CITY OF ORMOND BEACH
POLICE OFFICERS' PENSION TRUST FUND

ACTUARIAL VALUATION AND REPORT
AS OF OCTOBER 1, 2015

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

December 4, 2015

Board of Trustees
City of Ormond Beach
Police Officers' Pension Trust Fund
P. O. Box 277
Ormond Beach, FL 32175-0277

Re: City of Ormond Beach
Police Officers' Pension Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Ormond Beach Police Officers' Pension Trust Fund. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Please note that this valuation may not be applicable for any other purposes.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapters 112, and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

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

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Ormond Beach, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Ormond Beach Police Officers' Pension Trust Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

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

Respectfully submitted,

Foster & Foster, Inc.

By: _____

Patrick T. Donlan, M.A.A.A., A.S.A.
Enrolled Actuary #14-06595

PTD\lke
Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Ormond Beach Police Officers' Pension Trust Fund, performed as of October 1, 2015, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2017.

The contribution requirements developed in this valuation, compared with amounts set forth in the October 1, 2014 Actuarial Valuation, are as follows:

Valuation Date Applicable Plan/Fiscal Year End	10/1/2014 9/30/2016	10/1/2015 9/30/2017
Total Required Contribution % of Total Annual Payroll	59.3%	61.1%
Member Contributions (Est.) % of Total Annual Payroll	9.0%	9.0%
City and State Required Contribution % of Total Annual Payroll	50.3%	52.1%
State Contribution [1] % of Total Annual Payroll	314,798 10.5%	314,798 10.5%
Balance from City [2] % of Total Annual Payroll	39.8%	41.6%

[1] Amount shown is actual State contribution received during fiscal 2015. The City may use annual State contributions of up to $544,533.32 to determine its funding requirements, pursuant to the traditional interpretation of Chapter 99-1, Florida Statutes. As you are probably aware, Governor Scott signed into law Chapter 2015-39, which amends Chapter 185 and illustrates a default methodology for allocating future State Monies. If the Members of the Plan are represented by a collective bargaining agreement, this default methodology will be implemented and effective upon entering into a collective bargaining agreement on or after July 1, 2015. However, please note that this default methodology can be superseded as long as there is mutual consent of the members' collective bargaining agreement and the City on how State Monies are to be allocated.

[2] At the request of the Division of Retirement, the required contribution from the combination of City and State sources for the year ending September 30, 2017, is 52.1% of the actual pensionable payroll realized in that year. As a budgeting tool, the City may contribute 41.6% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received (up to the maximum $544,533.32). The City has a prepaid contribution in the amount of $50,140.09 that is available to help offset their fiscal 2016 requirement (see page 23).

As can be seen, the Total Required Contribution has increased when expressed as a percentage of Total Annual Payroll. The increase is due to a change in the Plan's assumed rate of investment return from 7.00% to 6.75%: prior to the assumption change, the Total Required Contribution had decreased from October 1, 2014 to October 1, 2015 by 1.6% of payroll.

Plan experience over the past year was favorable overall, relative to the Plan's actuarial assumptions. The principal components of favorable experience were average increases in Pensionable Compensation that were below the assumed rate and a 10.67% investment return (Actuarial Asset Basis) that exceeded the 7.00% assumption. The favorable experience was offset in part by unfavorable turnover experience and no inactive mortality during the year.

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

Respectfully submitted,

FOSTER & FOSTER, INC.

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

By: _____
Tyler A. Koftan

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no plan changes since the prior valuation.

Actuarial Assumption/Method Changes

The following change was made since the prior valuation:

- The Board adopted a change in the investment return assumption from 7.00% to 6.75%, net of investment-related expenses.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump 10/1/2015	Old Assump 10/1/2015	10/1/2014
A. Participant Data			
Number Included			
Actives	58	58	60
Service Retirees	52	52	45
DROP Retirees	2	2	6
Beneficiaries	0	0	1
Disability Retirees	1	1	1
Terminated Vested	3	3	2
Total	116	116	115
Total Annual Payroll	$3,008,038	$3,008,038	$2,983,991
Payroll Under Assumed Ret. Age	3,008,038	3,008,038	2,983,991
Annual Rate of Payments to:			
Service Retirees	1,984,257	1,984,257	1,721,892
DROP Retirees	114,403	114,403	307,815
Beneficiaries	0	0	0
Disability Retirees	10,330	10,330	10,330
Terminated Vested	16,920	16,920	16,920
B. Assets			
Actuarial Value [1]	28,342,726	28,342,726	26,767,713
Market Value [1]	27,159,717	27,159,717	28,847,654
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	14,638,680	14,000,534	13,890,374
Disability Benefits	82,167	79,311	78,921
Death Benefits	55,546	54,283	55,348
Vested Benefits	1,369,071	1,297,666	1,239,529
Refund of Contributions	204,600	203,246	203,433
Service Retirees	26,064,827	25,432,214	21,436,986
DROP Retirees[1]	2,287,174	2,236,818	5,783,629
Beneficiaries	0	0	0
Disability Retirees	108,340	106,283	108,554
Terminated Vested	153,702	148,480	130,242
Excess State Monies Reserve	0	0	0
Total	44,964,107	43,558,835	42,927,016

