

City of Panama City Beach General Municipal Employees' Pension Plan

GASB 67 Requirements

GASB 67 is effective for fiscal year ending September 30, 2014. The follow exhibit is a 10 year history of change in Net Pension Liability.

Changes in the Net Pension Liability and Related Ratios – RP2000, 8.0% Interest

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

	Fiscal Year Ending									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Pension Liability										
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,040,681	\$1,057,918
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$864,624	\$2,488,143
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	\$1,874,051	\$157,575
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	(\$1,285,877)	(\$1,255,002)
DROP Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$534,139
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,463,478	\$2,982,773
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,922,891	\$29,416,370
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$29,416,370	\$32,399,143
Plan Fiduciary Net Position										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,095,319	\$995,044
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	546,921,44	\$538,751
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,943,006	(\$476,995)
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)	(\$1,255,002)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$73,809)	(\$103,110)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$534,139
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$3,227,560	\$233,427
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,031,682	\$29,259,242
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$29,259,242	\$29,492,669
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$157,128	\$2,965,474
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.47%	91.03%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$5,500,368	\$6,239,976
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.86%	46.59%

City of Panama City Beach

General Municipal Employees' Pension Plan

GASB 67 Requirements

GASB 67 is effective for fiscal year ending September 30, 2014. The follow exhibit is a 10 year history of ccontributions.

	Fiscal Year Ending									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Pension Liability										
Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$396,234	\$766,892
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	\$501,112	\$995,644
Contribution Deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$104,878)	(\$228,752)
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$5,500,368	\$6,238,976
Contributions as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9.11%	15.96%

Methods and assumptions used to determine contribution rates:

- Actuarial Cost Method: Entry age Normal with frozen Initial Liability
- Asset Valuation Method: Actuarial Value – 5-year smoothed market value.
- IRS Limit Increases: 4.50%
- Salary Increases: 6.00%
- Investment Rate of Return: 8.00%, net of pension plan investment expense, including inflation.
- Retirement Age: Graded by age and Division – see assumption section for rates.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table with generational projection using scale AA

City of Panama City Beach General Municipal Employees' Pension Plan

GASB Requirements

Sensitivity

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

	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
(1) Total Pension Liability	\$32,789,966	\$29,416,370	\$26,574,927
(2) Plan Fiduciary Net Position	\$29,259,242	\$29,259,242	\$29,259,242
(3) Net Pension Liability	\$3,530,724	\$157,128	(\$2,684,315)

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

	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
(1) Total Pension Liability	\$36,482,261	\$32,399,143	\$29,278,197
(2) Plan Fiduciary Net Position	\$29,492,669	\$29,492,669	\$29,492,669
(3) Net Pension Liability	\$6,989,592	\$2,906,474	(\$214,472)

City of Panama City Beach General Municipal Employees' Pension Plan

FS112.664 Requirements

Changes in the Net Pension Liability and Related Ratios – Rp2000, 6.0% Interest

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

	Fiscal Year Ending									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Pension Liability										
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,518,031	\$723,924
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$740,645	\$2,954,149
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	\$2,036,726	\$1,043,764
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	(\$1,285,877)	(\$1,255,002)
DROP Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$534,139
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$3,009,524	\$3,466,935
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$33,820,920	\$36,830,444
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$33,820,920	\$36,830,444	\$40,297,279
Plan Fiduciary Net Position										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,095,319	\$995,644
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$548,921	\$538,751
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,943,006	(\$476,995)
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)	(\$1,255,002)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$73,809)	(\$103,110)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$534,139
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$3,227,560	\$233,427
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,031,682	\$29,259,242
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,031,682	\$29,259,242	\$29,492,669
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,031,682	\$29,259,242	\$29,492,669
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$7,571,202	\$2,906,474
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$5,500,388	\$6,238,976
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	137.65%	46.59%

City of Panama City Beach General Municipal Employees' Pension Plan

FS112.664 Requirements

Sensitivity

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

	2% Decrease (6.00%)	Current Rate (8.00%)	2% Increase (10.00%)
(1) Total Pension Liability	\$36,830,444	\$29,416,370	\$24,162,100
(2) Plan Fiduciary Net Position	\$29,259,242	\$29,259,242	\$29,259,242
(3) Net Pension Liability	\$7,571,202	\$157,128	(\$5,097,142)

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

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

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	21.17
RP 2000 Mortality and 6.0% Interest	16.67