

OCEAN CITY-WRIGHT FIRE CONTROL
DISTRICT FIREFIGHTERS'
PENSION TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2015

CONTRIBUTIONS APPLICABLE TO PLAN/
FISCAL YEAR ENDING SEPTEMBER 30, 2017

January 25, 2016

Board of Trustees
Ocean City-Wright Fire Control District
Firefighters' Pension Board
2 Racetrack Rd. N.E.
Ft. Walton Beach, FL 32547

Re: Firefighters' Pension Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Ocean City-Wright Fire Control District Firefighters' 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(s). 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 175, 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 Board of Trustees and the Ocean City-Wright Fire Control District, 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.

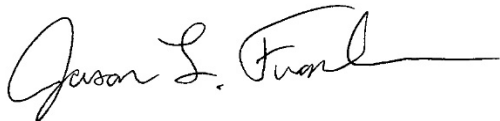
The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the 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 Ocean City-Wright Fire Control District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Ocean City-Wright Fire Control District Firefighters' 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:  _____

Jason L. Franken, FSA, EA, MAAA

Enrolled Actuary #14-6888

JLF/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Ocean City-Wright Fire Control District Firefighters' Pension Trust Fund, performed as of October 1, 2015, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended September 30, 2017.

The contribution requirements developed in this valuation, compared with amounts developed in the July 9, 2015 actuarial impact statement (determined as of October 1, 2014), are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2015 <u>9/30/2017</u>	10/1/2014 <u>9/30/2016</u>
Total Required Contribution		
% of Projected Annual Payroll	45.0%	45.2%
Member Contributions (Est.)		
% of Projected Annual Payroll	5.0%	5.0%
District and State Required Contribution		
% of Projected Annual Payroll	40.0%	40.2%
State Contribution (Est.) ¹	\$293,054	\$293,054
% of Projected Annual Payroll	13.9%	13.9%
Balance From District ²		
% of Projected Annual Payroll	26.1%	26.3%

¹ Reflects mutual consent of the members' collective bargaining agreement and the District on how State Monies are to be allocated. It was agreed upon that all of the State money can be used towards plan funding.

² The required contribution from the combination of District and State sources for the year ending September 30, 2017, is 40.0% of the actual payroll realized in that year. As a budgeting tool, the District may contribute 26.1% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received.

During the past year the actuarial experience has been slightly more favorable than expected, relative to the Plan's actuarial assumptions. The primary components of favorable experience resulted from average increases in Pensionable Earnings that were below the assumed rate by approximately 3%; this gain was

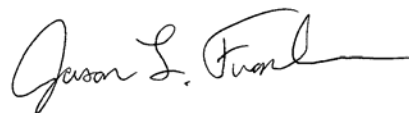
offset somewhat by losses due to fewer terminations than expected. The investment return (Actuarial Asset Basis) of 7.78% exceeded the 7.75% assumption slightly. There were no other significant sources of liability loss during the year. For a detailed analysis that displays the actuarial gain/loss by component, please refer to page 15 of this report.

As a result, the funding requirements decreased slightly from the previous valuation, when expressed as a percentage of payroll. Decreases in the funding requirements due to salary increases and the change in payroll were offset somewhat by increases in funding requirements due to termination experience, administrative expenses and the decrease in payroll growth assumption. An exhibit outlining the changes in the contribution requirement can be found on page 8 of this report.

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 answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.



By: _____
Jason L. Franken, FSA, EA, MAAA



By: _____
Drew D. Ballard, EA, MAAA

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in benefits since the Actuarial Impact Statement, effective July 9, 2015. That statement reflected the change to immediate commencement for the Supplemental Benefit. In addition, the new provisions for Members hired on or after October 1, 2014, as reflected in the No Impact Letter dated December 10, 2014. Members hired on or after October 1, 2014 will be 100% vested after ten years of service.

Actuarial Assumption/Method Changes

There have been no changes in assumptions or methods since the prior valuation. However, the payroll growth assumption has been decreased from 3.60% to 3.00% to comply with the provisions of Part VII of Chapter 112, Florida Statutes.

CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1) Contribution Determined as of October 1, 2014	26.3%
(2) Summary of Contribution Impact by component:	
Change in Available State Money	0.0%
Investment Return (Actuarial Asset Basis)	0.0%
Salary Increases	-0.7%
Payroll Change	-2.6%
Payroll Growth Assumption	1.4%
Amortization Base Payoffs	0.0%
New Entrants	0.1%
Active Decrements	0.6%
Inactive Mortality	0.0%
Data Corrections	0.1%
Administrative Expense Change	0.6%
Other	<u>0.2%</u>
Total Change in Contribution	-0.2%
(3) Contribution Determined as of October 1, 2015	26.1%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2015</u>	<u>10/1/2014</u>
A. Participant Data		
Number Included		
Actives	37	34
Service Retirees	11	11
DROP Retirees	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	<u>5</u>	<u>5</u>
Total	53	50
Total Annual Payroll	\$2,101,255	\$1,916,330
Payroll Under Assumed Ret. Age	2,101,255	1,916,330
Annual Rate of Payments to:		
Service Retirees	575,467	577,423
DROP Retirees	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	82,889	82,889
B. Assets		
Actuarial Value ¹	8,644,667	7,501,952
Market Value ¹	8,192,661	8,166,018
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	10,896,464	9,872,581
Disability Benefits	102,535	97,809
Death Benefits	56,039	53,613
Vested Benefits	1,045,299	1,010,585
Refund of Contributions	27,149	18,973
Service Retirees	6,383,220	6,467,272
DROP Retirees ¹	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	775,878	719,317
Excess State Monies Reserve	<u>0</u>	<u>0</u>
Total	19,286,584	18,240,150

C. Liabilities - (Continued)	<u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	14,666,485	13,778,804
Present Value of Future Member Contributions	733,324	688,940
Normal Cost (Retirement)	244,577	223,908
Normal Cost (Disability)	6,436	5,813
Normal Cost (Death)	2,292	2,069
Normal Cost (Vesting)	65,612	62,825
Normal Cost (Refunds)	<u>5,003</u>	<u>4,487</u>
Total Normal Cost	323,920	299,102
Present Value of Future Normal Costs	2,305,464	2,170,544
Accrued Liability (Retirement)	9,115,904	8,193,740
Accrued Liability (Disability)	57,238	55,153
Accrued Liability (Death)	39,935	38,367
Accrued Liability (Vesting)	601,722	590,613
Accrued Liability (Refunds)	7,223	5,144
Accrued Liability (Inactives) ¹	7,159,098	7,186,589
Excess State Monies Reserve	<u>0</u>	<u>0</u>
Total Actuarial Accrued Liability	16,981,120	16,069,606
Unfunded Actuarial Accrued Liability (UAAL)	8,336,453	8,567,654
Funded Ratio (AVA / AL)	50.9%	46.7%
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives ¹	7,159,098	7,186,589
Actives	5,208,757	4,530,314
Member Contributions	<u>1,451,500</u>	<u>1,352,557</u>
Total	13,819,355	13,069,460
Non-vested Accrued Benefits	<u>232,497</u>	<u>241,004</u>
Total Present Value Accrued Benefits	14,051,852	13,310,464
Funded Ratio (MVA / PVAB)	58.3%	61.4%
 Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	306,170	
Benefits Paid	(574,097)	
Interest	1,009,315	
Other	<u>0</u>	
Total	741,388	

Valuation Date	10/1/2015	10/1/2014
Applicable to Fiscal Year Ending	<u>9/30/2017</u>	<u>9/30/2016</u>

E. Pension Cost

Normal Cost (with interest) % of Total Annual Payroll ²	16.0	16.2
Administrative Expenses (with interest) % of Total Annual Payroll ²	1.5	0.9
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/2015, with interest) % of Total Annual Payroll ²	27.5	28.1
Total Required Contribution % of Total Annual Payroll ²	45.0	45.2
Expected Member Contributions % of Total Annual Payroll ²	5.0	5.0
Expected District & State Contribution % of Total Annual Payroll ²	40.0	40.2

F. Past Contributions

Plan Years Ending:	<u>9/30/2015</u>
Total Required Contribution	761,399
District and State Requirement	662,516
Actual Contributions Made:	
Members (excluding buyback)	98,883
District	751,628
State	<u>293,054</u> ³
Total	1,143,565

G. Net Actuarial (Gain)/Loss (57,820)

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 \$2,101,255.

