

CITY OF SARASOTA FIREFIGHTERS' PENSION FUND
ACTUARIAL VALUATION REPORT
SEPTEMBER 30, 2015

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REPORT OF SEPTEMBER 30, 2015 ACTUARIAL VALUATION

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March 18, 2016

Board of Trustees
City of Sarasota Firefighters' Pension Fund
Sarasota, Florida

The results of the September 30, 2015 Actuarial Valuation of the City of Sarasota Firefighters' Pension Fund are presented in this report. The purpose of the annual valuation is to measure the Fund's funding progress and to determine the City's contribution rate for the fiscal year beginning October 1, 2016 in accordance with established funding policies. The results of the valuation may not be applicable for other purposes. Information required by Statement Nos. 67 and 68 of the Governmental Accounting Standards Board (GASB) is provided in a separate report.

This report should not be relied on for any purpose other than those described above. It was prepared at the request of the Board and is intended for use by the Pension Fund and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of future measurements.

A summary of valuation results, comments, conclusions, and our statement by enrolled actuary are contained in Section A.

Detailed valuation results are contained in Section B.

The valuation was based upon information, furnished by the City's Pension Department and the Fund Auditor, concerning individual participants, terminated participants, retired participants and beneficiaries, plan benefits and financial transactions and assets. Data was checked for reasonableness and missing information, but was not otherwise audited. This information is summarized in Section C. GRS is not responsible for the accuracy or completeness of the data provided to us.

Descriptions of the actuarial valuation process, actuarial assumptions and definitions of technical terms are contained in Section D.

Additional disclosure information is contained in Section E.

A summary of valuation results in the State format is contained in Section F.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. We certify that the information contained in this report is accurate and fairly presents the actuarial position of the City of Sarasota Firefighters' Pension Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. **It is our opinion that the mortality tables needed a load to be reasonable for purposes of determining the employer contribution rates. All other actuarial assumptions used for the valuation are reasonable, without adjustment.**

Brad Lee Armstrong and Jeffrey T. Tebeau are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Respectfully submitted,



Brad Lee Armstrong, ASA, EA, FCA, MAAA



Jeffrey T. Tebeau, ASA, MAAA

BLA:mrB

SECTION A

VALUATION RESULTS, COMMENTARY AND STATEMENT
BY ENROLLED ACTUARY

ACTUARIAL VALUATION PROCESS

An actuarial valuation is the process by which a balance between revenues (participant contributions, employer contributions, and investment income) and obligations (benefits and expenses) is determined and funded condition is measured.

The flow of activity constituting the valuation may be summarized as follows:

- A. Covered person information about:
 - each person receiving pension payments
 - each former participant with a vested pension not yet payable
 - each former participant who is not vested and has not claimed a member contribution refund
 - each active participant
- B. Financial Information (assets, revenues, and expenditures)
- C. Benefit Provisions (Retirement Ordinance)
- D. Actuarial Assumptions about the volume and incidence of future activities
- E. Actuarial Cost Method (entry age) for allocating benefit costs to time periods
- F. Mathematical linking of the person information, financial information, benefit provisions, experience estimates and actuarial cost method
- G. Determination of:
 - contribution rate for the plan year
 - current funded condition

Items A, B and C are furnished by the pension office and constitute the current knowns about the Fund. Since the majority of activities will occur in the future, estimates must be made about these future activities (Item D).

Under the Entry Age Actuarial Cost Method, each year's differences between projected and actual Fund activities (experience gains/losses) reduce/increase the Unfunded Actuarial Accrued Liability. This treatment of experience gains/losses leaves the Normal Cost unaffected by year-to-year experience fluctuations and thereby more likely to satisfy the level contribution Funding Objective set out on page B-1. Normal Cost changes occur only in response to changes in benefits, actuarial assumptions and/or age at hire patterns.

OBSERVED EXPERIENCE

Observed Experience

The County's/City's contribution requirement for the fiscal year beginning October 1, 2016 is \$6,929,674, a decrease of \$28,201 from the fiscal year beginning October 1, 2015 prior to the reflection of changes to the Share Plan.

The funded condition, as measured by the ratio of the funding value of assets to the Actuarial Accrued Liability is 78.0%, an increase from last year's 77.1%. The funded condition should move towards 100% over the remaining amortization period ending September 30, 2023, contingent upon timely receipt of required contributions and overall long-term experience in line with expectations.

The key elements affecting the overall experience were:

- A recognized rate of investment return on funding value of assets of 8.1% versus 7.25% projected. Investment return will likely dominate overall experience for the remainder of the life of the Pension Fund.
- 0 withdrawals versus 0 expected.
- 0 disability retirements versus 0 expected.
- 3 normal retirements versus 9 expected.
- Reported pay increases of 3.2% versus 3.9% expected.
- 1 pension recipients removed versus 4 expected.

The net result of all fiscal and demographic activity was an experience gain of \$1.3 million. This was amortized over 7 years.

COMMENTS

Comment A

The results presented in this report are based on a closed active participant group (no new participants). The consolidation with the Sarasota County/City Firefighters was effective January 1, 1996. The active participant group is assumed to decline whenever there is a termination due to any cause. This means that contribution requirements will have larger fluctuations relative to group size than were experienced for the prior open group. Also, the impact of active member experience will have less and less impact on Pension Fund experience.

Comment B

It is the actuary's opinion that the Fund is not "fully funded" under Chapter 175.371(2) and should expect continued receipt of state premium tax monies whenever the Fund is not fully funded.

Comment C

The Board has adopted a 7.00% gross investment return assumption. This change is reflected in this report and increased the local employer contribution by approximately \$711,000 for the fiscal year ending September 30, 2017 and decreased the funded ratio by about 2% as of September 30, 2015. The inflation assumption was also changed to 3.0% to better reflect current economic conditions. This change had no effect on the Fund's liabilities, since the inflation assumption is not directly used in the valuation.

Comment D

The Unfunded Actuarial Accrued Liability is being amortized as a level dollar amount over a closed 7-year period from the fiscal year ending September 30, 2017 to the fiscal year ending September 30, 2023.

Comment E

As of September 30, 2015, the Funding Value of Assets (FVA) exceeded the Market Value of Assets (MVA) by \$5,418,920. If the MVA were used in this valuation, the local employer contribution requirement would have been \$1,039,897 higher and the funded ratio would have been 73.7%. The funded ratio based on the MVA in the prior valuation would have been 81.1%. This unfavorable condition means that projected employer contributions are expected to increase substantially as can be seen in the projection on page B-10, assuming all assumptions are met going forward. **CAUTION:** a reduction in the 7.00% assumed rate of investment return will increase projected employer contributions.

Comment F

As of September 30, 2015, the Plan Funding Reserve was \$73,622 as shown on page C-5. If a positive balance exists, it can be used to offset future employer contributions. The reserve is not separately accounted for in this report between the City and the County.

COMMENTS

Comment G

There is already a Share Plan established for Pre-2003 retirees (on or before April 7, 2003).

- Beginning in fiscal year 2015-2016, all premium tax revenues received each year up to \$781,422 shall be used to fund the Pre-2003 Retiree Share Fund. Any remaining balance shall be used to reduce the required employer contributions to the Pension Fund.

This will establish a Share Plan for Post-2003 retirees (after April 7, 2003).

- One-half of the unallocated Chapter 175 premium tax revenues (reserve funds) as of September 30, 2015 shall be used to reduce the UAAL. The remaining one-half shall be credited to the Post-2003 Retiree Share Fund.
- Post-2003 retirees will receive a one-time payment equal to the amount the Pre-2003 retirees received attributable to the fiscal year ending September 30, 2015.
- Active members will receive a one-time credit to their share accounts equal to the amount the Pre-2003 retirees received attributable to the fiscal year ending September 30, 2015.
- One-half of the premium tax revenues received in excess of \$781,422 on fiscal years ending after September 30, 2015 shall be credited to the share fund and the other half shall be used to reduce the Unfunded Actuarial Accrued Liability (UAAL) or the required contributions of the Pension Fund.

Each year the Post-2003 retirees and active members will receive the same payment (or credit to their account) as the Pre-2003 retirees, unless the funds in the Post-2003 Share Fund are insufficient. If the funds are insufficient, the remaining balance shall be paid in equal amounts to each Post-2003 retiree.

Comment H

It is our opinion that the mortality tables used for this valuation are minimally reasonable for determining future life expectancies. Therefore, we loaded the liabilities by 2.5% to account for this. HB 1309 will mandate the use of the Florida Retirement System (FRS) mortality tables for valuation dates beginning with the September 30, 2016 actuarial valuation. The FRS uses versions of the RP-2000 tables and projection scale BB in a reasonable manner. These mortality rates produce life expectancies that are longer for males and females. This change will increase the computed employer contribution rates and slow the progress of the funded ratio in next year's report.

CONCLUSION AND STATEMENT BY ENROLLED ACTUARY

Conclusion

Pension Fund experience and contribution requirements are expected to fluctuate from year-to-year. The expectation inherent in the funding of a pension fund is that year-to-year fluctuations will tend to cancel over periods of 5 to 10 years and result in realizing long-term assumptions. There are still expected to be mortality and investment experience gains and losses and expenses even after there are no active participants.

It is the actuary's opinion that the required contribution rates determined by this actuarial valuation are sufficient to meet the Fund's funding objective, presuming continued timely receipt of required contributions.

