

# City of Panama City Beach Firefighters' 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Pension Liability										
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$284,424	\$239,906
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$577,530	\$1,108,633
Changes of Benefit Terms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0
Differences Between Expected and Actual Experiences	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$392,824	\$614,707
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$428,064)	(\$461,582)
DROP Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$765,571
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$806,713	\$2,267,235
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$12,580,508	\$13,387,221
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$12,580,508	\$13,387,221	\$15,654,456
Plan Fiduciary Net Position										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$501,112	\$416,807
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$146,638	\$86,266
Contributions—State	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$206,650	\$187,733
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,273,942	(\$170,283)
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$428,064)	(\$461,582)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$62,200)	(\$69,185)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$765,571
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,637,777	\$755,328
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$11,279,992	\$12,917,769
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$11,279,992	\$12,917,769	\$13,673,096
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$469,453	\$1,961,380
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	96.49%	87.34%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,285,641	\$1,460,571
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	36.52%	135.66%

## City of Panama City Beach Firefighters' 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 contributions.

	Fiscal Year Ending									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Total Pension Liability</b>										
Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$396,234	\$314,947
Contributions made in Relation to the Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$501,112	\$416,807
Contribution Deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$104,878	\$101,860
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,285,641	\$1,460,571
Contributions as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	38.98%	28.54%

Methods and assumptions used to determine contribution rates:

- Actuarial Cost Method: Entry age Normal with frozen Initial Liability
- Asset Valuation Method: Actuarial Value – 5-year smoothed market value.
- IRS Limit Increases: 4.50%
- Salary Increases: 6.00%
- Investment Rate of Return: 8.00%, net of pension plan investment expense, including inflation.
- Retirement Age: Graded by age and Division – see assumption section for rates.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table with generational projection using scale AA

## City of Panama City Beach Firefighters' Pension Plan

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### 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, 2014:

	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
(1) Total Pension Liability	\$15,089,001	\$13,387,221	\$11,977,977
(2) Plan Fiduciary Net Position	\$12,917,769	\$12,917,769	\$12,917,769
(3) Net Pension Liability	\$2,171,232	\$469,453	(\$939,791)

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2015:

	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
(1) Total Pension Liability	\$17,929,034	\$15,654,456	\$14,263,023
(2) Plan Fiduciary Net Position	\$13,673,096	\$13,673,096	\$13,673,096
(3) Net Pension Liability	\$4,255,938	\$1,981,360	\$589,926

## City of Panama City Beach Firefighters' Pension Plan

### FS 112.664 Requirements

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

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

	Fiscal Year Ending											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
<b>Total Pension Liability</b>												
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$428,055	N/A	\$424,619
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$539,013	N/A	\$1,719,907
Changes of Benefit Terms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	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	\$497,329	N/A	\$3,018,254
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	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	(\$428,064)	N/A	(\$461,582)
DROP Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,034,333	N/A	\$4,700,199
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$16,130,732	N/A	\$16,130,732
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$17,165,064	N/A	\$20,830,930
Plan Fiduciary Net Position												
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$501,112	N/A	\$416,807
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$146,638	N/A	\$86,266
Contributions—State	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$206,650	N/A	\$187,733
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,480,292	N/A	(\$170,283)
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	(\$428,064)	N/A	(\$461,582)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$82,200)	N/A	(\$89,165)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	N/A	\$765,571
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	\$1,637,777	N/A	\$755,328
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$11,229,992	N/A	\$12,917,789
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$12,917,769	N/A	\$13,673,066
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$4,247,296	N/A	\$7,157,834
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	75.28%	N/A	65.64%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,256,641	N/A	\$1,308,805
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	330.36%	N/A	546.90%

## City of Panama City Beach Firefighters' Pension Plan

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### FS 112.664 Requirements

#### Sensitivity

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	\$17,165,064	\$13,387,221	\$10,799,787
(2) Plan Fiduciary Net Position	\$12,917,769	\$12,917,769	\$12,917,769
(3) Net Pension Liability	\$4,247,296	\$469,453	(\$2,117,981)

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2015:

	2% Decrease (6.00%)	Current Rate (8.00%)	2% Increase (10.00%)
(1) Total Pension Liability	\$20,830,930	\$15,654,456	\$12,872,948
(2) Plan Fiduciary Net Position	\$13,673,096	\$13,673,096	\$13,673,096
(3) Net Pension Liability	\$7,157,834	\$1,981,360	(\$800,149)

#### 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.

<u>Assumptions</u>	<u>Years and Fractions</u>
RP 2000 Mortality and 8.0% Interest	24.00
RP 2000 Mortality and 6.0% Interest	18.83