

RETIREMENT PLAN FOR THE GENERAL EMPLOYEES
OF THE SOUTHERN MANATEE FIRE & RESCUE DISTRICT

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2014

GASB 67/68 SUPPLEMENT
AS OF SEPTEMBER 30, 2015



DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN

NET PENSION LIABILITY AS OF SEPTEMBER 30, 2015

Total pension liability	\$1,821,701 *
Less fiduciary net position	<u>(2,019,702)</u>
Net pension liability	<u>\$(198,001) **</u>

* This amount has been rolled forward from October 1, 2014.

** This amount is recognized on the employer's balance sheet.

PENSION EXPENSE FOR THE 2013/14 FISCAL YEAR

Service cost	\$60,938
Other recognized changes in net pension liability:	
Expected interest growth	(3,320)
Investment gain/loss	34,950
Demographic gain/loss	(6,998)
Employee contributions	(15,608)
Benefit payments & refunds	(8,265)
Administrative expenses	9,002
Changes in benefit terms	0
Assumption changes	<u>(31,138)</u>
Pension expense	<u>\$39,561 *</u>

* This amount is recognized on the employer's income statement, along with the employer contribution for the 2014/15 fiscal year.

DEFERRED INFLOW AND OUTFLOW OF RESOURCES

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance as of September 30, 2014	\$0	\$6,394
Change due to:		
Amortization payments	\$(36,548)	\$(39,734)
Investment gain/loss	\$182,740	\$0
Demographic gain/loss	\$0	\$47,655
Assumption changes	<u>\$0</u>	<u>\$212,047</u>
Total change	\$146,192	\$219,968
Balance as of September 30, 2015	\$146,192 *	\$226,362 *

* These amounts are recognized on the employer's balance sheet.

BALANCE EQUATION

Net pension liability as of September 30, 2014	\$(19,794)
Plus pension expense for the 2014/15 fiscal year	\$39,561
Minus employer contribution for the 2014/15 fiscal year	\$(143,992)
Plus change in balance of deferred outflows of resources	\$146,192
Minus change in balance of deferred inflows of resources	\$(219,968)
Net pension liability as of September 30, 2015	\$(198,001)

DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)

DEFERRED INFLOW AND OUTFLOW OF RESOURCES (continued)

Amortization schedule for deferred outflows and inflows of resources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance as of September 30, 2015	\$146,192	\$226,362
Amount recognized in the 2015/16 pension expense:		
<i>Investment gain/loss</i>	\$36,548	\$1,598
<i>Demographic gain/loss</i>	\$0	\$6,998
<i>Assumption changes</i>	<u>\$0</u>	<u>\$31,138</u>
<i>Total</i>	\$36,548	\$39,734
Balance as of September 30, 2016	\$109,644	\$186,628
Amount recognized in the 2016/17 pension expense:		
<i>Investment gain/loss</i>	\$36,548	\$1,598
<i>Demographic gain/loss</i>	\$0	\$6,998
<i>Assumption changes</i>	<u>\$0</u>	<u>\$31,138</u>
<i>Total</i>	\$36,548	\$39,734
Balance as of September 30, 2017	\$73,096	\$146,894
Amount recognized in the 2017/18 pension expense:		
<i>Investment gain/loss</i>	\$36,548	\$1,600
<i>Demographic gain/loss</i>	\$0	\$6,998
<i>Assumption changes</i>	<u>\$0</u>	<u>\$31,138</u>
<i>Total</i>	\$36,548	\$39,736
Balance as of September 30, 2018	\$36,548	\$107,158
Amount recognized in the 2018/19 pension expense:		
<i>Investment gain/loss</i>	\$36,548	\$0
<i>Demographic gain/loss</i>	\$0	\$6,998
<i>Assumption changes</i>	<u>\$0</u>	<u>\$31,138</u>
<i>Total</i>	\$36,548	\$38,136
Balance as of September 30, 2019	\$0	\$69,022
Amount recognized in the 2019/20 pension expense:		
<i>Investment gain/loss</i>	\$0	\$0
<i>Demographic gain/loss</i>	\$0	\$6,998
<i>Assumption changes</i>	<u>\$0</u>	<u>\$31,138</u>
<i>Total</i>	\$0	\$38,136
Balance as of September 30, 2020	\$0	\$30,886

DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)

CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance as of September 30, 2014	\$1,896,350	\$(1,916,144)	\$(19,794)
Change due to:			
Service cost	\$60,938	\$0	\$60,938
Expected interest growth	\$175,442	\$(178,762)	\$(3,320)
Unexpected investment income	\$0	\$182,740	\$182,740
Demographic experience	\$(47,655)	\$0	\$(47,655)
Employer contributions	\$0	\$(143,992)	\$(143,992)
Employee contributions	\$0	\$(15,608)	\$(15,608)
Benefit payments & refunds	\$(51,327)	\$43,062	\$(8,265)
Administrative expenses	\$0	\$9,002	\$9,002
Changes in benefit terms	\$0	\$0	\$0
Assumption changes	\$(212,047)	\$0	\$(212,047)
Balance as of September 30, 2015	\$1,821,701	\$(2,019,702)	\$(198,001)

COMPARISON OF NET PENSION LIABILITY USING ALTERNATIVE DISCOUNT RATES

	Discount Rate Minus 1.00%	9.08% Discount Rate	Discount Rate Plus 1.00%
Total pension liability	\$2,031,473	\$1,821,701	\$1,643,033
Less fiduciary net position	<u>(2,019,702)</u>	<u>(2,019,702)</u>	<u>(2,019,702)</u>
Net pension liability	\$11,771	\$(198,001)	\$(376,669)

HISTORICAL TREND INFORMATION

Measurement Date	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Funded Percentage	Covered Payroll	Net Pension Liability as a % of Covered Payroll
September 30, 2015	\$1,821,701	\$2,019,702	\$(198,001)	110.87%	\$375,841	<i>Not applicable</i>
September 30, 2014	\$1,896,350	\$1,916,144	\$(19,794)	101.04%	\$351,865	<i>Not applicable</i>
September 30, 2013	\$1,727,284	\$1,690,602	\$36,682	97.88%	\$351,865	10.43%
October 1, 2012	\$1,706,809	\$1,436,085	\$270,724	84.14%	\$378,881	71.45%
October 1, 2011	\$1,596,407	\$1,120,735	\$475,672	70.20%	\$363,761	130.76%
October 1, 2010	\$1,423,371	\$1,015,163	\$408,208	71.32%	\$351,483	116.14%
October 1, 2009	\$1,306,730	\$847,230	\$459,500	64.84%	\$300,430	152.95%

Fiscal Year End	(1) Actuarially Determined Contribution	(2) Contributions Recognized By the Plan	(3) Difference Between (1) and (2)	Covered Payroll	Column (2) as a % of Covered Payroll
September 30, 2015	\$131,597	\$143,992	\$12,395	\$375,841	38.31%
September 30, 2014	\$114,432	\$114,432	\$0	\$351,865	32.52%
September 30, 2013	\$113,095	\$113,095	\$0	\$378,881	29.85%
September 30, 2012	\$146,212	\$146,212	\$0	\$363,761	40.19%
September 30, 2011	\$131,397	\$131,397	\$0	\$351,483	37.38%
September 30, 2010	\$125,503	\$125,503	\$0	\$300,430	41.77%
September 30, 2009	\$91,273	\$91,273	\$0	<i>Not available</i>	<i>Not available</i>
September 30, 2008	\$90,407	\$90,407	\$0	<i>Not available</i>	<i>Not available</i>
September 30, 2007	\$86,745	\$86,745	\$0	\$288,571	30.06%
September 30, 2006	\$70,066	\$70,066	\$0	\$241,781	28.98%

DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)

HISTORICAL TREND INFORMATION (continued)

Changes in the net pension liability by source

Fiscal Year	Service Cost	Expected Interest Growth	Unexpected Investment Income	Demographic Experience	Employer Contributions	Employee Contributions	Benefit Payments & Refunds	Administrative Expenses	Changes In Benefit Terms	Assumption Changes
2014/15	\$60,938	\$(3,320)	\$182,740	\$(47,655)	\$(143,992)	\$(15,608)	\$(8,265)	\$9,002	\$0	\$(212,047)
2013/14	\$76,142	\$4,015	\$(7,992)	\$0	\$(114,432)	\$(13,572)	\$(8,645)	\$8,008	\$0	\$0

NOTE: The amortization period for demographic experience and assumption changes was 6.81 years for the 2014/15 fiscal year.

DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)

INFORMATION USED TO DETERMINE THE NET PENSION LIABILITY

Employer's reporting date: September 30, 2015
Measurement date: September 30, 2015
Actuarial valuation date: October 1, 2014

Actuarial assumptions

Discount rate: 9.08% per annum (3.60% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.

