

Village of North Palm Beach General Retirement Fund

Actuarial Valuation Report as of October 1, 2017

Annual Employer Contribution for the Fiscal Year
Ending September 30, 2019



May 1, 2018

Board of Trustees of the
Village of North Palm Beach General Retirement Fund
North Palm Beach, Florida

**Re: Village of North Palm Beach General Retirement Fund
Actuarial Valuation as of October 1, 2017 and Actuarial Disclosures**

Dear Board Members:

The results of the October 1, 2017 Annual Actuarial Valuation of the Village of North Palm Beach General Retirement Fund are presented in this report.

The computed contribution rate shown on page 1 may be considered as a minimum contribution rate that complies with the Board's funding policy. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the Fund in excess of those presented in this report be considered.

This report was prepared at the request of the Board and is intended for use by the Retirement Plan and those designated or approved by the Board. This report may be provided to parties other than the Plan only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of the valuation is to measure the Plan's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2019 and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67 for fiscal year ending September 30, 2017. This report also contains estimated GASB Statement No. 67 information for the fiscal year ending September 30, 2018. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section B of this report. This report includes risk metrics in Section A but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of investment and other significant risks that may have a material effect on the Plan's financial condition.

The findings in this report are based on data or other information through September 30, 2017. 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. The scope of an actuarial valuation does not include analysis of the potential range of such future measurements.

Board of Trustees
Village of North Palm Beach General Retirement Fund
May 1, 2018

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The valuation was based upon information furnished by the Village concerning Retirement Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Village.

In addition, this report was prepared using certain assumptions prescribed by the Board and prescribed by the Florida Statutes as described in the section of this report entitled Actuarial Assumptions and Cost Method. The prescribed assumptions are the assumed mortality rates detailed in the Actuarial Assumptions and Cost Method section in accordance with Florida Statutes Chapter 112.63.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Village of North Palm Beach General Retirement Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Melissa R. Moskowitz and Jeffrey Amrose are members of the American Academy of Actuaries and meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan'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 plan costs or required contribution rates have been taken into account in the valuation.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

By Melissa R. Moskowitz
Melissa R. Moskowitz, MAAA, FCA
Enrolled Actuary No. 17-6467

By Jeff Amrose
Jeffrey Amrose, MAAA
Enrolled Actuary No. 17-6599



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SECTION A

DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

A comparison of the required employer contribution developed in this year's and last year's actuarial valuations is as follows:

	For FYE 9/30/2019 Based on 10/1/2017 Valuation	For FYE 9/30/2018 Based on 9/30/2016 Valuation	Increase (Decrease)
Required Employer Contribution As % of Covered Payroll	\$ 355,507 17.12 %	\$ 449,477 19.63 %	\$ (93,970) (2.51) %

The required contribution has been adjusted for interest on the basis that employer contributions are made in equal payments on a bi-weekly basis. The actual employer contribution during the year ending September 30, 2017 was \$527,617. The minimum required contribution was \$519,821.

Revisions in Benefits

There were no changes in benefit provisions since the prior valuation.

Revisions in Actuarial Assumptions or Methods

There were no changes in assumptions since the prior valuation.

Actuarial Experience

There was a net actuarial gain of \$409,750 for the year which means that actual experience was more favorable than expected. The gain was primarily due to lower than expected salary increases for active members (-0.20% as compared to 4.43% assumed), fewer than expected retirements (1 versus 3 expected), and the recognized asset return (on the smoothed value of assets) of 7.61% versus the assumed return of 6.75%. The return on market value was 10.95%. The net actuarial gain for the year translates to a decrease in required employer contribution of approximately \$70,000 (3.39% of covered payroll).

Analysis of Change in Employer Contributions

The components of change in the required contribution are as follows:

Contribution rate last year	19.63 %
Change in actuarial assumptions	0.00
Payment on unfunded liability	0.73
Experience (gain)/loss	(3.39)
Change in administrative expense	<u>0.15</u>
Contribution rate this year	17.12

Funded Ratio

The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability. The ratio this year is 87.7% compared to 83.7% last year.

Variability of Future Contribution Rates

It is important to keep in mind that under the asset smoothing method, the difference between actual and expected return is recognized over five years. As of September 30, 2017, the market value of assets exceeds the actuarial value by \$316,165. Once all the gains and losses through September 30, 2017 are fully recognized in the actuarial value of assets, the contribution rate will decrease by roughly \$54,000 (2.6% of covered payroll) unless there are further gains and losses.

If we were not using an asset smoothing method, the contribution would have been rate would have been 14.5%, and the funded ratio would have been 89.6%.

Conclusion

The remainder of this Report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, and a summary of plan provisions.

SECTION B

VALUATION RESULTS

PARTICIPANT DATA		
	October 1, 2017	October 1, 2016
ACTIVE MEMBERS		
Number	33	36
Covered Annual Payroll	\$ 2,016,077	\$ 2,223,055
Average Annual Payroll	\$ 61,093	\$ 61,752
Average Age	53.3	51.3
Average Past Service	17.3	15.9
Average Age at Hire	36.0	35.4
RETIREES & BENEFICIARIES & DROP		
Number	35	31
Annual Benefits	\$ 488,495	\$ 428,281
Average Annual Benefit	\$ 13,957	\$ 13,816
Average Age	65.7	64.7
DISABILITY RETIREES		
Number	0	0
Annual Benefits	\$ 0	\$ 0
Average Annual Benefit	\$ 0	\$ 0
Average Age	0.0	0.0
TERMINATED VESTED MEMBERS		
Number	36	39
Annual Benefits	\$ 304,992	\$ 316,142
Average Annual Benefit	\$ 8,472	\$ 8,106
Average Age	54.1	54.2

ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION (ADEC)		
A. Valuation Date	October 1, 2017	October 1, 2016
B. ADEC to Be Paid During Fiscal Year Ending	9/30/2019	9/30/2018
C. Assumed Date of Employer Contributions	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 247,286	\$ 256,993
E. Employer Normal Cost	86,480	165,001
F. ADEC if Paid on the Valuation Date: D+E	333,766	421,994
G. ADEC Adjusted for Frequency of Payments	345,097	436,321
H. ADEC as % of Covered Payroll	17.12 %	19.63 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.00 %	3.00 %
J. Covered Payroll for Contribution Year	2,076,559	2,289,747
K. Required Employer Contribution (REC) for Contribution Year: H x J	355,507	449,477
L. REC as % of Covered Payroll in Contribution Year: K ÷ J	17.12 %	19.63 %

ACTUARIAL VALUE OF BENEFITS AND ASSETS		
A. Valuation Date	October 1, 2017	October 1, 2016
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 8,595,138	\$ 8,975,194
b. Vesting Benefits	658,805	695,946
c. Disability Benefits	-	-
d. Preretirement Death Benefits	166,654	164,966
e. Return of Member Contributions	5,502	12,707
f. Total	9,426,099	9,848,813
2. Inactive Members		
a. Service Retirees & Beneficiaries	6,635,136	5,824,976
b. Disability Retirees	-	-
c. Terminated Vested Members	2,306,619	2,306,299
d. Total	8,941,755	8,131,275
3. Total for All Members	18,367,854	17,980,088
C. Actuarial Accrued (Past Service) Liability	16,912,619	16,276,003
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	15,550,097	14,582,967
E. Plan Assets		
1. Market Value	15,148,684	13,500,269
2. Actuarial Value	14,832,519	13,628,623
F. Actuarial Present Value of Projected Covered Payroll	12,492,383	14,355,548
G. Actuarial Present Value of Projected Member Contributions	655,853	753,571

