

CITY OF WINTER GARDEN  
PENSION PLAN FOR GENERAL EMPLOYEES

ACTUARIAL VALUATION REPORT  
AS OF OCTOBER 1, 2015

CONTRIBUTIONS APPLICABLE TO THE CITY'S  
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2017

February 26, 2016

Board of Trustees  
City of Winter Garden  
Pension Plan for General Employees  
300 West Plant Street  
Winter Garden, FL 32787-3009

Re: City of Winter Garden  
Pension 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 Winter Garden Pension 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. 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, financial reports, and asset information supplied by the Board of Trustees, in addition to 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 Winter Garden, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Winter Garden Pension 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:

  
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Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #14-7778

DHL/lke

Enclosures

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SUMMARY OF REPORT

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

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

Valuation Date Applicable to Plan/Fiscal Year Ending	10/1/2015 <u>9/30/2017</u>	10/1/2014 <u>9/30/2016</u>
Total Required Contribution % of Total Annual Payroll	12.05%	12.99%
Member Contributions (Est.) % of Total Annual Payroll	2.50%	2.50%
Balance from City <sup>1</sup> % of Total Annual Payroll	9.55%	10.49%

<sup>1</sup> Please note there is a City receivable contribution of \$3,893.22 for the fiscal year ending September 30, 2015. A monthly interest charge of \$24 for each complete month after September 30, 2015 is required until this deposit is made, based on the 7.25% valuation assumption for investment return.

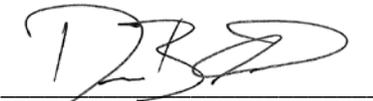
Experience during the last twelve months has been more favorable than expected, relative to the Plan’s actuarial assumptions. The primary sources of favorable experience included an 8.92% investment return (Actuarial Asset Basis), exceeding the 7.25% assumption, average increases in pensionable compensation that were less than the assumption and greater than expected Retiree mortality. These gains were partially offset by unfavorable employee turnover and the occurrence of a vested terminated member being granted a disability retirement.

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 to discuss the Report and answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By:   
Douglas H. Lozen, EA, MAAA

By:   
Drew D. Ballard, EA, MAAA

## CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1) Contribution Determined as of October 1, 2014	10.49%
(2) Summary of Contribution Impact by component:	
Investment Return (Actuarial Asset Basis)	-0.7%
Salary Increases	-0.2%
Payroll Change	-0.2%
Payroll Growth Assumption	0.0%
Amortization Base Payoffs	0.0%
New Entrants	0.0%
Active Decrements	0.4%
Inactive Mortality	-0.4%
Data Corrections	0.0%
Prior Vested Term Granted Disability Retirement	0.2%
Other	<u>0.0%</u>
Total Change in Contribution	-0.94%
(3) Contribution Determined as of October 1, 2015	9.55%

## CHANGES SINCE PRIOR VALUATION

### Plan Changes

There have been no changes in benefits since the prior valuation.

### Actuarial Assumption/Method Changes

Mortality rates are based on the RP 2000 Combined Healthy Table, projected to 2015 using Schedule AA. The prior valuation projected mortality improvements to 2014 using Schedule AA.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2015</u>	<u>10/1/2014</u>
A. Participant Data		
Number Included		
Actives	150	131
Service Retirees	50	49
Beneficiaries	6	5
Disability Retirees	3	2
Terminated Vested	<u>91</u>	<u>81</u>
Total	300	268
Total Annual Payroll		
	\$7,567,014	\$6,606,670
Payroll Under Assumed Ret. Age		
	7,522,960	6,561,921
Annual Rate of Payments to:		
Service Retirees	1,012,058	966,254
Beneficiaries	49,018	72,835
Disability Retirees	46,605	33,834
Terminated Vested	493,481	484,761
B. Assets		
Actuarial Value	23,084,361	21,170,068
Market Value	23,058,359	22,902,812
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	12,584,444	11,105,498
Disability Benefits	1,344,742	1,203,542
Death Benefits	424,271	378,663
Vested Benefits	2,237,864	2,121,225
Refund of Contributions	29,225	19,418
Service Retirees	9,751,527	9,390,831
Beneficiaries	473,363	744,177
Disability Retirees	520,267	362,604
Terminated Vested	<u>2,061,620</u>	<u>2,097,894</u>
Total	29,427,323	27,423,852

