

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									
	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	284,424	\$239,906	\$281,853
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	577,530	\$1,106,633	\$1,297,175
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	392,823,878	\$614,707	(\$380,401)
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	-428,054.43	(\$461,582)	(\$596,757)
DROP Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$765,571	\$0
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	80,671,344.87	\$2,267,235	\$581,870
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12,580,507.63	\$13,387,221	\$15,654,457
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	12,880,507.6	\$13,387,221	\$15,654,457	\$16,236,326
Plan Fiduciary Net Position										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	501,111.52	\$416,897	\$383,158
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	146,657.57	\$86,286	\$78,555
Contributions—State	N/A	N/A	N/A	N/A	N/A	N/A	N/A	206,650	\$187,733	\$193,237
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	127,364.188	(\$170,283)	\$1,166,531
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-428,054.43	(\$461,582)	(\$596,757)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-62,200.03	(\$69,185)	(\$63,487)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	\$765,571	\$0
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	163,777.651	\$755,328	\$1,162,037
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11,279,992	\$12,917,789	\$13,673,056
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	11,279,992	\$12,917,789	\$13,673,056	\$14,835,133
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	469,452,571.8	\$1,981,360	\$1,401,193
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.964932784	87.34%	91.37%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12,856,413.31	\$1,460,571	\$1,524,460
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.366150498	135.66%	91.91%

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									
	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	\$396,234	\$314,947	\$223,668
Contributions made in Relation to the Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$501,112	\$416,807	\$383,158
Contribution Deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$104,878	\$101,860	(\$159,490)
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,285,641	\$1,460,571	\$1,524,460
Contributions as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	38.98%	28.54%	14.67%

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

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	\$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

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	\$18,306,227	\$16,236,326	\$14,535,640
(2) Plan Fiduciary Net Position	\$14,835,133	\$14,835,133	\$14,835,133
(3) Net Pension Liability	\$3,471,093	\$1,401,193	(\$299,493)

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										
	2006	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	N/A	\$428,055	\$424,619	\$424,619
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$539,013	\$1,171,807	\$1,099,025
Changes of Benefit Terms	N/A	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	N/A	\$487,328	\$3,018,254	(\$1,977,501)
Changes of Assumptions	N/A	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	N/A	(\$428,064)	(\$461,582)	(\$596,757)
DROP Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$765,571	\$0
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,034,333	\$4,700,188	(\$353,614)
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$16,130,732	\$16,130,732	\$20,830,930
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$17,165,064	\$20,830,930	\$20,477,316
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	\$363,158
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$146,638	\$66,286	\$78,955
Contributions—State	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$206,850	\$187,733	\$193,237
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,480,292	(\$170,283)	\$1,186,931
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)	(\$596,757)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$82,200)	(\$86,185)	(\$63,487)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$765,571	\$0
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,837,777	\$755,328	\$1,182,037
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$11,278,992	\$12,917,769	\$13,073,096
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$12,917,769	\$13,673,096	\$14,835,133
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$4,247,298	\$7,157,834	\$5,642,183
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75.26%	65.64%	72.45%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,285,641	\$1,308,805	\$1,299,830
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	330.36%	548.90%	434.07%

City of Panama City Beach Firefighters' Pension Plan

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, 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)

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	\$20,477,316	\$16,236,326	\$13,351,338
(2) Plan Fiduciary Net Position	\$14,835,133	\$14,835,133	\$14,835,133
(3) Net Pension Liability	\$5,642,183	\$1,401,193	(\$1,483,795)

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	25.50
RP 2000 Mortality and 6.0% Interest	19.42