Statement by Enrolled Actuary

This actuarial valuation and/or cost determination was 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, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the Pension Fund and/or paid from the Fund's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in fund costs or required contribution rates have been taken into account in the valuation.



Brad Lee Armstrong, ASA, EA, FCA, MAAA [14-5614]

3/18/2016

Date

OTHER OBSERVATIONS

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Contributions and Funded Status

Given the Pension Fund's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 7.0% on the Funding Value of Assets), it is expected that:

- 1) The employer normal cost is sufficient to cover the cost of the benefits accrued each year. The Unfunded Actuarial Accrued Liabilities (UAAL) will be fully amortized by September 30, 2023; and
- 2) The funded status of the Pension Fund will increase gradually towards a 100% funded ratio. and

Limitations of Funded Status Measurements

Unless otherwise indicated, a funded status measurement presented in this report is based upon the Actuarial Accrued Liability (AAL) and the Funding Value of Assets (FVA). Unless otherwise indicated, with regard to any funded status measurements presented in this report:

- 1) The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, in other words, of transferring the obligations to a unrelated third party in an arm's length market value type transaction.
- 2) The measurement is dependent upon the actuarial cost method which, in combination with the plan's amortization policy, affects the timing and amounts of future contributions. A funded status measurement in this report of 100% is not synonymous with no required future contributions. If the funded status were 100%, the plan would still require future normal cost contributions (i.e., contributions to cover the cost of the active membership accruing an additional year of service credit).
- 3) The measurement would produce a different result if the Market Value of Assets (MVA) were used instead of the FVA, unless the MVA is used in the measurement.

OTHER OBSERVATIONS

Limitations of Project Scope

Actuarial standards do not require the actuary to evaluate the ability of the plan sponsors or other contributing entities to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.

Risks to Future Employer Contribution Requirements

There are ongoing risks to future employer contribution requirements to which the Pension Fund is exposed, such as:

- Actual and Assumed Investment Rate of Return
- Actual and Assumed Mortality Rates
- Amortization Policy

SECTION B

DETAILED VALUATION RESULTS

FUNDING OBJECTIVE

The basic funding objective of the Pension Fund is to avoid transfer of the cost of benefit obligations between generations of taxpayers.

The annual actuarial valuation measures the relationship between Pension Fund obligations and assets and determines the contribution rates for the ensuing year. The Pension Fund is supported by member contributions, County/City contributions, and investment income from Pension Fund assets.

CONTRIBUTION RATES

The Pension Fund is supported by participant contributions, County/City contributions, receipts pursuant to Chapter 175, Florida Statutes and investment income on Pension Fund assets.

Contributions which satisfy the funding objective are determined by the annual actuarial valuation and are sufficient to:

- (1) Cover the costs allocated to the current year (normal cost) by the actuarial cost methods described in Section D; and
- (2) finance over a period of future years the actuarial cost not covered by present assets and anticipated future normal cost (Unfunded Actuarial Accrued Liability).

Contribution requirements for the plan and fiscal year beginning October 1, 2016 are shown on page B-2.

**CONTRIBUTIONS TO FINANCE BENEFITS OF THE PENSION FUND
FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2016
TO BE CONTRIBUTED DURING THE FISCAL YEAR
ENDING SEPTEMBER 30, 2017**

Contributions for	Dollars	As a Percent of Valuation Payroll
Normal Cost		
Normal retirement pensions	\$ 0	0.00%
Early retirement pensions	0	0.00%
Disability pensions		
Service connected	0	0.00%
Non-service connected	0	0.00%
Survivor pensions		
Pre-retirement		
Service connected	0	0.00%
Non-service connected	0	0.00%
Post-retirement	0	0.00%
Termination benefits		
Deferred service pensions	0	0.00%
Refunds of participant contributions	0	0.00%
Total Normal Costs	0	0.00%
Unfunded Actuarial Accrued Liability (1)		
Retired participants and beneficiaries	0	0.00%
Active and vested terminated participants	5,452,671	970.86%
Total Unfunded Actuarial Accrued Liability	5,452,671	970.86%
Administrative and Investment Expenses (based on FYE 15)	1,067,806	190.13%
Total Calculated Contribution Requirement	6,520,477	1,160.99%
Adjustments to Calculated Contribution Requirement		
Division of retirement compliance	0	0.00%
FS 112.64(5) compliance	704,197	125.38%
Total adjustments	704,197	125.38%
Total Adjusted Contribution Requirement	7,224,674	1,286.37%
Participant portion	0	0.00%
Chapter 175 portion (based on projected FYE 17)	295,000	52.53%
County/City portion (2)	\$ 6,929,674	1,233.85%

FS 112.64 requires County/City contributions to be deposited not less frequently than quarterly. Member contributions, which are in addition to the County/City contributions, must be deposited immediately after each pay period.

FS 175.131 requires that Chapter 175 monies be deposited within 5 days of receipt.

(1) Please refer to page B-8 for the financing of the UAAL.

(2) The Plan funding Reserve is shown on page C-5. If a positive balance exists, it can be used to offset future employer contributions. Reserve is not separately accounted for in this report between the City and the County.

DETERMINING DOLLAR CONTRIBUTIONS

We recommend that the County/City use the following procedure to meet their contribution requirement.

The County and City's share of the required contributions is \$6,929,674. Assuming a payment every two weeks corresponding to pay periods, the total bi-weekly contribution for both entities should be \$266,526.

Beginning in fiscal year 2015-2016, all premium tax revenues received each year up to \$781,422 shall be used to fund the Pre-2003 Retiree Share Plan. Any balance (as well as half of the excess above \$781,422) shall be used to fund the required contributions. We estimate that the County/City portion of the contribution to be reduced by \$295,000, however the final amount will not be known until actual premium taxes are received.

FUNDING PROGRESS INDICATORS

There is no single all-encompassing measure of a pension plan's funding progress and current funded status.

A traditional indicator has been the relationship of the funding value of assets to Actuarial Accrued Liability - a measure that is influenced by the choice of actuarial cost method. This relationship is shown on page B-7.

We believe a better understanding of funding progress and status can be achieved using the following indicators which are less dependent on the actuarial cost method:

Indicator (1) - The actuarial present value of gains or losses realized in the operation of the Pension Fund. Gains and losses are expected to cancel each other over a period of years but sizable year-to-year fluctuations are common. Further details on the derivation of the gain/(loss) are shown on page B-6.

Indicator (2) - The ratio of funding value of assets to the Actuarial Accrued Liability using the entry age actuarial cost method. The ratio is expected to increase over time but the basic trend may be interrupted by benefit improvements.

FUNDING PROGRESS INDICATORS - HISTORICAL COMPARISON
(\$ AMOUNTS IN MILLIONS)

Valuation Date	Indicator (1)	Indicator (2)			Indicator (3)		
	Gain/(Loss)	Funding Value of Assets	AAL	Percent Funded	Unfunded AAL	Active Participant Payroll	Percent of Payroll#
September 30, 1999	\$ 0.6	88.1 %	\$ 85.4	103.2 %	(2.7) %	\$ 5.10	(52.9) %
September 30, 2000	(2.8)	91.7	0.0	98.2	1.7	4.58	37.1
September 30, 2000	(2.8)	91.7	96.1	95.4	4.4	4.58	96.1
September 30, 2001	(5.7)	90.5	102.1	88.7	11.5	4.35	264.4
September 30, 2002	(10.6)	84.2	107.3	78.5	23.1	4.09	564.8
September 30, 2003 (b)	(7.3)	81.3	112.1	72.5	30.9	3.69	837.4
September 30, 2003 (a)	(7.3)	81.3	110.4	73.6	29.1	3.69	788.6
September 30, 2004 (b)	(4.0)	83.5	117.0	71.4	33.5	3.85	870.1
September 30, 2004 (a)	(4.0)	83.5	117.0	71.4	33.4	3.85	867.5
September 30, 2005	2.9	91.6	122.8	74.6	31.2	3.82	816.8
September 30, 2006	2.1	98.3	127.5	77.1	29.1	3.47	838.6
September 30, 2007	3.1	106.7	133.1	80.2	26.4	3.54	745.8
September 30, 2008	(4.9)	108.0	138.6	77.9	30.6	3.66	836.1
September 30, 2009 (a)	(7.4)	102.8	140.3	73.3	37.5	3.15	1,190.5
September 30, 2010	(1.3)	109.8	141.3	77.7	31.4	2.94	1,068.0
September 30, 2011 (b)	(6.6)	93.6	144.2	64.9	50.6	2.11	2,398.1
September 30, 2011 (a)	(6.6)	93.6	148.8	62.9	55.2	2.11	2,616.1
September 30, 2012 (b)	3.8	98.7	148.5	66.5	49.7	1.72	2,889.5
September 30, 2012 (a)	3.8	98.7	152.5	64.7	53.8	1.72	3,127.9
September 30, 2013	4.7	109.4	155.1	70.6	45.6	1.30	3,507.7
September 30, 2014 (b)	8.8	123.9	156.4	79.2	32.5	0.81	4,012.3
September 30, 2014 (a)	8.8	123.9	160.6	77.1	36.7	0.81	4,530.9
September 30, 2015 (b)	1.3	132.7	161.6	82.1	28.9	0.56	5,160.7
September 30, 2015 (a)	1.3	132.7	170.1	78.0	37.4	0.56	6,678.6

AAL represents Actuarial Accrued Liability calculated using the entry age actuarial cost method.