Salary increases: 4.00% per annum

Cost-of-living increases: 3.00% per annum for all benefits other than the health supplement

Mortality basis: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.

Retirement: 10% of eligible employees are assumed to retire during each of the three years prior to normal retirement age, 40% are assumed to retire at normal retirement age, 20% are assumed to retire during each of the two years following normal retirement age, and 100% are assumed to retire three years after normal retirement age; no retirements are assumed prior to age 50.

Other decrements: Assumed employment termination is based on gender, age, and service; for participants with less than 10 years of service, termination rates range from 15.00% for males and 10.01% for females with less than two years of service to 4.30% for males and 4.75% for females with between eight and 10 years of service; for participants with at least 10 years of service, termination rates range from 4.28% for males and 5.41% for females at age 25 to 0.00% at age 55. Assumed disability is based on gender and age and ranges from 0.067% for males and 0.040% for females at age 25 to 1.00% for males and 0.84% for females at age 55.

Non-investment expenses: All liabilities have been loaded by 2.50% to account for non-investment expenses.

Future contributions: Contributions from the employer and employees are assumed to be made as legally required.

Changes: Since the prior measurement date, the discount rate was increased from 8.07% per annum to 9.08% per annum.

DETERMINATION OF THE LONG-TERM EXPECTED RATE OF RETURN ON PLAN ASSETS

Investment Category	Target Allocation	Expected Long-Term Real Return
Core bonds	16.00%	2.48% per annum
Multi-sector	24.00%	2.20% per annum
U.S. large cap equity	39.00%	7.14% per annum
U.S. small cap equity	11.00%	8.45% per annum
Non-U.S. equity	10.00%	8.43% per annum
Total or weighted arithmetic average	100.00%	5.48% per annum

PENSION PLAN DESCRIPTION

Name of the pension plan: Retirement Plan for the General Employees of the Southern Manatee Fire & Rescue District

Legal plan administrator: Board of Trustees of the Retirement Plan for the General Employees of the Southern Manatee Fire & Rescue District

Plan type: Single-employer defined benefit pension plan

Number of covered individuals: 10 (three inactive employee or beneficiary currently receiving benefits; no inactive employees entitled to but not yet receiving benefits; seven active employees)

Contribution requirement: Employer contributions are actuarially determined; employees must contribute 3.50% of pensionable earnings; employee contribution requirement may be amended by City ordinance, but employer contribution requirement is subject to State minimums.

Pension plan reporting: The plan issues a stand-alone financial report each year, which contains information about the plan's fiduciary net position. The plan's fiduciary net position has been determined on the same basis used by the pension plan and is equal to the market value of assets calculated under the accrual basis of accounting. This report is available to the public at the plan's administrative office: Retirement Department, Florida League of Cities, Inc., P. O. Box 1757, Tallahassee, FL 32302, (800) 342-8112.

DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)

PENSION PLAN DESCRIPTION (continued)

Description of the benefit terms

Employees covered:	<i>Full-time general employees of the Southern Manatee Fire & Rescue District</i>
Types of benefits offered:	<i>Retirement, disability, and pre-retirement death benefits</i>
Basic pension formula:	<i>2.50% of average earnings x service</i>
Early retirement adjustment:	<i>Early retirement pension is reduced by 5% for each year by which the early retirement date precedes the normal retirement date.</i>
Disability pension:	<i>Larger of basic pension formula or 25% of average earnings (if the participant has earned at least 10 years of service) Disability benefits are offset as necessary to preclude the total of the disability benefit, worker's compensation, and other District-provided disability compensation from exceeding average earnings.</i>
Pre-retirement death benefit:	<i>Basic pension formula payable for 10 years at early or normal retirement age (payable to the beneficiary of a vested participant) Return of accumulated employee contributions (payable to the beneficiary of a non-vested participant)</i>
Normal retirement age:	<i>Age 62 with at least 10 years of service, or Any age with at least 30 years of service</i>
Early retirement age:	<i>Any age with at least 10 years of service</i>
Vesting requirement:	<i>100% vesting after 10 years of service</i>
Form of payment:	<i>Actuarially increased single life annuity 10-year certain and life annuity Actuarially equivalent 50%, 66⅔%, 75%, or 100% joint and contingent annuity Any other actuarially equivalent form of payment approved by the Board of Trustees</i>
Average earnings:	<i>Average of the highest three years of pensionable earnings out of the last 10 years</i>
Cost-of-living adjustment:	<i>3.00% per annum for all benefits other than the health supplement</i>
Health supplement:	<i>\$15 x service, minimum benefit of \$50.00 per month, maximum benefit of \$450.00 per month</i>
DROP:	<i>A deferred retirement option plan (DROP) is available to those participants who have attained their normal retirement age and individuals may participate in the DROP for up to 60 months; DROP accounts are credited with interest at the rate of 6.50% per annum.</i>
Legal authority:	<i>The plan was established effective October 1, 1999 pursuant to District resolution and has been amended several times since that date.</i>
Changes:	<i>The benefit terms did not change from the prior measurement date.</i>

DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)

PROJECTION OF THE FIDUCIARY NET POSITION

Date	BOY Balance	Contributions	Benefit Payments	Administrative Expenses	Investment Earnings	EOY Balance
October 1, 2014	\$1,916,144	\$159,600	\$43,062	\$9,002	-\$3,978	\$2,019,702
October 1, 2015	\$2,019,702	\$128,750	\$50,922	\$10,645	\$186,373	\$2,273,258
October 1, 2016	\$2,273,258	\$43,972	\$69,184	\$14,463	\$204,650	\$2,438,233
October 1, 2017	\$2,438,233	\$0	\$78,765	\$16,466	\$217,162	\$2,560,164
October 1, 2018	\$2,560,164	\$0	\$90,778	\$18,977	\$227,588	\$2,677,997
October 1, 2019	\$2,677,997	\$0	\$118,849	\$24,845	\$236,780	\$2,771,083
October 1, 2020	\$2,771,083	\$0	\$131,358	\$27,460	\$244,561	\$2,856,826
October 1, 2021	\$2,856,826	\$0	\$143,568	\$30,013	\$251,690	\$2,934,935
October 1, 2022	\$2,934,935	\$0	\$166,063	\$34,715	\$257,575	\$2,991,732
October 1, 2023	\$2,991,732	\$0	\$185,968	\$38,876	\$261,663	\$3,028,551
October 1, 2024	\$3,028,551	\$0	\$196,038	\$40,981	\$264,466	\$3,055,998
October 1, 2025	\$3,055,998	\$0	\$216,830	\$45,328	\$265,841	\$3,059,681
October 1, 2026	\$3,059,681	\$0	\$224,127	\$46,853	\$265,784	\$3,054,485
October 1, 2027	\$3,054,485	\$0	\$231,744	\$48,445	\$264,903	\$3,039,199
October 1, 2028	\$3,039,199	\$0	\$252,859	\$52,860	\$262,381	\$2,995,861
October 1, 2029	\$2,995,861	\$0	\$251,771	\$52,632	\$258,505	\$2,949,963
October 1, 2030	\$2,949,963	\$0	\$251,789	\$52,636	\$254,336	\$2,899,874
October 1, 2031	\$2,899,874	\$0	\$254,299	\$53,161	\$249,653	\$2,842,067
October 1, 2032	\$2,842,067	\$0	\$255,314	\$53,373	\$244,350	\$2,777,730
October 1, 2033	\$2,777,730	\$0	\$254,498	\$53,202	\$238,552	\$2,708,582
October 1, 2034	\$2,708,582	\$0	\$262,098	\$54,791	\$231,865	\$2,623,558
October 1, 2035	\$2,623,558	\$0	\$261,005	\$54,562	\$224,204	\$2,532,195
October 1, 2036	\$2,532,195	\$0	\$261,432	\$54,652	\$215,885	\$2,431,996
October 1, 2037	\$2,431,996	\$0	\$268,196	\$56,066	\$206,424	\$2,314,158
October 1, 2038	\$2,314,158	\$0	\$260,070	\$54,367	\$196,160	\$2,195,881
October 1, 2039	\$2,195,881	\$0	\$254,766	\$53,258	\$185,706	\$2,073,563
October 1, 2040	\$2,073,563	\$0	\$248,418	\$51,931	\$174,940	\$1,948,154
October 1, 2041	\$1,948,154	\$0	\$240,662	\$50,310	\$163,969	\$1,821,151
October 1, 2042	\$1,821,151	\$0	\$231,873	\$48,472	\$152,909	\$1,693,715
October 1, 2043	\$1,693,715	\$0	\$221,991	\$46,407	\$141,869	\$1,567,186
October 1, 2044	\$1,567,186	\$0	\$210,372	\$43,978	\$131,004	\$1,443,840
October 1, 2045	\$1,443,840	\$0	\$198,677	\$41,533	\$120,432	\$1,324,062
October 1, 2046	\$1,324,062	\$0	\$186,528	\$38,993	\$110,209	\$1,208,750
October 1, 2047	\$1,208,750	\$0	\$172,395	\$36,039	\$100,497	\$1,100,813
October 1, 2048	\$1,100,813	\$0	\$159,895	\$33,426	\$91,368	\$998,860
October 1, 2049	\$998,860	\$0	\$147,523	\$30,839	\$82,775	\$903,273
October 1, 2050	\$903,273	\$0	\$135,381	\$28,301	\$74,747	\$814,338
October 1, 2051	\$814,338	\$0	\$123,470	\$25,811	\$67,312	\$732,369
October 1, 2052	\$732,369	\$0	\$112,212	\$23,458	\$60,473	\$657,172
October 1, 2053	\$657,172	\$0	\$101,531	\$21,225	\$54,219	\$588,635
October 1, 2054	\$588,635	\$0	\$91,688	\$19,167	\$48,525	\$526,305
October 1, 2055	\$526,305	\$0	\$82,577	\$17,263	\$43,354	\$469,819
October 1, 2056	\$469,819	\$0	\$74,388	\$15,551	\$38,665	\$418,545
October 1, 2057	\$418,545	\$0	\$67,019	\$14,010	\$34,405	\$371,921
October 1, 2058	\$371,921	\$0	\$60,379	\$12,622	\$30,528	\$329,448
October 1, 2059	\$329,448	\$0	\$54,447	\$11,382	\$26,990	\$290,609
October 1, 2060	\$290,609	\$0	\$49,046	\$10,253	\$23,754	\$255,064
October 1, 2061	\$255,064	\$0	\$44,019	\$9,202	\$20,796	\$222,639
October 1, 2062	\$222,639	\$0	\$39,407	\$8,238	\$18,100	\$193,094
October 1, 2063	\$193,094	\$0	\$35,040	\$7,325	\$15,651	\$166,380
October 1, 2064	\$166,380	\$0	\$30,684	\$6,414	\$13,460	\$142,742
October 1, 2065	\$142,742	\$0	\$27,045	\$5,654	\$11,509	\$121,552
October 1, 2066	\$121,552	\$0	\$23,666	\$4,947	\$9,766	\$102,705

DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN *(continued)*

PROJECTION OF THE FIDUCIARY NET POSITION *(continued)*

Date	BOY Balance	Contributions	Benefit Payments	Administrative Expenses	Investment Earnings	EOY Balance
October 1, 2067	\$102,705	\$0	\$20,339	\$4,252	\$8,233	\$86,347
October 1, 2068	\$86,347	\$0	\$17,518	\$3,662	\$6,900	\$72,067
October 1, 2069	\$72,067	\$0	\$15,031	\$3,142	\$5,737	\$59,631
October 1, 2070	\$59,631	\$0	\$12,905	\$2,698	\$4,722	\$48,750
October 1, 2071	\$48,750	\$0	\$11,101	\$2,321	\$3,830	\$39,158
October 1, 2072	\$39,158	\$0	\$9,671	\$2,022	\$3,036	\$30,501
October 1, 2073	\$30,501	\$0	\$6,791	\$1,420	\$2,405	\$24,695
October 1, 2074	\$24,695	\$0	\$5,661	\$1,183	\$1,938	\$19,789
October 1, 2075	\$19,789	\$0	\$4,690	\$980	\$1,545	\$15,664
October 1, 2076	\$15,664	\$0	\$3,903	\$816	\$1,213	\$12,158
October 1, 2077	\$12,158	\$0	\$3,181	\$665	\$933	\$9,245
October 1, 2078	\$9,245	\$0	\$2,581	\$540	\$701	\$6,825
October 1, 2079	\$6,825	\$0	\$2,077	\$434	\$508	\$4,822
October 1, 2080	\$4,822	\$0	\$1,644	\$344	\$350	\$3,184
October 1, 2081	\$3,184	\$0	\$1,260	\$263	\$221	\$1,882
October 1, 2082	\$1,882	\$0	\$933	\$195	\$121	\$875
October 1, 2083	\$875	\$0	\$651	\$136	\$44	\$132
October 1, 2084	\$132	\$0	\$0	\$0	\$12	\$144

NOTES: *The fiduciary net position is projected to be sufficient to cover all future benefit payments when due. The plan requires only a 9.08% average investment return per year to avoid a crossover date. The projection shown above does not reflect future new entrants into the pension plan.*