C. Liabilities - (Continued)	<u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	60,107,665	52,825,678
Normal Cost (Retirement)	523,919	449,994
Normal Cost (Disability)	79,763	69,473
Normal Cost (Death)	21,457	18,562
Normal Cost (Vesting)	158,390	141,023
Normal Cost (Refunds)	<u>7,109</u>	<u>4,629</u>
Total Normal Cost	790,638	683,681
Present Value of Future Normal Costs	5,787,872	5,010,479
Accrued Liability (Retirement)	8,671,542	7,732,098
Accrued Liability (Disability)	766,028	710,472
Accrued Liability (Death)	252,716	230,892
Accrued Liability (Vesting)	1,138,732	1,141,561
Accrued Liability (Refunds)	3,656	2,844
Accrued Liability (Inactives)	<u>12,806,777</u>	<u>12,595,506</u>
Total Actuarial Accrued Liability	23,639,451	22,413,373
Unfunded Actuarial Accrued Liability (UAAL)	555,090	1,243,305
Funded Ratio (AVA / AL)	97.7%	94.5%
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	12,806,777	12,595,506
Actives	5,210,601	4,421,047
Member Contributions	<u>497,237</u>	<u>371,807</u>
Total	18,514,615	17,388,360
Non-vested Accrued Benefits	<u>1,239,239</u>	<u>1,301,931</u>
Total Present Value Accrued Benefits	19,753,854	18,690,291
Funded Ratio (MVA / PVAB)	116.7%	122.5%
 Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	833,129	
Benefits Paid	(1,085,271)	
Interest	1,315,705	
Other	<u>0</u>	
Total	1,063,563	

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) % of Total Annual Payroll <sup>1</sup>	10.89	10.80
Administrative Expenses (with interest) % of Total Annual Payroll <sup>1</sup>	0.57	0.39
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 17 years (as of 10/1/2015, with interest) % of Total Annual Payroll <sup>1</sup>	0.59	1.80
Total Required Contribution % of Total Annual Payroll <sup>1</sup>	12.05	12.99
Expected Member Contributions % of Total Annual Payroll <sup>1</sup>	2.50	2.50
Expected City Contribution % of Total Annual Payroll <sup>1</sup>	9.55	10.49

F. Past Contributions

Plan Years Ending:	<u>9/30/2015</u>
City Requirement	986,645
Actual Contributions Made:	
Members (excluding buyback)	165,363
City	<u>986,645</u>
Total	1,152,008

G. Net Actuarial (Gain)/Loss (338,731)

<sup>1</sup> Contributions developed as of 10/1/2015 are expressed as a percentage of payroll under assumed retirement age at 10/1/2015 of \$7,522,960.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	555,090
2016	549,473
2017	543,913
2021	522,229
2025	501,407
2028	327,757
2032	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	4.81%	6.01%
Year Ended	9/30/2014	3.25%	6.20%
Year Ended	9/30/2013	4.11%	6.10%

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	8.92%	7.25%
Year Ended	9/30/2014	10.71%	7.25%
Year Ended	9/30/2013	7.63%	7.25%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015	\$7,567,014
	10/1/2005	5,593,923
(b) Total Increase		35.27%
(c) Number of Years		10.00
(d) Average Annual Rate		3.07%

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.



Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #14-7778

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 UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2014	\$1,243,305
(2) Sponsor Normal Cost developed as of October 1, 2014	519,633
(3) Expected administrative expenses for the year ended September 30, 2015	24,454
(4) Expected interest on (1), (2) and (3)	128,699
(5) Sponsor contributions to the System during the year ended September 30, 2015	986,645
(6) Expected interest on (5)	35,625
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	893,821
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	(338,731)
(10) Unfunded Accrued Liability as of October 1, 2015	555,090

<u>Type of</u> <u>Base</u>	<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>10/1/2015</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
Method Change	10/1/2010	15	\$1,020,648	\$106,142
Assumption Change	10/1/2010	15	(42,994)	(4,471)
Reconciliation Base	10/1/2011	6	(445,211)	(87,763)
Actuarial Loss	10/1/2011	6	572,341	112,823
Actuarial Loss	10/1/2012	7	222,279	38,792
Assumption Change	10/1/2012	17	374,058	36,344
Actuarial Gain	10/1/2013	8	(85,815)	(13,530)
Actuarial Gain	10/1/2014	9	(721,485)	(104,353)
Actuarial Gain	10/1/2015	10	<u>(338,731)</u>	<u>(45,489)</u>
			555,090	38,495

Maximum of 30 Year Amortization of UAAL or Total of Individual Amortization Amounts	42,761
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DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2014	\$1,243,305
(2) Expected UAAL as of October 1, 2015	893,821
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(352,973)
Salary Increases	(90,006)
Active Decrements	206,847
Inactive Mortality	(230,222)
Prior Vested Term Granted Disability Retirement	126,645
Other	<u>978</u>
Increase in UAAL due to (Gain)/Loss	(338,731)
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2015	\$555,090

## ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rates

RP2000 Combined Healthy projected to the valuation date with Schedule AA. Disabled lives are set forward five years. We feel this assumption sufficiently accommodates expected mortality improvements.

Interest Rate

7.25% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Normal Retirement Rates

<u>Eligibility Date</u>	<u>Probability of Retirement</u>
First eligible	40%
After first eligible, until age 69	20%
Age 70 and later	100%

This assumption was approved in conjunction with an actuarial experience study as of September 30, 2007.