(a) After changes in actuarial assumptions, actuarial cost method and termination of dedicated bond portfolio.

(b) Before changes in actuarial assumptions and/or benefits and/or cost methods.

For closed groups, this figure can become highly misleading.

**EXPERIENCE GAIN/(LOSS)
YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

DERIVATION	Year Ended	
	9/30/2015	9/30/2014
(1) UAAL at start of year	\$36,726,331	\$45,646,189
(2) Normal cost for year (County/City normal cost plus expenses)	963,878	1,158,327
(3) Employer contributions for year toward defined benefits #	9,839,081	8,584,049
(4) Assumed investment income accrual: .0725 x [(1) + ½ [(2) - (3)]]	2,340,933	3,145,000
(5) Expected UAAL before changes: [(1) + (2) - (3) + (4)]	30,192,061	41,365,467
(6) Effect of assumption changes	8,475,663	4,198,868
(7) Effect of benefit changes	0	0
(8) Effect of cost method changes/ accounting and timing differences	0	0
(9) Expected UAAL after changes	38,667,724	45,564,335
(10) Actual UAAL at end of year	37,383,031	36,726,331
(11) Gain/(loss): (9) - (10)	1,284,693	\$ 8,838,004
(12) % of AAL at start of year	0.8%	5.7%

Includes unallocated Chapter 175 funds of \$2,036,524.

UAAL represents Unfunded Actuarial Accrued Liability.
AAL represents Actuarial Accrued Liability.

UNFUNDED ACTUARIAL ACCRUED LIABILITY

	September 30, 2015	September 30, 2014
A. Actuarial Present Value of Future Benefits	\$170,227,578	\$160,768,485
B. Actuarial Present Value of Future Normal Costs	<u>123,213</u>	<u>163,554</u>
C. Actuarial Accrued Liability	170,104,365	160,604,931
D. Net Assets Available for Funding	<u>132,721,334</u>	<u>123,878,600</u>
E. Unfunded Actuarial Accrued Liability	\$ 37,383,031	\$ 36,726,331

Unfunded Actuarial Accrued Liability is not a good measure of the Fund's funded status because the amount is dependent upon the actuarial cost method. The funding progress indicators on pages B-4 and B-5 are independent of the actuarial cost method and are a better guide to funded status and funding progress.

**SOURCES AND FINANCING OF
UNFUNDED ACTUARIAL ACCRUED LIABILITY**

Source of Unfunded Act. Accrued Liab.	Unfunded Act. Accrued Liability Initial		Current Amount	Remaining Financing Period 9/30/2016	Level \$ Amorization
	Amount	Fin. Period			
9/30/2015	\$ 39,419,555	11 yrs *	\$ 39,419,555	7 yrs	\$ 6,479,370
9/30/2015	(2,036,524)	7 yrs	(2,036,524)	7 yrs	(322,502)
Totals			<u>\$37,383,031</u>		<u>\$6,156,868</u>

* Reset by the Board at the February 24, 2016 Board meeting.

This is a closed group effective January 1, 1996. FS 112.64(5) compliance results in level dollar amortization of the Unfunded Actuarial Accrued Liability. The amortization payments above reflect the lag between the valuation date and the contribution period.

ACTUARIAL BALANCE SHEET - SEPTEMBER 30, 2015

Present Resources and Expected Future Resources

A. Net assets available for benefits	
1. Funding value (page C-4)	\$132,721,334
B. Actuarial present value of expected future local Employer and Chapter 175 contributions	
1. For normal costs	101,125
2. For unfunded actuarial accrued liability	37,383,031
3. Total	<u>37,484,156</u>
C. Actuarial present value of expected future participant contributions	<u>22,088</u>
D. Total Present and Expected Future Resources	<u><u>\$170,227,578</u></u>

Actuarial Present Value of Expected Future Benefit Payments and Reserves

A. To retired participants and beneficiaries	\$160,967,157
B. To vested terminated participants	346,688
C. To present active participants	
1. Allocated to service rendered prior to valuation date	8,790,520
2. Allocated to service likely to be rendered after valuation date	123,213
3. Total	<u>8,913,733</u>
D. Total actuarial present value of expected future payments	<u><u>\$170,227,578</u></u>

CASH FLOW PROJECTION BASED ON CURRENT ASSUMPTIONS AND METHODS - SEPTEMBER 30, 2015

(\$ in Thousands)

Fiscal Year	Employer Contributions	Employee Contributions	Admin./Invest. Expenses	Benefit Payments	Net Cash Flow	Actuarial Value of Assets (End of FY)
2015/16	\$6,958	\$23	\$1,100	\$11,822	\$ (5,942)	\$133,859
2016/17	6,930	0	1,133	12,321	(6,229)	133,025
2017/18	9,431	0	1,167	12,580	(4,021)	137,953
2018/19	10,410	0	1,202	12,833	(3,330)	144,065
2019/20	10,508	0	1,238	13,077	(3,511)	150,505
2020/21	10,578	0	1,275	13,309	(3,711)	157,197
2021/22	10,615	0	1,313	13,529	(3,932)	164,130
2022/23	10,649	0	1,353	13,733	(4,141)	171,333
2023/24	1,313	0	1,393	13,919	(13,999)	168,837
2024/25	1,353	0	1,435	14,085	(14,167)	165,993

Based on the September 30, 2015 actuarial valuation and assumes all actuarial assumptions are met in the future. Includes estimated impact of mandated FRS mortality tables beginning with the 2016 valuation.

CAUTION: a reduction in the 7.00% assumed rate of investment return will increase projected employer contributions.

SECTION C

SUMMARY OF BENEFIT PROVISIONS AND VALUATION DATA

SUMMARY OF PROVISIONS CONSIDERED FOR ACTUARIAL VALUATION (AS OF SEPTEMBER 30, 2015)

PARTICIPATION

All firefighters subject to civil service rules of the classified service for firefighters.

AVERAGE COMPENSATION

One twelfth (1/12) of average salary for the highest 3 years of credited service during the last 10 years of credited service. Salary means total compensation except allowances for clothing and equipment, including amounts deferred under deferred compensation plans. Salary includes lump sum payments for up to 500 hours of accumulated vacation. A year is any period of 12 consecutive months.

STANDARD FORM OF PAYMENT

The standard form of payment is 66 2/3 % Joint and Survivor for married members and life only with 10 years certain for unmarried members.

NORMAL RETIREMENT

Eligibility. Age 50 with 10 or more years of credited service; or, any age with 25 or more years of credited service.

Pension Amount. Three percent (3.0%) of average compensation multiplied by credited service, but not to exceed one hundred percent (100%) of average compensation if hired after 1/1/80 and subject to the provisions of section 415 of the Internal Revenue Code. The normal form of benefit is a benefit payable for life with 10 Years Certain.

VESTED TERMINATION PRIOR TO NORMAL RETIREMENT ELIGIBILITY

Eligibility. Termination of participation after 10 or more years of credited service.

Pension Amount. A monthly pension equal to AFC times 2.5% times years of service, payable at age 50 or, if the terminated participant so elects, payment of accumulated participant contributions with interest.

Pension is payable upon satisfying an age and service requirement for normal retirement. If the terminated participant dies prior to retirement, payments to the spouse under the standard form of payment shall commence when the terminated participant would have reached age 50 years.

DISABILITY - SERVICE CONNECTED

Eligibility. Total and permanent disability, incurred in the performance of duty as a firefighter, for duty as a firefighter.

Pension Amount. Seventy-five percent (75%) of average compensation but not less than the amount of accrued normal retirement pension, payable under the standard form of payment.

DISABILITY - NON SERVICE CONNECTED

Eligibility. Total and permanent disability for duty as a firefighter.

Pension Amount. 2.5% of average compensation multiplied by credited service, payable under the standard form of payment.

PRE-RETIREMENT SURVIVOR BENEFITS

Service Connected Death. The amounts under the standard form of payment based on the deceased participant's accrued normal retirement pension calculated using the larger of actual credited service or 25 years.

Non-Service Connected Death. The amounts payable under the standard form of payment based on the deceased participant's accrued non-service connected disability retirement pension.

PARTICIPANT CONTRIBUTIONS

8% of salary.

NON-EMPLOYEE CONTRIBUTIONS

Chapter 175, Florida Statutes. Monies allocated to the Pension Fund pursuant to Chapter 175, Florida Statutes, being premium taxes collected in certain forms of casualty insurance written on property in the County/City of Sarasota.

County/City of Sarasota. Amounts determined actuarially in accordance with Chapter 175 and Chapter 112, Florida Statutes. Amounts are shared by an Interlocal agreement as of April 7, 2003.

POST-RETIREMENT PENSION ADJUSTMENTS

Pensions are adjusted at the end of each February by 3.5%. The adjustment will be prorated if the participant retired during the preceding calendar year.

SHARE ACCOUNTS AND SUPPLEMENTAL DISTRIBUTIONS

A percentage of the actuarial gains and Chapter 175 receipts are distributed to individuals retired or terminated prior to April 7, 2003. Retirees after April 7, 2003 receive a similar distribution, subject to funds available.

