

CITY OF WINTER GARDEN
PENSION PLAN
FOR
FIREFIGHTERS AND POLICE OFFICERS

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2017

CONTRIBUTIONS APPLICABLE TO THE CITY'S
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2019

February 9, 2018

Ms. Susy Pita, Plan Administrator
City of Winter Garden
Pension Plan for Firefighters and Police Officers
P. O. Box 490857
Leesburg, FL 34749

Re: City of Winter Garden
Pension Plan for Firefighters and Police Officers

Dear Susy:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Winter Garden Pension Plan for Firefighters and Police Officers. Included are the related results for GASB Statements No. 67 and No. 68. The funding 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. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Please note that these valuations may not be applicable for any other purposes.

The valuations have 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, 175, 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 valuations, we have relied on personnel, plan design, and asset information supplied by the Board of Trustees, 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 total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2016. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2017 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

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 Firefighters and Police Officers. 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:



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778

DHL/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Winter Garden Pension Plan for Firefighters and Police Officers, performed as of October 1, 2017, 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, 2019.

The contribution requirements, compared with amounts developed in the October 1, 2016, Actuarial Valuation Report (as revised April 10, 2017), are as follows:

Valuation Date	10/1/2017	10/1/2016
Applicable Plan/Fiscal Yr. End	<u>9/30/2019</u>	<u>9/30/2018</u>
Total Required Contribution % of Total Annual Payroll	21.52%	20.59%
Member Contributions % of Total Annual Payroll	3.50%	3.50%
City and State Required Contribution % of Total Annual Payroll	18.02%	17.09%
State Contribution ¹ % of Total Annual Payroll	277,807 3.72%	277,807 3.72%
Balance from City ² % of Total Annual Payroll	14.30%	13.37%

¹ Reflects Mutual Consent between the City and Membership, as required under Chapter 2015-39, Laws of Florida. Beginning with the fiscal year ending September 30, 2017, Chapter 175 premium tax revenues in excess of \$46,100.85 will be equally allocated between the Firefighters' portion of the Share Plan and a credit to the Unfunded Actuarial Accrued Liability (UAAL); Chapter 185 premium tax revenues in excess of \$231,706.59 will be equally allocated between the Police Officers' portion of the Share Plan and a credit to the UAAL. In absence of a UAAL, the City's 50% portion of excess premium tax revenues will directly offset the City's annual contribution requirement to the Police and Fire Pension Plan.


² For budgeting purposes, the required Sponsor Contribution (City and State) is 18.02% of Pensionable Earnings for the fiscal year ending September 30, 2019. The precise City requirement for the year is this amount, less State Contributions as described on the prior page. Additionally, there is a prepaid contribution of \$144,135 that is available to help offset the City's funding requirements for the fiscal year ending September 30, 2018.

Experience since the prior valuation was less favorable than expected, relative to the Plan's actuarial assumptions. The primary sources of actuarial loss included average increases in pensionable compensation that exceeded the assumption, in addition to unfavorable turnover, retirement, and retiree mortality experience. These losses were partially offset by an 8.12% investment return (Actuarial Asset Basis, net of fees), exceeding the 7.25% assumption. This valuation of the plan also incorporates a mandated change to the mortality assumption.

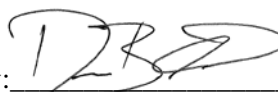
The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board to discuss the Report and answer any questions concerning its contents.

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, 2016	13.19%
(2) Summary of Contribution Impact by component:	
Change in State Contribution Percentage	0.2%
Change in Normal Cost Rate	0.1%
Change in Administrative Expense Percentage	0.1%
Payroll Change Effect on UAAL Amortization	-0.1%
Investment Return (Actuarial Asset Basis)	-0.6%
Salary Increases	0.6%
Active Decrements	0.6%
Inactive Mortality	0.2%
Unexpected Increase in UAAL	0.1%
State Monies Credit	-0.2%
Other	<u>0.1%</u>
Total Change in Contribution	1.11%
(3) Contribution Determined as of October 1, 2017	14.30%

CHANGES SINCE PRIOR VALUATION

Plan Changes

Ordinance 17-35, adopted September 28, 2017, provided additional details regarding the previously adopted Share Plan and use of Chapter 175 and 185 premium tax monies per Mutual Consent Agreement between the City and Membership. The April 7, 2017 Actuarial Impact Statement is applicable for this amendment.

Actuarial Assumption/Method Changes

Pursuant to the provisions of Chapter 2015-157, Laws of Florida, the mortality assumption reflects a change from the rates utilized by the Florida Retirement System in the July 1, 2015 valuation to those utilized in the July 1, 2016 valuation for special risk participants.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2017</u>	<u>10/1/2016</u>
A. Participant Data		
Actives	115	114
Service Retirees	33	33
DROP Retirees	2	0
Beneficiaries	2	2
Disability Retirees	8	8
Terminated Vested	<u>50</u>	<u>46</u>
 Total	 210	 203
 Total Annual Payroll	 \$7,608,808	 \$7,254,422
Payroll Under Assumed Ret. Age	7,476,562	7,128,363
 Annual Rate of Payments to:		
Service Retirees	1,163,922	1,163,922
DROP Retirees	169,475	0
Beneficiaries	44,733	44,733
Disability Retirees	228,149	228,149
Terminated Vested	205,936	154,743
 B. Assets		
Actuarial Value (AVA) ¹	37,286,544	34,348,197
Market Value (MVA) ¹	37,909,109	33,986,108
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	26,846,739	25,225,707
Disability Benefits	1,612,129	1,508,311
Death Benefits	356,524	608,083
Vested Benefits	2,387,855	2,289,052
Refund of Contributions	52,121	49,994
Service Retirees	12,711,728	12,883,404
DROP Retirees ¹	2,311,504	0
Beneficiaries	342,867	359,728
Disability Retirees	2,618,031	2,642,903
Terminated Vested	1,378,891	1,137,360
Share Plan Balances ¹	<u>340,261</u>	<u>174,881</u>
 Total	 50,958,650	 46,879,423

C. Liabilities - (Continued)	<u>10/1/2017</u>	<u>10/1/2016</u>
Present Value of Future Salaries	72,162,794	68,126,942
Present Value of Future Member Contributions	2,525,698	2,384,443
Normal Cost (Retirement)	1,034,191	956,912
Normal Cost (Disability)	114,755	116,612
Normal Cost (Death)	17,077	28,877
Normal Cost (Vesting)	155,629	148,349
Normal Cost (Refunds)	<u>13,489</u>	<u>13,067</u>
Total Normal Cost	1,335,141	1,263,817
Present Value of Future Normal Costs	11,985,332	11,226,101
Accrued Liability (Retirement)	17,191,019	16,348,986
Accrued Liability (Disability)	690,495	613,907
Accrued Liability (Death)	203,876	342,883
Accrued Liability (Vesting)	1,175,595	1,138,499
Accrued Liability (Refunds)	9,051	10,771
Accrued Liability (Inactives) ¹	19,363,021	17,023,395
Share Plan Balances ¹	<u>340,261</u>	<u>174,881</u>
Total Actuarial Accrued Liability (EAN AL)	38,973,318	35,653,322
Unfunded Actuarial Accrued Liability (UAAL)	1,686,774	1,305,125
Funded Ratio (AVA / EAN AL)	95.7%	96.3%

