

CITY OF SEBRING POLICE OFFICERS' RETIREMENT TRUST FUND
Chapter 112.664, F.S. Compliance Report
In Connection with the October 1, 2015 Funding Actuarial Valuation Report
And the Plan's Financial Reporting for the Year Ending September 30, 2015



September 2, 2016

Board of Trustees
Sebring Police Officers' Retirement Trust Fund
Sebring, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Sebring Police Officers' Retirement Trust Fund (Plan) to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Retirement System 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.

The purpose of the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data or other information through September 30, 2015. 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 this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the City and Plan Administrator concerning 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 City and Plan Administrator.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board as described in our October 1, 2015 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2015 actuarial valuation report. Please refer to the October 1, 2015 actuarial valuation report, dated July 20, 2016, for summaries and descriptions of this information.

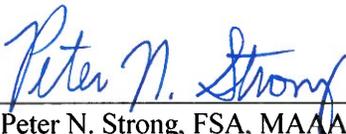
Peter N. Strong and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 Retirement Plan 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.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1) F.S., the actuarial disclosures required under this section were 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, meet the requirements of Section 112.664(1), F.S. and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 
Peter N. Strong, FSA, MAAA, FCA
Enrolled Actuary No. 14-06975
Senior Consultant & Actuary

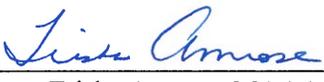
By 
Trisha Amrose, MAAA
Enrolled Actuary No. 14-08010
Consultant & Actuary

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RESULTS

**Schedule of Changes in the Employers' Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,	<u>2015</u>
1. Total pension liability	
a. Service Cost	\$ 368,970
b. Interest	1,128,981
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(73,552)
e. Assumption Changes	-
f. Benefit Payments	(235,631)
g. Contribution Refunds	(16,234)
h. Net Change in Total Pension Liability	<u>1,172,534</u>
i. Total Pension Liability - Beginning	<u>14,810,033</u>
j. Total Pension Liability - Ending	<u><u>\$ 15,982,567</u></u>
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 575,679
b. Contributions - Employer (from State)	-
c. Contributions - Member	56,311
d. Net Investment Income	67,689
e. Benefit Payments	(235,631)
f. Contribution Refunds	(16,234)
g. Administrative Expense	(22,296)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>425,518</u>
j. Plan Fiduciary Net Position - Beginning	<u>14,538,583</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 14,964,101</u></u>
 3. Net Pension Liability / (Asset)	 1,018,466
 Certain Key Assumptions	
Valuation Date	10/01/2014
Measurement Date	09/30/2015
Investment Return Assumption	7.50%
Mortality Table	RP-2000 fully generational using Scale AA

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,	<u>2015</u>
1. Total pension liability	
a. Service Cost	\$ 368,970
b. Interest	1,128,981
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(73,552)
e. Assumption Changes	-
f. Benefit Payments	(235,631)
g. Contribution Refunds	(16,234)
h. Net Change in Total Pension Liability	<u>1,172,534</u>
i. Total Pension Liability - Beginning	<u>14,810,033</u>
j. Total Pension Liability - Ending	<u><u>\$ 15,982,567</u></u>
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 575,679
b. Contributions - Employer (from State)	-
c. Contributions - Member	56,311
d. Net Investment Income	67,689
e. Benefit Payments	(235,631)
f. Contribution Refunds	(16,234)
g. Administrative Expense	(22,296)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>425,518</u>
j. Plan Fiduciary Net Position - Beginning	<u>14,538,583</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 14,964,101</u></u>
 3. Net Pension Liability / (Asset)	 1,018,466
 Certain Key Assumptions	
Valuation Date	10/01/2014
Measurement Date	09/30/2015
Investment Return Assumption	7.50%
Mortality Table	RP-2000 fully generational using Scale AA

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,

1. Total pension liability

	<u>2015</u>
a. Service Cost	\$ 589,062
b. Interest	1,083,499
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(235,631)
g. Contribution Refunds	(16,234)
h. Net Change in Total Pension Liability	<u>1,420,696</u>
i. Total Pension Liability - Beginning	<u>19,236,852</u>
j. Total Pension Liability - Ending	<u><u>\$ 20,657,548</u></u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 575,679
b. Contributions - Employer (from State)	-
c. Contributions - Member	56,311
d. Net Investment Income	67,689
e. Benefit Payments	(235,631)
f. Contribution Refunds	(16,234)
g. Administrative Expense	(22,296)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>425,518</u>
j. Plan Fiduciary Net Position - Beginning	<u>14,538,583</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 14,964,101</u></u>

3. Net Pension Liability / (Asset)

5,693,447

Certain Key Assumptions

Valuation Date	10/01/2014
Measurement Date	09/30/2015
Investment Return Assumption	5.50%
Mortality Table	RP-2000 fully generational using Scale AA