ACCOUNTING INFORMATION SUBMITTED FOR VALUATION

Revenues and Expenditures

	Year Ended 9/30/2015	Year Ended 9/30/2014
Revenues:		
a. Local Employer contributions	\$ 7,802,557	\$ 8,584,049
b. Participant contributions	56,705	86,248
c. Chapter 175 receipts	800,514	813,198
d. Investment income -Net Appreciation in Fair Value	(4,628,405)	10,192,386
-Interest and Dividends	3,020,331	3,172,283
-Less Investment Expense	(889,203)	(862,822)
-RESA Rental Income	808,454	630,750
-Other	170	
e. Other Additions (Includes unallocated Ch. 175 funds)	2,044,268	17,368
f. Total revenues	9,015,391	22,633,460
Expenditures:		
a. Benefits paid	10,953,440	10,705,146
b. Refunds	0	(36)
c. Share account distribution	763,012	546,752
d. Administrative expenses	178,603	173,028
e. Total expenditures	11,895,055	11,424,890
Net Income:		
Total revenues minus total expenditures	\$ (2,879,664)	11,208,570
Audit adjustment - prior years	\$ 0	\$ 0

Summary of Assets

	September 30, 2015	September 30, 2014
Cash	\$ 1,175,762	\$ 627,608
Debt Securities		
Short term	0	5,422,053
Bonds -government	6,055,181	4,375,751
-corporate	20,855,184	19,936,605
-mortgage backed securities	226,976	372,378
-other	9,642,155	2,569,057
Equity Securities		
Stocks -common	70,933,807	84,175,637
-preferred	0	0
Foreign Equities	2,489,395	3,162,214
Real Estate Investment Funds	18,802,697	13,640,187
Miscellaneous	28,633	26,285
Accrued Income	369,262	412,240
Deferred Revenue	(73,622)	(23,300)
Deferred Chapter 175 Funds	0	0
Net Receivables (Payables)	(3,203,016)	(4,514,637)
Total Assets w/o Reserves	\$127,302,414	\$130,182,078

DERIVATION OF FUNDING VALUE OF PENSION FUND ASSETS

	2013	2014	2015	2016	2017
A. Funding Value Beginning of Year	\$ 98,739,147	\$109,442,099	\$123,878,600		
B. Market Value End of Year *	118,973,508	130,182,078	127,302,414		
C. Market Value Beginning of Year *	103,807,704	118,973,508	130,182,078		
D. Non-Investment Net Cash Flow: (EE+ER cont.)-(Ret Ben.+Refunds+Adm. Exp.)	(1,115,066)	(1,924,027)	(1,191,011)		
E. Investment Income					
E1. Market Total: B-C-D	16,280,870	13,132,597	(1,688,653)		
E2. Assumed Rate	7.50%	7.50%	7.25%	7.00%	
E3. Amount for Immediate Recognition: E2 * (A+D/2)	7,363,621	8,136,006	8,938,024		
E4. Amount for Phased-In Recognition: E1-E3	8,917,249	4,996,591	(10,626,677)		
F. Phased-In Recognition of Investment Income					
F1. Current Year: E4/3	2,972,416	1,665,530	(3,542,226)		
F2. First Prior Year	3,586,577	2,972,416	1,665,530	\$(3,542,226)	
F3. Second Prior Year	<u>(2,104,596)</u>	<u>3,586,576</u>	<u>2,972,417</u>	<u>1,665,531</u>	<u>\$(3,542,225)</u>
F4. Total Recognized Investment Gain/(Loss)	4,454,397	8,224,522	1,095,721	(1,876,695)	(3,542,225)
G. Preliminary Funding Value End of Year: A+D+E:	109,442,099	123,878,600	132,721,334		
G1. Upper Corridor Limit: 115% x B	136,819,534	149,709,390	146,397,776		
G2. Lower Corridor Limit: 85% x B	101,127,482	110,654,766	108,207,052		
H. Adjustment to Remain within 15% Corridor	0	0	0		
I. Final Funding Value End of Year	109,442,099	123,878,600	132,721,334		
J. Difference between Market & Funding Value	9,531,409	6,303,478	(5,418,920)		
K. Recognized Rate of Return	12.04%	15.08%	8.14%		
L. Ratio of Funding to Market Value	92.0%	95.2%	104.3%		
M. Market Rate of Return	15.77%	11.13%	(1.30)%		

**The Reserves on page C-5 are excluded from liabilities and assets throughout this report, beginning in 2008 derivation.*

The Funding Value of Assets recognizes assumed investment income (line E2) fully each year. Differences between actual and assumed investment income (line E3) are phased-in over a closed 3-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. The Funding Value of Assets is **unbiased** with respect to Market Value. At any time it may be either greater or less than Market Value. If actual and assumed rates of investment income are exactly equal for 2 consecutive years, the Funding Value will become equal to Market Value.

PLAN FUNDING RESERVE

Final Balance as of 9/30/2014	\$ 23,300
Chapter 175 funds received or receivable during FYE 15	<u>800,514</u>
Subtotal as of 9/30/2015	823,814
Disbursed to eligible retirees (108 members)	(467,292)
Allocated to active members	(362,018)
Allocated to Employer Contributions (excludes share account adjustment)	<u>(7,723,439)</u>
Preliminary Balance as of 9/30/2015	\$ (7,728,935)
Credit for FYE 2015 Contributions from County/City (excluding deferred revenue)	7,802,557
Final Balance as of 9/30/2015	\$ 73,622 *

* This amount is available to offset current or future fiscal year local employer contribution requirements.

SHARE ACCOUNT RESERVE

Share Account Balance as of 9/30/2014	\$ 711,716
Chapter 175 funds credited	0
Disbursed to retirees	(159,816)
Interest earned	44,036
Addition due to experience	<u>0</u>
Share Account Balance as of 9/30/2015	\$ 595,936
Unallocated Chapter 175 funds #	2,036,524
Reserve Liability as of 9/30/2015	\$ 2,632,460

One-half of the reported \$4,073,048 was used to reduce the UAAL as of September 30, 2015.

**RETIRED PARTICIPANT AND BENEFICIARY DATA
HISTORICAL COMPARISON**

Year Ended	Added			Removed		Net Increase		End of Year		Expected Deaths	
	No.	Annual Pensions	COLA Adjustments	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions
9/30/2001	12	\$ 514,943	\$ 101,336	1	\$ 2,094	11	\$ 614,185	115	\$4,134,416	2.4	\$ 62,451
9/30/2002	6	293,200	144,199	3	95,871	3	341,528	118	4,475,944	3.1	75,905
9/30/2003	8	353,511	152,501	1	11,547	7	494,465	125	4,970,409	3.3	86,362
9/30/2004	2	75,551	183,091	1	26,864	1	231,778	126	5,202,187	3.6	98,989
9/30/2005	4	168,501	186,206	2	13,304	2	341,403	128	5,543,590	3.8	109,997
9/30/2006	8	410,206	188,163	3	91,376	5	506,993	133	6,050,583	4.2	125,527
9/30/2007	11	274,079	214,174	7	174,308	4	313,945	137	6,364,528	4.4	137,154
9/30/2008	1	26,736	224,950	1	38,745	0	212,941	137	6,577,469	3.8	140,777
9/30/2009	12	556,795	228,323	6	187,717	6	597,401	143	7,174,870	4.1	157,605
9/30/2010	3	160,027	247,120	1	45,086	2	362,061	145	7,536,931	4.0	166,964
9/30/2011	14	833,534	263,387	4	139,980	10	956,941	155	8,493,872	4.4	187,821
9/30/2012	6	345,233	281,243	4	224,338	2	402,138	157	8,896,010	4.3	181,465
9/30/2013	8	449,028	300,422	4	141,340	4	608,110	161	9,504,120	4.5	188,845
9/30/2014	9	475,603	318,646	7	214,449	2	579,800	163	10,083,920	4.6	206,898
9/30/2015	3	209,907	348,966	1	66,778	2	492,095	165	10,576,015	4.4	214,155
Expected for 9/30/2016										4.7	\$ 244,091

NORMAL AND EARLY RETIRED PARTICIPANTS

Sept. 30	Number	Averages for All Recipients			New Retired Participants During Prior Year			
		Attained Age	Retirement Age	Current Annual Pension	No.	Averages		
						Ret. Age (Yrs.)	Years of Svc (Yrs.)	Annual Pension
2003	84	60.9	52.2	\$ 45,739	8	49.0	22.5	\$ 44,189
2004	86	61.5	52.0	47,348	2	45.0	25.9	48,425
2005	90	62.0	52.1	48,706	4	51.0	23.1	42,125
2006	93	61.5	51.6	51,673	6	47.8	25.9	61,011
2007	94	61.8	51.6	53,215	3	51.3	25.5	38,626
2008	93	62.7	51.5	55,218	0	--	--	0
2009	96	62.6	51.4	58,162	6	50.6	24.3	61,158
2010	98	63.5	51.5	60,273	2	54.3	27.1	65,310
2011	108	63.1	51.5	62,847	11	51.5	26.7	67,472
2012	107	63.0	51.2	65,342	3	51.1	27.1	70,468
2013	113	63.3	49.8	67,559	6	51.7	25.7	66,433
2014	117	63.3	50.5	70,106	6	54.1	24.9	65,339
2015	119	63.9	51.3	72,515	3	49.7	26.6	69,969