CALCULATION OF EMPLOYER NORMAL COST		
A. Valuation Date	October 1, 2017	October 1, 2016
B. Actuarial Present Value of Projected Benefits	\$ 18,367,854	\$ 17,980,088
C. Actuarial Value of Assets	14,832,519	13,628,623
D. Unfunded Actuarial Accrued Liability	2,490,109	2,678,590
E. Actuarial Present Value of Projected Member Contributions	655,853	753,571
F. Actuarial Present Value of Projected Employer Normal Costs: B - C - D - E	389,373	919,304
G. Actuarial Present Value of Projected Covered Payroll	12,492,383	14,355,548
H. Employer Normal Cost Rate: $F \div G$	3.12 %	6.40 %
I. Covered Annual Payroll	2,016,077	2,223,055
J. Employer Normal Cost: $H \times I$	62,902	142,276
K. Assumed Amount of Administrative Expenses	23,578	22,725
L. Total Employer Normal Cost: $J + K$	86,480	165,001
M. Employer Normal Cost as % of Covered Payroll	4.29 %	7.42 %

LIQUIDATION OF THE UNFUNDED FROZEN ACTUARIAL ACCRUED LIABILITY

A. Derivation of the Current UAAL	
1. Last Year's UAAL	\$ 2,678,590
2. Last Year's Employer Normal Cost	165,001
3. Last Year's Contributions	527,617
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	191,942
b. 3 from dates paid	<u>17,807</u>
c. a - b	174,135
5. This Year's UAAL Prior to Revision: 1 + 2 - 3 + 4c	2,490,109
6. Change in UAAL Due to Plan Amendments and/or Changes in Actuarial Assumptions	0
7. This Year's Revised UAAL: 5 + 6	2,490,109

B. UAAL Amortization Period and Payments					
Original UAAL			Current UAAL		
Date Established	Amortization Period (Years)	Amount	Years Remaining	Amount	Payment
10/1/99	30	\$ 535,528	12	\$ 332,592	\$ 38,705
10/1/00	30	1,426,008	13	1,068,672	118,091
10/1/03	30	700,742	16	568,963	55,490
10/1/03	30	(77,576)	16	(62,987)	(6,143)
10/1/05	30	313,729	18	256,807	23,486
10/1/09	30	(2,127,680)	22	(1,804,573)	(149,674)
10/1/10	30	1,116,376	23	1,139,862	92,714
10/1/15	30	1,009,264	28	972,077	73,225
10/1/16	30	19,440	29	<u>18,696</u>	<u>1,392</u>
Totals				2,490,109	247,286

C. Amortization Schedule

The UAAL is being amortized as a level dollar over the number of years remaining in the amortization period. The expected amortization schedule is as follows:

Amortization Schedule	
Year	Expected UAAL
2017	\$ 2,490,109
2018	2,394,223
2019	2,291,856
2020	2,182,578
2021	2,065,924
2022	1,941,396
2027	1,180,735
2032	519,414
2037	452,145
2042	211,139
2046	-

ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gain (loss) for the past year has been computed as follows:

A.	Employer Normal Cost as a Percentage of Covered Payroll	
	1. Last Valuation	6.40 %
	2. Current Valuation	<u>3.12</u>
	3. Difference: 1 - 2	3.28
B.	Actuarial Present Value of Projected Covered Payroll	\$ 12,492,383
C.	Net Actuarial Gain (Loss): A3 x B	409,750
D.	Gain (Loss) Due to Investments	117,425
E.	Gain (Loss) from Other Sources	292,325

Net actuarial gains in previous years have been as follows:

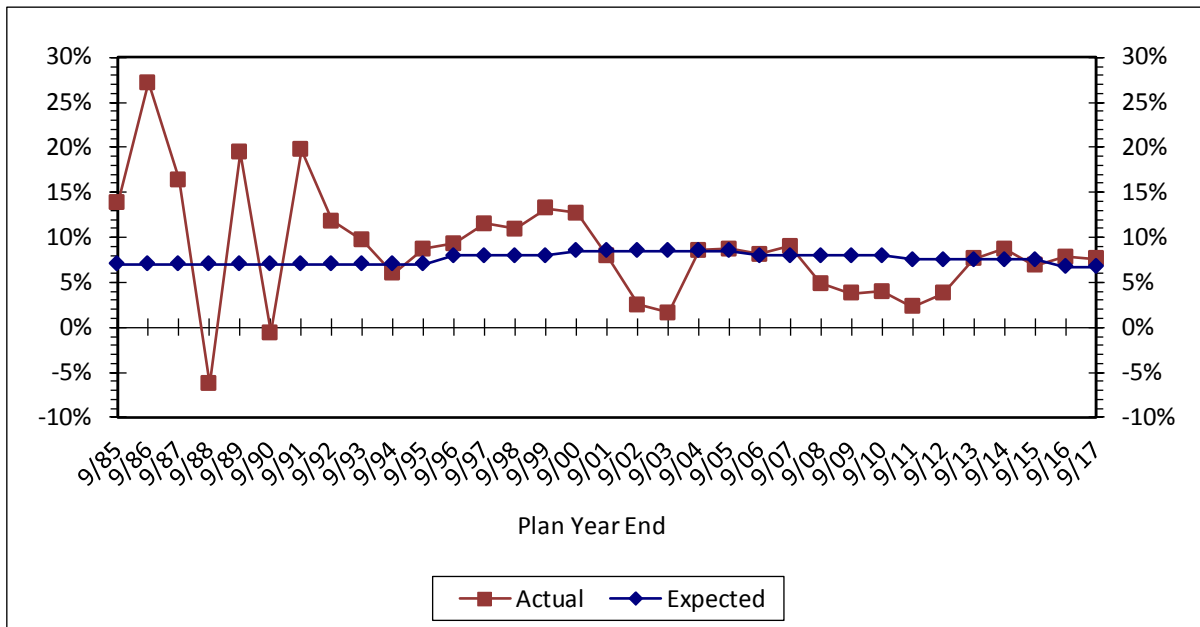
Year Ended	Change in Employer Normal Cost Rate	Gain (Loss)
9/30/89	(1.27) %	\$ 247,650
9/30/90	0.99	(208,184)
9/30/91	(1.89)	449,984
9/30/92	(0.46)	116,603
9/30/93	(0.85)	220,810
9/30/94	0.25	(72,092)
9/30/95	(0.75)	218,857
9/30/96	(0.62)	119,415
9/30/97	(1.09)	238,623
9/30/98	(0.63)	143,651
9/30/99	(1.14)	266,397
9/30/00	(0.42)	98,421
9/30/01	(0.99)	266,154
9/30/02	2.05	(526,865)
9/30/03	2.01	(566,552)
9/30/04	4.74	(1,665,087)
9/30/05	(0.06)	17,103
9/30/06	(1.24)	403,362
9/30/07	(1.34)	375,088
9/30/08	(0.43)	112,703
9/30/09	0.12	(31,231)
9/30/10	1.34	(392,336)
9/30/11	(0.27)	73,902
9/30/12	0.62	(159,767)
9/30/13	(2.52)	557,380
9/30/14	(2.31)	400,394
9/30/15	(0.37)	67,848
9/30/16	(2.46)	350,243
9/30/17	(3.28)	409,750

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they are in line with the actual experience. The table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last few years:

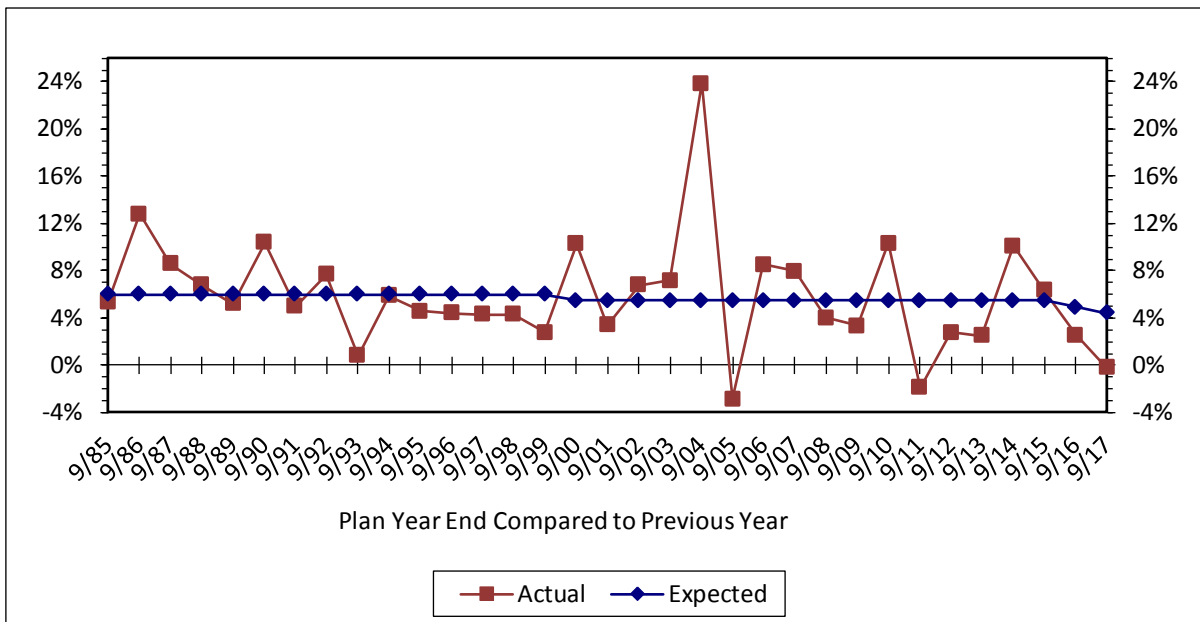
Year Ending	Investment Return		Salary Increases	
	Actual	Assumed	Actual	Assumed
9/30/1985	13.8 %	7.00 %	5.3 %	6.00 %
9/30/1986	27.2	7.00	12.8	6.00
9/30/1987	16.4	7.00	8.6	6.00
9/30/1988	(6.3)	7.00	6.8	6.00
9/30/1989	19.4	7.00	5.2	6.00
9/30/1990	(0.6)	7.00	10.4	6.00
9/30/1991	19.7	7.00	5.0	6.00
9/30/1992	11.8	7.00	7.7	6.00
9/30/1993	9.7	7.00	0.8	6.00
9/30/1994	6.0	7.00	5.9	6.00
9/30/1995	8.7	7.00	4.6	6.00
9/30/1996	9.3	8.00	4.4	6.00
9/30/1997	11.5	8.00	4.3	6.00
9/30/1998	10.9	8.00	4.3	6.00
9/30/1999	13.2	8.00	2.8	6.00
9/30/2000	12.7	8.50	10.3	5.50
9/30/2001	7.9	8.50	3.4	5.50
9/30/2002	2.5	8.50	6.8	5.50
9/30/2003	1.6	8.50	7.2	5.50
9/30/2004	8.6	8.50	23.9	5.50
9/30/2005	8.7	8.50	(2.9)	5.50
9/30/2006	8.1	8.00	8.5	5.50
9/30/2007	9.0	8.00	8.0	5.50
9/30/2008	4.9	8.00	4.0	5.50
9/30/2009	3.8	8.00	3.4	5.50
9/30/2010	4.0	8.00	10.3	5.50
9/30/2011	2.3	7.50	(1.9)	5.50
9/30/2012	3.8	7.50	2.8	5.50
9/30/2013	7.6	7.50	2.5	5.50
9/30/2014	8.7	7.50	10.1	5.50
9/30/2015	6.9	7.50	6.3	5.50
9/30/2016	7.8	6.75	2.5	4.90
9/30/2017	7.6	6.75	(0.2)	4.43
Averages	8.5 %	---	5.8 %	---

The actual investment return rates shown are based on the actuarial value of assets. The actual salary increase rates shown are the increases received by those active members who were included in the actuarial valuations both at the beginning and the end of each year.

History of Investment Return Based on Actuarial Value of Assets



History of Salary Increases



Actual (A) Compared to Expected (E) Decrements Among Active Employees													
Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Vested	Other	Totals		
									A	A	A	E	
9/30/2003	7	3	0	7	0	0	0	0	2	1	3	3	92
9/30/2004	10	8	5	8	0	0	0	0	1	2	3	3	94
9/30/2005	12	22	10	7	0	0	0	0	9	3	12	3	84
9/30/2006	15	9	0	2	0	0	1	0	4	4	8	2	90
9/30/2007	3	21	2	4	0	0	0	0	8	11	19	4	72
9/30/2008	6	14	6	3	0	0	0	0	7	1	8	2	64
9/30/2009	5	6	2	2	0	0	0	0	3	1	4	2	63
9/30/2010	4	3	1	2	0	0	0	0	0	2	2	2	64
9/30/2011	0	2	0	3	0	0	0	0	0	2	2	2	62
9/30/2012	2	6	2	3	0	0	1	0	1	2	3	2	58
9/30/2013	2	10	3	5	0	0	1	0	6	0	6	2	50
9/30/2014	1	12	2	5	0	0	0	0	8	2	10	2	39
9/30/2015	4	3	1	3	0	0	0	0	2	0	2	1	40
9/30/2016	0	0	2	3	0	0	0	0	2	0	2	2	36
9/30/2017	1	4	1	3	0	0	0	0	0	3	3	2	33
9/30/2018				2		0		0				1	
15 Yr Totals *	72	123	37	60	0	0	3	0	53	34	87	34	

* Totals are through current Plan Year only

HISTORY OF VALUATION RESULTS							
Valuation Date	Number of Members		Covered Annual Payroll	Actuarial Value of Assets	UFAAL	Employer Normal Cost	
	Active	Inactive				Amount	% of Payroll
10/1/88	71	37	\$ 1,473,422	\$ 1,743,234	\$ 0	\$ 176,109	12.0 %
10/1/89	83	37	1,715,049	2,105,292	0	184,804	10.8
10/1/90	79	37	1,848,726	2,134,052	0	232,938	12.6
10/1/91	86	34	2,022,569	2,531,076	0	219,669	10.9
10/1/92	87	35	2,153,587	2,645,252	0	216,069	10.0
10/1/93	91	35	2,241,595	3,018,716	0	205,294	9.2
10/1/94	96	35	2,471,296	3,209,342	0	258,406	10.5
10/1/95	93	35	2,451,309	3,471,658	0	245,007	10.0
10/1/96	80	39	2,251,610	3,805,073	0	229,496	10.2
10/1/97	79	40	2,380,024	4,301,968	0	214,402	9.0
10/1/98	79	42	2,435,518	4,574,342	0	204,401	8.4
10/1/99	83	46	2,532,741	5,179,781	535,528	247,653	9.8
10/1/00	84	45	2,761,773	5,732,329	1,891,134	285,337	10.3
10/1/01	93	45	3,127,313	6,312,447	1,899,439	297,452	9.5
10/1/02	88	49	3,076,493	6,193,676	1,900,967	359,426	11.7
10/1/03	92	48	3,443,843	6,759,012	2,555,216	451,615	13.1
10/1/04	94	48	4,275,981	6,578,832	2,618,609	760,337	17.8
10/1/05	84	55	3,220,258	3,817,605	2,956,402	596,120	18.5
10/1/06	90	56	3,680,960	5,283,023	2,970,967	628,515	17.1
10/1/07	72	59	3,238,894	6,481,382	2,944,876	505,658	15.6
10/1/08	64	60	2,977,995	5,824,447	2,951,925	454,988	15.3
10/1/09	63	55	3,046,421	6,048,808	811,721	375,751	12.3
10/1/10	64	55	3,424,324	6,863,057	1,696,464	510,653	14.9
10/1/11	62	51	3,251,285	7,771,444	1,556,580	477,749	14.7
10/1/12	58	53	3,203,302	8,758,198	1,573,621	492,290	15.4
10/1/13	50	63	2,714,355	10,035,961	1,604,388	348,982	12.9
10/1/14	39	71	2,296,648	11,352,033	1,669,865	244,013	10.6
10/1/15	40	68	2,486,110	12,424,588	2,697,929	237,193	9.5
10/1/16	36	70	2,223,055	13,628,623	2,678,590	165,001	7.4
10/1/17	33	71	2,016,077	14,832,519	2,490,109	86,480	4.3

HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS				
Valuation	End of Year To Which Valuation Applies	Required Contribution		Actual Contribution*
		Amount	% of Payroll	
10/1/88	9/30/89	\$ 183,611	12.46 %	\$ 184,000
10/1/89	9/30/90	192,677	11.23	195,000
10/1/90	9/30/91	242,868	13.14	245,000
10/1/91	9/30/92	229,034	11.42	230,000
10/1/92	9/30/93	225,280	10.46	226,000
10/1/93	9/30/94	214,046	9.55	223,000
10/1/94	9/30/95	269,422	10.90	270,000
10/1/95	9/30/96	259,751	10.65	260,000
10/1/96	9/30/97	240,637	10.69	245,169
10/1/97	9/30/98	224,810	9.45	250,721
10/1/98	9/30/99	214,323	8.80	227,112
10/1/99	9/30/00	292,866	11.56	372,744
10/1/00	9/30/01	415,152	15.03	447,128
10/1/01	9/30/02	430,411	13.76	467,750
10/1/02	9/30/03	502,855	16.35	503,220
10/1/02	9/30/04	523,127	16.35	524,000
10/1/03	9/30/05	662,237	18.49	662,237
10/1/04	9/30/06	1,007,695	22.66	1,007,695
10/1/05	9/30/07	866,069	25.86	873,854
10/1/06	9/30/08	875,126	22.86	876,712
10/1/07	9/30/09	761,943	22.62	765,381
10/1/08	9/30/10	734,636	23.72	759,529
10/1/09	9/30/11	499,954	15.78	646,537
10/1/10	9/30/12	696,946	19.57	625,209
10/1/11	9/30/13	671,534	19.86	579,118
10/1/12	9/30/14	693,605	20.82	562,953
10/1/13	9/30/15	551,600	19.54	464,189
10/1/14	9/30/16	451,907	18.92	458,615
10/1/15	9/30/17	519,821	20.30	527,617
10/1/16	9/30/18	449,477	19.63	na
10/1/17	9/30/19	355,507	17.12	na

* Actual contribution is based on the percent of actual covered payroll for fiscal years ending 9/30/12 through 9/30/15.

HISTORY OF UAAL AND FUNDED RATIO

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b - a) / c
10/1/91	\$ 2,531,076	\$ 2,716,601	\$ 185,525	93.2 %	\$ 2,022,569	9.2 %
10/1/92	2,645,252	3,055,166	409,914	86.6	2,153,587	19.0
10/1/93	3,018,716	3,258,012	239,296	92.7	2,241,595	10.7
10/1/94	3,209,342	3,659,663	450,321	87.7	2,471,296	18.2
10/1/95	3,471,658	4,132,092	660,434	84.0	2,451,309	26.9
10/1/96	3,805,073	4,295,018	489,945	88.6	2,251,610	21.8
10/1/97	4,301,968	4,585,587	283,619	93.8	2,380,024	11.9
10/1/98	4,574,342	4,733,864	159,522	96.6	2,435,518	6.5
10/1/99	5,179,781	5,943,849	764,068	87.1	2,543,984	30.0
10/1/00	5,732,329	7,508,961	1,776,632	76.3	2,761,773	64.3
10/1/01	6,312,447	8,150,125	1,837,678	77.5	3,127,313	58.8
10/1/02	6,193,676	8,594,442	2,400,766	72.1	3,076,493	78.0
10/1/03	6,759,012	10,404,349	3,645,337	65.0	3,443,843	105.9
10/1/04	6,578,832	12,084,785	5,505,953	54.4	4,275,981	128.8
10/1/05	3,817,605	9,116,599	5,298,994	41.9	3,220,258	164.6
10/1/06	5,283,023	10,490,332	5,207,309	50.4	3,680,960	141.5
10/1/07	6,481,382	10,997,783	4,516,401	58.9	3,238,894	139.4
10/1/08	5,824,447	10,138,981	4,314,534	57.4	2,977,995	144.9
10/1/09	6,048,808	8,328,331	2,279,523	72.6	3,046,421	74.8
10/1/10	6,863,057	10,516,549	3,653,492	65.3	3,424,324	106.7
10/1/11	7,771,444	11,103,522	3,332,078	70.0	3,251,285	102.5
10/1/12	8,758,198	12,231,978	3,473,780	71.6	3,203,302	108.4
10/1/13	10,035,961	12,728,438	2,692,477	78.8	2,714,355	99.2
10/1/14	11,352,033	13,506,471	2,154,438	84.0	2,296,648	93.8
10/1/15	12,424,588	15,444,957	3,020,369	80.4	2,486,110	121.5
10/1/16	13,628,623	16,276,003	2,647,380	83.7	2,223,055	119.1
10/1/17	14,832,519	16,912,619	2,080,100	87.7	2,016,077	103.2

ACTUARIAL ASSUMPTIONS AND COST METHOD

Valuation Methods

Actuarial Cost Method – Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using the **Frozen Entry-Age Actuarial Cost Method**. The excess of the Actuarial Present Value of Projected Benefits of the group included in the valuation, over the sum of the Actuarial Value of Assets, the Unfunded Frozen Actuarial Accrued Liability and the Actuarial Present Value of Future Member Contribution (if any) is allocated as a level percentage of earnings of the group between the valuation date and the assumed retirement age. This allocation is performed for the group as a whole, not as a sum of individual allocations. The portion of this Actuarial Present Value allocated to a specific year is called the Employer Normal Cost.

Under this method, actuarial gains (losses) reduce (increase) future Normal Costs.

Financing of Unfunded Actuarial Accrued Liabilities - Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) dollar contributions over a reasonable period of future years.

Actuarial Value of Assets - The Actuarial Value of Assets phases in the difference between the expected return on the actuarial value of assets and the actual return on the market of assets at the rate of 20% per year. The Actuarial Value of Assets is further adjusted if necessary to fall within the corridor whose lower limit is 80% of the Market Value of plan assets and whose upper limit is 120% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

Valuation Assumptions

The actuarial assumptions used in the valuation are shown in this Section. The decrement assumptions were established following the Experience Study Report dated May 3, 2016.

Economic Assumptions

The investment return rate assumed in the valuation is 6.75% per year, compounded annually (net after investment expenses).

The inflation rate assumed in this valuation was 2.75% per year. The inflation rate is defined to be the long-term rate of annual increases in the prices of goods and services.

