

City of Panama City Beach General Municipal Employees' 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Pension Liability										
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,040,681	\$1,057,918	\$1,015,476.00
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$864,624	\$2,488,143	\$2,715,866
Changes of Benefit Terms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0
Differences Between Expected and Actual Experiences	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,874,051	\$157,575	(\$642,766)
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)	(\$1,255,002)	(\$1,067,417)
DROP Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$534,139	\$0
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,493,478	\$2,982,773	\$2,021,139
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,922,891	\$29,416,370	\$32,399,143
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$29,416,370	\$32,399,143	\$34,420,281
Plan Fiduciary Net Position										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,095,319	\$995,644	\$892,284
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	548,921.44	538,750.92	\$563,913
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,943,006	(\$476,995)	\$2,592,961
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)	(\$1,255,002)	(\$1,067,417)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$73,809)	(\$103,110)	(\$92,103)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$534,139	\$0
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$3,227,560	\$233,427	\$2,899,657
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,031,692	\$29,259,242	\$29,492,670
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$29,259,242	\$29,492,669	\$32,392,327
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$157,128	\$2,906,474	\$2,037,954
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.47%	91.03%	94.08%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$5,500,368	\$6,238,976	\$6,483,319
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.86%	46.59%	31.43%

City of Panama City Beach General Municipal Employees' 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Pension Liability										
Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,013,264	\$766,892	\$672,608
Contributions made in Relation to the Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,095,319	\$995,644	\$892,284
Contribution Deficiency (excess) Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$82,055)	(\$228,752)	(\$219,676)
Contributions as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$6,238,976	\$6,238,976	\$6,483,319
								0.175560689	15.96%	13.76%

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

General Municipal Employees' Pension Plan

GASB Requirements

Sensitivity

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	\$36,482,261	\$32,399,143	\$29,278,197
(2) Plan Fiduciary Net Position	\$29,492,669	\$29,492,669	\$29,492,669
(3) Net Pension Liability	\$6,989,592	\$2,906,474	(\$214,472)

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2016:

	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
(1) Total Pension Liability	\$38,446,926	\$34,420,281	\$31,043,162
(2) Plan Fiduciary Net Position	\$32,382,327	\$32,382,327	\$32,382,327
(3) Net Pension Liability	\$6,064,599	\$2,037,954	(\$1,339,165)

City of Panama City Beach General Municipal Employees' Pension Plan

FS 112.664 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										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Total Pension Liability											
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,518,031	\$1,485,885	\$1,429,137	
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$740,645	\$3,015,106	\$3,295,417	
Changes of Benefit Terms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0	
Differences Between Expected and Actual Experiences	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,036,726	\$220,847	(\$1,441,605)	
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0	
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)	(\$1,255,002)	(\$1,067,417)	
DROP Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$534,139	\$0	
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$3,009,524	\$3,466,835	\$2,215,532	
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$33,820,920	\$36,830,444	\$40,297,279	
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$36,830,444	\$40,297,279	\$42,512,811	
Plan Fiduciary Net Position											
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,095,319	\$995,644	\$892,284	
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$548,921	\$538,751	\$563,913	
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,943,006	(\$476,995)	\$2,592,981	
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)	(\$1,255,002)	(\$1,067,417)	
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$73,809)	(\$103,110)	(\$92,103)	
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$534,139	\$0	
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$3,227,560	\$233,427	\$2,889,657	
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,031,682	\$29,259,242	\$29,492,670	
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$29,259,242	\$29,492,669	\$32,382,327	
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$7,571,202	\$2,906,474	\$2,037,954	
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	79.44%	91.03%	94.08%	
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$5,500,388	\$6,238,976	\$6,483,319	
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	137.65%	46.59%	31.43%	

City of Panama City Beach

General Municipal Employees' 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, 2015:

	2% Decrease (6.00%)	Current Rate (8.00%)	2% Increase (10.00%)
(1) Total Pension Liability	\$40,297,279	\$32,399,143	\$28,151,312
(2) Plan Fiduciary Net Position	\$29,492,669	\$29,492,669	\$29,492,669
(3) Net Pension Liability	\$10,804,610	\$2,906,474	(\$1,341,357)

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2016:

	2% Decrease (6.00%)	Current Rate (8.00%)	2% Increase (10.00%)
(1) Total Pension Liability	\$42,512,811	\$34,420,281	\$29,822,005
(2) Plan Fiduciary Net Position	\$32,382,327	\$32,382,327	\$32,382,327
(3) Net Pension Liability	\$10,130,484	\$2,037,954	(\$2,560,322)

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	22.42
RP 2000 Mortality and 6.0% Interest	17.33