ALL RETIRED PARTICIPANTS AND BENEFICIARIES

Historical Comparison

Valuation Date	% Incr. in Annual Pensions	No. of Partic. Per Retired	Pensions as % of Partic. Payroll	Average Pensions
9/30/2001	17.4 %	0.7	95.0 %	\$ 35,951
9/30/2002	16.5	0.6	117.8	37,932
9/30/2003	11.0	0.5	134.8	39,763
9/30/2004	4.7	0.5	135.0	41,287
9/30/2005	6.6	0.4	145.0	43,309
9/30/2006	9.1	0.4	174.1	45,493
9/30/2007	5.2	0.3	180.0	46,456
9/30/2008	3.3	0.3	179.8	48,011
9/30/2009	9.1	0.3	227.5	50,174
9/30/2010	5.0	0.2	256.5	51,979
9/30/2011	12.7	0.2	402.1	54,799
9/30/2012	4.7	0.1	517.2	56,662
9/30/2013	6.8	0.1	731.3	59,032
9/30/2014	6.1	0.1	1,247.8	61,865
9/30/2015	4.9	0.0	1,883.1	64,097

RETIRED PARTICIPANT AND BENEFICIARY DATA
AS OF SEPTEMBER 30, 2015
TABULATED BY TYPE OF PENSION BEING PAID

Type of Pension Being Paid	No.	Annual Pensions	Actuarial Present Value of Pensions
Age and Service			
Benefit terminating upon death of retirant	27	\$ 2,024,728	\$ 28,282,285
Automatic potential to survivor	92	6,604,544	108,571,842
Surviving Beneficiaries	<u>16</u>	<u>633,303</u>	<u>6,347,581</u>
Total Age and Service	135	9,262,575	143,201,708
Disability			
Duty Disability			
Benefit terminating upon death of retirant	3	150,859	1,791,585
Automatic potential to survivor	14	815,906	11,516,280
Surviving Beneficiaries	<u>6</u>	<u>221,583</u>	<u>2,575,807</u>
Total Duty Disability	23	1,188,348	15,883,672
Non-Duty Disability			
Benefit terminating upon death of retirant	1	19,520	276,605
Automatic potential to survivor	1	17,384	143,898
Surviving Beneficiaries	<u>1</u>	<u>19,236</u>	<u>219,579</u>
Total Non-Duty Disability	<u>3</u>	<u>56,140</u>	<u>640,082</u>
Total Disability Pensions	26	1,244,488	16,523,754
Death-In-Service			
Surviving Beneficiaries	<u>4</u>	<u>68,952</u>	<u>1,241,695</u>
Total Pensions Being Paid	<u>165</u>	<u>\$ 10,576,015</u>	<u>\$ 160,967,157</u>

**RETIRED PARTICIPANTS AND BENEFICIARIES
AS OF SEPTEMBER 30, 2015
BY ATTAINED AGES**

Attained Ages	Retired		Disability		Surviving Beneficiaries		Total	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions
16					1	\$ 3,409	1	\$ 3,409
17					1	3,409	1	3,409
44					1	46,596	1	46,596
47	1	\$ 88,665					1	88,665
50	2	149,101					2	149,101
51	3	173,804					3	173,804
52	4	320,513	2	\$ 91,701			6	412,214
53	5	357,109					5	357,109
54	5	362,929			1	38,870	6	401,799
55	5	389,445					5	389,445
56	4	312,570	1	52,187			5	364,757
57	9	644,707	1	68,353			10	713,060
58	6	379,054			1	71,135	7	450,189
59	3	186,389					3	186,389
60	6	452,222					6	452,222
61	6	506,063	2	125,353		1	8	631,417
62	5	378,858	1	59,152	2	59,075	8	497,085
63	1	97,373	2	103,084			3	200,457
64	6	366,737	1	65,940			7	432,677
65	5	359,651	1	53,829	1	15,537	7	429,017
66	3	279,229			1	81,295	4	360,524
67	3	269,526			1	34,016	4	303,542
68	5	343,036	1	85,537			6	428,573
69	2	165,524			1	26,347	3	191,871
70	1	114,527	2	124,637			3	239,164
71	6	439,724			2	56,290	8	496,014
72	7	533,031	1	51,125	1	82,241	9	666,397
73	2	178,043					2	178,043
74	1	72,518					1	72,518
75	1	89,200	1	26,347			2	115,547
76	2	101,429	1	17,384			3	118,813
77					1	52,115	1	52,115
78	1	64,586	1	39,520	1	50,662	3	154,768
79	1	51,800			3	87,729	4	139,529
81	2	108,966			3	106,229	5	215,195
82					1	15,098	1	15,098
83	2	119,977					2	119,977
85	1	38,376					1	38,376
86	1	61,491	1	39,520	1	28,013	3	129,024
87	1	35,606					1	35,606
92	1	37,493			1	27,361	2	64,854
94					1	26,347	1	26,347
96					1	31,299	1	31,299
Totals	119	\$8,629,272	19	\$1,003,669	27	\$943,074	165	\$10,576,015

**VESTED TERMINATED PARTICIPANTS
AS OF SEPTEMBER 30, 2015
BY ATTAINED AGES**

Attained Age	No.	Estimated Annual Pensions
49	1	\$19,726
Totals	1	\$19,726

**ACTIVE AND VESTED TERMINATED PARTICIPANTS
INCLUDED IN VALUATION**

Valuation Date	Active Partic.	Vested Term. Partic.	Participant Valuation Payroll	Average Age	Years of Service	Pay
9/30/2006	49	2	\$3,474,448	46.5 yrs.	20.6 yrs.	\$70,907
9/30/2007	45	2	3,536,232	47.4	21.3	78,583
9/30/2008	45	2	3,657,208	48.4	22.3	81,271
9/30/2009	37	2	3,153,356	48.6	23.1	85,226
9/30/2010	35	2	2,938,788	49.3	23.8	83,965
9/30/2011	24	2	2,112,302	49.6	23.5	88,013
9/30/2012	21	2	1,720,166	50.4	24.0	81,913
9/30/2013	15	2	1,299,687	51.1	24.6	86,646
9/30/2014	9	1	808,163	50.3	25.6	89,796
9/30/2015	6	1	561,632	51.8	26.3	93,605

Number Added to and Removed from Active Participation

Year Ended	Number Added During Year		Terminations During Year										Active Partic. End of Year	
			Norm/Early Retirement		Disability Retirement		Died-in-Service		Terminations					
	A@	E	A	E	A	E	A	E	Vested	Other	Total			
			A	E	A	E	A	E	A	A*	A	E		
9/30/2006			6	17										49
9/30/2007			2	20	1					1		1		45
9/30/2008				24										45
9/30/2009			6	25	2									37
9/30/2010			2	20										35
9/30/2011			11	21										24
9/30/2012			3	16										21
9/30/2013			6	16										15
9/30/2014			6	11										9
9/30/2015			3	9										6
5-Yr. Totals 2011-2015			29	73										
Expected for 9/30/2016				6										

A Represents actual number.

E Represents expected number.

@ Participants with a hire date of October 1st or later of the fiscal year.

* Balancing item.

**ACTIVE PARTICIPANTS AS OF SEPTEMBER 30, 2015
BY NEAR AGE AND YEARS OF SERVICE**

Near Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 plus	No.	Valuation Payroll
45-49						1		1	\$ 85,188
50-54						4		4	394,875
55-59						1		1	81,569
Totals						6		6	\$ 561,632

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Group Averages:

Age: 51.8 years
Service: 26.3 years
Annual Pay: \$93,605

SECTION D

ACTUARIAL COST METHOD, ACTUARIAL ASSUMPTIONS
AND DEFINITIONS OF TECHNICAL TERMS

ACTUARIAL VALUATION PROCESS

An actuarial valuation is the mathematical process by which a pension fund contribution requirement is determined and its actuarial condition is measured.

The flow of activity constituting the valuation may be summarized as follows:

- A. ***Covered Person Data***, furnished by the plan administrator including:
 - Retired participants and beneficiaries now receiving benefits
 - Former participants with vested benefits not yet payable
 - Active participants
- B. + ***Asset Data*** (cash & investments), furnished by the plan administrator
- C. + ***Fund Description Data***, furnished by the plan administrator
- D. + ***Assumptions about various future activities of the plan*** (risk elements)
- E. + ***The Actuarial Cost Method*** for allocating costs to time periods and determining the long-term planned pattern for employer contributions
- F. + ***Mathematically combining the Data, the Estimates of Future Activities, and the Cost Method***
- G. = Determination of:
 - Employer Contribution Requirement and Actuarial Condition

Items A, B and C constitute the current “knowns” about the Fund. A good deal of fund activity which will result in benefit payments has yet to occur. Accordingly, certain assumptions must be made about future fund activity. These assumptions (Item D) may be classified as demographic or fiscal. Demographic assumptions include future mortality rates, disability rates, rates of pre-retirement withdrawal from employment, and retirement ages. Fiscal assumptions consist of future salary increases and rates of investment return.

ACTUARIAL VALUATION PROCESS

Demographic assumptions are generally selected on the basis of the Fund's historical activity, modified for expected future differences. Past activity of funds which are similar in nature to the fund being valued may be utilized if fund data or activities are insufficient to be reliable.