³ Based on mutual consent.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	8,336,453
2016	8,383,045
2017	8,415,264
2024	8,079,740
2031	6,109,374
2038	1,715,145
2045	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	3.03%	6.25%
Year Ended	9/30/2014	2.90%	6.25%
Year Ended	9/30/2013	-1.31%	6.25%

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

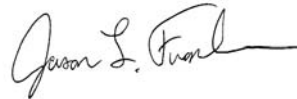
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	7.78%	7.75%
Year Ended	9/30/2014	8.90%	7.75%
Year Ended	9/30/2013	8.30%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015	\$2,101,255
	10/1/2005	1,482,727
(b) Total Increase		41.72%
(c) Number of Years		10.00
(d) Average Annual Rate		3.55%

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.



Jason L. Franken, FSA, EA, MAAA
Enrolled Actuary #14-6888

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	\$8,567,654
(2)	Sponsor Normal Cost developed as of October 1, 2014	203,286
(3)	Expected administrative expenses for the year ended September 30, 2015	16,744
(4)	Expected interest on (1), (2) and (3)	680,397
(5)	Sponsor contributions to the System during the year ended September 30, 2015	1,044,682
(6)	Expected interest on (5)	29,126
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	8,394,273
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(57,820)
(10)	Unfunded Accrued Liability as of October 1, 2015	8,336,453

Type of Base	Date Established	Years Remaining	10/1/2015 Amount	Amortization Amount
Initial Base	10/1/2004	29	\$3,850,145	\$232,666
Benefit Change	10/1/2005	20	86,808	6,441
Method Change	10/1/2006	21	444,254	32,000
Prior Losses	10/1/2006	21	444,254	32,000
Benefit Change	10/1/2006	21	1,393,477	100,373
Actuarial Gain	10/1/2007	22	(762,142)	(53,405)
Benefit Change	10/1/2007	22	206,923	14,500
Actuarial Loss	10/1/2008	23	2,804,488	191,539
Method Change	10/1/2008	23	(781,788)	(53,394)
Actuarial Loss	10/1/2009	24	1,645,705	109,740
Actuarial Gain	10/1/2010	25	(62,185)	(4,055)
Assum. Changes	10/1/2010	25	792,570	51,683
Actuarial Loss	10/1/2011	26	814,909	52,040
Actuarial Gain	10/1/2012	27	(515,894)	(32,306)
Actuarial Gain	10/1/2013	28	(1,082,057)	(66,527)
Actuarial Gain	10/1/2014	29	(541,766)	(32,739)
Benefit Change	10/1/2014	29	(343,428)	(20,753)
Actuarial Gain	10/1/2015	30	<u>(57,820)</u>	<u>(3,438)</u>
			8,336,453	556,365

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2014	\$8,567,654
(2) Expected UAAL as of October 1, 2015	8,394,273
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(2,330)
Salary Increases	(249,110)
Active Decrements	211,895
Inactive Mortality	15,304
Other	<u>(33,579)</u>
Increase in UAAL due to (Gain)/Loss	(57,820)
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2015	\$8,336,453

ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rate</u>	RP-2000 Table with no projection (Disabled lives set forward 5 years). We feel this assumption sufficiently accommodates mortality improvements.
<u>Interest Rate</u>	7.75% per year compounded annually, net of investment expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.
<u>Retirement Age</u>	Earlier of 1) Age 52 and 25 years of service or 2) age 55 and 10 years of service. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption is deemed reasonable based on plan provisions.
<u>Early Retirement</u>	It is assumed that Members who are eligible for Early Retirement (age 50) will retire at the rate of 5% per year. This assumption is deemed reasonable based on plan provisions.
<u>Disability Rate</u>	See table below (1201). It is assumed that 75% of disablements and active Member deaths are service related. This assumption is deemed reasonable based on plan provisions.
<u>Termination Rate</u>	See table below (1304). This assumption is deemed reasonable based on plan provisions.
<u>Salary Increases</u>	6.25% per year until the assumed Retirement age; see table below. Projected salary at retirement is increased 20% to account for non-regular pay.
<u>Payroll Growth</u>	Up to 5.0% annually. Assumption is limited by historical 10-year payroll growth. (3.00% for 2015 val; 3.60% for 2014).
<u>Administrative Expenses</u>	\$31,115 annually. This assumption is equal to the amount paid out of the trust in the prior year.
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method.
<u>Actuarial Asset Method</u>	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

<u>Age</u>	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>	<u>Current Salary as a % of Salary at Age 55</u>
20	0.03%	12.4%	13.0%
30	0.04	10.5	23.3
40	0.07	5.7	41.7
50	0.18	1.5	74.7

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on 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.

