140.70%	101.13%	120.48%

Notes to Schedule:

* The reported Covered Employee Payroll for the Fiscal years 2013 and 2014 were not available. Pensionable Salary have been reported instead.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	720,269	977,084	938,370
Contributions in relation to the Actuarially Determined Contributions	720,269	977,084	938,370
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll*	\$ 2,901,491	\$ 2,925,402	\$ 2,887,291
Contributions as a percentage of Covered Employee Payroll	24.82%	33.40%	32.50%

* The reported Covered Employee Payroll for the Fiscal years 2013 and 2014 were not available. Pensionable Salary have been reported instead.

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Funding Method: Frozen Initial Liability Cost Method.
 Amortization Method: Level Percentage of Pay, Closed.
 Remaining Amortization Period: 28 Years (as of 10/01/2012).
 Asset Valuation 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 of Assets.
 Inflation: 3.0% per year.
 Salary Increases: 5.0% per year until the assumed retirement age.
 Interest Rate: 7.75% per year, compounded annually, net of investment-related expenses.
 Payroll Growth: 3.0% for amortizing UAAL.
 Retirement Age: Earlier of age 52 and the completion of 25 years of Credited Service or age 55 and the completion of 10 years of Credited Service. Also, any Member who has reached Normal Retirement Age is assumed to continue employment for one additional year.
 Early Retirement: None.
 Termination Rates: See table below.
 Disability Rates: See table below.
 Mortality: RP2000 Combined Healthy - Sex Distinct. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disability mortality is set forward five years.

Termination and Disability Rate Table:	% Terminating During the Year	% Becoming Disabled During the Year
Age		
20	6.00%	0.05%
30	5.00%	0.06%
40	2.60%	0.12%
50	0.80%	0.43%

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	-1.45%	8.82%	13.41%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2015)

General Information about the Pension Plan

Plan Description

The City of Leesburg Firefighters' Retirement Plan is a governmental single-employer defined benefit plan created by ordinances of the City of Leesburg. The administration of the plan is conducted by a Board of Trustees consisting of five persons:

- a. Two City appointees;
- b. Two Members of the Department elected by the membership, and a
- c. Fifth Member elected by other 4 and appointed by City.

Any actively employed full-time person employed by the City of Leesburg, who is certified as a Firefighter as a condition of employment in accordance with Section 633.35, Florida Statutes, and whose duty it is to extinguish fires, to protect life and to protect property, is a member of the City of Leesburg Firefighters' Retirement Plan, including during the initial probationary employment period.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	25
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Plan Members	52
	79
	79

Benefits Provided

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

Normal Retirement:

Date: Earlier of a.) Age 52 and the completion of 25 years of Credited Service, or b.) Age 55 and the completion of 10 years of Credited Service.

Benefit Amount: 3.00% of Average Monthly Earnings times Credited Service.

Early Retirement:

Date: Age 50 and 10 years of Credited Service.

Benefit Amount: Accrued benefit, reduced 3.00% for each year prior to Normal Retirement Date.

Vesting (Termination):

Less than 10 years of Credited Service: Refund of Member Contributions, with 5.00% interest.

10 years or more: Accrued benefit payable at the Member's election, at age 52 (unreduced) or as early as age 50 (reduced) or refund of Member Contributions, with 5.00% interest.

Disability:

Eligibility: Total and permanent as determined by Board of Trustees, and for at least a period of 5 months if not service-incurred.

Benefit Amount Non-Line-of Duty Less than 10 Years:

The monthly income which can be provided by the greater of (A) or (B), where:

(A) is the actuarial present value of the accrued benefit at date of disability, and

(B) is two times the Basic Compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 60% of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

Benefit Amount Non-Line of Duty More than 10 Years:

The monthly income which is the greater of (A) or (B), where:

(A) is the monthly income which can be provided by the actuarial present value of the accrued benefit at date of disability, and

(B) is 30% (.3) of the Participant's Basic Compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 100% of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date

Line-of-Duty Benefit Amount: A monthly income equal to 50% of the Basic Compensation paid in the calendar year preceding the date of disability. This amount is limited to the actuarial present value of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

GASB 68

Pre-Retirement Death Benefits:

The monthly income, payable to designated Beneficiary for 10 years certain and life thereafter, which can be provided by the greater of (A) or (B), where:

(A) is the actuarial present value of the accrued benefit at date of death, and

(B) is two times the Basic Compensation paid in the calendar year preceding the date of death, but no greater than the actuarial present value of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

Supplemental Benefit:

\$10.50 per month times the years of Credited Service, payable for life, with a maximum of 13 years.

Contributions

Employee: 6.50% of Basic Compensation.

Premium Tax: 1.85% tax on fire insurance premiums.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability, as provided in Part VII of Florida Statutes Chapter 112.

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	3.00%
Salary Increases	4.00% - 6.00%
Discount Rate	7.50%
Investment Rate of Return	7.50%

RP2000 Combined Healthy - Sex Distinct. Disabled lives set forward 5 years. Based upon other studies of municipal Firefighters, we feel this assumption sufficiently accommodates 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 March 7, 2014, for the period 1998-2013.