D. Actuarial Present Value of

Accrued Benefits	<u>10/1/2017</u>	<u>10/1/2016</u>
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Vested Accrued Benefits

Inactives + Share Plan Balances ¹	19,703,282	17,198,276
Actives	8,389,916	8,560,637
Member Contributions	<u>1,370,233</u>	<u>1,242,191</u>
Total	29,463,431	27,001,104

Non-vested Accrued Benefits

<u>1,128,666</u>	<u>1,223,579</u>
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Total Present Value

Accrued Benefits (PVAB)	30,592,097	28,224,683
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Funded Ratio (MVA / PVAB)

123.9%	120.4%
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Increase (Decrease) in Present Value of
Accrued Benefits Attributable to:

Plan Amendments	0
Assumption Changes	0
New Accrued Benefits	1,845,324
Benefits Paid	(1,470,880)
Interest	1,992,970
Other	<u>0</u>
Total	2,367,414

Valuation Date	10/1/2017	10/1/2016
Applicable to Fiscal Year Ending	<u>9/30/2019</u>	<u>9/30/2018</u>

E. Pension Cost

Normal Cost (with interest) % of Total Annual Payroll ²	18.51	18.37
Administrative Expenses (with interest) % of Total Annual Payroll ²	0.88	0.76
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 28 years (as of 10/1/2017, with interest) % of Total Annual Payroll ²	2.13	1.46
Total Required Contribution % of Total Annual Payroll ²	21.52	20.59
Expected Member Contributions % of Total Annual Payroll ²	3.50	3.50
Expected City and State Contribution % of Total Annual Payroll ²	18.02	17.09

F. Past Contributions

Plan Years Ending:	<u>9/30/2017</u>
City and State Requirement	1,124,397
Actual Contributions Made:	
Members (excluding buyback)	260,967
City	846,590
State	<u>277,807</u> ³
Total	1,385,364

G. Net Actuarial (Gain)/Loss	448,539
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¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2017 and 9/30/2016.

² Contributions developed as of 10/1/2017 are expressed as a percentage of total annual payroll at 10/1/2017 of \$7,476,562.

³ Reflects Mutual Consent under Chapter 2015-39, Laws of Florida.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2017	1,686,774
2018	1,644,173
2019	1,598,481
2026	1,379,612
2032	435,805
2039	59,807
2045	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	6.98%	5.11%
Year Ended	9/30/2016	2.94%	6.05%
Year Ended	9/30/2015	1.47%	6.22%

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	8.12%	7.25%
Year Ended	9/30/2016	8.74%	7.50%
Year Ended	9/30/2015	7.80%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2017	\$7,608,808
	10/1/2007	5,483,008
(b) Total Increase		38.77%
(c) Number of Years		10.00
(d) Average Annual Rate		3.33%

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 #17-7778

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, 2016	\$1,305,125
(2) Sponsor Normal Cost developed as of October 1, 2016	1,014,324
(3) Expected administrative expenses for the year ended September 30, 2017	52,086
(4) Expected interest on (1), (2) and (3)	170,048
(5) Sponsor contributions to the System during the year ended September 30, 2017	1,124,397
(6) Expected interest on (5)	33,140
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2017 (1)+(2)+(3)+(4)-(5)-(6)	1,384,046
(8) State Monies Credit	(145,811)
(9) Change to UAAL due to Actuarial (Gain)/Loss	448,539
(10) Unfunded Actuarial Accrued Liability as of October 1, 2017	1,686,774

<u>Type of</u> <u>Base</u>	<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>10/1/2017</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
Method Change	10/1/2010	13	1,570,246	177,671
Benefit Change	10/1/2010	13	5,712	646
Reconciliation Base	10/1/2011	4	(427,766)	(118,417)
Actuarial Loss	10/1/2011	4	435,866	120,659
Benefit Change	10/1/2011	14	(59,196)	(6,406)
Actuarial Loss	10/1/2012	5	267,457	61,228
Actuarial Loss	10/1/2013	6	81,960	16,156
Actuarial Gain	10/1/2014	7	(122,518)	(21,382)
Actuarial Gain	10/1/2015	8	(629,169)	(99,197)
Benefit Change	10/1/2015	28	149,792	11,786
Reserve Credit	10/1/2015	18	(1,140,576)	(107,638)
Reconciliation Base	10/1/2016	19	(196,597)	(18,069)
State Monies Credit	10/1/2016	19	(163,237)	(15,003)
Assumption Changes	10/1/2016	19	2,439,105	224,180
Actuarial Gain	10/1/2016	9	(827,033)	(119,619)
State Monies Credit	10/1/2017	20	(145,811)	(13,084)
Actuarial Loss	10/1/2017	10	<u>448,539</u>	<u>60,235</u>
			1,686,774	153,746

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2016	\$1,305,125
(2) Expected UAAL as of October 1, 2017	1,384,046
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(300,356)
Salary Increases	308,797
Active Decrements	313,435
Inactive Mortality	130,785
Other	<u>(4,122)</u>
Increase in UAAL due to (Gain)/Loss	448,539
State Monies Credit	(145,811)
(4) Actual UAAL as of October 1, 2017	\$1,686,774

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rates

Healthy Inactive Lives:

Female: RP 2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP 2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy (previously Annuitant) White Collar, Scale BB

Male: RP2000 Generational, 10% Combined Healthy (previously Annuitant) White Collar / 90% Combined Healthy (previously Annuitant) Blue Collar, Scale BB

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2016 FRS valuation report for special risk participants. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate

7.25% per year compounded annually, net of investment- related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.

Administrative Expenses

\$63,529, based on actual Administrative Expenses incurred during the prior fiscal year.

Payroll Increases

None.

Funding Method

Entry Age Normal Actuarial Cost Method.

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.

Normal Retirement Rates

<u>Service</u>	<u>Age</u>	<u>Probability of Retirement</u>
6-24	55	40%
	56-63	10%
	64+	100%
25-27	All	0%
28+	All	100%

The above rates were adopted by the Board as the result of an Experience Study dated August 31, 2016.