The assumed **real rate of return** over inflation is defined to be the portion of total investment return that is more than the assumed inflation rate. Considering other economic assumptions, the 6.75% investment return rate translates to an assumed real rate of return over inflation of 4%.

The payroll growth assumption used to project total covered payroll to the following fiscal year is 3% per year.

The active member population is assumed to remain constant.

The assumed rates of salary increases for individual active members are based on age and years of service as shown in the table below. Part of the assumption is for merit and/or seniority increases, and the other 2.75% recognizes inflation, productivity increases, and other macroeconomic forces.

Years of Service	% Increase in Salary		
	Merit and Seniority	Base (Economic)	Total Increase
<1	7.25%	2.75%	10.0%
1 - 2	6.25%	2.75%	9.0%
2 - 3	5.25%	2.75%	8.0%
3 - 4	4.25%	2.75%	7.0%
4 - 5	3.25%	2.75%	6.0%
5 - 10	2.25%	2.75%	5.0%
10 & Over	1.25%	2.75%	4.0%

Demographic Assumptions

The mortality table is the RP-2000 Combined Healthy Participant Mortality Table for active members and the RP-2000 Annuitant Mortality Table for non-disabled inactive members, with mortality improvement projected to all future years from the year 2000 using Projection Scale BB. Rates have been adjusted to be a blend of 50% White Collar and 50% Blue Collar (male) and 100% White Collar (female). These are the same rates currently in use for Regular Class members of the Florida Retirement System (FRS), as mandated by Florida Statutes Chapter 112.63.

Sample Attained Ages (in 2017)	(Active) Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.21 %	0.15 %	35.58	38.66
55	0.36	0.24	30.46	33.51
60	0.61	0.39	25.53	28.49
65	1.08	0.70	20.88	23.67
70	1.78	1.24	16.59	19.19
75	2.97	2.09	12.73	15.11
80	5.03	3.51	9.40	11.49

Sample Attained Ages (in 2017)	(Inactive) Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.55 %	0.23 %	34.66	38.31
55	0.60	0.32	30.03	33.29
60	0.76	0.47	25.36	28.39
65	1.15	0.74	20.84	23.65
70	1.78	1.24	16.59	19.19
75	2.97	2.09	12.73	15.11
80	5.03	3.51	9.40	11.49

For disabled lives, the mortality table used was the RP-2000 Mortality for Disabled Annuitants, set-back 4 years for males and set-forward 2 years for females, with no provision being made for future mortality improvements. These are the same rates currently in use for Regular Class members of the Florida Retirement System.

Sample Attained Ages (in 2017)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	2.38 %	1.35 %	20.25	23.74
55	3.03	1.87	17.78	20.46
60	3.67	2.41	15.55	17.43
65	4.35	3.13	13.44	14.58
70	5.22	4.29	11.39	11.96
75	6.58	5.95	9.43	9.65
80	8.70	8.23	7.65	7.66

The rates of retirement used to measure the probability of eligible members retiring during the next year were as follows:

Number of Years after First Eligibility for Early Retirement: 5% per year

Number of Years After First Eligibility for Normal Retirement	Probability of Normal Retirement
0 - 1	40 %
1 - 10	25
10 & Over	100

Rates of separation from active membership were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment for reasons other than death, disability, or retirement.

Sample Ages	Years of Service	Percent Separating Within Next Year
ALL Ages	Under 3	18.0 %
	3 - 5	8.0
25	5 & Over	12.0
30		12.0
35		12.0
40		9.0
45		7.0
50		4.0
55 & Over		0.5

Rates of disability among active members – It was assumed that no members would become disabled.

Changes from previous valuation:

There have been no changes in assumptions or methods since the previous valuation.

Miscellaneous and Technical Assumptions

Administrative & Investment Expenses

The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the average of the prior two years' expenses. Assumed administrative expenses are added to the Normal Cost.

Benefit Service

Exact fractional service is used to determine the amount of benefit payable.

Decrement Operation

Mortality operates during retirement eligibility.

Decrement Timing

Decrements of all types are assumed to occur at the beginning of the year.

Eligibility Testing

Eligibility for benefits is determined using the age nearest birthday and service nearest whole year on the anniversary of the valuation date.

Forfeitures

For vested separations from service, it is assumed that 0% of members separating will withdraw their contributions and forfeit an employer financed benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions.

Incidence of Contributions

Employer contributions are assumed to be made at the end of each biweekly pay period. Member 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.

Marriage Assumption

100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.

Normal Form of Benefit

A life annuity is the normal form of benefit.

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.

Cost of Living Increase

2.5% per year for members hired before February 1, 1982, members hired after September 30, 2000, or those hired before October 1, 2000 who elected to contribute an additional 2%.

Service Credit Accruals

It is assumed that members accrue one year of service credit per year.

GLOSSARY OF TERMS

<i>Actuarial Accrued Liability (AAL)</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
<i>Actuarial Cost Method</i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value (APV)</i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i>Actuarial Present Value of Future Benefits (APVFB)</i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i>Actuarial Valuation</i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB.
<i>Actuarial Value of Assets</i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined employer contribution (ADEC).

<i>Amortization Method</i>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<i>Amortization Payment</i>	That portion of the plan contribution or ADEC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Actuarially Determined Employer Contribution (ADEC)</i>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB. The ADEC consists of the Employer Normal Cost and Amortization Payment.
<i>Closed Amortization Period</i>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<i>Experience Gain/Loss</i>	A measure of the difference between the normal cost rate from last year and the normal cost rate from this year.
<i>Frozen Entry Age Actuarial Cost Method</i>	A method under which the excess of the Actuarial Present Value of Projected Benefits of the group included in the valuation, over the sum of the Actuarial Value of Assets, the Unfunded Frozen Actuarial Accrued Liability and the Actuarial Present Value of Future Member Contributions (if any) is allocated as a level percentage of earnings of the group between the valuation date and the assumed retirement age. This allocation is performed for the group as a whole, not as a sum of individual allocations. The portion of this Actuarial Present Value allocated to a specific year is called the <i>Employer Normal Cost</i> . Under

this method, actuarial gains (losses) reduce (increase) future Normal Costs.

Frozen Actuarial Accrued Liability

The portion of the Actuarial Present Value of Projected Benefits which is separated as of a valuation date and frozen under the Actuarial Cost Method being used. This separated portion is the sum of an initial Unfunded Actuarial Accrued Liability and any increments or decrements in the Actuarial Accrued Liability established subsequently as a result of changes in pension plan benefits, Actuarial Assumptions or methods.

Funded Ratio

The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.

GASB

Governmental Accounting Standards Board.

***GASB No. 68 and
GASB No. 67***

These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.

Frozen Actuarial Accrued Liability

The portion of the Actuarial Present Value of Projected Benefits which is separated as of a valuation date and frozen under the Actuarial Cost Method being used. This separated portion is the sum of an initial Unfunded Actuarial Accrued Liability and any increments or decrements in the Actuarial Accrued Liability established subsequently as a result of changes in pension plan benefits, Actuarial Assumptions or methods.

Normal Cost

The annual cost assigned, under the Actuarial Cost Method, to the current plan year.

Open Amortization Period

An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.

Unfunded Actuarial Accrued Liability

The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.

