

# 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Total Pension Liability</b>										
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$470,598	\$520,894
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$304,873	\$1,525,052
Changes of Benefit Terms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0
Differences Between Expected and Actual Experiences	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,536,515	(\$181,955)
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,037,204)	(\$926,647)
<b>Net Change in Total Pension Liability</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,283,782	\$937,344
<b>Total Pension Liability (Beginning)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$16,795,147	\$18,078,928
<b>Total Pension Liability (Ending)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$18,078,928	\$19,016,272
<b>Plan Fiduciary Net Position</b>										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$646,023	\$589,810
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$307,886	\$325,235
Contributions - State	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$111,257	\$117,870
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,757,729	(\$232,058)
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,037,204)	(\$926,647)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$52,988)	(\$69,185)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0
<b>Net Change in Plan Fiduciary Net Position</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,732,712	(\$194,975)
<b>Plan Fiduciary Net Position (Beginning)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$14,806,469	\$16,539,181
<b>Plan Fiduciary Net Position (Ending)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$16,539,181	\$16,344,206
<b>County's Net Pension Liability (Ending)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,539,747	\$2,672,066
<b>Net Position as a % of Pension Liability</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91.46%	85.95%
<b>Covered-Employee Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,732,684	\$2,967,537
<b>Net Pension Liability as a % of Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	56.35%	90.04%

# 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 contributions.

	Fiscal Year Ending									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Total Pension Liability</b>										
Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$615,147	\$523,418
Contributions made in Relation to the Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$646,023	\$589,810
Contribution Deficiency (excess) Covered-Employee Payroll Contributions as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$30,876) \$2,732,684 23.64%	(\$66,392) \$2,967,537 19.88%

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

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### GASB 67 Requirements

#### Sensitivity

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2014:

	<b>1% Decrease (7.00%)</b>	<b>Current Rate (8.00%)</b>	<b>1% Increase (9.00%)</b>
(1) Total Pension Liability	\$20,380,190	\$18,078,928	\$16,158,398
(2) Plan Fiduciary Net Position	\$16,539,181	\$16,539,181	\$16,539,181
(3) Net Pension Liability	\$3,841,009	\$1,539,747	(\$380,783)

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

	<b>1% Decrease (7.00%)</b>	<b>Current Rate (8.00%)</b>	<b>1% Increase (9.00%)</b>
(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

# City of Panama City Beach Police Officers' Pension Plan

## FS 112.664 Requirements

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

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

	Fiscal Year Ending									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Total Pension Liability</b>										
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$751,847	\$867,325
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$255,200	\$1,958,637
Changes of Benefit Terms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0
Differences Between Expected and Actual Experiences	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,629,832	(\$598,291)
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,037,204)	(\$926,647)
<b>Net Change in Total Pension Liability</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,599,675	\$1,291,023
<b>Total Pension Liability (Beginning)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$21,562,637	\$23,162,312
<b>Total Pension Liability (Ending)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$23,162,312	\$24,453,335
<b>Plan Fiduciary Net Position</b>										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$646,023	\$589,810
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$307,896	\$325,235
Contributions - State	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$111,257	\$117,870
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,757,729	(\$232,058)
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,037,204)	(\$926,647)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$52,988)	(\$59,185)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0
<b>Net Change in Plan Fiduciary Net Position</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,732,712	(\$194,975)
<b>Plan Fiduciary Net Position (Beginning)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$14,806,469	\$16,539,181
<b>Plan Fiduciary Net Position (Ending)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$16,539,181	\$16,344,206
<b>County's Net Pension Liability (Ending)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$14,806,469	\$16,344,206
<b>Net Position as a % of Pension Liability</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	71.41%	\$2,672,066
<b>Covered-Employee Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,969,177	85.95%
<b>Net Pension Liability as a % of Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	223.08%	90.04%

## City of Panama City Beach Police Officers' Pension Plan

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### 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, 2014:

	2% Decrease (6.00%)	Current Rate (8.00%)	2% Increase (10.00%)
(1) Total Pension Liability	\$23,162,312	\$18,078,928	\$14,542,193
(2) Plan Fiduciary Net Position	\$16,539,181	\$16,539,181	\$16,539,181
(3) Net Pension Liability	\$6,623,130	\$1,539,747	(\$1,996,988)

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)

#### 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	19.50
RP 2000 Mortality and 6.0% Interest	16.00