Early Retirement Rates

<u>Age</u>	<u>Rates</u>
60	3.4%
61	3.2%
62	3.0%
63	2.5%
64	2.0%

These rates are consistent with the assumed rates of termination prior to normal retirement, which were approved in conjunction with an actuarial experience study as of September 30, 2007.

Actuarial Value of Assets

The Actuarial Value of Assets utilizes a five-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a five-year period.

Cost of Living Adjustments

None.

Payroll Increases

None.

Administrative Expenses

\$41,173 annually, based on prior year's actual expenses.

Funding Method

Entry Age Normal Actuarial Cost Method.

Salary Increases

Age

Rates

20	13.00%
25	10.00%
30	8.35%
35	7.75%
40	6.95%
45	6.10%
50	5.35%
55	4.75%
60	4.10%
65	3.05%

The assumed rates of salary increase were approved in conjunction with a special actuarial analysis dated June 21, 2011.

Terminal Leave Pay

Present Value of Retirement Liability

Percentage Increase to Liability (Hired Before October 1, 2000)

Percentage Increase to Liability (Hired After September 30, 2000)

Normal	6.0%	3.0%
Early	3.0%	1.5%
Vesting	3.0%	1.5%
Death	3.0%	1.5%
Disability	3.0%	1.5%

The assumed rates are based on data provided by the City. Also, no liability increases are utilized for Members hired after June 30, 2011.

Termination Rates

Age

Rates

20	22.7%
25	18.2%
30	15.5%
35	12.9%
40	11.2%
45	8.1%
50	6.1%
55	4.9%

This assumption was approved in conjunction with an actuarial experience study as of September 30, 2007

Disability Rates

<u>Age</u>	<u>Probability of Disability</u>
20	0.07%
25	0.09%
30	0.11%
35	0.14%
40	0.19%
45	0.30%
50	0.51%
55	0.96%
60	1.66%
65	0.00%

This assumption was reviewed in conjunction with an actuarial experience study as of September 30, 2007.

## VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay as of the valuation date of all covered Members.

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

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

Individual Entry Age Normal Actuarial Cost Method (Level Percent of Compensation) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

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

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

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2015

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	1,325,278.38	1,325,278.38
Cash	(152.91)	(152.91)
<b>Total Cash and Equivalents</b>	<b>1,325,125.47</b>	<b>1,325,125.47</b>
Receivables:		
Member Contributions	178.58	178.58
City Contributions in Transit	216,794.10	216,794.10
Additional City Contributions	4,969.99	4,969.99
Benefit Due for Overpayment Recovery	2,697.85	2,697.85
Investment Income	59,673.53	59,673.53
<b>Total Receivable</b>	<b>284,314.05</b>	<b>284,314.05</b>
Investments:		
U. S. Bonds and Bills	3,189,389.98	3,220,510.25
Federal Agency Guaranteed Securities	1,802,625.84	1,799,123.45
Corporate Bonds	807,556.65	814,860.00
Stocks	12,568,563.17	13,045,270.18
Mutual Funds:		
Fixed Income	1,052,022.44	926,571.61
Equity	73,163.19	58,676.20
Pooled/Common/Commingled Funds:		
Real Estate	1,615,221.00	1,615,018.00
<b>Total Investments</b>	<b>21,108,542.27</b>	<b>21,480,029.69</b>
<b>Total Assets</b>	<b>22,717,981.79</b>	<b>23,089,469.21</b>
 <u>LIABILITIES</u>		
Payables:		
Investment Expenses	28,443.99	28,443.99
Administrative Expenses	936.30	936.30
Prepaid Member Contribution	1,730.11	1,730.11
<b>Total Liabilities</b>	<b>31,110.40</b>	<b>31,110.40</b>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>22,686,871.39</b>	<b>23,058,358.81</b>

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

ADDITIONS

Contributions:

Member	165,362.59	
City	986,644.93	

Total Contributions		1,152,007.52
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Investment Income:

Net Realized Gain (Loss)	1,143,615.03	
Unrealized Gain (Loss)	(1,496,798.18)	
Net Increase in Fair Value of Investments	(353,183.15)	
Interest & Dividends	627,517.77	
Less Investment Expense <sup>1</sup>	(144,351.02)	

Net Investment Income		129,983.60
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Total Additions		1,281,991.12
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DEDUCTIONS

Distributions to Members:

Benefit Payments	1,068,003.98	
Refunds of Member Contributions	17,267.31	

Total Distributions		1,085,271.29
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Administrative Expense		41,173.33
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Total Deductions		1,126,444.62
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Net Increase in Net Position		155,546.50
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		22,902,812.31
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End of the Year		23,058,358.81
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<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS AS OF SEPTEMBER 30