Valuation Date

The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

SECTION C

PENSION FUND INFORMATION

STATEMENT OF ASSETS

Item	September 30	
	2017	2016
A. Cash and Cash Equivalents (Operating Cash)	\$ -	\$ -
B. Receivables:		
1. Member Contributions	\$ -	\$ -
2. Employer Contributions	-	-
3. Investment Income and Other Receivables	51,195	16,869
4. Total Receivables	\$ 51,195	\$ 16,869
C. Investments		
1. Short-Term Investments	\$ 284,925	\$ 282,653
2. Domestic and International Equities	9,406,318	10,104,076
3. Domestic and International Fixed Income	5,429,938	3,107,648
4. Real Estate	-	-
5. Private Equity	-	-
6. Total Investments	\$ 15,121,181	\$ 13,494,377
D. Liabilities		
1. Benefits/Refunds Payable	\$ -	\$ -
2. Lump Sums Distributions Payable	-	-
3. Accrued Expenses and Other Payables	(23,692)	(10,977)
4. Other	-	-
5. Total Liabilities	\$ (23,692)	\$ (10,977)
E. Total Market Value of Assets Available for Benefits	\$ 15,148,684	\$ 13,500,269
F. Allocation of Investments		
1. Short-Term Investments	1.88%	2.09%
2. Domestic and International Equities	62.21%	74.88%
3. Domestic and International Fixed Income	35.91%	23.03%
4. Real Estate	0.00%	0.00%
5. Private Equity	0.00%	0.00%
6. Total Investments	100.00%	100.00%

INCOME AND DISBURSEMENTS

Item	September 30	
	2017	2016
A. Market Value of Assets at Beginning of Year	\$ 13,500,269	\$ 12,109,145
B. Revenues and Expenditures		
1. Contributions		
a. Employee Contributions	\$ 110,417	\$ 126,947
b. Village Contributions	527,617	458,615
c. Purchased Service Credit	-	-
d. Total	\$ 638,034	\$ 585,562
2. Investment Income		
a. Interest, Dividends, and Other Income	\$ 374,112	\$ 379,460
b. Realized Gains/(Losses)*	1,157,744	832,260
c. Unrealized Gains/(Losses)	-	-
d. Investment Expenses	(44,543)	(50,190)
e. Net Investment Income	\$ 1,487,313	\$ 1,161,530
3. Benefits and Refunds		
a. Refunds	\$ (13,492)	\$ -
b. Regular Monthly Benefits	(441,079)	(331,174)
c. Lump Sum Distributions	-	-
d. Total	\$ (454,571)	\$ (331,174)
4. Administrative and Miscellaneous Expenses	\$ (22,361)	\$ (24,794)
C. Market Value of Assets at End of Year	\$ 15,148,684	\$ 13,500,269

* We were not provided with a breakdown of realized and unrealized gains/(losses) for FYE 9/30/2016 and FYE 9/30/2017.

ACTUARIAL VALUE OF ASSETS

Valuation Date – September 30	2016	2017	2018	2019	2020	2021
A. Actuarial Value of Assets Beginning of Year	\$ 12,424,588	\$ 13,628,623	\$ -	\$ -	\$ -	\$ -
B. Market Value End of Year	13,500,269	15,148,684	-	-	-	-
C. Market Value Beginning of Year	12,109,145	13,500,269	-	-	-	-
D. Non-Investment/Administrative Net Cash Flow	229,594	161,102				
E. Investment Income						
E1. Actual Market Total: B-C-D	1,161,530	1,487,313	-	-	-	-
E2. Assumed Rate of Return	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
E3. Assumed Amount of Return	846,408	925,369	-	-	-	-
E4. Amount Subject to Phase-In: E1-E3	315,122	561,944	-	-	-	-
F. Phase-In Recognition of Investment Income						
F1. Current Year: 0.20 x E4	63,024	112,389	-	-	-	-
F2. First Prior Year	(191,569)	63,024	112,389	-	-	-
F3. Second Prior Year	60,677	(191,569)	63,024	112,389	-	-
F4. Third Prior Year	72,904	60,677	(191,569)	63,024	112,389	-
F5. Fourth Prior Year	122,997	72,904	60,677	(191,569)	63,024	112,389
F6. Total Phase-Ins	128,033	117,425	44,521	(16,156)	175,413	112,389
G. Actuarial Value of Assets (AVA) End of Year						
G1. Preliminary AVA End of Year: A+D+E3+F6	\$ 13,628,623	\$ 14,832,519	\$ -	\$ -	\$ -	\$ -
G2. Upper Corridor Limit: 120%*B	16,200,323	18,178,421	-	-	-	-
G3. Lower Corridor Limit: 80%*B	10,800,215	12,118,947	-	-	-	-
G4. Funding Value End of Year	13,628,623	14,832,519	-	-	-	-
G5. Less: DROP Balance	-	-	-	-	-	-
G6. Final Funding Value End of Year	13,628,623	14,832,519	-	-	-	-
H. Difference between Market & AVA	(128,354)	316,165	\$ -	\$ -	\$ -	\$ -
I. Actuarial Rate of Return	7.77%	7.61%	0.00%	0.00%	0.00%	0.00%
J. Market Value Rate of Return	9.50%	10.95%	0.00%	0.00%	0.00%	0.00%
K. Ratio of AVA to Market Value	100.95%	97.91%	0.00%	0.00%	0.00%	0.00%

Year Ended	Investment Rate of Return*	
	Market Value**	Actuarial Value
9/30/85	13.8 %	13.8 %
9/30/86	27.2	27.2
9/30/87	16.4	16.4
9/30/88	(6.3)	(6.3)
9/30/89	19.4	19.4
9/30/90	(0.6)	(0.6)
9/30/91	19.7	19.7
9/30/92	11.8	11.8
9/30/93	10.0	9.7
9/30/94	(1.5)	6.0
9/30/95	18.6	8.7
9/30/96	12.6	9.3
9/30/97	23.1	11.5
9/30/98	5.6	10.9
9/30/99	13.9	13.2
9/30/00	13.0	12.7
9/30/01	(4.6)	7.9
9/30/02	(6.6)	2.5
9/30/03	10.9	1.6
9/30/04	9.0	8.6
9/30/05	9.0	8.7
9/30/06	6.9	8.1
9/30/07	12.6	9.0
9/30/08	(11.4)	4.9
9/30/09	3.8	3.8
9/30/10	8.8	4.0
9/30/11	(1.6)	2.3
9/30/12	16.9	3.8
9/30/13	11.5	7.6
9/30/14	10.1	8.7
9/30/15	(0.8)	6.9
9/30/16	9.5	7.8
9/30/17	11.0	7.6
Average Returns:		
Last 5 Years	8.2 %	7.7 %
Last 10 Years	5.5 %	5.7 %
All Years	8.5 %	8.5 %

* Figures prior to 1988 were taken from the previous actuary's report for 1987.