C. Liabilities - (Continued)	New Assump 10/1/2015	Old Assump 10/1/2015	10/1/2014
Present Value of Future Salaries	20,588,569	20,358,484	20,441,328
Present Value of Future Member Contributions	1,852,971	1,832,264	1,839,720
Normal Cost (Retirement)	692,379	656,353	660,890
Normal Cost (Disability)	9,957	9,675	9,532
Normal Cost (Death)	4,014	3,914	4,044
Normal Cost (Vesting)	89,908	84,903	80,965
Normal Cost (Refunds)	32,800	32,674	31,179
Total Normal Cost	829,058	787,519	786,610
Present Value of Future Normal Costs	5,503,046	5,165,932	5,248,885
Accrued Liability (Retirement)	10,015,978	9,667,410	9,469,610
Accrued Liability (Disability)	19,267	18,838	17,956
Accrued Liability (Death)	30,440	30,071	29,807
Accrued Liability (Vesting)	723,536	694,924	647,556
Accrued Liability (Refunds)	57,797	57,865	53,791
Accrued Liability (Inactives) [1]	28,614,043	27,923,795	27,459,411
Excess State Monies Reserve	0	0	0
Total Actuarial Accrued Liability	39,461,061	38,392,903	37,678,131
Unfunded Actuarial Accrued Liability (UAAL)	11,118,335	10,050,177	10,910,418
Funded Ratio (AVA / AL)	71.8%	73.8%	71.0%

D. Actuarial Present Value of Accrued Benefits

Vested Accrued Benefits			
Inactives [1]	28,614,043	27,923,795	27,459,411
Actives	4,635,165	4,420,293	4,479,440
Member Contributions	1,991,903	1,991,903	1,957,038
Total	35,241,111	34,335,991	33,895,889
Non-vested Accrued Benefits	1,389,147	1,311,984	1,224,573
Total Present Value Accrued Benefits	36,630,258	35,647,975	35,120,462
Funded Ratio (MVA / PVAB)	74.1%	76.2%	82.1%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	982,283	0	
New Accrued Benefits	0	1,091,160	
Benefits Paid	0	(2,919,883)	
Interest	0	2,356,236	
Other	0	0	
Total	982,283	527,513	

	New Assump	Old Assump	
Valuation Date	10/1/2015	10/1/2015	10/1/2014
Applicable to Fiscal Year Ending	9/30/2017	9/30/2017	9/30/2016
E. Pension Cost			
Normal Cost (with interest) % of Total Annual Payroll [2]	28.5	27.1	27.3
Administrative Expenses (with interest) % of Total Annual Payroll [2]	1.3	1.3	0.9
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/2015) % of Total Annual Payroll [2]	31.3	29.3	31.1
Total Required Contribution % of Total Annual Payroll [2]	61.1	57.7	59.3
Expected Member Contributions % of Total Annual Payroll [2]	9.0	9.0	9.0
Expected City & State Contribution % of Total Annual Payroll [2]	52.1	48.7	50.3

F. Past Contributions

Plan Years Ending:	9/30/2015
Total Required Contribution	1,740,912
City and State Requirement	1,481,075
Actual Contributions Made:	
Members (excluding buyback)	259,838
City	1,166,277
State	314,798
Total	1,740,913

G. Net Actuarial (Gain)/Loss (681,026)

[1] The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2015 and 9/30/2014.

[2] Contributions developed as of 10/1/2015 are expressed as a percentage of total annual payroll at 10/1/2015 of $3,008,038.

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

Year	Projected Unfunded Accrued Liability
2015	11,118,335
2016	10,895,140
2017	10,670,844
2024	8,428,764
2031	4,884,576
2038	1,216,683
2045	0

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

		Actual	Assumed
Year Ended	9/30/2015	4.07%	5.50%
Year Ended	9/30/2014	4.26%	5.50%
Year Ended	9/30/2013	3.91%	5.50%

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

		Actual	Assumed
Year Ended	9/30/2015	10.67%	7.00%
Year Ended	9/30/2014	10.92%	7.25%
Year Ended	9/30/2013	9.83%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015	$3,008,038
	10/1/2005	2,685,758
(b) Total Increase		12.00%
(c) Number of Years		10.00
(d) Average Annual Rate		1.14%

STATEMENT BY ENROLLED ACTUARY

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

Patrick T. Donlan

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

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

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

Ms. Sarah Carr
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2014	$10,910,418
(2)	Sponsor Normal Cost developed as of October 1, 2014	518,051
(3)	Expected administrative expenses for the year ended September 30, 2015	26,400
(4)	Expected interest on (1), (2) and (3)	800,917
(5)	Sponsor contributions to the System during the year ended September 30, 2015	1,481,075
(6)	Expected interest on (5)	43,508
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	10,731,203
(8)	Change to UAAL due to Assumption Change	1,068,158
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(681,026)
(10)	Unfunded Accrued Liability as of October 1, 2015	11,118,335