Early Retirement Rates

<u>Age</u>	<u>Rates</u>
50	2.4%
51	2.2%
52	2.0%
53	1.8%
54	1.6%

The above rates were reviewed and maintained by the Board of Trustees in conjunction with the August 31, 2016 Experience Study.

Termination Rates

<u>Credited Service</u>	<u>Rates</u>
First Year	9.0%
1	8.0%
2	8.0%
3	9.0%
4	9.0%
5-9	4.0%
10-14	4.0%
15+	2.0%

The above rates were adopted by the Board of Trustees in conjunction with the August 31, 2016 Experience Study.

Salary Increases

<u>Credited Service</u>	<u>Rates</u>
First Year	12.0%
1-4	5.0%
5-14	4.5%
15+	4.0%

The above rates were adopted by the Board of Trustees in conjunction with the August 31, 2016 Experience Study.

Terminal Leave Pay

<u>Present Value of Retirement Liability</u>	<u>Hired prior to 7/1/2001</u>	<u>Percentage Increase to Liability</u>	
		<u>Hired 7/1/2001 – 7/1/2006</u>	<u>Hired after 7/1/2006</u>
Normal	5.0%	3.75%	2.5%
Early	2.5%	1.875%	1.25%
Vesting	2.5%	1.875%	1.25%
Death	2.5%	1.875%	1.25%
Disability	2.5%	1.875%	1.25%

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

Disability Rates

<u>Age</u>	<u>Probability of Disability</u>
20	0.14%
25	0.15%
30	0.18%
35	0.23%
40	0.30%
45	0.51%
50	1.00%

The above rates were adopted by the Board as the result of a prior Experience Study.

Additionally, it is assumed that 75% of disablements and active Member deaths are service related.

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.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	99,825.42	_____%
1999	109,431.71	9.6%
2000	116,285.25	6.3%
2001	143,255.06	23.2%
2002	154,813.02	8.1%
2003	167,494.78	8.2%
2004	212,965.87	27.1%
2005	235,167.58	10.4%
2006	292,419.90	24.3%
2007	315,397.91	7.9%
2008	375,416.07	19.0%
2009	479,938.23	27.8%
2010	394,816.89	-17.7%
2011	385,389.67	-2.4%
2012	407,306.15	5.7%
2013	436,384.06	7.1%
2014	449,044.38	2.9%
2015	464,800.33	3.5%
2016	527,034.80	13.4%
2017	569,429.53	8.0%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2017

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	1,581,185.58	1,581,185.58
Cash	258,947.67	258,947.67
Total Cash and Equivalents	1,840,133.25	1,840,133.25
Receivables:		
Member Contributions in Transit	10,316.52	10,316.52
Member Contributions	1,248.81	1,248.81
From General Employees' Trust Fund	9,443.01	9,443.01
Investment Income	68,901.25	68,901.25
Total Receivable	89,909.59	89,909.59
Investments:		
U. S. Bonds and Bills	4,060,581.89	4,104,513.95
Federal Agency Guaranteed Securities	1,089,706.45	1,071,205.38
Corporate Bonds	2,195,651.52	2,207,925.60
Stocks	11,071,590.80	12,748,478.38
Mutual Funds:		
Fixed Income	1,890,869.49	1,797,201.66
Equity	9,245,312.23	10,361,626.79
Pooled/Common/Commingled Funds:		
Real Estate	3,180,575.00	3,843,790.00
Total Investments	32,734,287.38	36,134,741.76
Total Assets	34,664,330.22	38,064,784.60
<u>LIABILITIES</u>		
Payables:		
Investment Expenses	9,382.04	9,382.04
Administrative Expenses	1,597.71	1,597.71
To General Employees' Trust Fund	46.14	46.14
Prepaid Member Contribution	515.05	515.05
Prepaid City Contribution	144,134.63	144,134.63
Total Liabilities	155,675.57	155,675.57
NET POSITION RESTRICTED FOR PENSIONS	34,508,654.65	37,909,109.03

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2017
Market Value Basis

ADDITIONS

Contributions:		
Member		260,967.48
City		846,589.59
State		569,429.53
Total Contributions		1,676,986.60
Investment Income:		
Net Realized Gain (Loss)	2,161,419.57	
Unrealized Gain (Loss)	340,468.60	
Net Increase in Fair Value of Investments		2,501,888.17
Interest & Dividends		1,430,904.35
Less Investment Expense ¹		(152,369.73)
Net Investment Income		3,780,422.79
Total Additions		5,457,409.39

DEDUCTIONS

Distributions to Members:		
Benefit Payments		1,436,636.91
Lump Sum DROP Distributions		0.00
Lump Sum Share Distributions		0.00
Refunds of Member Contributions		34,242.62
Total Distributions		1,470,879.53
Administrative Expense		63,528.65
Total Deductions		1,534,408.18
Net Increase in Net Position		3,923,001.21
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		33,986,107.82
End of the Year		37,909,109.03

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

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS AS OF SEPTEMBER 30

	2017	2018	2019	2020	2021
A. Preliminary Actuarial Value Prior Year	34,348,197				
B. Market Value Beginning of Year	33,986,108				
C. Market Value End of Year	37,909,109				
D. Non-investment net cash flow	142,578				
E. Investment Return					
1. Actual market return net of investment expenses: C - B - D	3,780,423				
2. Expected return of 7.25%: (B + D/2) * 0.0725	2,469,161				
3. Excess/(shortfall): E1 - E2	1,311,262				
F. Phased-in recognition of Investment Return					
1. Current year: 20% of E3	262,252				
2. 20% from first prior year	63,226	262,252			
3. 20% from second prior year	(351,789)	63,226	262,252		
4. 20% from third prior year	87,463	(351,789)	63,226	262,252	
5. 20% from fourth prior year	265,456	87,461	(351,790)	63,224	262,254
6. Total phased in investment return	326,608	61,150	(26,312)	325,476	262,254
G. Actuarial Value (AV) End of Year					
1. Preliminary AV end of year: A + D + E2 + F6	37,286,544				
2. Upper corridor limit: 120% * C	45,490,931				
3. Lower corridor limit: 80% * C	30,327,287				
4. Actuarial value end of year	37,286,544				
H. Difference between MV and AV:	622,565				
I. Net Investment Income:					
1. Interest and Dividends	1,430,904				
2. Realized Gains (Losses)	2,161,420				
2. Change in Actuarial Value	(644,186)				
3. Investment Expenses	(152,370)				
	2,795,769				
Actuarial Assets Rate of Return = 2I/(A+G-I):	8.12%				
Market Value of Assets Rate of Return:	11.19%				
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	300,356				

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2017
 Actuarial Asset Basis

REVENUES

Contributions:		
Member	260,967.48	
City	846,589.59	
State	569,429.53	
Total Contributions		1,676,986.60
Earnings from Investments:		
Interest & Dividends	1,430,904.35	
Net Realized Gain (Loss)	2,161,419.57	
Change in Actuarial Value	(644,185.61)	
Total Earnings and Investment Gains		2,948,138.31
Other		0.00