** Net rate after investment expenses starting in 2004.

SECTION D

FINANCIAL ACCOUNTING INFORMATION

FASB NO. 35 INFORMATION		
A. Valuation Date	October 1, 2017	October 1, 2016
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	\$ 6,635,136	\$ 5,824,976
b. Terminated Vested Members	2,306,619	2,306,299
c. Other Members	6,531,144	6,313,963
d. Total	15,472,899	14,445,238
2. Non-Vested Benefits	77,198	137,729
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	15,550,097	14,582,967
4. Accumulated Contributions of Active Members	1,000,465	970,613
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	14,582,967	13,513,200
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment	0	0
b. Change in Actuarial Assumptions	0	7,061
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	1,421,701	1,393,880
d. Benefits Paid	(454,571)	(331,174)
e. Net Increase	967,130	1,069,767
3. Total Value at End of Period	15,550,097	14,582,967
D. Market Value of Assets	15,148,684	13,500,269

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
GASB Statement No. 67**

Fiscal year ending September 30,	2018*	2017	2016	2015	2014
Total pension liability					
Service Cost	\$ 250,072	\$ 275,504	\$ 357,344	\$ 317,676	\$ 374,926
Interest	1,159,168	1,116,142	1,106,085	1,048,746	972,865
Benefit Changes	-	-	-	-	-
Difference between actual & expected experience	(307,977)	(246,222)	(129,381)	(329,040)	-
Assumption Changes	-	23,053	928,295	-	-
Benefit Payments	(554,556)	(441,079)	(331,174)	(267,777)	(221,537)
Refunds	(2,110)	(13,492)	-	(26,113)	(42,137)
Net Change in Total Pension Liability	544,597	713,906	1,931,169	743,492	1,084,117
Total Pension Liability - Beginning	17,201,122	16,487,216	14,556,047	13,812,555	12,728,438
Total Pension Liability - Ending (a)	\$ 17,745,719	\$ 17,201,122	\$ 16,487,216	\$ 14,556,047	\$ 13,812,555
Plan Fiduciary Net Position					
Contributions - Employer (from Village)	\$ 449,477	\$ 527,617	\$ 458,615	\$ 464,189	\$ 562,953
Contributions - Employer (from State)	-	-	-	-	-
Contributions - Non-Employer Contributing Entity	-	-	-	-	-
Contributions - Member	106,775	110,417	126,947	125,738	142,609
Net Investment Income	1,021,726	1,487,313	1,161,530	(96,116)	1,072,009
Benefit Payments	(554,556)	(441,079)	(331,174)	(267,777)	(221,537)
Refunds	(2,110)	(13,492)	-	(26,113)	(42,137)
Administrative Expense	(23,578)	(22,361)	(24,794)	(20,655)	(17,171)
Other	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	997,734	1,648,415	1,391,124	179,266	1,496,726
Plan Fiduciary Net Position - Beginning	15,148,684	13,500,269	12,109,145	11,929,879	10,433,153
Plan Fiduciary Net Position - Ending (b)	\$ 16,146,418	\$ 15,148,684	\$ 13,500,269	\$ 12,109,145	\$ 11,929,879
Net Pension Liability - Ending (a) - (b)	1,599,301	2,052,438	2,986,947	2,446,902	1,882,676
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.99 %	88.07 %	81.88 %	83.19 %	86.37 %
Covered Payroll	\$ 2,016,077	\$ 2,072,121	\$ 2,376,069	\$ 2,375,585	\$ 2,701,771
Net Pension Liability as a Percentage of Covered Payroll	79.33 %	99.05 %	125.71 %	103.00 %	69.68 %

* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY
GASB Statement No. 67

<u>FY Ending September 30,</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as a % of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a % of Covered Payroll</u>
2018*	\$ 17,745,719	\$ 16,146,418	\$ 1,599,301	90.99%	\$ 2,016,077	79.33%
2017	17,201,122	15,148,684	2,052,438	88.07%	2,072,121	99.05%
2016	16,487,216	13,500,269	2,986,947	81.88%	2,376,069	125.71%
2015	14,556,047	12,109,145	2,446,902	83.19%	2,375,585	103.00%
2014	13,812,555	11,929,879	1,882,676	86.37%	2,701,771	69.68%

*** These figures are estimates only. Actual figures will be provided after the end of the fiscal year.**

NOTES TO NET PENSION LIABILITY
GASB Statement No. 67

Valuation Date: October 1, 2017
Measurement Date: September 30, 2018

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.75%
Salary Increases	4.0% to 10.0% depending on years of service, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Experience Studies	The most recent experience study was completed May 3, 2016. This experience study examined actual demographic experience and salary increases during the six-year period ending September 30, 2015. Based on the results of this experience study, certain applicable assumptions were implemented effective with the October 1, 2015 actuarial valuation.
Mortality	Florida Retirement System (FRS) mortality rates for Regular Class members: RP-2000 Combined Healthy Participant Mortality Table for active members and RP-2000 Annuitant Mortality Table for non-disabled inactive members, with mortality improvements projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment.

Other Information:

Notes See Discussion of Valuation Results on Page 1.

SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 67

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2018*	\$ 449,477	\$ 449,477	\$ -	\$ 2,016,077	22.29%
2017	519,821	527,617	(7,796)	2,072,121	25.46%
2016	449,552	458,615	(9,063)	2,376,069	19.30%
2015	464,189	464,189	-	2,375,585	19.54%
2014	562,509	562,953	(444)	2,701,771	20.84%

* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

NOTES TO SCHEDULE OF CONTRIBUTIONS

GASB Statement No. 67

Valuation Date: October 1, 2016

Notes Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Frozen Entry Age
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	30
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	4.0% to 10.0% depending on years of service, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Experience Studies	The most recent experience study was completed May 3, 2016. This experience study examined actual demographic experience and salary increases during the six-year period ending September 30, 2015. Based on the results of this experience study, certain applicable assumptions were implemented effective with the October 1, 2015 actuarial valuation.
Mortality	Florida Retirement System (FRS) mortality rates for Regular Class members: RP-2000 Combined Healthy Participant Mortality Table for active members and RP-2000 Annuitant Mortality Table for non-disabled inactive members, with mortality improvements projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment.

Other Information:

Notes See Discussion of Valuation Results on Page 1 of the October 1, 2016 Actuarial Valuation Report dated May 2, 2017.

SINGLE DISCOUNT RATE GASB Statement No. 67

A single discount rate of 6.75% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.75%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption*

1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.75%	6.75%	7.75%
\$4,116,718	\$1,599,301	(\$474,795)

* These figures are estimates for fiscal year ending September 30, 2018. Actual figures will be provided after the end of the fiscal year.

SECTION E

MISCELLANEOUS INFORMATION

RECONCILIATION OF MEMBERSHIP DATA		
	From 10/1/16 to 10/1/17	From 10/1/15 to 10/1/16
A. Active Members		
1. Number Included in Last Valuation	36	40
2. New Members Included in Current Valuation	1	0
3. Non-Vested Employment Terminations	(3)	0
4. Vested Employment Terminations	0	(2)
5. Service Retirements	(1)	(2)
6. Disability Retirements	0	0
7. Deaths	0	0
8. Other	0	0
9. Number Included in This Valuation	33	36
B. Terminated Vested Members		
1. Number Included in Last Valuation	39	41
2. Additions from Active Members	0	2
3. Lump Sum Payments/Refund of Contributions	0	0
4. Payments Commenced	(3)	(4)
5. Deaths	0	0
6. Other--Return to Actives	0	0
7. Number Included in This Valuation	36	39
C. Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	31	27
2. Additions from Active Members	1	2
3. Additions from Terminated Vested Members	3	4
4. Additions from DROP Plan	0	0
4. Deaths Resulting in No Further Payments	0	(2)
5. Deaths Resulting in New Survivor Benefits	0	0
6. End of Certain Period - No Further Payments	0	0
7. Other -- Lump Sum Distributions	0	0
8. Number Included in This Valuation	35	31