	2015	2016	2017	2018	2019
A. Preliminary Actuarial Value Prior Year	21,170,068				
B. Market Value Beginning of Year	22,902,812				
C. Market Value End of Year	23,058,359				
D. Non-investment net cash flow	25,563				
E. Investment Return					
1. Actual market return net of investment expenses: C - B - D	129,984				
2. Expected return of 7.25%: (B + D/2) * 0.0725	1,661,381				
3. Excess/(shortfall): E1 - E2	(1,531,397)				
F. Phased-in recognition of Investment Return					
1. Current year: 20% of E3	(306,279)				
2. 20% from first prior year	150,668	(306,279)			
3. 20% from second prior year	162,511	150,668	(306,279)		
4. 20% from third prior year	422,087	162,511	150,668	(306,279)	
5. 20% from fourth prior year	(201,638)	422,088	162,509	150,669	(306,281)
6. Total phased in investment return	227,349	428,988	6,898	(155,610)	(306,281)
G. Actuarial Value (AV) End of Year					
1. Preliminary AV end of year: A + D + E2 + F6	23,084,361				
2. Upper corridor limit: 120% * C	27,670,031				
3. Lower corridor limit: 80% * C	18,446,687				
4. Actuarial value end of year	23,084,361				
H. Difference between MV and AV:	(26,002)				
I. Net Investment Income:					
1. Interest and Dividends	627,518				
2. Realized Gains (Losses)	1,143,615				
2. Change in Actuarial Value	261,948				
3. Investment Expenses	(144,351)				
	1,888,730				
Actuarial Assets Rate of Return = 2I/(A+G-I):	8.92%				
Market Value of Assets Rate of Return:	0.57%				
Actuarial Gain/(Loss) due to Investment Return: (Actuarial Asset Basis)	352,973				

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

REVENUES

Contributions:		
Member	165,362.59	
City	986,644.93	
<b>Total Contributions</b>		<b>1,152,007.52</b>
Earnings from Investments:		
Interest & Dividends	627,517.77	
Net Realized Gain (Loss)	1,143,615.03	
Change in Actuarial Value	261,948.22	
<b>Total Earnings and Investment Gains</b>		<b>2,033,081.02</b>

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,068,003.98	
Refunds of Member Contributions	17,267.31	
<b>Total Distributions</b>		<b>1,085,271.29</b>
Expenses:		
Investment related <sup>1</sup>	144,351.02	
Administrative	41,173.33	
<b>Total Expenses</b>		<b>185,524.35</b>
<b>Change in Net Assets for the Year</b>		<b>1,914,292.90</b>
<b>Net Assets Beginning of the Year</b>		<b>21,170,068.30</b>
<b>Net Assets End of the Year<sup>2</sup></b>		<b>23,084,361.20</b>

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

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

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

(1)	City Required Contribution Rate	14.91%
(2)	Pensionable Payroll	\$6,617,336.90
(3)	City Required Contribution (1) x (2)	986,644.93
(4)	Less 2014 Prepaid Contribution	0.00
(5)	Less Actual City Contributions	<u>(982,751.71)</u>
(6)	Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2015	\$3,893.22

STATISTICAL DATA

	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>
<u>Actives</u>				
Number	131	130	131	150
Average Current Age	45.8	45.8	45.7	45.2
Average Age at Employment	37.4	37.7	37.7	37.7
Average Past Service	8.4	8.1	8.0	7.5
Average Annual Salary	\$48,331	\$48,373	\$50,433	\$50,447
<u>Service Retirees</u>				
Number			49	50
Average Current Age			68.9	69.5
Average Annual Benefit			\$19,719	\$20,241
<u>Beneficiaries</u>				
Number			5	6
Average Current Age			65.3	66.3
Average Annual Benefit			\$14,567	\$8,170
<u>Disability Retirees</u>				
Number			2	3
Average Current Age			63.4	61.1
Average Annual Benefit			\$16,917	\$15,535
<u>Terminated Vested</u>				
Number			81	91
Average Current Age <sup>1</sup>			49.4	49.9
Average Annual Benefit <sup>1</sup>			\$8,358	\$8,508

<sup>1</sup> Excludes non-vested members awaiting a refund of contributions.

## 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	5	0	1	1	0	0	0	0	0	0	0	7
25 - 29	6	2	0	0	0	0	0	0	0	0	0	8
30 - 34	5	2	3	1	0	5	1	0	0	0	0	17
35 - 39	1	3	3	1	0	3	6	1	0	0	0	18
40 - 44	7	1	2	0	1	5	3	0	1	0	0	20
45 - 49	3	1	2	2	0	6	4	1	0	2	0	21
50 - 54	3	2	2	1	0	4	5	1	1	2	1	22
55 - 59	1	2	1	0	0	7	6	2	2	0	0	21
60 - 64	0	0	1	1	0	4	2	3	0	0	1	12
65+	0	1	0	0	0	2	1	0	0	0	0	4
Total	31	14	15	7	1	36	28	8	4	4	2	150