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,436,636.91	
Lump Sum DROP Distributions	0.00	
Lump Sum Share Distributions	0.00	
Refunds of Member Contributions	34,242.62	
Total Distributions		1,470,879.53
Expenses:		
Investment related ¹	152,369.73	
Administrative	63,528.65	
Total Expenses		215,898.38
Change in Net Assets for the Year		2,938,347.00
Net Assets Beginning of the Year		34,348,196.69
Net Assets End of the Year ²		37,286,543.69

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

²Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2016 to September 30, 2017

Beginning of the Year Balance	0.00
Plus Additions	48,443.69
Investment Return Earned	1,325.66
Less Distributions	0.00
End of the Year Balance	49,769.35

SUPPLEMENTAL CHAPTER 185 SHARE PLAN ACTIVITY
October 1, 2016 through September 30, 2017

9/30/2016 Balance	174,881
Prior Year Adjustment	0
Plus Additions	145,811
Investment Return Earned (est)	19,569
Administrative Fees	0
Less Distributions	0
9/30/2017 Balance (est.)	340,261

RECONCILIATION OF CITY'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2017

(1) Total Required Contribution Rate	18.58%
(2) Pensionable Payroll Derived from Member Contributions	\$7,456,213.71
(3) Total Required Contribution (1) x (2)	1,385,364.51
(4) Less Actual Member Contributions	(260,967.48)
(5) Less Allowable State Contribution	<u>(277,807.44)</u>
(6) Equals Required City Contribution for Fiscal 2017	846,589.59
(7) Less 2016 Prepaid Contribution	(50,868.39)
(8) Less Actual City Contributions	<u>(939,855.83)</u>
(9) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2017	(\$144,134.63)

STATISTICAL DATA

	<u>10/1/2014</u>	<u>10/1/2015</u>	<u>10/1/2016</u>	<u>10/1/2017</u>
<u>Actives</u>				
Number	116	117	114	115
Average Current Age	37.6	38.4	38.0	38.4
Average Age at Employment	29.5	29.7	29.3	29.6
Average Past Service	8.1	8.7	8.7	8.8
Average Annual Salary	\$63,937	\$64,429	\$63,635	\$66,164
<u>Service Retirees</u>				
Number	28	29	33	33
Average Current Age	64.5	64.8	64.5	65.5
Average Annual Benefit	\$34,565	\$33,258	\$35,270	\$35,270
<u>DROP Retirees</u>				
Number	0	0	0	2
Average Current Age	N/A	N/A	N/A	49.8
Average Annual Benefit	N/A	N/A	N/A	\$84,738
<u>Beneficiaries</u>				
Number	1	2	2	2
Average Current Age	51.7	59.9	60.9	61.9
Average Annual Benefit	\$11,633	\$22,367	\$22,367	\$22,367
<u>Disability Retirees</u>				
Number	8	8	8	8
Average Current Age	53.2	54.2	55.2	56.2
Average Annual Benefit	\$28,519	\$28,519	\$28,519	\$28,519
<u>Terminated Vested</u>				
Number	38	38	46	50
Average Current Age ¹	47.3	44.3	43.8	43.4
Average Annual Benefit ¹	\$10,712	\$12,850	\$14,068	\$15,841

¹ The Average Annual Benefit and Average Age excludes participants 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	3	1	1	0	0	0	0	0	0	0	0	5
25 - 29	4	5	0	2	1	2	0	0	0	0	0	14
30 - 34	1	1	4	1	3	8	7	0	0	0	0	25
35 - 39	3	1	0	0	1	7	14	1	0	0	0	27
40 - 44	0	0	0	0	0	3	8	2	0	0	0	13
45 - 49	0	0	0	0	0	3	7	3	2	1	0	16
50 - 54	0	0	0	1	0	4	3	0	1	0	0	9
55 - 59	0	0	0	0	0	1	1	1	0	0	0	3
60 - 64	1	0	0	0	0	1	0	0	0	0	0	2
65+	0	0	0	0	0	0	1	0	0	0	0	1
Total	12	8	5	4	5	29	41	7	3	1	0	115

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2016	114
b. Terminations	
i. Vested (partial or full) with deferred benefits	(7)
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	0
f. DROP	<u>(2)</u>
g. Continuing participants	103
h. New entrants	<u>12</u>
i. Total active life participants in valuation	115

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

	Service Retirees, Vested Receiving	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
	<u>Benefits</u>	<u>Benefits</u>	<u>Benefits</u>	<u>Benefits</u>	<u>Deferred</u>	<u>Total</u>
a. Number prior valuation	33	0	2	8	46	89
Retired	0	0	0	0	0	0
DROP	0	2	0	0	0	2
Vested Deferred	0	0	0	0	7	7
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	(3)	(3)
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	33	2	2	8	50	95

PENSION PLAN FOR FIREFIGHTERS AND POLICE OFFICERS
SUMMARY OF PLAN PROVISIONS

(Through Ordinance 17-35)

<u>Eligibility</u>	Full-time employees who are classified as Police Officers or Firefighters participate as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the City as a Police Officer or Firefighter.
<u>Salary</u>	Gross Compensation, excluding extra duty detail work performed for a second party.
<u>Average Final Compensation</u>	Average Salary for the 5 best years of the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	3.5% of Salary.
<u>City and State 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 55 with 6 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.
Benefit	3.0% of Average Final Compensation for each year of Credited Service.
Maximum Benefit	95% of Average Final Compensation.
Form of Benefit	Ten Year Certain and Life Annuity (options available).
<u>Early Retirement</u>	
Eligibility	Age 50 with 6 years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year that the benefit commencement date precedes age 55.

Vesting

Schedule	100% after 6 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	
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 (25% for Non-Service Incurred). The maximum benefit is 95% of Average Final Compensation.
Duration	Payable for life (with 120 payments guaranteed) or until recovery (as determined by the Board). Optional forms of payment are available.

Death Benefits

10 or more years of Credited Service	Monthly accrued benefit payable to designated beneficiary for 10 years at otherwise Early (reduced) or Normal (unreduced) Retirement Date.
Less than 10 years of Credited Service	Refund of accumulated contributions.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

Deferred Retirement Option Plan

Eligibility	Firefighters only upon satisfaction of Normal Retirement requirements.
Participation	Up to thirty-six (36) months, but not beyond age 58. For firefighters who had first reached age 55 prior to the effective date the DROP option was added to this plan, participation up to 36 months is permitted without regard to the age 58 limitation.
Rate of Return	Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each Plan/Fiscal quarter.
Form of Distribution	Cash lump sum (options available) at termination of employment.