NORTH PALM BEACH GENERAL EMPLOYEES - ACTIVE MEMBERS ON OCTOBER 1, 2017

Age Group	Years of Service							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	
20-24 No.								
Total Pay								
Avg Pay								
25-29 No.		1						1
Total Pay		35,998						35,998
Avg Pay		35,998						35,998
30-34 No.								
Total Pay								
Avg Pay								
35-39 No.			3					3
Total Pay			161,210					161,210
Avg Pay			53,737					53,737
40-44 No.	1		2					3
Total Pay	52,040		184,959					236,999
Avg Pay	52,040		92,480					79,000
45-49 No.	1			1				2
Total Pay	34,919			43,378				78,297
Avg Pay	34,919			43,378				39,149
50-54 No.	1			1	1	1	2	6
Total Pay	38,357			64,376	63,799	47,274	116,790	330,596
Avg Pay	38,357			64,376	63,799	47,274	58,395	55,099
55-59 No.	1	3	3		1	3	1	12
Total Pay	43,680	142,839	162,808		68,813	249,507	69,220	736,867
Avg Pay	43,680	47,613	54,269		68,813	83,169	69,220	61,406
60-64 No.				1	1		1	3
Total Pay				48,637	48,748		59,970	157,355
Avg Pay				48,637	48,748		59,970	52,452
65-99 No.			1	1			1	3
Total Pay			52,405	56,408			127,282	236,095
Avg Pay			52,405	56,408			127,282	78,698
Total No.	4	4	9	4	3	4	5	33
Total Pay	168,996	178,837	561,382	212,799	181,360	296,781	373,262	1,973,417
Avg Pay	42,249	44,709	62,376	53,200	60,453	74,195	74,652	59,801

NORTH PALM BEACH GENERAL INACTIVE PARTICIPANTS RECEIVING THE COLA

AS OF OCTOBER 1, 2017

Age	Terminated Vested		Disabled		Retirees and Beneficiaries	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 45	0	\$0	0	\$0	0	\$0
45-49	4	\$66,239	0	0	0	\$0
50-54	7	\$81,612	0	0	0	\$0
55-59	3	\$41,052	0	0	2	\$50,724
60-64	1	\$1,741	0	0	8	\$212,786
65-69	0	\$0	0	0	6	\$56,694
70-74	0	\$0	0	0	2	\$27,798
75-79	0	\$0	0	0	0	\$0
80-84	0	\$0	0	0	0	\$0
85-89	0	\$0	0	0	0	\$0
90 & Up	0	\$0	0	0	0	\$0
Total	15	\$190,644	0	\$0	18	\$348,002

NORTH PALM BEACH GENERAL INACTIVE PARTICIPANTS NOT RECEIVING THE COLA

AS OF OCTOBER 1, 2017

Age	Terminated Vested		Disabled		Retirees and Beneficiaries	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 45	2	\$24,960	0	\$0	0	\$0
45-49	1	4,080	0	0	0	0
50-54	6	38,980	0	0	0	0
55-59	8	36,738	0	0	2	11,992
60-64	3	7,573	0	0	7	101,983
65-69	1	2,017	0	0	3	16,410
70-74	0	0	0	0	3	6,247
75-79	0	0	0	0	1	620
80-84	0	0	0	0	0	0
85-89	0	0	0	0	1	3,240
90 & Up	0	0	0	0	0	0
Total	21	\$114,348	0	\$0	17	\$140,492

SECTION F

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

A. Ordinances

Plan established under the Code of Ordinances for the Village of North Palm Beach, Florida, Part II, Chapter 2, and was most recently amended under Ordinance No. 2010-7 passed May 27, 2010 and effective February 25, 2010. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

B. Effective Date

September 1, 1967

C. Plan Year

October 1 through September 30

D. Type of Plan

Qualified, governmental defined benefit retirement plan; for GASB purposes it is a single employer plan.

E. Eligibility Requirements

All full-time, General Employees are eligible for membership.

F. Credited Service

Total number of years and fractional parts of years of actual service.

G. Compensation

Total compensation for services rendered to the Village as a General Employee includes gross salary including overtime but excluding bonuses or any other non regular payments such as unused sick leave and vacation pay.

H. Final Average Compensation (FAC)

The average of Compensation during the 5 years within the last 10 years of employment which produces the highest average.

I. Normal Retirement

Eligibility: A member may retire on the first day of the month coincident with or next following:

- Age 65 for employees hired prior to 1983
- Age 65 and 9 years of credited service or Age 60 and 9 years of credited service, depending on employee hire date and/or employee contribution

rate.

Benefit: Either 2%, 2.25%, or 2.50% (depending on employee contribution rate) of AME multiplied by Credited Service up to 20 years plus 1% of AME multiplied by Credited Service over 20 years.

Normal Form of Benefit: Life Annuity, with other options available.

COLA: For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

J. Early Retirement

Eligibility: Age 55.

Benefit: Calculated in the same manner as Normal Retirement Benefit and payable at Normal Retirement Date; or payable immediately after reduction by 5% for each year by which the benefit commencement date precedes the Normal Retirement Date.

Normal Form of Benefit: Life Annuity, with other options available.

COLA: For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

K. Delayed Retirement

Eligibility: Any time after the Normal Retirement Date.

Benefit: Calculated in the same manner as Normal Retirement Benefit but using the AME and Credited Service as of the actual retirement date.

Normal Form of Benefit: Life Annuity, with other options available.

COLA: For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

L. Service Connected Disability

Eligibility: The Plan does not provide for benefits in the event of disability.

Benefit: N/A.

Normal Form: N/A.

COLA: N/A.

M. Non-Service Connected Disability

Eligibility: The Plan does not provide for benefits in the event of disability.

Benefit: N/A.

Normal Form: N/A.

COLA: N/A.

N. Death while employed by the Village

Eligibility: Members are eligible for survivor benefits after the completion of 5 years of Credited Service. The benefit will be paid to the member's beneficiary.

Benefit: The survivor benefit payable to the designated beneficiary is the member's vested accrued Normal Retirement Benefit as of the date of death.

Normal Form
of Benefit: Ten Years Certain.

COLA: For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

O. Other Pre-Retirement Death

Eligibility: Vested terminated members who have reached age 55 and completed 5 years of Credited Service.

Benefit: Benefit payable as if member retired on the date of death, selected a 50% Joint & Survivor annuity, and then passed away, with 50% of the benefit then continuing to the survivor.

Normal Form
of Benefit: Life of the beneficiary.

COLA: For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid

annually from the Plan, up to a maximum of 3%.

P. Post Retirement Death

Benefit determined by the form of benefit elected upon retirement.

Q. Optional Forms

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are the 10 Year Certain and Life option or the 50%, 66.67%, 75% or 100% Joint and Survivor options. A Social Security option is also available for members retiring prior to the time they are eligible for Social Security retirement benefits. The Pension Board also reserves the right to pay out beneficiaries with this option when the monthly benefit amount is less than \$100.00.

R. Vested Termination

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 5 years of Credited Service.

Benefit: The benefit is the Accrued Benefit on the termination date multiplied by the vested interest. The vested percentage is 50% for those terminating with credited service between 5 and 7 years, 75% for service between 7 and 9 years and 100% for those terminating with 9 or more years of credited service. In lieu of the deferred vested benefit, a member may receive a refund of member contributions.

Normal Form
of Benefit: Life Annuity, with other options available.

COLA: For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

S. Refunds

Return of Accumulated Contributions.

T. Member Contributions

6%, 4%, 2%, or 0% of Earnings as elected by the employee.

U. Employer Contributions

The amount determined by the actuary needed to fund the plan properly according to State laws.

V. Cost of Living Increases

For those retired before February 1, 1982, those hired after 9/30/00, or those hired before 10/1/00 who elect to contribute an extra 2%, a Cost of Living increase is paid annually from the Plan, up to a maximum of 3%.

W. Changes from Previous Valuation

None.

X. 13th Check

Not Applicable.

Y. Deferred Retirement Option Plan

Eligibility: The Plan does not provide for DROP benefits.

Z. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed a Village of North Palm Beach General Employees' liability if continued beyond the availability of funding by the current funding source.