Fiscal assumptions, on the other hand, do not lend themselves to prediction on the basis of historical activity -- the reason being that both salary increases and investment return are impacted by inflation. Inflation defies reliable prediction. Fiscal assumptions are generally selected on the basis of what would be expected to occur in an inflation-free environment and then both are increased by some provision for long-term inflation.

This is a case where two wrongs may make a right. If inflation is higher than expected it will probably result in actual rates of salary increase and investment return which exceed the assumed rates. Salaries increasing faster than expected result in unexpected costs. Investment return exceeding the assumed rate result in unanticipated assets. To a large degree, the additional assets will offset the additional cost over the long-term.

Once items A, B, C and D are available, the actuarial valuation process begins. The first step is to determine the Fund's *total actuarial present value* for individuals in each of the three covered person categories.

Retired participants now receiving monthly payments;

Vested terminated participants not yet at retirement age; and

Active participants.

The actuarial present value is the value today after taking into account the probabilities of payment and the effect of time, of fund promises to pay benefits in the future on the basis of both service already completed and projected future service.

The total actuarial present value is allocated between projected future service and completed service by the actuarial cost method (Item E) -- the *individual entry age* method being utilized for this valuation. The portion of the total actuarial present value allocated to projected future service is the *actuarial present*

ACTUARIAL VALUATION PROCESS

value of future normal costs -- normal cost being the series of annual costs, from entry age to retirement age, which will accumulate to the actuarial present value of the individual's benefit at the time of retirement or death. The remainder of the total actuarial present value is the *Actuarial Accrued Liability*.

At this stage determination has been made of:

1. The total actuarial present value;
2. The actuarial present value of future normal cost; and
3. The Actuarial Accrued Liability.

In the typical fund, the Actuarial Accrued Liability may not be covered by the fund's accrued assets -- leaving an *Unfunded Actuarial Accrued Liability*.

The next step in the valuation process is a determination of the contribution rate (Item G) required to support Fund benefits in accordance with the funding objective (page B-1).

The contribution rate is determined in two basic components:

1. The normal cost component; and
2. The component which will finance (pay-off) the Unfunded Actuarial Accrued Liability over the periods indicated on page B-8.

Since this group closed as of January 1, 1996, the Unfunded Actuarial Accrued Liability was amortized as a level dollar amount. The characteristics of this method are shown on page D-4.

Actuarial assumptions are established by the Board after consulting with the actuary. The reasonableness of the economic assumptions are based upon capital market expectations provided by various investment consultants and other sources such as the Social Security Trustees report. All actuarial assumptions are based on future expectations, not market measures.

ACTUARIAL ASSUMPTIONS

The actuarial assumptions regarding the INFLATION rate, REAL INVESTMENT RETURN rate, and SALARY INCREASE rates are used, in combination with the other estimates, to (i) determine the present value of amounts expected to be paid in the future and (ii) establish rates of contribution which are expected to remain relatively level as a percent of total valuation payroll. The interest rate used in making the valuation was 7.00% a year compounded yearly. It is composed of inflation and real investment return.

INFLATION RATE. 3.0% per annum, effective September 30, 2015 compounded annually. This is the rate at which growth in the supply of money and credit is estimated to exceed growth in the supply of goods and services. It may be thought of as the rate of depreciation of the purchasing power of the dollar. There are a number of indices for measuring the inflation rate. The recent inflation rate as measured by the Consumer Price Index has been:

	Year Ended September 30					Average	
	2015	2014	2013	2012	2011	3-Year	5-Year
Actual	0.0 %	1.7 %	1.2 %	2.0 %	3.9 %	1.0 %	1.8 %
Assumed	3.5	3.5	3.5	3.5	3.5	3.5	3.5

REAL INVESTMENT RETURN RATE. 4.0% per annum, compounded annually, based on the funding value of assets, effective September 30, 2015 (an increase of 0.5%). This is the rate of return estimated to be produced by investing a pool of assets in an inflation-free environment. Recent real rates of investment return on the funding value of assets have been:

	Year Ended September 30					Average	
	2015	2014	2013	2012	2011	3-Year	5-Year
Total Rate	8.1 %	15.1 %	12.0 %	9.7 %	1.2 %	11.7 %	9.2 %
less Inflation Rate	<u>0.0</u>	<u>1.7</u>	<u>1.2</u>	<u>2.0</u>	<u>3.9</u>	<u>1.0</u>	<u>1.8</u>
Actual Real Rate	8.1	13.4	10.8	7.7	(2.7)	10.7	7.4
Projected Real Rate	3.5	3.5	3.5	3.5	3.5	3.5	3.5

The total investment return rate was computed on the funding value of assets using the approximate formula $i = I$ divided by $1/2 (A + B - I)$, where I is actual investment income, A is the beginning of year asset funding value, and B is the end of year asset funding value.

The preceding investment return rates reflect the particular characteristics of this Pension Fund and the method of determining the funding value of assets. They should not be used to measure an investment advisor's performance or for comparison with other retirement systems. Such use will usually mislead.

SALARY INCREASES RATES. Participant salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation-related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel. A schedule of rates of increases in individual salaries for sample ages follows:

Sample Ages	Salary Increase Assumptions For an Individual Member		
	Merit & Seniority	Base (Economic)	Increase Next Year
20	3.25 %	3.75 %	7.00 %
25	3.25	3.75	7.00
30	2.85	3.75	6.60
35	1.35	3.75	5.10
40	0.45	3.75	4.20
45	0.45	3.75	4.20
50	0.45	3.75	4.20
55	0.35	3.75	4.10
60	0.25	3.75	4.00

The valuation is based on a closed group of active participants with active payroll expected to decline. The inflation component was 4.75% prior to the September 30, 2009 valuation.

A schedule of recent salary change experience, as measured by average reported pay, follows:

	Year Ended September 30					Average		
	2015	2014	2013	2012	2011	3-Year	5-Year	10-Year
% Change: Actual Average(1)	3.2 %	0.9 %	5.2 %	(6.2) %	5.1 %	3.1 %	1.6 %	2.8 %
Projected	3.9	3.9	3.9	3.9	4.2	3.9	4.0	4.4
% Change in Total Payroll	(30.5)	(37.8)	(24.4)	(18.6)	(28.1)	(30.9)	(27.9)	(16.4)

(1) Excluding terminations and new participants.

In order to achieve the funding objective of a contribution rate which remains level as a percent-of-payroll, the total rate of investment return on the funding value of assets must exceed the rate of average increase in salaries by an amount equal to the projected real investment return rate. The following schedule illustrates the recent history of the relationship between total investment return and average pay changes.

	Year Ended September 30					Average	
	2015	2014	2013	2012	2011	3-Year	5-Year
Total Investment Return Rate	8.1 %	15.1 %	12.0 %	9.7 %	1.2 %	11.7 %	9.2 %
Rate of Change in Average Pay	3.2	0.9	5.2	(6.2)	5.1	3.1	1.6
Difference: Actual	4.9	14.2	6.8	15.9	(3.9)	8.6	7.6
Target	3.5	3.5	3.5	3.5	3.5	3.5	3.5

MORTALITY TABLE. The RP 2000 Mortality Table, for males and females effective September 30, 2011.

Sample Ages	RP 2000 Table			
	Healthy Future Life Expectancy (Years)		Disabled Future Life Expectancy (Years)	
	Men	Women	Men	Women
45	35.51	38.35	26.18	28.91
50	30.80	33.59	21.74	24.38
55	26.18	28.91	17.61	20.12
60	21.74	24.38	13.88	16.23
65	17.61	20.12	10.57	12.74
70	13.88	16.23	7.75	9.68
75	10.57	12.74	5.49	7.09
80	7.75	9.68	3.86	5.15

The mortality table is used to measure the probabilities of participants dying before retirement and the probabilities of each benefit payment being made after retirement. Seventy-five percent of pre-retirement deaths were assumed to be service connected. The Healthy mortality table was set forward ten years from the age of disability for projecting disability costs. The mortality table used was the RP 2000 Mortality table for males and females. A 2.5% load was used as a margin for future mortality improvements. **We recommend changing the mortality table so that it reflects additional mortality improvement.**

RATES OF SEPARATION FROM ACTIVE MEMBERSHIP. The rates do not apply to participants eligible to retire and do not include separation on account of death or disability. Separation rates are used to measure the probabilities of participants remaining in employment.

Sample Ages	Years of Service	Percent Separating within Next Year
ALL	0	7.50 %
	1	5.00
	2	4.50
	3	4.00
	4	3.50
25	5 & Over	3.50
30		2.90
35		1.50
40		0.60
45		0.50
50		0.50
55		0.50
60		0.50

VESTED PARTICIPANTS who terminate with a benefit worth less than 100% of their own accumulated contributions were presumed to elect a refund of accumulated contributions and forfeit the vested benefit.

RATES OF DISABILITY. Disability rates measure the probabilities of active participants becoming disabled.

Sample Ages	Percent Becoming Disabled within Next Year
20	0.30 %
25	0.30
30	0.30
35	0.82
40	0.94
45	1.07
50	1.44
55	2.28

Seventy-five percent of disabilities were assumed to be service connected.

RATES OF RETIREMENT. Rates of retirement are used to measure the probabilities of an eligible participant retiring during the next year.