Supplement Benefit

Initial Crediting	Pursuant to a Mutual Consent Agreement between the City and Membership, \$81,875.69 from the Excess State Monies Reserve is allocated to eligible Firefighters for the fiscal year ended September 30, 2015.
Annual Crediting	50% of annual Chapter 185 Premium tax revenues received by the City in excess of \$231,706.15 (beginning with the fiscal year ending September 30, 2017) and 50% of annual Chapter 175 Premium tax revenues received by the City in excess of \$46,100.85 shall be allocated based on a Credited Service methodology.
Investment earnings	Eligible Share Accounts shall be credited or debited annually, based on the Plan's net-of-fees investment performance for the immediately preceding Plan Year.
Expenses	Allocated annually in proportion to individual Share Account Balances as a percentage of total plan assets.
Vesting	100% upon completion of six years of Credited Service, unless eligible for payment of benefits upon termination of employment.
Eligibility for Distribution	As soon as administratively practicable following the valuation date after termination of employment.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2017

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	1,581,186
Cash	258,948
Total Cash and Equivalents	1,840,134
Receivables:	
Investment Income	68,901
Total Receivable	68,901
Investments:	
U. S. Bonds and Bills	4,104,514
Federal Agency Guaranteed Securities	1,071,205
Corporate Bonds	2,207,926
Stocks	12,748,478
Mutual Funds:	
Fixed Income	1,797,202
Equity	10,361,627
Pooled/Common/Commingled Funds:	
Real Estate	3,843,790
Total Investments	36,134,742
Total Assets	38,043,777
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	9,382
Administrative Expenses	1,598
Total Liabilities	10,980
NET POSITION RESTRICTED FOR PENSIONS	38,032,797

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2017
Market Value Basis

ADDITIONS

Contributions:

Member	240,164	
City	939,856	
State	569,430	
 Total Contributions		 1,749,450
 Investment Income:		
Net Increase in Fair Value of Investments	2,501,888	
Interest & Dividends	1,430,905	
Less Investment Expense ¹	(152,370)	
 Net Investment Income		 3,780,423
 Total Additions		 5,529,873

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,436,637	
Lump Sum DROP Distributions	0	
Lump Sum Share Distributions	0	
Refunds of Member Contributions	34,242	
 Total Distributions		 1,470,879
 Administrative Expense		 63,529
 Total Deductions		 1,534,408
 Net Increase in Net Position		 3,995,465
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		34,037,332
 End of the Year		 38,032,797

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

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2017)

Plan Description

Plan Administration

The City of Winter Garden Pension Plan for Firefighters and Police Officers 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 legal residents of the City who are appointed by the City Commission, 1 of whom is a Firefighter member and 1 of whom is a Police Officer member who are elected by a majority of the Firefighters and Police Officers 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, 2016:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	43
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	46
Active Plan Members	114
	203
	203

Benefits Provided

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

Normal Retirement:

Date: Earlier of: 1) age 55 with 6 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit: 3.0% of Average Final Compensation for each year of Credited Service.

Maximum Benefit: 95% of Average Final Compensation.

Early Retirement:

Eligibility: Age 50 with 6 years of Credited Service.

Accrued benefit, reduced 3% per year that the benefit commencement date precedes age 55.

Vesting:

Schedule: 100% after 6 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.

Benefit accrued to date of disability but not less than 42% of Average Final Compensation (25% for Non-Service Incurred). The maximum benefit is 95% of Average Final Compensation.

Death Benefits:

10 or more years of Credited Service: Monthly accrued benefit payable to designated beneficiary for 10 years at otherwise Early (reduced) or Normal (unreduced) Retirement Date.

Less than 10 years of Credited Service: Refund of accumulated contributions.

Contributions

Member Contributions: 3.5% 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 in Chapter 112, Florida Statutes.

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Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
International Equity	10%
Broad Market Fixed Income	25%
Global Fixed Income	5%
Real Estate	10%
<u>Total</u>	<u>100%</u>

Concentrations:

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

Rate of Return:

For the year ended September 30, 2017, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 11.19 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: Firefighters only upon satisfaction of Normal Retirement requirements

Participation: Up to thirty-six (36) months, but not beyond age 58. For firefighters who had first reached age 55 prior to the effective date the DROP option was added to this plan, participation up to 36 months is permitted without regard to the age 58 limitation.

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each Plan/Fiscal quarter.

The DROP balance as September 30, 2017 is \$49,769.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2017 were as follows:

Total Pension Liability	\$ 37,609,691
Plan Fiduciary Net Position	\$ (38,032,797)
Sponsor's Net Pension Liability	<u>\$ (423,106)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	101.12%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.25%
Investment Rate of Return	7.25%

Mortality Rate Healthy Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar /90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The most recent actuarial experience study used to review the other significant assumptions was dated August 31, 2016.

The Long-Term Expected Rate of Return on Pension Plan investments can be 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.

For 2017 the inflation rate assumption of the investment advisor was 2.50%.

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 geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.5%
International Equity	8.5%
Broad Market Fixed Income	2.5%
Global Fixed Income	3.5%
Real Estate	4.5%

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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	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Sponsor's Net Pension Liability	\$ 4,988,579	\$ (423,106)	\$ (4,866,694)

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

	<u>09/30/2017</u>	<u>09/30/2016</u>
Total Pension Liability		
Service Cost	1,249,018	1,285,416
Interest	2,588,829	2,406,315
Change in Excess State Money	-	(1,201,957)
Share Plan Allocation	145,812	-
Changes of benefit terms	-	142,867
Differences between Expected and Actual Experience	(97,499)	(608,444)
Changes of assumptions	-	2,060,985
Benefit Payments, including Refunds of Employee Contributions	<u>(1,470,879)</u>	<u>(1,497,286)</u>
Net Change in Total Pension Liability	2,415,281	2,587,896
Total Pension Liability - Beginning	<u>35,194,410</u>	<u>32,606,514</u>
Total Pension Liability - Ending (a)	<u>\$ 37,609,691</u>	<u>\$ 35,194,410</u>
Plan Fiduciary Net Position		
Contributions - Employer	939,856	1,035,014
Contributions - State	569,430	527,035
Contributions - Employee	240,164	262,084
Net Investment Income	3,780,423	2,655,638
Benefit Payments, including Refunds of Employee Contributions	(1,470,879)	(1,497,286)
Administrative Expense	<u>(63,529)</u>	<u>(52,087)</u>
Net Change in Plan Fiduciary Net Position	3,995,465	2,930,398
Plan Fiduciary Net Position - Beginning	<u>34,037,332</u>	<u>31,106,934</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 38,032,797</u>	<u>\$ 34,037,332</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (423,106)</u>	<u>\$ 1,157,078</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	101.12%	96.71%
Covered Employee Payroll	\$ 7,456,214	\$ 7,478,083
Net Pension Liability as a percentage of Covered Employee Payroll	-5.67%	15.47%

Notes to Schedule:*Changes of benefit terms*

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from Ordinances 16-60 and 16-61, adopted and effective November 10, 2016 implemented the following changes:

1. A 3.0% benefit accrual rate for all years of Credited Service. Previously, the benefit accrual rate was 3.0% for the first 25 years of Credited Service, and 2.0% per year thereafter. The maximum benefit limitation of 95% of Average Final Compensation remains unchanged.
2. Establishment of a Share Plan. □
3. Establishment of a DROP option upon satisfaction of Normal Retirement eligibility.
4. Compliance language pursuant to requirements under the Internal Revenue Code. □
5. The use of State Monies per Collective Bargaining Agreements between Plan Members and the City.