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

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
2005	23,346.92	N/A
2006	81,748.84	250.1%
2007	117,833.20	44.1%
2008	240,958.80	104.5%
2009	267,235.56	10.9%
2010	208,041.34	-22.2%
2011	212,600.02	2.2%
2012	261,902.86	23.2%
2013	256,099.63	-2.2%
2014	271,574.54	6.0%
2015	293,053.63	7.9%

EXCESS STATE MONIES RESERVE

Firefighters' Distribution

	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve</u>
2005	23,346.92	89,920.00	0.00
2006	81,748.84	94,138.00	0.00
2007	117,833.20	94,138.00	23,695.20
2008	240,958.80	165,086.00	75,872.80
2009	267,235.56	185,828.00	81,407.56
2010	208,041.34	185,828.00	22,213.34
2011	212,600.02	185,828.00	26,772.02
2012	261,902.86	185,828.00	76,074.86
2013	256,099.63	185,828.00	70,271.63
2014	271,574.54	185,828.00	85,746.54
2015	293,053.63	293,053.63	<u>0.00</u>
			462,053.95
	Accumulated Regular Excess		462,053.95
	Accumulated Special Excess		<u>0.00</u>
	Total Excess State Monies		462,053.95
	Less Excess Used in Funding Ordinance No. 14-01 (Suppl. Elig.)		(438,358.75)
	Less Excess Used in Funding Ordinance No. 08-01		<u>(23,695.20)</u>
	Equals Current State Monies Reserve		\$0.00

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Certificates of Deposits	50,077.50
Short Term Investments	213,015.70
Total Cash and Equivalents	263,093.20
Receivables:	
Member Contributions in Transit	3,764.44
Member Contributions	18.27
City Contributions in Transit	28,609.66
State Contributions	217,755.06
Investment Income	13,782.64
Total Receivable	263,930.07
Investments:	
U. S. Bonds and Bills	135,813.26
Corporate Bonds	1,668,431.62
Municipal Obligations	68,188.10
Stocks	5,793,204.75
Total Investments	7,665,637.73
Total Assets	8,192,661.00
<u>LIABILITIES</u>	
Total Liabilities	0.00
NET POSITION RESTRICTED FOR PENSIONS	8,192,661.00

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

ADDITIONS

Contributions:		
Member	98,883	
Buy-Back	0	
City	751,628	
City for Members	0	
State	293,054	
 Total Contributions		 1,143,565
Investment Income:		
Net Increase in Fair Value of Investments	(595,821)	
Interest & Dividends	146,528	
Less Investment Expense ¹	(62,417)	
 Net Investment Income		 (511,710)
 Other		 0
 Total Additions		 631,855
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	574,048	
Refunds of Member Contributions	49	
 Total Distributions		 574,097
 Administrative Expense		 31,115
 Other		 0
 Total Deductions		 605,212
 Net Increase in Net Position		 26,643
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		8,166,018
End of the Year		8,192,661

¹Investment 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	17.45%	
09/30/2013	8.46%	
09/30/2014	12.85%	
09/30/2015	-6.14%	
Annualized Rate of Return for prior four (4) years:		7.78%
(A) 10/01/2014 Actuarial Assets:		\$7,501,951.95
(I) Net Investment Income:		
1. Interest and Dividends	146,527.72	
2. Realized Gains (Losses)	598,427.18	
3. Change in Actuarial Value	(78,175.88)	
4. Investment Related Expenses	(62,416.57)	
Total		604,362.45
(B) 10/01/2015 Actuarial Assets:		\$8,644,667.31
Actuarial Asset Rate of Return = 2I/(A+B-I):		7.78%
10/01/2015 Limited Actuarial Assets:		\$8,644,667.31
10/01/2015 Market Value of Assets:		\$8,192,661.00
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$2,330.45

*Market Value Basis, net of investment related expenses.

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

REVENUES

Contributions:		
Member	98,882.96	
City	751,627.63	
State	293,053.63	
Total Contributions		1,143,564.22
Earnings from Investments:		
Interest & Dividends	146,527.72	
Net Realized Gain (Loss)	598,427.18	
Change in Actuarial Value	(78,175.88)	
Total Earnings and Investment Gains		666,779.02

EXPENDITURES

Distributions to Members:		
Benefit Payments	574,047.61	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	48.93	
Total Distributions		574,096.54
Expenses:		
Investment related ¹	62,416.57	
Administrative	31,114.77	
Total Expenses		93,531.34
Change in Net Assets for the Year		1,142,715.36
Net Assets Beginning of the Year		7,501,951.95
Net Assets End of the Year ²		8,644,667.31

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

²Net Assets may be limited for actuarial consideration.