## VALUATION PARTICIPANT RECONCILIATION

### 1. Active lives

a. Number in prior valuation 10/1/2014	131
b. Terminations	
i. Vested (partial or full) with deferred benefits	(7)
ii. Non-vested or full lump sum distribution received	(4)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	<u>(1)</u>
f. Continuing participants	119
g. New entrants	<u>31</u>
h. Total active life participants in valuation	150

### 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>	<u>Vested Deferred</u>	<u>Total</u>
a. Number prior valuation	49	5	2	81	137
Retired	1	0	0	(1)	0
Vested Deferred	1	0	1	15	17
Death, With Survivor	0	0	0	0	0
Death, No Survivor	(1)	(1)	0	0	(2)
Disabled	0	0	0	(1)	(1)
Refund of Contributions	0	0	0	(3)	(3)
Rehires	0	0	0	0	0
Reinstated Annuities	0	1	0	0	1
Data Corrections	0	1	0	0	1
b. Number current valuation	50	6	3	91	150

PENSION PLAN FOR GENERAL EMPLOYEES  
SUMMARY OF PLAN PROVISIONS  
(Through Ordinance No. 13-65)

<u>Eligibility</u>	Full-time General Employees participate in the Plan as a condition of employment unless they have chosen to opt out and participate in the City's Defined Contribution Plan.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the City as a General Employee.
<u>Salary</u>	Gross Compensation for services rendered to the City as a General Employee. Effective July 1, 2011, overtime is limited to 300 hours per calendar year. Additionally, accruals of unused sick and annual leave payments are not considered for benefit purposes after June 30, 2011.
<u>Average Final Compensation</u>	Average Salary for the 3 best years of the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	2.5% of Salary, effective November 1, 2011.
<u>City Contributions</u>	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII, Chapter 112, F.S.
<u>Normal Retirement</u>	
Date	Earlier of: 1) age 65 with 5 years of Credited Service, 2) the completion of 30 years of Credited Service, regardless of age, or 3) the attainment of age 70, regardless of Credited Service.
Benefit	2.5% of Average Final Compensation for each year of Credited Service.
Form of Benefit	Life Annuity (options available).

### Early Retirement

Eligibility	Age 60 with 5 years of Credited Service.
Benefit	Accrued benefit, reduced 5% per year that the benefit commencement date precedes age 65.

### Vesting

Schedule	100% after 5 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the Early (reduced) or Normal Retirement Date.

### Disability

Eligibility	10 years of Credited Service.
Benefit	2.0% of Average Final Compensation for the first 20 years of Credited Service, plus 1.0% of Average Final Compensation for Credited Service in excess of 20 years.
Minimum Benefit	The greater of \$100 or 40% of Average Final Compensation.
Duration	Payable for life. Optional forms of payment are available.

### Death Benefits

Eligibility	5 years of Credited Service.
Benefit	Monthly accrued benefit payable to Designated beneficiary for 10 years at otherwise Early (reduced) or Normal (unreduced) Retirement Date.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	1,325,278
Cash	(153)
Total Cash and Equivalents	1,325,125
Receivables:	
City Contributions in Transit	216,794
Additional City Contributions	4,970
Investment Income	60,574
Total Receivable	282,338
Investments:	
U. S. Bonds and Bills	3,220,510
Federal Agency Guaranteed Securities	1,799,123
Corporate Bonds	814,860
Stocks	13,045,270
Mutual Funds:	
Fixed Income	926,572
Equity	58,676
Real Estate	1,615,018
Total Investments	21,480,029
Total Assets	23,087,492
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	28,444
Administrative Expenses	936
Total Liabilities	29,380
NET POSITION RESTRICTED FOR PENSIONS	23,058,112

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

ADDITIONS

## Contributions:

Member	166,914	
City	986,645	
Total Contributions		1,153,559
Investment Income:		
Net Increase in Fair Value of Investments	(353,184)	
Interest & Dividends	628,418	
Less Investment Expense <sup>1</sup>	(144,351)	
Net Investment Income		130,883
Total Additions		1,284,442

DEDUCTIONS

## Distributions to Members:

Benefit Payments	1,070,702	
Refunds of Member Contributions	17,267	
Total Distributions		1,087,969
Administrative Expense		41,173
Total Deductions		1,129,142
Net Increase in Net Position		155,300

## NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		22,902,812
End of the Year		23,058,112

<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 City of Winter Garden Pension Plan for General Employees is a single- employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of 5 Trustees, 2 of whom are appointed by the City Commission, 2 of whom are members of the plan who are elected by a majority of the General Employees who are members of the plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees.

*Plan Membership as of October 1, 2014:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	56
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	81
Active Plan Members	131
	268

*Benefits Provided*

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

Normal Retirement:

Date: Earlier of: 1) age 65 with 5 years of Credited Service, 2) the completion of 30 years of Credited Service, regardless of age, or 3) the attainment of age 70, regardless of Credited Service.