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Changes of assumptions:

For measurement date 09/30/2016, amounts reported as changes of assumptions was a result of the Experience Study dated August 31, 2016, the Board has adopted changes to the following assumptions in conjunction with this valuation of the Plan:

- Salary Increases
- Mortality Rates
- Normal Retirement Rates
- Withdrawal Rates
- Investment Return

Details of the above assumption changes can be found in the Actuarial Assumptions and Methods section of the 10/01/2016 Valuation Report.

Additionally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

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	1,247,782	1,170,789
Interest	2,207,981	2,055,663
Change in Excess State Money	186,993	171,237
Share Plan Allocation	-	-
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	368,676	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(1,223,698)</u>	<u>(1,321,368)</u>
Net Change in Total Pension Liability	2,787,734	2,076,321
Total Pension Liability - Beginning	<u>29,818,780</u>	<u>27,742,459</u>
Total Pension Liability - Ending (a)	<u>\$ 32,606,514</u>	<u>\$ 29,818,780</u>
Plan Fiduciary Net Position		
Contributions - Employer	1,043,187	992,159
Contributions - State	464,800	449,044
Contributions - Employee	242,212	247,075
Net Investment Income	515,399	2,495,803
Benefit Payments, including Refunds of Employee Contributions	<u>(1,223,698)</u>	<u>(1,321,368)</u>
Administrative Expense	<u>(43,046)</u>	<u>(35,402)</u>
Net Change in Plan Fiduciary Net Position	998,854	2,827,311
Plan Fiduciary Net Position - Beginning	<u>30,108,080</u>	<u>27,280,769</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 31,106,934</u>	<u>\$ 30,108,080</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,499,580</u>	<u>\$ (289,300)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	95.40%	100.97%
Covered Employee Payroll	\$ 6,920,183	\$ 7,059,293
Net Pension Liability as a percentage of Covered Employee Payroll	21.67%	-4.10%

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	09/30/2017	09/30/2016	09/30/2015	09/30/2014
Actuarially Determined Contribution	1,124,397	1,312,404	1,270,544	1,269,966
Contributions in relation to the Actuarially Determined Contributions	1,217,663	1,312,821	1,320,994	1,269,966
Contribution Deficiency (Excess)	\$ (93,266)	\$ (417)	\$ (50,450)	\$ -
Covered Employee Payroll	\$ 7,456,214	\$ 7,478,083	\$ 6,920,183	\$ 7,059,293
Contributions as a percentage of Covered Employee Payroll	16.33%	17.56%	19.09%	17.99%

Notes to Schedule

Valuation Date: 10/01/2015 (AIS 04/07/2017)

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 Dollar, Closed.
 Remaining Amortization Period: 30 Years (as of 10/01/2015).
 Mortality: RP-2000 Table with no projection (sex distinct). Disabled lives are set forward 5 years. We believe this assumption sufficiently accommodates future mortality improvements.
 Interest Rate: 7.5% per year compounded annually, net of investment- related expenses. This assumption is supported by the Plan’s investment policy and long-term expected returns by asset class.

Normal Retirement Rates:	<u>Eligibility Date</u>	<u>Probability of Retirement</u>
	First eligible	80%
	After first eligible, until age 66	20%
	Age 67 and later	100%

The above rates were adopted by the Board as the result of a prior Experience Study.

Early Retirement Rates:	<u>Age</u>	<u>Rates</u>
	50	2.4%
	51	2.2%
	52	2.0%
	53	1.8%
	54	1.6%

The above rates were adopted by the Board as the result of a prior Experience Study.

Salary Increases:	<u>Age</u>	<u>Rates</u>
	20	12.0%
	25	10.2%
	30	7.8%
	35	6.4%
	40	5.4%
	45	4.4%
	50	3.4%

As a result of a special actuarial analysis, the above rates were adopted in conjunction with the October 1, 2010 valuation.

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Terminal Leave Pay:

Present Value of Retirement Liability	Percentage Increase to Liability		
	Hired prior to 07/01/2001	Hired 07/01/2001 - 07/01/2006	Hired after 07/01/2006
Normal	5.0%	3.75%	2.50%
Early	2.5%	1.875%	1.25%
Vesting	2.5%	1.875%	1.25%
Death	2.5%	1.875%	1.25%
Disability	2.5%	1.875%	1.25%

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:

<u>Age</u>	<u>Rates</u>
20	12.0%
25	10.8%
30	9.4%
35	6.6%
40	4.4%
45	3.4%
50	2.4%

The above rates were adopted by the Board as the result of a prior Experience Study.

Disability Rates:

<u>Age</u>	<u>Probability of Disability</u>
20	0.14%
25	0.15%
30	0.18%
35	0.23%
40	0.30%
45	0.51%
50	1.00%

The above rates were adopted by the Board as the result of a prior Experience Study.

Additionally, it is assumed that 75% of disablements and active Member deaths are service related.

Cost-of-Living Adjustments:

None.

Payroll Increases:

None.

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.

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2017</u>	<u>09/30/2016</u>	<u>09/30/2015</u>	<u>09/30/2014</u>
Annual Money-Weighted Rate of Return				
Net of Investment Expense	11.19%	8.61%	1.72%	9.20%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2017)

General Information about the Pension Plan

Plan Description

The City of Winter Garden Pension Plan for Firefighters and Police Officers 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 legal residents of the City who are appointed by the City Commission, 1 of whom is a Firefighter member and 1 of whom is a Police Officer member who are elected by a majority of the Firefighters and Police Officers who are members of the plan and a fifth Trustee Full-time employees who are classified as Police Officers or Firefighters participate as a condition of employment.

Plan Membership as of October 1, 2016:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	43
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	46
Active Plan Members	114
	203
	203

Benefits Provided

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

Normal Retirement:

Date: Earlier of: 1) age 55 with 6 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit: 3.0% of Average Final Compensation for each year of Credited Service.