Retirement Ages	Percent Retiring*	Service at Retirement	Percent Retiring
50	100%	25	100%

** If eligible to retire.*

EXPENSES. All expenses are included as an additional employer contribution to provide for reimbursement of these expenses. Expenses are assumed to be the same as the preceding year.

ACTIVE PARTICIPANT GROUP SIZE. The valuation was based on a closed active participant group.

MARITAL STATUS. Ninety percent of active participants who meet the age and service requirements for pre-retirement survivor benefits are estimated to be married. Female spouses are assumed to be 3 years younger than the male participant. Male spouses are assumed to be 3 years older than the female participant.

COST-OF-LIVING ADJUSTMENT. An annual adjustment of 3.50% is assumed.

Prior to October 21, 1998, pensions were adjusted at the end of each February by the percentage change in the Consumer Price Index during the preceding calendar year not to exceed 4%. After October 21, 1998, pensions will be adjusted at the end of each February by 3.5% per year unless the old provisions are elected.

	Year Ended September 30					Average
	2015	2014	2013	2012	2011	5-Year
Actual Adjustment	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

ASSET VALUATION METHOD. Smoothed market value (capital value changes are recognized in three equal annual dollar installments).

SUMMARY OF ASSUMPTIONS USED
SEPTEMBER 30, 2015
MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

Marriage Assumption:	92% of males and 92% of females are assumed to be married for purposes of death-in-service benefits.
Pay Increase Timing:	Middle of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
Decrement Timing:	Decrements of all types are assumed to occur mid-year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Benefit Service:	Exact fractional service is used to determine the amount of benefit payable.
Decrement Relativity:	Decrement rates are used without adjustment for multiple decrement table effects.
Decrement Operation:	Disability and turnover decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during retirement eligibility.
Normal Form of Benefit:	The assumed normal form of benefit is 66 2/3% Joint and Survivor for married members and life only with 10 years certain for unmarried members.
Loads:	Actuarial present values for normal and early retirement were loaded by 5.5% to account for lump sum payments.
Incidence of Contributions:	Contributions are assumed to be received continuously throughout the year based upon the computed percent-of-payroll shown in this report, and the actual payroll payable at the time contributions are made. New entrant normal cost contributions are applied to the funding of new entrant benefits.

DEFINITIONS OF TECHNICAL TERMS

ACCRUED SERVICE. Service credited under the system which was rendered before the date of the actuarial valuation.

ACTUARIAL ACCRUED LIABILITY. The difference between the actuarial present value of future benefit payments and the actuarial present value of future normal costs. Also referred to as “accrued liability” or “past service liability.”

ACTUARIAL ASSUMPTIONS. Estimates of expected future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement estimates (rates of mortality, disability, turn-over and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic estimates (salary increases and investment income) consist of the underlying rates in an inflation-free environment plus a provision for a long-term average rate of inflation.

ACTUARIAL COST METHOD. A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future benefit payments” between future normal costs and Actuarial Accrued Liability. Sometimes referred to as the “actuarial valuation cost method.”

ACTUARIAL EQUIVALENT. A single amount or series of amounts of equal actuarial present value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

ACTUARIAL PRESENT VALUE. The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment. Also referred to as “present value.”

AMORTIZATION. Paying off an interest-discounted amount with periodic payments of interest and principal -- as opposed to paying it off with a lump sum payment.

EXPERIENCE GAIN/(LOSS). The difference between actual actuarial costs and assumed actuarial costs -- during the period between two valuation dates.

FUNDING VALUE OF ASSETS. The value of assets derived by spreading capital value changes (unrealized and realized gains and losses) in equal dollar installments over three years. This treatment removes the timing of investment activities from the valuation process.

NORMAL COST. The actuarial cost allocated to the current year by the actuarial cost method. Sometimes referred to as “current service cost.”

UNFUNDED ACTUARIAL ACCRUED LIABILITY. The difference between Actuarial Accrued Liability and the actuarial value of system assets. Sometimes referred to as “unfunded past service liability”, “unfunded accrued liability” or “unfunded supplemental present value.”

Most retirement systems have Unfunded Actuarial Accrued Liability. It arises each time new benefits are added and each time an experience loss is realized.

The existence of Unfunded Actuarial Accrued Liability is not in itself bad, any more than a mortgage on a house is bad. Unfunded Actuarial Accrued Liability does not represent a debt that is payable today. What is important is the ability to control the amount of Unfunded Actuarial Accrued Liability and the trend in its amount (after due allowance for devaluation of the dollar).

SECTION E

ADDITIONAL DISCLOSURES

GASB Statements No. 67 and No. 68 are the accounting standards which replaced GASB Statements No. 25 and No. 27. GASB Statement No. 67 is first effective for fiscal year 2014 and GASB Statement No. 68 is first effective for fiscal year 2015. A separate GASB Statements No. 67 and No. 68 report will be issued outside of this report. This section contains historical GASB Statements No. 25 and No. 27 reporting information for prior fiscal years and illustrative information for fiscal year 2015.

ACTUARIAL ACCRUED LIABILITY

The Actuarial Accrued Liability (AAL) is a measure intended to help users assess (i) a pension fund's funded status on a going-concern basis, and (ii) progress being made toward accumulating the assets needed to pay benefits as due. Allocation of the actuarial present value of projected benefits between past and future service was based on service using the individual entry-age actuarial cost method. Assumptions, including projected pay increases, were the same as used to determine the Fund's annual normal cost required contribution between entry-age and assumed exit age. Entry-age was established by subtracting credited service from current age on the valuation date.

The entry age AAL was determined as part of an actuarial valuation of the plan as of September 30, 2015. Significant actuarial assumptions used in determining the entry age AAL include (a) a rate of return on the investment of present and future assets of 7.00% per year compounded annually, (b) projected salary increases of 3.75% per year compounded annually, attributable to inflation and other causes, (c) additional projected salary increases ranging from 3.0% to 0.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement, except by the operation of the cost-of-living provision (3.5% annual increase assumed and 5.0% impacted by 50% of the top step base pay minimum).

At September 30, 2015, the Unfunded Actuarial Accrued Liability (UAAL) was \$37,383,031 determined as follows:

Actuarial Accrued Liability	
Active participants (6 vested and 0 non-vested)	\$ 8,790,520
Retired participants and beneficiaries currently receiving benefits (165 recipients)	160,967,157
Vested terminated participants not yet receiving benefits (1 inactive)	<u>346,688</u>
Total Actuarial Accrued Liability	170,104,365
Actuarial Value of Assets (market value was \$127,302,414)	<u>132,721,334</u>
Unfunded Actuarial Accrued Liability	<u><u>\$ 37,383,031</u></u>

During the year ended September 30, 2015, the Fund experienced a net change of \$9,499,434 in the Actuarial Accrued Liability, of which \$8,453,296 was due to changes in actuarial assumptions. There were no changes in benefit provisions.

CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

The County's/City's funding policy provides for periodic employer contributions at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. The normal cost and Actuarial Accrued Liability (AAL) are determined using an entry-age actuarial cost method. Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over a closed period of 7 years to determine the ARC for fiscal year ending September 30, 2016.

During the year ended September 30, 2015, contributions totaling \$7,859,262 -- \$7,802,557 local employers and \$56,705 employee -- were made in accordance with contribution requirements determined by an actuarial valuation of the Fund as of September 30, 2013. The local employers' contributions consisted of \$963,878 for normal cost and expenses, \$6,838,679 for amortization of the UAAL.

Schedule of Employer Contributions

Fiscal Year 10-1/9-30	Valuation Date 9-30	Annual Required Contribution	Percentage Contributed
2002-03	2002	\$ 3,031,419	100.0 %
2003-04	2003	3,221,134	100.0 *
2004-05	2003	3,577,340	100.0
2005-06	2004	3,637,413	100.0
2006-07	2005	3,757,948	100.0 #
2007-08	2006	4,566,249	100.0
2008-09	2007	4,302,657	100.0 @
2009-10	2008	4,936,275	100.0
2010-11	2009	5,725,453	100.0
2011-12	2010	6,985,373	100.0 @
2012-13	2011	8,542,822	100.0 @
2013-14	2012	8,608,953	100.0 @
2014-15	2013	7,802,557	100.0 @
2015-16	2014	6,957,875	
2016-17	2015	6,929,674	

* This includes \$60,909 from funding reserves, \$41,098 from Chapter 175 and \$71,812 from additional premium tax revenue.

This includes \$88,946 for contributions towards Share Account distributions.

@ This includes additional contribution from funding reserves.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets# (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b)-(a)	Funded Ratio (a)/(b)	Active Member Covered Payroll (c)	Unfunded AAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
2001	\$ 90.54	\$ 102.08	\$ 11.54	88.7 %	\$ 4.35	265.3 %
2002	84.16	107.31	23.15	78.4	4.09	566.0
2003 *	81.27	110.37	29.10	73.6	3.69	788.6
2004 *	83.55	116.98	33.43	71.4	3.85	867.5
2005	91.57	122.78	31.21	74.6	3.82	816.8
2006	98.33	127.46	29.13	77.1	3.47	838.6
2007	106.72	133.10	26.38	80.2	3.54	745.8
2008 @	107.97	138.56	30.59	77.9	3.66	836.1
2009 @*	102.82	140.34	37.52	73.3	3.15	1,190.5
2010 @	95.58	141.28	45.70	67.7	2.94	1,554.4
2011 @*	93.59	148.76	55.17	62.9	2.11	2,616.1
2012 @*	98.74	152.55	53.81	64.7	1.95 &	2,759.0
2013 @	109.44	155.09	45.65	70.6	1.30	3,515.4
2014 @*	123.88	160.60	36.72	77.1	0.81	4,530.9
2015 @*	132.72	170.10	37.38	78.0	0.56	6,678.6

Dollar amounts are in millions.