Benefit: 2.5% of Average Final Compensation for each year of Credited Service.

Early Retirement:

Eligibility: Age 60 with 5 years of Credited Service.

Accrued benefit, reduced 5% per year that the benefit commencement date precedes age 65.

Vesting:

Schedule: 100% after 5 years of Credited Service.

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

Disability:

Eligibility: 10 years of Credited Service.

Benefit 2.0% of Average Final Compensation for the first 20 years of Credited Service, plus 1.0% of Average Final Compensation for Credited Service in excess of 20 years.

Minimum Benefit: The greater of \$100 or 40% of Average Final Compensation.

Death Benefits:

Eligibility: 5 years of Credited Service.

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

*Contributions*

Member Contributions: 2.5% of Salary, effective November 1, 2011.

City Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII, Chapter 112, F.S

**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	45%
International Equity	15%
Broad Market Fixed Income	30%
Global Bonds	5%
Real Estate	5%
Total	<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 0.58 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	\$ 23,314,066
Plan Fiduciary Net Position	\$ (23,058,112)
Sponsor's Net Pension Liability	<u>\$ 255,954</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	98.90%

*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	3.05% - 13.00%
Discount Rate	7.25%
Investment Rate of Return	7.25%

Mortality Rate: RP2000 Combined Healthy projected to the valuation date with Schedule AA. Disabled lives are set forward five years. We feel this assumption sufficiently accommodates future mortality improvements.

The date of the most recent experience study for which significant assumptions are based upon is not available.

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	7.5%
International Equity	8.5%
Broad Market Fixed Income	2.5%
Global Bonds	3.5%
Real Estate	4.5%

**Discount Rate:**

The Discount Rate used to measure the Total Pension Liability was 7.25 percent.

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Liability	\$ 3,220,590	\$ 255,954	\$ (2,224,166)

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

	09/30/2015	09/30/2014
Total Pension Liability		
Service Cost	672,735	772,422
Interest	1,644,735	1,568,252
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(472,681)	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,087,969)	(1,284,131)
Net Change in Total Pension Liability	756,820	1,056,543
Total Pension Liability - Beginning	22,557,246	21,500,703
Total Pension Liability - Ending (a)	\$ 23,314,066	\$ 22,557,246
Plan Fiduciary Net Position		
Contributions - Employer	986,645	883,975
Contributions - Employee	166,914	164,064
Net Investment Income	130,883	2,259,429
Benefit Payments, including Refunds of Employee Contributions	(1,087,969)	(1,284,131)
Administrative Expense	(41,173)	(24,454)
Net Change in Plan Fiduciary Net Position	155,300	1,998,883
Plan Fiduciary Net Position - Beginning	22,902,812	20,903,929
Plan Fiduciary Net Position - Ending (b)	\$ 23,058,112	\$ 22,902,812
Net Pension Liability - Ending (a) - (b)	\$ 255,954	\$ (345,566)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	98.90%	101.53%
Covered Employee Payroll	\$ 6,617,337	\$ 6,562,550
Net Pension Liability as a percentage of Covered Employee Payroll	3.87%	-5.27%

**SCHEDULE OF CONTRIBUTIONS**  
Last 10 Fiscal Years

	<u>09/30/2015</u>	<u>09/30/2014</u>
Actuarially Determined Contribution	986,645	883,975
Contributions in relation to the Actuarially Determined Contributions	986,645	883,975
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll*	\$ 6,617,337	\$ 6,562,550
Contributions as a percentage of Covered Employee Payroll	14.91%	13.47%

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: Entry Age Normal Actuarial Cost Method.  
Amortization Method: Level Percentage of Pay, Closed.  
Remaining Amortization Period: 19 Years (as of 10/01/2013).  
Mortality: RP 2000 Combined Healthy projected to the valuation date with Schedule AA. Disabled lives set forward 5 years.  
Interest Rate: 7.25% per year, compounded annually, net of investment-related expenses.

Normal Retirement Rates:	<u>Eligibility Date</u>	<u>Probability of Retirement</u>
	First eligible	40%
	After first eligible, until age 69	20%
	Age 70 and later	100%

Early Retirement Rates:	<u>Age</u>	<u>Rates</u>
	60	3.4%
	61	3.2%
	62	3.0%
	63	2.5%
	64	2.0%

Salary Increases:	<u>Age</u>	<u>Rates</u>
	20	13.00%
	25	10.00%
	30	8.35%
	35	7.75%
	40	6.95%
	45	6.10%
	50	5.35%
	55	4.75%
60	4.10%	
65	3.05%	

Asset Valuation Method: The Actuarial Value of Assets utilizes a five-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a five-year period.

Cost-of-Living Adjustments: None.

Payroll Growth: None.

GASB 67

Inflation: 3.0% per year.