Maximum Benefit: 95% of Average Final Compensation.

Early Retirement:

Eligibility: Age 50 with 6 years of Credited Service.

Accrued benefit, reduced 3% per year that the benefit commencement date precedes age 55.

Vesting:

Schedule: 100% after 6 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.

Benefit accrued to date of disability but not less than 42% of Average Final Compensation (25% for Non-Service Incurred). The maximum benefit is 95% of Average Final Compensation.

Death Benefits:

10 or more years of Credited Service: Monthly accrued benefit payable to designated beneficiary for 10 years at otherwise Early (reduced) or Normal (unreduced) Retirement Date.

Less than 10 years of Credited Service: Refund of accumulated contributions.

Contributions

Member Contributions: 3.5% 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 in Chapter 112, Florida Statutes.

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Net Pension Liability

The measurement date is September 30, 2017.

The measurement period for the pension expense was October 1, 2016 to September 30, 2017.

The reporting period is October 1, 2016 through September 30, 2017.

The Sponsor's Net Pension Liability was measured as of September 30, 2017.

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, 2016 updated to September 30, 2017 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.25%
Investment Rate of Return	7.25%

Mortality Rate Healthy Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar /90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The most recent actuarial experience study used to review the other significant assumptions was dated August 31, 2016.

The Long-Term Expected Rate of Return on Pension Plan investments can be 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.

For 2017 the inflation rate assumption of the investment advisor was 2.50%.

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 geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	50%	7.5%
International Equity	10%	8.5%
Broad Market Fixed Income	25%	2.5%
Global Fixed Income	5%	3.5%
Real Estate	10%	4.5%
<u>Total</u>	<u>100%</u>	

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	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
Balance at September 30, 2016	\$ 35,194,410	\$ 34,037,332	\$ 1,157,078
Changes for a Year:			
Service Cost	1,249,018	-	1,249,018
Interest	2,588,829	-	2,588,829
Share Plan Allocation	145,812	-	145,812
Differences between Expected and Actual Experience	(97,499)	-	(97,499)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	939,856	(939,856)
Contributions - State	-	569,430	(569,430)
Contributions - Employee	-	240,164	(240,164)
Contributions - Buy Back	-	-	-
Net Investment Income	-	3,780,423	(3,780,423)
Benefit Payments, including Refunds of Employee Contributions	(1,470,879)	(1,470,879)	-
Administrative Expense	-	(63,529)	63,529
Net Changes	2,415,281	3,995,465	(1,580,184)
Balance at September 30, 2017	\$ 37,609,691	\$ 38,032,797	\$ (423,106)

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	\$ 4,988,579	\$ (423,106)	\$ (4,866,694)

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, 2017, the Sponsor will recognize a Pension Expense of \$1,615,263.

On September 30, 2017, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	184,338	518,172
Changes of assumptions	1,472,131	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	526,991
Total	<u>\$ 1,656,469</u>	<u>\$ 1,045,163</u>

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

Year ended September 30:	
2018	\$ 283,745
2019	\$ 283,743
2020	\$ (68,424)
2021	\$ (67,407)
2022	\$ 193,577
Thereafter	\$ (13,928)

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

	<u>09/30/2017</u>	<u>09/30/2016</u>
Total Pension Liability		
Service Cost	1,249,018	1,285,416
Interest	2,588,829	2,406,315
Change in Excess State Money	-	(1,201,957)
Share Plan Allocation	145,812	-
Changes of benefit terms	-	142,867
Differences between Expected and Actual Experience	(97,499)	(608,444)
Changes of assumptions	-	2,060,985
Benefit Payments, including Refunds of Employee Contributions	(1,470,879)	(1,497,286)
Net Change in Total Pension Liability	<u>2,415,281</u>	<u>2,587,896</u>
Total Pension Liability - Beginning	<u>35,194,410</u>	<u>32,606,514</u>
Total Pension Liability - Ending (a)	<u>\$ 37,609,691</u>	<u>\$ 35,194,410</u>
Plan Fiduciary Net Position		
Contributions - Employer	939,856	1,035,014
Contributions - State	569,430	527,035
Contributions - Employee	240,164	262,084
Net Investment Income	3,780,423	2,655,638
Benefit Payments, including Refunds of Employee Contributions	(1,470,879)	(1,497,286)
Administrative Expense	(63,529)	(52,087)
Net Change in Plan Fiduciary Net Position	<u>3,995,465</u>	<u>2,930,398</u>
Plan Fiduciary Net Position - Beginning	<u>34,037,332</u>	<u>31,106,934</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 38,032,797</u>	<u>\$ 34,037,332</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (423,106)</u>	<u>\$ 1,157,078</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	101.12%	96.71%
Covered Employee Payroll	\$ 7,456,214	\$ 7,478,083
Net Pension Liability as a percentage of Covered Employee Payroll	-5.67%	15.47%

Notes to Schedule:*Changes of benefit terms*

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from Ordinances 16-60 and 16-61, adopted and effective November 10, 2016 implemented the following changes:

1. A 3.0% benefit accrual rate for all years of Credited Service. Previously, the benefit accrual rate was 3.0% for the first 25 years of Credited Service, and 2.0% per year thereafter. The maximum benefit limitation of 95% of Average Final Compensation remains unchanged.
- 2] Establishment of a Share Plan. □
3. Establishment of a DROP option upon satisfaction of Normal Retirement eligibility.
- 4] Compliance language pursuant to requirements under the Internal Revenue Code. □
5. The use of State Monies per Collective Bargaining Agreements between Plan Members and the City.

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Changes of assumptions:

For measurement date 09/30/2016, amounts reported as changes of assumptions was a result of the Experience Study dated August 31, 2016, the Board has adopted changes to the following assumptions in conjunction with this valuation of the Plan:

- Salary Increases
- Mortality Rates
- Normal Retirement Rates
- Withdrawal Rates
- Investment Return

Details of the above assumption changes can be found in the Actuarial Assumptions and Methods section of the 10/01/2016 Valuation Report.