Type of Base	Date Established	Years Remaining	10/1/2015 Amount	Amortization Amount
	10/1/1986	1	$17,823	$17,823
	10/1/1992	7	(53,119)	(9,021)
	10/1/1995	10	38,738	5,001
	10/1/1996	11	157,502	18,987
	10/1/1999	14	889,248	91,143
	10/1/2002	17	1,351,838	123,149
Method Change	10/1/2004	19	472,479	40,462
Actuarial Loss	10/1/2004 [1]	19	461,977	39,563
Actuarial Loss	10/1/2005	20	632,269	52,704
Actuarial Gain	10/1/2006	21	(679,966)	(55,292)
Actuarial Gain	10/1/2007	22	(435,106)	(34,584)
Actuarial Loss	10/1/2008	23	998,322	77,702
Method Change	10/1/2008	23	323,149	25,152
Actuarial Loss	10/1/2009	24	831,994	63,514
Actuarial Loss	10/1/2010	25	2,387,080	178,993
Assumption	10/1/2010	25	1,992,874	149,434
Actuarial Loss	10/1/2011	26	2,262,490	166,862
Benefit Change	10/1/2011	26	(143,931)	(10,615)
Actuarial Gain	10/1/2012	27	(504,270)	(36,623)
Actuarial Gain	10/1/2013	28	(1,076,835)	(77,100)
Assumption	10/1/2013	28	900,988	64,509
Assumption	10/1/2014	29	980,032	69,246
Actuarial Gain	10/1/2014	29	(1,074,373)	(75,912)
Assumption	10/1/2015	30	1,068,158	74,549
Actuarial Gain	10/1/2015	30	(681,026)	(47,530)
			11,118,335	912,116

[1] It is assumed that 50% of the cost method change base from 2004 was attributable to unfavorable actuarial experience prior to that date.

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2014	$10,910,418
(2) Expected UAAL as of October 1, 2015	10,731,203
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(959,192)
Salary Increases	(167,854)
Active Decrements	263,488
Inactive Mortality	90,418
Other	92,114
Increase in UAAL due to (Gain)/Loss	(681,026)
Assumption Changes	1,068,158
(4) Actual UAAL as of October 1, 2015	$11,118,335

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate	RP-2000 Table with no projection. We believe this sufficiently accounts for future mortality improvements.
Termination Rates	See Tables on the following page. This is based on the results of an actuarial experience study for the period 2002 - 2010.
Disability Rates	See Tables on the following page (1201). It is assumed that 75% of disablements and active member deaths are service related.
Retirement Age	Earlier of age 55 and 10 years of service, 20 years of service regardless of age, or age 60.
Early Retirement	Commencing at the member's eligibility for Early Retirement (attainment of age 45 with 10 years of Credited Service), members are assumed to retire with an immediate, subsidized benefit at the rate of 5% per year.
Cost of Living Adjustments	Beginning the first October 1st following one year of retirement, annual adjustments of 1.00%.
Interest Rate	6.75% per year, compounded annually, net of investment related expenses (7.00% in prior valuation). This is supported by the results of an actuarial experience study for the period 1987 - 2010, as well as the target asset class allocation of the trust and the expected long-term return by asset class.
Salary Increases	5.50% per year up to the assumed retirement age; see Table on the following page. Projected salary at retirement is increased individually to account for non-regular payments. This is based on the results of an actuarial experience study for the period 1987 - 2010.
Payroll Growth	Up to 3.00% (0.53% in 10/1/2015 valuation). The payroll growth rate assumption is limited by Part VII of Chapter 112, Florida Statutes.
Administrative Expenses	$36,411 annually. This represents the actual non-investment-related expenses paid out of the trust during the past year.
Funding Method	Entry Age Normal Actuarial Cost Method.

Asset Valuation

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

Age	% Terminating During the Year	% Becoming Disabled During the Year	Current Salary as % of Salary at age 50
20	9.00%	0.03%	20.1%
30	7.50	0.04	34.3
40	3.90	0.07	58.5
50	1.20	0.18	100.0

VALUATION NOTES

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

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

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Actuarial Accrued Liability (UAAL) is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service. Under the Entry Age Normal Actuarial Cost Method, there is also a new UAAL created each year equal to the actuarial gain or loss for that year.

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

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

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

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

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

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

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

Received During Fiscal Year	Amount	Increase from Previous Year
1993	143,267.24	5.5%
1994	141,238.61	-1.4%
1995	167,423.98	18.5%
1996	164,689.32	-1.6%
1997	175,046.40	6.3%
1998	172,232.32	-1.6%
1999	187,803.29	9.0%
2000	185,196.08	-1.4%
2001	209,644.34	13.2%
2002	220,651.25	5.3%
2003	249,004.42	12.8%
2004	279,394.31	12.2%
2005	298,409.89	6.8%
2006	302,091.35	1.2%
2007	309,398.86	2.4%
2008	306,085.20	-1.1%
2009	301,224.61	-1.6%
2010	284,026.50	-5.7%
2011	284,887.44	0.3%
2012	298,041.92	4.6%
2013	287,764.55	-3.4%
2014	351,321.15	22.1%
2015	314,798.10	-10.4%