STATISTICAL DATA ¹

	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>
<u>Actives - Hired before 10/1/2014</u>				
Number	36	36	34	35
Average Current Age	40.1	38.9	38.7	39.3
Average Age at Employment	25.5	26.4	26.2	25.7
Average Past Service	14.6	12.5	12.5	13.6
Average Annual Salary	\$53,922	\$55,514	\$56,363	\$57,551
<u>Actives - Hired on or after 10/1/2014</u>				
Number	N/A	N/A	N/A	2
Average Current Age	N/A	N/A	N/A	28.9
Average Age at Employment	N/A	N/A	N/A	27.9
Average Past Service	N/A	N/A	N/A	1.0
Average Annual Salary	N/A	N/A	N/A	\$43,478
<u>Service Retirees</u>				
Number	9	10	11	11
Average Current Age	N/A	N/A	N/A	59.6
Average Annual Benefit	\$53,150	\$52,815	\$52,493	\$52,315
<u>Beneficiaries</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Disability Retirees</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Terminated Vested</u>				
Number	4	4	5	5
Average Current Age	N/A	N/A	N/A	45.3
Average Annual Benefit	\$3,607	\$3,607	\$16,578	\$16,578

¹ Prior to 10/1/2013, averages were salary weighted.

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	0	1	1	0	0	0	0	0	0	0	0	2
25 - 29	0	2	1	0	0	1	0	0	0	0	0	4
30 - 34	0	1	1	0	0	4	2	0	0	0	0	8
35 - 39	0	0	0	0	0	3	2	1	0	0	0	6
40 - 44	0	0	0	0	0	2	2	0	0	0	0	4
45 - 49	0	0	0	0	0	2	1	2	2	1	0	8
50 - 54	0	0	0	0	0	0	0	0	0	4	1	5
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0
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	0	4	3	0	0	12	7	3	2	5	1	37

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2014	34
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	34
h. New entrants	<u>3</u>
i. Total active life participants in valuation	37

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

	Service Retirees, Vested Receiving	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
a. Number prior valuation	11	0	0	0	5	16
Retired	0	0	0	0	0	0
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	0	0
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	0	0
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	11	0	0	0	5	16

SUMMARY OF PLAN PROVISIONS
(Through Ordinance No. 14-01)

<u>Credited Service</u>	Total years and fractional parts of years of contributing employment with the District as a Firefighter.
<u>Salary</u>	Total W-2 Compensation, including lump sum sick and vacation payouts at retirement.
<u>Average Final Compensation</u>	Average Salary for the best 3 years during the 5 years immediately preceding retirement or termination.
<u>Member Contributions</u>	5.0% of Salary.
<u>District and State Contributions</u>	Remaining amount required in order to fund to actuarial soundness.
 <u>Normal Retirement</u>	
Date	Earlier of: 1) Age 52 and 25 years of Credited Service, or 2) age 55 and 10 years of Credited Service.
Benefit	3.0% of Average Final Compensation times Credited Service.
Form of Benefit	Ten Year Certain and Life Annuity (options available).
 <u>Early Retirement</u>	
Eligibility	Age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year.
 <u>Supplement</u>	 \$10 for each year of Credited Service. Commencing immediately after Retirement and ceasing at the earlier of death or age 65.
 <u>Vesting</u>	
Schedule	Members hired before October 1, 2014: 100% after seven (7) years of Credited Service. Members hired on or after October 1, 2014: 100% after ten (10) years of Credited Service

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 for service-incurred disability, and 30% of Average Final Compensation for non-service-incurred disability.

Duration

Payable for life with 10 years certain (options available) or until recovery (as determined by the Board).

Death Benefits

Vested

Monthly accrued benefit payable to designated beneficiary for 10 years at Member's Normal or Early Retirement Date.

Non-Vested

Refund of accumulated contributions without interest.

Deferred Retirement Option Plan

Eligibility

Satisfaction of Normal Retirement requirements.

Participation

Not to exceed 60 months.

Rate of Return

Participant's election:
 a) 6.5% annually, 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.