Terminal Leave Pay:	Present Value of Retirement Liability	Percentage Increase of Liability (Hired Before October 1, 2000)	Percentage Increase to Liability (Hired After September 30, 2000)
	Normal	6.0%	3.0%
	Early	3.0%	1.5%
	Vesting	3.0%	1.5%
	Death	3.0%	1.5%
	Disability	3.0%	1.5%

Termination Rates:	Age	Rates
	20	22.7%
	25	18.2%
	30	15.5%
	35	12.9%
	40	11.2%
	45	8.1%
	50	6.1%
	55	4.9%

Disability Rates:	Age	Probability of Disability
	20	0.07%
	25	0.09%
	30	0.11%
	35	0.14%
	40	0.19%
	45	0.30%
	50	0.51%
	55	0.96%
	60	1.66%
	65	0.00%

SCHEDULE OF INVESTMENT RETURNS  
Last 10 Fiscal Years

	<u>09/30/2015</u>	<u>09/30/2014</u>
Annual Money-Weighted Rate of Return		
Net of Investment Expense	0.58%	10.97%

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

General Information about the Pension Plan

*Plan Description*

The City of Winter Garden Pension Plan for General Employees is a single- employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of 5 Trustees, 2 of whom are appointed by the City Commission, 2 of whom are members of the plan who are elected by a majority of the General Employees who are members of the plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees.

Full-time General Employees participate in the Plan as a condition of employment unless they have chosen to opt out and participate in the City’s Defined Contribution Plan.

*Plan Membership as of October 1, 2014:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	56
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	81
Active Plan Members	131
	268
	268

*Benefits Provided*

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

Normal Retirement:

Date: Earlier of: 1) age 65 with 5 years of Credited Service, 2) the completion of 30 years of Credited Service, regardless of age, or 3) the attainment of age 70, regardless of Credited Service.

Benefit: 2.5% of Average Final Compensation for each year of Credited Service.

Early Retirement:

Eligibility: Age 60 with 5 years of Credited Service.

Accrued benefit, reduced 5% per year that the benefit commencement date precedes age 65.

Vesting:

Schedule: 100% after 5 years of Credited Service.

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

Disability:

Eligibility: 10 years of Credited Service.

Benefit 2.0% of Average Final Compensation for the first 20 years of Credited Service, plus 1.0% of Average Final Compensation for Credited Service in excess of 20 years.

Minimum Benefit: The greater of \$100 or 40% of Average Final Compensation.

Death Benefits:

Eligibility: 5 years of Credited Service.

*Contributions*

Member Contributions: 2.5% of Salary, effective November 1, 2011.

City Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII, Chapter 112, F.S

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	3.05% - 13.00%
Discount Rate	7.25%
Investment Rate of Return	7.25%

Mortality Rate: RP2000 Combined Healthy projected to the valuation date with Schedule AA. Disabled lives are set forward five years. We feel this assumption sufficiently accommodates future mortality improvements.

The date of the most recent experience study for which significant assumptions are based upon is not available.

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	45%	7.5%
International Equity	15%	8.5%
Broad Market Fixed Income	30%	2.5%
Global Bonds	5%	3.5%
Real Estate	5%	4.5%
Total	100%	

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.25 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)
Balance at September 30, 2014	\$ 22,557,246	\$ 22,902,812	\$ (345,566)
Changes for a Year:			
Service Cost	672,735	-	672,735
Interest	1,644,735	-	1,644,735
Differences between Expected and Actual Experience	(472,681)	-	(472,681)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	986,645	(986,645)
Contributions - Employee	-	166,914	(166,914)
Net Investment Income	-	130,883	(130,883)
Benefit Payments, including Refunds of Employee Contributions	(1,087,969)	(1,087,969)	-
Administrative Expense	-	(41,173)	41,173
Net Changes	756,820	155,300	601,520
Balance at September 30, 2015	\$ 23,314,066	\$ 23,058,112	\$ 255,954

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.25%	7.25%	8.25%
Sponsor's Net Pension Liability	\$ 3,220,590	\$ 255,954	\$ (2,224,166)

*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 \$741,945.

On September 30, 2015, 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	-	378,144
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	1,224,364	-
<b>Total</b>	<b>\$ 1,224,364</b>	<b>\$ 378,144</b>

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		\$	211,555
2017		\$	211,555
2018		\$	211,555
2019		\$	211,555
2020		\$	-
Thereafter		\$	-

**Payable to the Pension Plan**

On September 30, 2015, the Sponsor reported a payable of \$4,970 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2015.