EXCESS STATE MONIES RESERVE

	Regular Distribution		
	Actual State Contribution	Applicable "Frozen" Amount	Excess State Monies Reserve
1999	$187,803.29	*	*
2000	185,196.08	*	*
2001	209,644.34	*	*
2002	220,651.25	*	*
2003	249,004.42	502,533.32	$0.00
2004	279,394.31	502,533.32	0.00
2005	298,409.89	502,533.32	0.00
2006	302,091.35	502,533.32	0.00
2007	309,398.86	544,533.32	0.00
2008	306,085.20	544,533.32	0.00
2009	301,224.61	544,533.32	0.00
2010	284,026.50	544,533.32	0.00
2011	284,887.44	544,533.32	0.00
2012	298,041.92	544,533.32	0.00
2013	287,764.55	544,533.32	0.00
2014	351,321.15	544,533.32	0.00
2015	314,798.10	544,533.32	0.00
Total Excess State Monies			0.00

* Accumulated Excess State Monies Reserve prior to 2003 ($15,570.97) used to fund improvement in Ordinance No. 2002-35.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

ASSETS	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	788,831.03	788,831.03
Total Cash and Equivalents	788,831.03	788,831.03
Receivables:		
Custodian Correction from General Plan	52,111.94	52,111.94
Investment Income	64,279.10	64,279.10
Total Receivable	116,391.04	116,391.04
Investments:		
Fixed	8,705,354.45	8,789,581.46
Equities	16,157,961.03	17,483,139.49
Miscellaneous	98,399.40	120,407.14
Total Investments	24,961,714.88	26,393,128.09
Total Assets	25,866,936.95	27,298,350.16
LIABILITIES		
Payables:		
Custodian Correction to General Plan	88,493.51	88,493.51
Prepaid City Contribution	50,140.09	50,140.09
Total Liabilities	138,633.60	138,633.60
NET POSITION RESTRICTED FOR PENSIONS	25,728,303.35	27,159,716.56

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

ADDITIONS			
Contributions:			
Member		259,837.68	
City		1,166,276.67	
State		314,798.10	
Total Contributions			1,740,912.45
Investment Income:			
Net Realized Gain (Loss)	1,783,330.15		
Unrealized Gain (Loss)	(2,796,843.78)		
Net Increase in Fair Value of Investments		(1,013,513.63)	
Interest & Dividends		696,987.76	
Less Investment Expense[1]		(156,031.08)	
Net Investment Income			(472,556.95)
Total Additions			1,268,355.50
DEDUCTIONS			
Distributions to Members:			
Benefit Payments		1,801,236.70	
Lump Sum DROP Distributions		1,100,423.50	
Refunds of Member Contributions		18,222.31	
Total Distributions			2,919,882.51
Administrative Expense			36,410.71
Total Deductions			2,956,293.22
Net Increase in Net Position			(1,687,937.72)
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of the Year			28,847,654.28
End of the Year			27,159,716.56

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

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2015

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

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*
09/30/2012	20.10%
09/30/2013	13.48%
09/30/2014	11.90%
09/30/2015	-1.65%

Annualized Rate of Return for prior four (4) years:	10.67%	
(A) 10/01/2014 Actuarial Assets:		$26,767,712.82
(I) Net Investment Income:		
1. Interest and Dividends	696,987.76	
2. Realized Gains (Losses)	1,783,330.15	
3. Change in Actuarial Value	466,106.72	
4. Investment Related Expenses	(156,031.08)	
Total		2,790,393.55
(B) 10/01/2015 Actuarial Assets:		$28,342,725.60
Actuarial Asset Rate of Return = 2I/(A+B-I):		10.67%
10/01/2015 Limited Actuarial Assets:		$28,342,725.60
10/01/2015 Market Value of Assets:		$27,159,716.56
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		$959,191.98

*Market Value Basis, net of investment related expenses.

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

REVENUES		
Contributions:		
Member	259,837.68	
City	1,166,276.67	
State	314,798.10	
Total Contributions		1,740,912.45
Earnings from Investments:		
Interest & Dividends	696,987.76	
Net Realized Gain (Loss)	1,783,330.15	
Change in Actuarial Value	466,106.72	
Total Earnings and Investment Gains		2,946,424.63
EXPENDITURES		
Distributions to Members:		
Benefit Payments	1,801,236.70	
Lump Sum DROP Distributions	1,100,423.50	
Refunds of Member Contributions	18,222.31	
Total Distributions		2,919,882.51
Expenses:		
Investment related[1]	156,031.08	
Administrative	36,410.71	
Total Expenses		192,441.79
Change in Net Assets for the Year		1,575,012.78
Net Assets Beginning of the Year		26,767,712.82
Net Assets End of the Year[2]		28,342,725.60

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.
[2]Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2014 to September 30, 2015

Beginning of the Year Balance	1,260,010.93
Plus Additions	288,221.08
Investment Return Earned	75,152.06
Less Distributions	(1,100,423.50)
End of the Year Balance	522,960.57

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

(1)	Total Required Contribution Rate	60.3%
(2)	Pensionable Payroll Derived from Member Contributions	$2,887,085.33
(3)	Total Required Contribution (1) x (2)	1,740,912.45
(4)	Less Actual Member Contributions	(259,837.68)
(5)	Less Allowable State Contribution	(314,798.10)
(6)	Equals Required City Contribution for Fiscal 2015	1,166,276.67
(7)	Less 2014 Prepaid Contribution	(26,776.49)
(8)	Less Actual City Contributions	(1,189,640.27)
(9)	Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2015	($50,140.09)

STATISTICAL DATA [1]