Additionally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

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	1,247,782	1,170,789
Interest	2,207,981	2,055,663
Change in Excess State Money	186,993	171,237
Share Plan Allocation	-	-
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	368,676	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(1,223,698)</u>	<u>(1,321,368)</u>
Net Change in Total Pension Liability	2,787,734	2,076,321
Total Pension Liability - Beginning	29,818,780	27,742,459
Total Pension Liability - Ending (a)	<u>\$ 32,606,514</u>	<u>\$ 29,818,780</u>
Plan Fiduciary Net Position		
Contributions - Employer	1,043,187	992,159
Contributions - State	464,800	449,044
Contributions - Employee	242,212	247,075
Net Investment Income	515,399	2,495,803
Benefit Payments, including Refunds of Employee Contributions	(1,223,698)	(1,321,368)
Administrative Expense	<u>(43,046)</u>	<u>(35,402)</u>
Net Change in Plan Fiduciary Net Position	998,854	2,827,311
Plan Fiduciary Net Position - Beginning	30,108,080	27,280,769
Plan Fiduciary Net Position - Ending (b)	<u>\$ 31,106,934</u>	<u>\$ 30,108,080</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,499,580</u>	<u>\$ (289,300)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	95.40%	100.97%
Covered Employee Payroll	\$ 6,920,183	\$ 7,059,293
Net Pension Liability as a percentage of Covered Employee Payroll	21.67%	-4.10%

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	09/30/2017	09/30/2016	09/30/2015	09/30/2014
Actuarially Determined Contribution	1,124,397	1,312,404	1,270,544	1,269,966
Contributions in relation to the				
Actuarially Determined Contributions	1,217,663	1,312,821	1,320,994	1,269,966
Contribution Deficiency (Excess)	\$ (93,266)	\$ (417)	\$ (50,450)	\$ -
Covered Employee Payroll	\$ 7,456,214	\$ 7,478,083	\$ 6,920,183	\$ 7,059,293
Contributions as a percentage of				
Covered Employee Payroll	16.33%	17.56%	19.09%	17.99%

Notes to Schedule

Valuation Date: 10/01/2015 (AIS 04/07/2017)
 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 Dollar, Closed.
 Remaining Amortization Period: 30 Years (as of 10/01/2015).
 Mortality: RP-2000 Table with no projection (sex distinct). Disabled lives are set forward 5 years. We believe this assumption sufficiently accommodates future mortality improvements.
 Interest Rate: 7.5% per year compounded annually, net of investment- related expenses. This assumption is supported by the Plan’s investment policy and long-term expected returns by asset class.

Normal Retirement Rates:	<u>Eligibility Date</u>	<u>Probability of Retirement</u>
	First eligible	80%
	After first eligible, until age 66	20%
	Age 67 and later	100%

The above rates were adopted by the Board as the result of a prior Experience Study.

Early Retirement Rates:	<u>Age</u>	<u>Rates</u>
	50	2.4%
	51	2.2%
	52	2.0%
	53	1.8%
	54	1.6%

The above rates were adopted by the Board as the result of a prior Experience Study.

Salary Increases:	<u>Age</u>	<u>Rates</u>
	20	12.0%
	25	10.2%
	30	7.8%
	35	6.4%
	40	5.4%
	45	4.4%
	50	3.4%

As a result of a special actuarial analysis, the above rates were adopted in conjunction with the October 1, 2010 valuation.

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Terminal Leave Pay:

Present Value of Retirement Liability	Percentage Increase to Liability		
	Hired prior to 07/01/2001	Hired 07/01/2001 - 07/01/2006	Hired after 07/01/2006
Normal	5.00%	3.75%	2.50%
Early	2.50%	1.88%	1.25%
Vesting	2.50%	1.88%	1.25%
Death	2.50%	1.88%	1.25%
Disability	2.50%	1.88%	1.25%

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:

<u>Age</u>	<u>Rates</u>
20	12.0%
25	10.8%
30	9.4%
35	6.6%
40	4.4%
45	3.4%
50	2.4%

The above rates were adopted by the Board as the result of a prior Experience Study.

Disability Rates:

<u>Age</u>	<u>Probability of Disability</u>
20	0.14%
25	0.15%
30	0.18%
35	0.23%
40	0.30%
45	0.51%
50	1.00%

The above rates were adopted by the Board as the result of a prior Experience Study. Additionally, it is assumed that 75% of disablements and active Member deaths are None.

Cost-of-Living Adjustments:

Payroll Increases:

Asset Valuation Method:

None.

None.

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.

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2017

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Balance at September 30, 2016	\$ 1,157,078	\$ 771,376	\$ 3,068,843	\$ -
Total Pension Liability Factors:				
Service Cost	1,249,018	-	-	1,249,018
Interest	2,588,829	-	-	2,588,829
Change in Excess State Money	-	-	-	-
Share Plan Allocation	145,812	-	-	145,812
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(97,499)	97,499	-	-
Current year amortization of experience difference	-	(100,851)	(61,446)	(39,405)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(294,427)	294,427
Benefit Payments, including Refunds of Employee Contributions	(1,470,879)	-	-	-
Net change	<u>2,415,281</u>	<u>(3,352)</u>	<u>(355,873)</u>	<u>4,238,681</u>
Plan Fiduciary Net Position:				
Contributions - Employer	939,856	-	-	-
Contributions - State	569,430	-	-	-
Contributions - Employee	240,164	-	-	(240,164)
Projected Net Investment Income	2,475,502	-	-	(2,475,502)
Difference between projected and actual earnings on Pension Plan investments	1,304,921	1,304,921	-	-
Current year amortization	-	(323,448)	(352,167)	28,719
Benefit Payments, including Refunds of Employee Contributions	(1,470,879)	-	-	-
Administrative Expenses	(63,529)	-	-	63,529
Net change	<u>3,995,465</u>	<u>981,473</u>	<u>(352,167)</u>	<u>(2,623,418)</u>
Balance at September 30, 2017	<u>\$ (423,106)</u>	<u>\$ 1,749,497</u>	<u>\$ 2,360,803</u>	<u>\$ 1,615,263</u>

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2015	\$ 1,760,837	5	\$ 352,167	\$ 352,167	\$ 352,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (312,314)	5	\$ (62,463)	\$ (62,463)	\$ (62,463)	\$ (62,463)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (1,304,921)	5	\$ (260,985)	\$ (260,984)	\$ (260,984)	\$ (260,984)	\$ (260,984)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 28,719	\$ 28,720	\$ 28,720	\$ (323,447)	\$ (260,984)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2016	\$ 2,060,985	7	\$ 294,427	\$ 294,427	\$ 294,426	\$ 294,426	\$ 294,426	\$ 294,426	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ -	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 294,427	\$ 294,427	\$ 294,426	\$ 294,426	\$ 294,426	\$ 294,426	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2015	\$ 368,676	6	\$ 61,446	\$ 61,446	\$ 61,446	\$ 61,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (608,444)	7	\$ (86,920)	\$ (86,920)	\$ (86,921)	\$ (86,921)	\$ (86,921)	\$ (86,921)	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (97,499)	7	\$ (13,931)	\$ (13,928)	\$ (13,928)	\$ (13,928)	\$ (13,928)	\$ (13,928)	\$ (13,928)	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (39,405)	\$ (39,402)	\$ (39,403)	\$ (39,403)	\$ (100,849)	\$ (100,849)	\$ (13,928)	\$ -	\$ -	\$ -	\$ -