* *After changes in benefits and/or actuarial assumptions and/or actuarial cost methods.*

The Funding Value of Assets is a three-year smoothed market value beginning with the September 30, 1999 actuarial valuation and a four-year smoothed market value in 1996-1998. Prior values are cost values.

@ *The Funding Value of Assets excludes Reserve accounts.*

& *Amount reported by the City.*

Analysis of the dollar amounts of Funding Value of Assets (FVA), Actuarial Accrued Liability (AAL), or Unfunded Actuarial Accrued Liability (UAAL) in isolation can be misleading. Expressing the FVA as a percentage of the AAL provides one indication of the Fund's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The UAAL and annual covered payroll are both affected by inflation. Expressing the UAAL as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan. *However, for closed groups, this figure can become highly misleading.*

SECTION F

SUMMARY OF VALUATION RESULTS IN STATE FORMAT

SUMMARY OF VALUATION RESULTS IN STATE FORMAT - (\$ AMOUNTS IN THOUSANDS)

	September 30, 2015		September 30, 2014
	After	Before	
(a) Participant Data:			
(i) Active members			
- number	6	6	9
- annual payroll	\$ 562	\$ 562	\$ 808
(ii) Retired members & beneficiaries (excl. disability)			
- number	139	139	137
- annualized benefit payroll	\$ 9,332	\$ 9,332	\$ 8,882
(iii) Disabled members			
- number	26	26	26
- annualized benefit payroll	\$ 1,244	\$ 1,244	\$ 1,202
(iv) Terminated vested members			
- number	1	1	1
- annualized deferred benefit payroll	\$ 20	\$ 20	\$ 20
(b) Assets:			
(i) Actuarial value for funding	\$ 132,721	\$ 132,721	\$ 123,879
(ii) Market value	127,302	127,302	130,182
(c) Actuarial Liability:			
(i) Actuarial present value of active member benefits			
normal retirement	8,001	7,568	10,889
termination benefits - pension	0	0	0
disability retirement	0	0	0
survivor benefits (post-retirement)	913	834	1,128
survivor benefits (pre-retirement)	0	0	0
termination benefits - refunds	0	0	0
Total	\$ 8,914	\$ 8,402	\$ 12,017
(ii) Actuarial present value of terminated vested member benefits	347	328	305
(iii) Actuarial present value of retired member & normal retirement & survivors disability retirement	\$ 143,202	\$ 136,094	\$ 132,773
disability retirement	17,765	16,918	15,673
Total	\$ 160,967	153,012	\$ 148,446
(iv) Total actuarial present value of future benefit payments	\$ 170,228	\$ 161,742	\$ 160,768
(v) Payables	none	none	none
(vi) Actuarial Accrued Liability	\$ 170,104	\$ 161,628	\$ 160,605
(vii) Unfunded Actuarial Accrued Liability (1)	37,383	28,907	36,726

(1) Please refer to page B-8 for requested detail.

SUMMARY OF VALUATION RESULTS IN STATE FORMAT - (\$ AMOUNTS IN THOUSANDS)

	September 30, 2015		September 30, 2014
	After	Before	
(d) Actuarial Present Value of Accrued Benefits (calculated in accordance with FASB Statement No. 35):			
(i) Vested accrued benefits:			
Retired participants and beneficiaries	\$ 160,967	\$ 153,012	\$ 148,446
Terminated participants	347	328	305
Funding + Share Account reserves			
Active participants (includes non-forfeitable accum. Partic. Contributions of \$1,302 & \$1,810)	8,292	7,405	11,173
Total	\$ 169,606	\$ 160,745	\$ 159,924
(ii) Non-vested accrued benefits	0	0	0
(iii) Total actuarial p.v. of accrued benefits	169,606	160,745	159,924
(iv) Actuarial p.v. of accrued benefits at beginning of year	159,924	159,924	151,892
(v) Changes attributable to:			
Amendments	0	0	0
Assumption change	8,861	0	4,294
Operation of decrements	11,774	11,774	14,443
Benefit payments	(10,953)	(10,953)	(10,705)
Other	0	0	0
(vi) Net change	\$ 9,682	\$ 821	\$ 8,032
(vii) Actuarial p.v. of accrued benefits at end of year	169,606	160,745	159,924
(e) Plan costs for fiscal year beginning October 1, 2016 and October 1, 2015			
(i) Normal costs:			
Service pensions (incl. post-ret. surv. pensions)	\$ 0	\$ 0	\$ 0
Disability pensions (incl. post-ret. surv. pensions)	0	0	0
Survivor pensions (pre-retirement)	0	0	0
Deferred service pensions	0	0	0
Refunds of member contributions	0	0	0
Total normal cost	\$ 0	\$ 0	\$ 0
(ii) Payment to amortize unf'd. act. accr. liab.	6,157	5,091	5,847
(iii) Administrative and investment expenses and adjustments	1,068	1,068	1,111
(iv) Amount to be paid by members	0	0	0
(v) Ch. 175 Portion	295	(63)	
(vi) Expected plan sponsor contribution			
\$ amount	\$ 6,930	\$ 6,222	\$ 6,958

SUMMARY OF VALUATION RESULTS IN STATE FORMAT - (\$ AMOUNTS IN THOUSANDS)

	<u>September 30, 2015</u>		<u>September 30, 2014</u>
	<u>After</u>	<u>Before</u>	
(f) Past Contributions (fiscal year ending 9/30/15 & 9/30/14)			
(i) Required minimum:			
Fund sponsor	\$ 6,958	\$ 6,958	\$ 8,609
Participants	45	45	65
Total	<u>\$ 7,003</u>	<u>\$ 7,003</u>	<u>\$ 8,674</u>
(ii) Actual:			
Fund sponsor	7,803	7,803	8,584
Chapter 175	2,837	738	813
Participants	57	57	86
Total	<u>\$ 10,697</u>	<u>\$ 8,598</u>	<u>\$ 9,483</u>
(g) Net Experience Gain/(Loss)	\$ 1,285	\$ 1,285	\$ 8,838
(h) Other Disclosures	none	none	none
(i) Present value of active member future salaries			
from attained age	\$ 276	\$ 276	\$ 397
from entry age			
(j) Present value of active member future contribs.			
from attained age	\$ 22	\$ 22	\$ 32
from entry age			
(k) Actuarial Present Value of Accrued Benefits Using FRS Interest Rate			
(i) Vested	\$ 157,012	\$ 153,182	\$ 151,994
(ii) Non-Vested	0	0	0
(iii) Total	<u>\$ 157,012</u>	<u>\$ 153,182</u>	<u>\$ 151,994</u>
(iv) Market Value of Assets (MVA)	\$ 127,302	\$ 127,302	\$ 130,182
(v) Funded Ratio Using FRS Interest Rate and MVA	81.1 %	83.1 %	85.6 %

**RECONCILIATION OF PARTICIPANTS
FOR THE PLAN YEAR ENDED SEPTEMBER 30, 2015**

	Active Participants	Vested Terminated Participants	Pension Recipients		
			Service Retirees	Disability Retirees	All Beneficiaries
No. at Start of Year	9	1	117	19	27
Increase (Decrease) From:					
Service Retirement	(3)		3		
Disability Retirement					
Deaths			(1)		
Other Pension Terminations					
Vested Terminations					
Non-Vested Terminations					
New Entrants/Rehires					
No. at End of Year	6	1	119	19	27

March 18, 2016

Mr. Harry Ramphal, Pension Plans Administrator
City of Sarasota Firefighters' Pension Fund
1565 First Street, Room 110
P.O. Box 1058
Sarasota, Florida 34236

Dear Harry:

Enclosed are 17 copies of the report of the September 30, 2015 Actuarial Valuation of the City of Sarasota Firefighters' Pension Fund.

As directed by the Board, we have sent copies directly to the following:

Ms. Alison N. Wester, CPA
Mauldin & Jenkins, LLC

Mr. Joseph Welch
Purvis Grey & Company

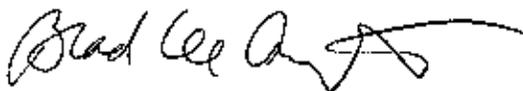
Bureau Chief
Florida Police Officers' and Firefighters' Pensions

Please send a copy within 60 days to both:

Patricia F. Shoemaker, Benefits Administrator
Municipal Police Officers and Firefighters'
Retirement Trust Funds Office
Division of Retirement
Post Office Box 3010
Tallahassee, Florida 32315-3010

Douglas Beckendorf, Actuary
Local Retirement Section
Division of Retirement
Post Office Box 9000
Tallahassee, Florida 32315-9000

Sincerely,



Brad Lee Armstrong, ASA, EA, FCA, MAAA

BLA:mrbr
Enclosures

Bureau Chief
Division of Retirement
Municipal Police Officers' and Firefighters'
Retirement Trust Fund
PO Box 3010
Tallahassee, FL 32315-3010

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1401 MANATEE AVENUE WEST
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