	10/1/2012	10/1/2013	10/1/2014	10/1/2015
Actives				
Number	58	59	60	58
Average Current Age	38.0	37.7	37.1	37.3
Average Age at Employment	29.3	28.8	29.4	29.3
Average Past Service	8.7	8.9	7.7	8.0
Average Annual Salary	$45,379	$48,714	$49,733	$51,863
Service Retirees				
Number			45	52
Average Current Age			59.4	59.1
Average Annual Benefit			$38,264	$38,159
DROP Retirees				
Number			6	2
Average Current Age			52.5	56.6
Average Annual Benefit			$51,303	$57,202
Beneficiaries				
Number			1	0
Average Current Age			N/A	N/A
Average Annual Benefit			N/A	N/A
Disability Retirees				
Number			1	1
Average Current Age			55.8	56.8
Average Annual Benefit			$10,330	$10,330
Terminated Vested [2]				
Number			1	1
Average Current Age			47.6	48.6
Average Annual Benefit			$16,920	$16,920

[1] Prior to 10/1/2014, averages were salary weighted.

[2] Excludes nonvested terminated Members awaiting a refund of Member 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	2	0	3	0	0	0	0	0	0	0	0	5
25 - 29	0	2	0	1	2	5	0	0	0	0	0	10
30 - 34	2	0	0	1	0	7	0	0	0	0	0	10
35 - 39	0	1	1	2	0	1	3	2	0	0	0	10
40 - 44	0	0	0	0	0	0	2	4	0	0	0	6
45 - 49	1	0	0	0	1	1	2	4	1	0	0	10
50 - 54	0	1	0	0	1	1	0	2	1	0	0	6
55 - 59	0	0	1	0	0	0	0	0	0	0	0	1
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	5	4	5	4	4	15	7	12	2	0	0	58

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2014	60
b. Terminations	
i. Vested (partial or full) with deferred benefits	(2)
ii. Non-vested or full lump sum distribution received	(2)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(3)
f. DROP	0
g. Continuing participants	53
h. New entrants	5
i. Total active life participants in valuation	58

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

	Service Retirees, Vested Receiving Benefits	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
a. Number prior valuation	45	6	1	1	2	55
Retired	7	(4)	0	0	0	3
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	2	2
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	(1)	(1)
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	(1)	0	0	(1)
Data Corrections	0	0	0	0	0	0
b. Number current valuation	52	2	0	1	3	58

SUMMARY OF PLAN PROVISIONS
(Through Ordinance No. 2013-57)

Eligibility	Full-time employees who are classified as full-time sworn officers participate in the System as a condition of employment.
Credited Service	Total years and fractional parts of years of service with the City as a Police Officer.
Salary	Prior to August 21, 2012: Total Compensation. For service earned on or after August 21, 2012 salary shall not include more than 300 hours of overtime per fiscal year. Unused personal leave time accrued prior to August 21, 2012 or the amount accrued on August 21, 2013 if less and not restored prior to August 21, 2013 shall be included in Salary at retirement. Personal leave time accrued on or after August 21, 2013 cannot be restored.
Average Final Compensation	Average Salary for the best 5 years during the 10 years immediately preceding termination.
Member Contributions	9.00% of Salary
City and State Contributions	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII of Chapter 112, F.S.
Normal Retirement	
Date	Earlier of Age 60, age 55 and 10 years of Credited Service, or 20 years of Credited Service.
Benefit	3.30% of Average Final Compensation times Credited Service (2.75% if hired on or after August 21, 2012).
Form of Benefit	Ten Year Certain and Life Annuity (options available).
Early Retirement	
Eligibility	Age 45 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3.00% per year.
Cost-of-Living Adjustment	Beginning the first October 1st following one year of retirement, annual adjustments of 1.00%.

Vesting	
Schedule	100% after 10 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.
Disability	
Eligibility	
Service Incurred	Covered from Date of Employment.
Non-Service Incurred	10 years of Credited Service.
Exclusions	Disability resulting from use of drugs, illegal participation in riots, service in military, etc.
Benefit	Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).
Duration	Payable for life and ten years certain (options available) or until recovery (as determined by the Board).
Death Benefits	
Pre-Retirement	
Vested	Monthly accrued benefit payable to designated beneficiary for 10 years.
Non-Vested	Refund of accumulated contributions without interest.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.
Board of Trustees	a. Two Commission appointees, b. Two Members of the Department elected by the membership, and c. Fifth Member elected by other 4 and appointed by Commission.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements (Earlier of age 60, age 55 and 10 years of Credited Service, or 20 years of Credited Service). Members hired on or after August 21, 2012 are not eligible.
Participation	Not to exceed 60 months, or the date on which the Member completes 30 years of Service, if earlier.
Rate of Return	Participants election: a.) 6.50% annually for Members who enter DROP prior to August 21, 2012 and 2.00% annually for those who enter DROP on and after August 21, 2012, or b.) actual net rate of investment return (total return net of brokerage commissions, transaction costs and management fees) credited each fiscal quarter.
Form of Distribution	Cash lump sum (options available) at termination of employment.