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	35%	8.00%
International Equity	15%	3.00%
Bonds	22%	4.40%
TIPS	3%	3.10%
Convertibles	10%	6.40%
Private Real Estate	7%	4.60%
REITS	3%	7.00%
MLPs	5%	10.40%
Total	<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 Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2014	\$ 19,985,840	\$ 17,027,525	\$ 2,958,315
Changes for a Year:			
Service Cost	512,330	-	512,330
Interest	1,483,143	-	1,483,143
Change in Excess State Money	-	-	-
Share Plan Allocation	55,931	-	55,931
Differences between Expected and Actual Experience	(267,086)	-	(267,086)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	609,819	(609,819)
Contributions - State	-	166,380	(166,380)
Contributions - Employee	-	178,693	(178,693)
Net Investment Income	-	(244,332)	244,332
Benefit Payments, including Refunds of Employee Contributions	(1,445,857)	(1,445,857)	-
Administrative Expense	-	(50,322)	50,322
Net Changes	338,461	(785,619)	1,124,080
Balances at September 30, 2015	\$ 20,324,301	\$ 16,241,906	\$ 4,082,395

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	\$ 6,532,594	\$ 4,082,395	\$ 2,010,677

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 \$721,904.

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	-	228,930
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	1,080,738	-
Total	<u>\$ 1,080,738</u>	<u>\$ 228,930</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	\$ 222,017
2017	\$ 222,018
2018	\$ 222,018
2019	\$ 262,065
2020	\$ (38,155)
Thereafter	\$ (38,155)

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	512,330	542,778	504,910
Interest	1,483,143	1,419,978	1,339,445
Change in Excess State Money	-	-	-
Share Plan Allocation	55,931	51,032	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(267,086)	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,445,857)	(836,424)	(780,467)
Net Change in Total Pension Liability	338,461	1,177,364	1,063,888
Total Pension Liability - Beginning	19,985,840	18,808,476	17,744,588
Total Pension Liability - Ending (a)	<u>\$ 20,324,301</u>	<u>\$ 19,985,840</u>	<u>\$ 18,808,476</u>
Plan Fiduciary Net Position			
Contributions - Employer	609,819	866,635	827,920
Contributions - State	166,380	161,481	156,635
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Benefit Payments, including Refunds of Employee Contributions	(1,445,857)	(836,424)	(780,467)
Administrative Expense	(50,322)	(46,621)	(34,748)
Net Change in Plan Fiduciary Net Position	(785,619)	1,697,759	2,149,062
Plan Fiduciary Net Position - Beginning	17,027,525	15,329,766	13,180,704
Plan Fiduciary Net Position - Ending (b)	<u>\$ 16,241,906</u>	<u>\$ 17,027,525</u>	<u>\$ 15,329,766</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,082,395</u>	<u>\$ 2,958,315</u>	<u>\$ 3,478,710</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	79.91%	85.20%	81.50%
Covered Employee Payroll*	\$ 2,901,491	\$ 2,925,402	\$ 2,887,291
Net Pension Liability as a percentage of Covered Employee Payroll	140.70%	101.13%	120.48%

Notes to Schedule:

* The reported Covered Employee Payroll for the Fiscal years 2013 and 2014 were not available. Pensionable Salary have been reported instead.

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	720,269	977,084	938,370
Contributions in relation to the Actuarially Determined Contributions	720,269	977,084	938,370
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll*	\$ 2,901,491	\$ 2,925,402	\$ 2,887,291
Contributions as a percentage of Covered Employee Payroll	24.82%	33.40%	32.50%

* The reported Covered Employee Payroll for the Fiscal years 2013 and 2014 were not available. Pensionable Salary have been reported instead.

Notes to Schedule

Valuation Date: 10/01/2013

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

Methods and assumptions used to determine contribution rates:

Funding Method: Frozen Initial Liability Cost Method.
 Amortization Method: Level Percentage of Pay, Closed.
 Remaining Amortization Period: 28 Years (as of 10/01/2012).
 Asset Valuation 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 of Assets.
 Inflation: 3.0% per year.
 Salary Increases: 5.0% per year until the assumed retirement age.
 Interest Rate: 7.75% per year, compounded annually, net of investment-related expenses.
 Payroll Growth: 3.0% for amortizing UAAL.
 Retirement Age: Earlier of age 52 and the completion of 25 years of Credited Service or age 55 and the completion of 10 years of Credited Service. Also, any Member who has reached Normal Retirement Age is assumed to continue employment for one additional year.
 Early Retirement: None.
 Termination Rates: See table below.
 Disability Rates: See table below.
 Mortality: RP2000 Combined Healthy - Sex Distinct. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disability mortality is set forward five years.

Termination and Disability Rate Table:	% Terminating	% Becoming
	During the	Disabled During
Age	Year	the Year
20	6.00%	0.05%
30	5.00%	0.06%
40	2.60%	0.12%
50	0.80%	0.43%

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2015

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 2,958,315	\$ 160,187	\$ -	\$ -
Total Pension Liability Factors:				
Service Cost	512,330	-	-	512,330
Interest	1,483,143	-	-	1,483,143
Change in Excess State Money	-	-	-	-
Share Plan Allocation	55,931	-	-	55,931
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(267,086)	267,086	-	-
Current year amortization of experience difference	-	(38,156)	-	(38,156)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(1,445,857)	-	-	(1,445,857)
Net change	<u>338,461</u>	<u>228,930</u>	<u>-</u>	<u>567,391</u>
Plan Fiduciary Net Position:				
Contributions - Employer	609,819	-	-	-
Contributions - State	166,380	-	-	(166,380)
Contributions - Employee	178,693	-	-	(178,693)
Net Investment Income	1,256,766	-	-	(1,256,766)
Difference between projected and actual earnings on Pension Plan investments	(1,501,098)	-	1,501,098	-
Current year amortization	-	(40,046)	(300,219)	260,173
Benefit Payments	(1,445,857)	-	-	1,445,857
Administrative Expenses	(50,322)	-	-	50,322
Net change	<u>(785,619)</u>	<u>(40,046)</u>	<u>1,200,879</u>	<u>154,513</u>
Ending Balance	<u>\$ 4,082,395</u>	<u>\$ 349,071</u>	<u>\$ 1,200,879</u>	<u>\$ 721,904</u>