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

	<u>09/30/2015</u>	<u>09/30/2014</u>
Total Pension Liability		
Service Cost	672,735	772,422
Interest	1,644,735	1,568,252
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(472,681)	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(1,087,969)</u>	<u>(1,284,131)</u>
Net Change in Total Pension Liability	756,820	1,056,543
Total Pension Liability - Beginning	<u>22,557,246</u>	<u>21,500,703</u>
Total Pension Liability - Ending (a)	<u><u>\$ 23,314,066</u></u>	<u><u>\$ 22,557,246</u></u>
Plan Fiduciary Net Position		
Contributions - Employer	986,645	883,975
Contributions - Employee	166,914	164,064
Net Investment Income	130,883	2,259,429
Benefit Payments, including Refunds of Employee Contributions	(1,087,969)	(1,284,131)
Administrative Expense	<u>(41,173)</u>	<u>(24,454)</u>
Net Change in Plan Fiduciary Net Position	155,300	1,998,883
Plan Fiduciary Net Position - Beginning	<u>22,902,812</u>	<u>20,903,929</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 23,058,112</u></u>	<u><u>\$ 22,902,812</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 255,954</u></u>	<u><u>\$ (345,566)</u></u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	98.90%	101.53%
Covered Employee Payroll	\$ 6,617,337	\$ 6,562,550
Net Pension Liability as a percentage of Covered Employee Payroll	3.87%	-5.27%

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	<u>09/30/2015</u>	<u>09/30/2014</u>
Actuarially Determined Contribution	986,645	883,975
Contributions in relation to the		
Actuarially Determined Contributions	986,645	883,975
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 6,617,337	\$ 6,562,550
Contributions as a percentage of		
Covered Employee Payroll	14.91%	13.47%

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: Entry Age Normal Actuarial Cost Method.  
 Amortization Method: Level Percentage of Pay, Closed.  
 Remaining Amortization Period: 19 Years (as of 10/01/2013).  
 Mortality: RP 2000 Combined Healthy projected to the valuation date with Schedule AA. Disabled lives set forward 5 years.  
 Interest Rate: 7.25% per year, compounded annually, net of investment-related expenses.

Normal Retirement Rates:	<u>Eligibility Date</u>	<u>Probability of Retirement</u>
		First eligible
	After first eligible, until age 69	20%
	Age 70 and later	100%

Early Retirement Rates:	<u>Age</u>	<u>Rates</u>
		60
	61	3.20%
	62	3.00%
	63	2.50%
	64	2.00%

Salary Increases:	<u>Age</u>	<u>Rates</u>
		20
	25	10.00%
	30	8.35%
	35	7.75%
	40	6.95%
	45	6.10%
	50	5.35%
	55	4.75%
	60	4.10%
	65	3.05%

Asset Valuation Method: The Actuarial Value of Assets utilizes a five-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a five-year period.

Cost-of-Living Adjustments: None.

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Payroll Growth:	None.		
Inflation:	3.0% per year.		
Terminal Leave Pay:	Present Value of Retirement Liability	Percentage Increase of Liability (Hired Before October 1, 2000)	Percentage Increase to Liability (Hired After September 30, 2000)
	Normal	6.00%	3.00%
	Early	3.00%	1.50%
	Vesting	3.00%	1.50%
	Death	3.00%	1.50%
	Disability	3.00%	1.50%
Termination Rates:	<u>Age</u>	<u>Rates</u>	
	20	22.70%	
	25	18.20%	
	30	15.50%	
	35	12.90%	
	40	11.20%	
	45	8.10%	
	50	6.10%	
	55	4.90%	
Disability Rates:	<u>Age</u>	<u>Probability of Disability</u>	
	20	0.07%	
	25	0.09%	
	30	0.11%	
	35	0.14%	
	40	0.19%	
	45	0.30%	
	50	0.51%	
	55	0.96%	
	60	1.66%	
	65	0.00%	

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

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Balance at September 30, 2014	\$ (345,566)	\$ -	\$ -	\$ -
Total Pension Liability Factors:				
Service Cost	672,735	-	-	672,735
Interest	1,644,735	-	-	1,644,735
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(472,681)	472,681	-	-
Current year amortization of experience difference	-	(94,537)	-	(94,537)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(1,087,969)	-	-	(1,087,969)
Net change	<u>756,820</u>	<u>378,144</u>	<u>-</u>	<u>1,134,964</u>
Plan Fiduciary Net Position:				
Contributions - Employer	986,645	-	-	-
Contributions - State	-	-	-	-
Contributions - Employee	166,914	-	-	(166,914)
Net Investment Income	1,661,339	-	-	(1,661,339)
Difference between projected and actual earnings on Pension Plan investments	(1,530,456)	-	1,530,456	-
Current year amortization	-	-	(306,092)	306,092
Benefit Payments	(1,087,969)	-	-	1,087,969
Administrative Expenses	(41,173)	-	-	41,173
Net change	<u>155,300</u>	<u>-</u>	<u>1,224,364</u>	<u>(393,019)</u>
Balance at September 30, 2015	<u>\$ 255,954</u>	<u>\$ 378,144</u>	<u>\$ 1,224,364</u>	<u>\$ 741,945</u>