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

ADDITIONS		
Contributions:		
Member	259,838	
City	1,166,277	
State	314,798	
Total Contributions		1,740,913
Investment Income:		
Net Increase in Fair Value of Investments	(1,013,513)	
Interest & Dividends	696,988	
Less Investment Expense[1]	(156,031)	
Net Investment Income		(472,556)
Total Additions		1,268,357
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	1,801,237	
Lump Sum DROP Distributions	1,100,424	
Refunds of Member Contributions	18,222	
Total Distributions		2,919,883
Administrative Expense		36,411
Total Deductions		2,956,294
Net Increase in Net Position		(1,687,937)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		28,847,654
End of the Year		27,159,717

[1]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 the Plan's Board of Trustees comprised of:
a. Two Commission appointees,
b. Two Members of the Department elected by the Membership, and a
c. Fifth Member elected by other 4 and appointed by Commission.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	53
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Plan Members	60
	115

Benefits Provided
The Plan provides retirement, termination, disability and death benefits.
Normal Retirement:
Date: Earlier of Age 60, age 55 and 10 years of Credited Service, or 20 years of Credited Service.
Benefit: 3.30% of Average Final Compensation times Credited Service (2.75% if hired on or after August 21, 2012).
Early Retirement:
Date: Age 45 and 10 Years of Credited Service.
Benefit: Accrued benefit, reduced 3.00% per year.
Vesting (Termination):
Schedule: 100% after 10 years of Credited Service.
Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.
Disability:
Eligibility Service Incurred: Covered from Date of Employment.
Eligibility Non-Service Incurred: 10 years of Credited Service.
Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).
Pre-Retirement Death Benefits:
Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.
Non-Vested: Refund of accumulated contributions without interest.
Cost of Living Adjustment:
Beginning the first October 1st following one year of retirement, annual adjustments of 1.00%.

Contributions
Member Contributions: 9.00% of Salary.
City and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII of Chapter 112, F.S.

Investments

Investment Policy:

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

Asset Class	Target Allocation
Domestic Equity	55%
International Equity	10%
Fixed Income	35%
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 -1.65 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 (Earlier of age 60, Age 55 and 10 years of Credited Service, or 20 years of Credited Service). Members hired on or after August 21, 2012 are not eligible.

Participation: Not to exceed 60 months, or the date on which the Member completes 30 years of Service, if earlier.

Rate of Return: Participants election:

a.) 6.50% annually for Members who enter DROP prior to August 21, 2012 and 2.00% annually for those who enter DROP on and after August 21, 2012, or

b.) actual net rate of investment return (total return net of brokerage commissions, transaction costs and management fees) credited each fiscal quarter.

The DROP balance as September 30, 2015 is $522,961.

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	$ 39,026,198
Plan Fiduciary Net Position	$ (27,159,717)
Sponsor's Net Pension Liability	$ 11,866,481
Plan Fiduciary Net Position as a percentage of Total Pension Liability	69.59%

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	5.50%
Discount Rate	6.75%
Investment Rate of Return	6.75%

Mortality Rate: RP-2000 Table with no projection. We believe this sufficiently accounts for future mortality improvements.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study for the period 1988-2010.

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	7.49%
International Equity	7.40%
Fixed Income	2.35%

Discount Rate:
The Discount Rate used to measure the Total Pension Liability was 6.75 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 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Sponsor's Net Pension Liability	$ 16,608,634	$ 11,866,481	$ 7,938,233

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	810,639	798,362
Interest	2,594,521	2,530,996
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(223,209)	-
Changes of assumptions	1,050,239	-
Benefit Payments, including Refunds of Employee Contributions	(2,919,883)	(1,948,382)
Net Change in Total Pension Liability	1,312,307	1,380,976
Total Pension Liability - Beginning	37,713,891	36,332,915
Total Pension Liability - Ending (a)	39,026,198	$ 37,713,891
Plan Fiduciary Net Position		
Contributions - Employer	1,166,277	1,311,447
Contributions - State	314,798	351,321
Contributions - Employee	259,838	258,461
Net Investment Income	(472,556)	3,049,358
Benefit Payments, including Refunds of Employee Contributions	(2,919,883)	(1,948,382)
Administrative Expense	(36,411)	(26,400)
Net Change in Plan Fiduciary Net Position	(1,687,937)	2,995,805
Plan Fiduciary Net Position - Beginning	28,847,654	25,851,849
Plan Fiduciary Net Position - Ending (b)	$ 27,159,717	$ 28,847,654
Net Pension Liability - Ending (a) - (b)	$ 11,866,481	$ 8,866,237
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	69.59%	76.49%
Covered Employee Payroll*	$ 3,060,157	$ 2,871,793
Net Pension Liability as a percentage of Covered Employee Payroll	387.77%	308.74%

Notes to Schedule:

Changes of assumptions:

For Fiscal year 2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.00% to 6.75%.

