

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									
	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	\$479,598	\$520,894	\$546,734
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$304,873	\$1,525,052	\$1,529,848
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	\$1,536,515	(\$181,955)	\$317,892
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	(\$1,037,204)	(\$926,647)	(\$904,816)
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,293,782	\$937,344	\$1,488,458
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$16,795,147	\$18,078,928	\$19,016,272
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$18,078,928	\$19,016,272	\$20,504,730
Plan Fiduciary Net Position										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$646,023	\$599,810	\$599,606
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$307,896	\$325,235	\$338,561
Contributors - State	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$111,257	\$117,870	\$137,097
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,757,729	(\$32,058)	\$1,402,233
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,037,204)	(\$926,647)	(\$904,816)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$52,988)	(\$69,185)	(\$64,905)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,732,712	(\$194,975)	\$1,489,876
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$14,806,469	\$16,539,181	\$16,344,205
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$16,539,181	\$16,344,206	\$17,843,982
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,539,747	\$2,672,065	\$2,661,848
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91.48%	85.95%	87.02%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,792,684	\$2,967,537	\$3,078,788
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	56.35%	90.04%	86.45%

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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.

	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	\$615,147	\$523,418	\$626,941
Contributions made in Relation to the Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$646,023	\$589,810	\$590,606
Contribution Deficiency (excess) Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$30,876)	(\$66,392)	\$36,235
Contributions as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	23.64%	19.88%	20.36%

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 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, 2015:

	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
(1) Total Pension Liability	\$22,319,672	\$19,016,272	\$17,707,226
(2) Plan Fiduciary Net Position	\$16,344,206	\$16,344,206	\$16,344,206
(3) Net Pension Liability	\$5,975,466	\$2,672,066	\$1,363,019

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	\$23,050,164	\$20,504,730	\$18,262,630
(2) Plan Fiduciary Net Position	\$17,843,082	\$17,843,082	\$17,843,082
(3) Net Pension Liability	\$5,207,082	\$2,661,648	\$419,548

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									
	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	\$751,847	\$957,325	\$857,325
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$255,200	\$1,884,505	\$1,998,660
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	\$1,629,832	(\$524,160)	(\$101,512)
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	(\$1,037,204)	(\$926,647)	(\$904,816)
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,599,675	\$1,291,023	\$1,939,658
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$21,582,637	\$23,162,312	\$24,453,335
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$23,182,312	\$24,453,335	\$26,392,993
Plan Fiduciary Net Position										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$646,023	\$589,810	\$590,606
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$307,896	\$325,235	\$338,561
Contributions - State	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$111,297	\$117,870	\$137,097
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,757,729	(\$292,058)	\$1,402,233
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,037,204)	(\$926,647)	(\$904,816)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$52,988)	(\$69,185)	(\$64,805)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,732,712	(\$194,975)	\$1,498,876
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$14,806,469	\$16,539,181	\$16,344,206
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$16,539,181	\$16,344,206	\$17,843,082
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$6,623,130	\$8,109,128	\$8,449,911
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	71.41%	85.95%	87.02%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,969,177	\$2,967,537	\$3,076,788
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	223.06%	273.26%	274.46%

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, 2015:

	2% Decrease (6.00%)	Current Rate (8.00%)	2% Increase (10.00%)
(1) Total Pension Liability	\$24,453,335	\$19,016,272	\$15,217,311
(2) Plan Fiduciary Net Position	\$16,344,206	\$16,344,206	\$16,344,206
(3) Net Pension Liability	\$8,109,128	\$2,672,066	(\$1,126,896)

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	\$26,292,993	\$20,504,730	\$16,460,672
(2) Plan Fiduciary Net Position	\$17,843,082	\$17,843,082	\$17,843,082
(3) Net Pension Liability	\$8,449,911	\$2,661,648	(\$1,382,410)

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	20.17
RP 2000 Mortality and 6.0% Interest	16.33

CITY OF PANAMA CITY BEACH POLICE OFFICERS' PENSION PLAN

SUMMARY PLAN DESCRIPTION

New Exhibit "B", State Required Exhibit
9/1/16

New Exhibit "A", Board of Trustees
12/6/16

Approved by the Board on:

6/9/16

IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS A DIVORCE OR THE DEATH OF YOUR BENEFICIARY.