



City of Panama City Beach
City of Panama City Beach Police Officers' Pension plan
Fiscal Year Ending September 30, 2015

To whom it may concern:

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were 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, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

Sincerely,

A handwritten signature in black ink that reads "Stephen Lambert-Oswald". The signature is written in a cursive style.

Stephen Lambert-Oswald, ASA, MAAA, EA
Aon Hewitt
14-07225
September 29, 2015

City of Panama City Beach Police Officers' Pension Plan

GASB 67 Requirements

GASB 67 is effective for fiscal year ending September 30, 2014. The follow exhibit is a 10 year history of change in Net Pension Liability.

Changes in the Net Pension Liability and Related Ratios – RP2000, 8.0% Interest

State Required Disclosure—Changes in the Net Pension Liability and Related Ratios

	Fiscal Year Ending									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Pension Liability										
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$479,598
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$304,873
Changes of Benefit Terms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
Differences Between Expected and Actual Experiences	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,536,515
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,037,204)
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,283,782
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$16,795,147
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$16,795,147	\$18,078,928
Plan Fiduciary Net Position										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$646,023
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$307,896
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,868,986
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,037,204)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$52,988)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,732,712
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$14,806,469
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$14,806,469	\$16,539,181
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,539,747
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91.48%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,732,684
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	56.35%

City of Panama City Beach Police Officers' Pension Plan

GASB 67 Requirements

Sensitivity

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2013:

	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
(1) Total Pension Liability	\$18,952,903	\$16,795,147	\$14,995,207
(2) Plan Fiduciary Net Position	\$14,806,469	\$14,806,469	\$14,806,469
(3) Net Pension Liability	\$4,146,434	\$1,988,678	\$188,738

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2014:

	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
(1) Total Pension Liability	\$20,380,190	\$18,078,928	\$16,158,398
(2) Plan Fiduciary Net Position	\$16,539,181	\$16,539,181	\$16,539,181
(3) Net Pension Liability	\$3,841,009	\$1,539,747	(\$380,783)

City of Panama City Beach Police Officers' Pension Plan

FS112.664 Requirements

Changes in the Net Pension Liability and Related Ratios – RP2000, 6.0% Interest

State Required Disclosure—Changes in the Net Pension Liability and Related Ratios

	Fiscal Year Ending									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Pension Liability										
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$751,847
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$255,200
Changes of Benefit Terms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
Differences Between Expected and Actual Experiences	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,629,832
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,037,204)
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,599,675
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$21,562,637
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$21,562,637	\$23,162,312
Plan Fiduciary Net Position										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$646,023
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$307,896
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,868,986
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,037,204)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$52,988)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,732,712
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$14,806,469
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$14,806,469	\$16,539,181
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$6,623,130
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	71.41%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,732,684
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	242.37%

City of Panama City Beach Police Officers' Pension Plan

FS112.664 Requirements

Sensitivity

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2013:

	2% Decrease (6.00%)	Current Rate (8.00%)	2% Increase (10.00%)
(1) Total Pension Liability	\$21,562,637	\$16,795,147	\$13,481,232
(2) Plan Fiduciary Net Position	\$14,806,469	\$14,806,469	\$14,806,469
(3) Net Pension Liability	\$6,756,168	\$1,988,678	(\$1,325,237)

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2014:

	2% Decrease (6.00%)	Current Rate (8.00%)	2% Increase (10.00%)
(1) Total Pension Liability	\$23,162,312	\$18,078,928	\$14,542,193
(2) Plan Fiduciary Net Position	\$16,539,181	\$16,539,181	\$16,539,181
(3) Net Pension Liability	\$6,623,130	\$1,539,747	(\$1,996,988)

Adequacy of Assets

The following table illustrates the number of years and fractions for which the Market Value of Assets are adequate to sustain expected retirement benefits.

Assumptions	Years and Fractions
RP 2000 Mortality and 8.0% Interest	31.50
RP 2000 Mortality and 6.0% Interest	20.50