** The 2014 reported Covered Employee Payroll was based on Pensionable Salary.*

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	09/30/2015	09/30/2014
Actuarially Determined Contribution	1,481,075	1,662,768
Contributions in relation to the Actuarially Determined Contributions	1,481,075	1,662,768
Contribution Deficiency (Excess)	$ -	$ -
Covered Employee Payroll*	$ 3,060,157	$ 2,871,793
Contributions as a percentage of Covered Employee Payroll	48.40%	57.90%

** The 2014 reported Covered Employee Payroll was based on Pensionable Salary.*

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:	30 Years (as of 10/01/2013).
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation:	3.00% per year.
Salary Increases:	5.50% per year up to the assumed retirement age. Projected salary at retirement is increased individually to account for non-regular payments.
Interest Rate:	7.25% per year, compounded annually, net of investment related expenses.
Payroll Growth:	Up to 3.00% (0.0% in 10/1/2012 valuation).
Cost of Living Adjustments:	Beginning the first October 1st following one year of retirement, annual adjustments of 1.00%.
Retirement Age:	Earlier of age 55 and 10 years of service, 20 years of service regardless of age, or Age 60.
Early Retirement:	Commencing at the Member's eligibility for Early Retirement (attainment of age 45 with 10 years of Credited Service), Members are assumed to retire with an immediate, subsidized benefit at the rate of 5.00% per year.
Termination Rates:	See table below.
Disability Rates:	See table below. It is assumed that 75% of disablements and active member deaths are service related.
Mortality:	RP-2000 Table with no projection. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years.)

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.00%	0.03%
30	7.50%	0.04%
40	3.90%	0.07%
50	1.20%	0.18%

SCHEDULE OF INVESTMENT RETURNS

Last 10 Fiscal Years

	09/30/2015	09/30/2014
Annual Money-Weighted Rate of Return Net of Investment Expense	-1.65%	11.90%

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

General Information about the Pension Plan

Plan Description
The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:
a. Two Commission appointees,
b. Two Members of the Department elected by the Membership, and a
c. Fifth Member elected by other 4 and appointed by Commission.
Full-time employees who are classified as full-time sworn officers participate in the System as a condition of employment.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	53
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Plan Members	60
	115

Benefits Provided
The Plan provides retirement, termination, disability and death benefits.
Normal Retirement:
Date: Earlier of Age 60, age 55 and 10 years of Credited Service, or 20 years of Credited Service.
Benefit: 3.30% of Average Final Compensation times Credited Service (2.75% if hired on or after August 21, 2012).
Early Retirement:
Date: Age 45 and 10 Years of Credited Service.
Benefit: Accrued benefit, reduced 3.00% per year.
Vesting (Termination):
Schedule: 100% after 10 years of Credited Service.
Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.
Disability:
Eligibility Service Incurred: Covered from Date of Employment.
Eligibility Non-Service Incurred: 10 years of Credited Service.
Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).
Pre-Retirement Death Benefits:
Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.
Non-Vested: Refund of accumulated contributions without interest.
Cost of Living Adjustment:
Beginning the first October 1st following one year of retirement, annual adjustments of 1.00%.

Contributions
Member Contributions: 9.00% of Salary.
City and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII of 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, 2015 through September 30, 2016.

The Sponsor's Net Pension Liability was measured as of September 30, 2015.
The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

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

Inflation	3.00%
Salary Increases	5.50%
Discount Rate	6.75%
Investment Rate of Return	6.75%

Mortality Rate: RP-2000 Table with no projection. We believe this sufficiently accounts for future mortality improvements.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study for the period 1988-2010.

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	55%	7.49%
International Equity	10%	7.40%
Fixed Income	35%	2.35%
Total	100%	

Discount Rate:
The Discount Rate used to measure the Total Pension Liability was 6.75 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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2014	$ 37,713,891	$ 28,847,654	$ 8,866,237
Changes for a Year:			
Service Cost	810,639	-	810,639
Interest	2,594,521	-	2,594,521
Differences between Expected and Actual Experience	(223,209)	-	(223,209)
Changes of assumptions	1,050,239	-	1,050,239
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,166,277	(1,166,277)
Contributions - State	-	314,798	(314,798)
Contributions - Employee	-	259,838	(259,838)
Net Investment Income	-	(472,556)	472,556
Benefit Payments, including Refunds of Employee Contributions	(2,919,883)	(2,919,883)	-
Administrative Expense	-	(36,411)	36,411
Net Changes	1,312,307	(1,687,937)	3,000,244
Balances at September 30, 2015	$ 39,026,198	$ 27,159,717	$ 11,866,481

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Sponsor's Net Pension Liability	$ 16,608,634	$ 11,866,481	$ 7,938,233

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, 2016, the Sponsor will recognize a Pension Expense of $1,338,444.
On September 30, 2016, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	167,406
Changes of assumptions	787,680	-
Net difference between Projected and Actual Earnings on Pension Plan investments	1,214,521	-
Employer contributions subsequent to the measurement date	-	-
Total	$ 2,002,201	$ 167,406

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2016.
Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2017	$ 448,308
2018	$ 448,308
2019	$ 448,307
2020	$ 489,871
2021	$ -
Thereafter	$ -

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	810,639	798,362
Interest	2,594,521	2,530,996
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(223,209)	-
Changes of assumptions	1,050,239	-
Benefit Payments, including Refunds of Employee Contributions	(2,919,883)	(1,948,382)
Net Change in Total Pension Liability	1,312,307	1,380,976
Total Pension Liability - Beginning	37,713,891	36,332,915
Total Pension Liability - Ending (a)	$ 39,026,198	$ 37,713,891
Plan Fiduciary Net Position		
Contributions - Employer	1,166,277	1,311,447
Contributions - State	314,798	351,321
Contributions - Employee	259,838	258,461
Net Investment Income	(472,556)	3,049,358
Benefit Payments, including Refunds of Employee Contributions	(2,919,883)	(1,948,382)
Administrative Expense	(36,411)	(26,400)
Net Change in Plan Fiduciary Net Position	(1,687,937)	2,995,805
Plan Fiduciary Net Position - Beginning	28,847,654	25,851,849
Plan Fiduciary Net Position - Ending (b)	$ 27,159,717	$ 28,847,654
Net Pension Liability - Ending (a) - (b)	$ 11,866,481	$ 8,866,237
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	69.59%	76.49%
Covered Employee Payroll*	$ 3,060,157	$ 2,871,793
Net Pension Liability as a percentage of Covered Employee Payroll	387.77%	308.74%

Notes to Schedule:

Changes of assumptions:

For Fiscal year 2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.00% to 6.75%.

** The 2014 reported Covered Employee Payroll was based on Pensionable Salary.*

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014
Actuarially Determined Contribution	1,481,075	1,662,768
Contributions in relation to the Actuarially Determined Contributions	1,481,075	1,662,768
Contribution Deficiency (Excess)	$ -	$ -
Covered Employee Payroll*	$ 3,060,157	$ 2,871,793
Contributions as a percentage of Covered Employee Payroll	48.40%	57.90%

** The 2014 reported Covered Employee Payroll was based on Pensionable Salary.*

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:	30 Years (as of 10/01/2013).
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation:	3.00% per year.
Salary Increases:	5.50% per year up to the assumed retirement age. Projected salary at retirement is increased individually to account for non-regular payments.
Interest Rate:	7.25% per year, compounded annually, net of investment related expenses.
Payroll Growth:	Up to 3.00% (0.0% in 10/1/2012 valuation).
Cost of Living Adjustments:	Beginning the first October 1st following one year of retirement, annual adjustments of 1.00%.
Retirement Age:	Earlier of age 55 and 10 years of service, 20 years of service regardless of age, or Age 60.
Early Retirement:	Commencing at the Member's eligibility for Early Retirement (attainment of age 45 with 10 years of Credited Service), Members are assumed to retire with an immediate, subsidized benefit at the rate of 5.00% per year.
Termination Rates:	See table below.
Disability Rates:	See table below. It is assumed that 75% of disablements and active member deaths are service related.
Mortality:	RP-2000 Table with no projection. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.00%	0.03%
30	7.50%	0.04%
40	3.90%	0.07%
50	1.20%	0.18%

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2015

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	$ 10,481,066	$ -	$ 1,311,447	$ -
Employer Contributions made after September, 30, 2014	-	-	1,166,277	-
Total Pension Liability Factors:				
Service Cost	798,362	-	-	798,362
Interest	2,530,996	-	-	2,530,996
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	-	-	-	-
Current year amortization of experience difference		-	-	-
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions		-	-	-
Benefit Payments	(1,948,382)	-	-	(1,948,382)
Net change	1,380,976	-	1,166,277	1,380,976
Plan Fiduciary Net Position:				
Contributions - Employer	1,311,447	-	(1,311,447)	-
Contributions - State	351,321	-	-	(351,321)
Contributions - Employee	258,461	-	-	(258,461)
Net Investment Income	1,807,755	-	-	(1,807,755)
Difference between projected and actual earnings on Pension Plan investments	1,241,603	1,241,603	-	-
Current year amortization	-	(248,321)	-	(248,321)
Benefit Payments	(1,948,382)	-	-	1,948,382
Administrative Expenses	(26,400)	-	-	26,400
Net change	2,995,805	993,282	(1,311,447)	(691,076)
Ending Balance	$ 8,866,237	$ 993,282	$ 1,166,277	$ 689,900

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	$ 8,866,237	$ 993,282	$ 1,166,277	$ -
Employer Contributions made after September, 30, 2014	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	810,639	-	-	810,639
Interest	2,594,521	-	-	2,594,521
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(223,209)	223,209	-	-
Current year amortization of experience difference		(55,803)	-	(55,803)
Change in assumptions about future economic or demographic factors or other inputs	1,050,239	-	1,050,239	-
Current year amortization of change in assumptions		-	(262,559)	262,559
Benefit Payments	(2,919,883)	-	-	(2,919,883)
Net change	1,312,307	167,406	787,680	692,033
Plan Fiduciary Net Position:				
Contributions - Employer	1,166,277	-	(1,166,277)	-
Contributions - State	314,798	-	-	(314,798)
Contributions - Employee	259,838	-	-	(259,838)
Net Investment Income	1,976,797	-	-	(1,976,797)
Difference between projected and actual earnings on Pension Plan investments	(2,449,353)	-	2,449,353	-
Current year amortization	-	(248,320)	(489,870)	241,550
Benefit Payments	(2,919,883)	-	-	2,919,883
Administrative Expenses	(36,411)	-	-	36,411
Net change	(1,687,937)	(248,320)	793,206	646,411
Ending Balance	$ 11,866,481	$ 912,368	TBD	$ 1,338,444

* Employer Contributions subsequent to the measurement date made after September 30, 2015 but made on or before September 30, 2016 needs to be added.