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions per the Plan's latest Actuarial Valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2016	13,523,559	992,888	570,117	13,946,330
2017	13,946,330	1,022,366	629,565	14,339,131
2018	14,339,131	1,049,891	681,166	14,707,856
2019	14,707,856	1,075,700	730,375	15,053,181
2020	15,053,181	1,098,234	820,113	15,331,302
2021	15,331,302	1,117,194	870,770	15,577,726
2022	15,577,726	1,133,825	920,116	15,791,435
2023	15,791,435	1,147,826	974,166	15,965,095
2024	15,965,095	1,159,148	1,019,571	16,104,672
2025	16,104,672	1,168,513	1,049,000	16,224,185
2026	16,224,185	1,176,457	1,076,172	16,324,470
2027	16,324,470	1,182,761	1,108,653	16,398,578
2028	16,398,578	1,187,536	1,129,522	16,456,592
2029	16,456,592	1,191,078	1,151,098	16,496,572
2030	16,496,572	1,193,230	1,173,674	16,516,128
2031	16,516,128	1,194,115	1,189,185	16,521,058
2032	16,521,058	1,193,924	1,204,139	16,510,843
2033	16,510,843	1,192,587	1,219,355	16,484,075
2034	16,484,075	1,190,141	1,231,066	16,443,150
2035	16,443,150	1,186,507	1,246,122	16,383,535
2036	16,383,535	1,181,703	1,254,987	16,310,251
2037	16,310,251	1,175,943	1,262,032	16,224,162
2038	16,224,162	1,169,281	1,267,508	16,125,935
2039	16,125,935	1,161,696	1,273,317	16,014,314
2040	16,014,314	1,153,265	1,274,900	15,892,679
2041	15,892,679	1,144,145	1,274,822	15,762,002

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:

N/A

Certain Key Assumptions

Valuation Investment return assumption

7.50%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2016	13,523,559	992,888	570,117	13,946,330
2017	13,946,330	1,022,366	629,565	14,339,131
2018	14,339,131	1,049,891	681,166	14,707,856
2019	14,707,856	1,075,700	730,375	15,053,181
2020	15,053,181	1,098,234	820,113	15,331,302
2021	15,331,302	1,117,194	870,770	15,577,726
2022	15,577,726	1,133,825	920,116	15,791,435
2023	15,791,435	1,147,826	974,166	15,965,095
2024	15,965,095	1,159,148	1,019,571	16,104,672
2025	16,104,672	1,168,513	1,049,000	16,224,185
2026	16,224,185	1,176,457	1,076,172	16,324,470
2027	16,324,470	1,182,761	1,108,653	16,398,578
2028	16,398,578	1,187,536	1,129,522	16,456,592
2029	16,456,592	1,191,078	1,151,098	16,496,572
2030	16,496,572	1,193,230	1,173,674	16,516,128
2031	16,516,128	1,194,115	1,189,185	16,521,058
2032	16,521,058	1,193,924	1,204,139	16,510,843
2033	16,510,843	1,192,587	1,219,355	16,484,075
2034	16,484,075	1,190,141	1,231,066	16,443,150
2035	16,443,150	1,186,507	1,246,122	16,383,535
2036	16,383,535	1,181,703	1,254,987	16,310,251
2037	16,310,251	1,175,943	1,262,032	16,224,162
2038	16,224,162	1,169,281	1,267,508	16,125,935
2039	16,125,935	1,161,696	1,273,317	16,014,314
2040	16,014,314	1,153,265	1,274,900	15,892,679
2041	15,892,679	1,144,145	1,274,822	15,762,002

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:

N/A

Certain Key Assumptions

Valuation Investment return assumption

7.50%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2016	13,523,559	728,118	570,117	13,681,560
2017	13,681,560	735,173	629,565	13,787,168
2018	13,787,168	739,562	681,166	13,845,564
2019	13,845,564	741,421	730,375	13,856,610
2020	13,856,610	739,560	820,113	13,776,057
2021	13,776,057	733,737	870,770	13,639,024
2022	13,639,024	724,843	920,116	13,443,751
2023	13,443,751	712,617	974,166	13,182,202
2024	13,182,202	696,983	1,019,571	12,859,614
2025	12,859,614	678,431	1,049,000	12,489,045
2026	12,489,045	657,303	1,076,172	12,070,176
2027	12,070,176	633,372	1,108,653	11,594,895
2028	11,594,895	606,657	1,129,522	11,072,030
2029	11,072,030	577,306	1,151,098	10,498,238
2030	10,498,238	545,127	1,173,674	9,869,691
2031	9,869,691	510,130	1,189,185	9,190,636
2032	9,190,636	472,371	1,204,139	8,458,868
2033	8,458,868	431,705	1,219,355	7,671,218
2034	7,671,218	388,063	1,231,066	6,828,215
2035	6,828,215	341,283	1,246,122	5,923,376
2036	5,923,376	291,274	1,254,987	4,959,663
2037	4,959,663	238,076	1,262,032	3,935,707
2038	3,935,707	181,607	1,267,508	2,849,806
2039	2,849,806	121,723	1,273,317	1,698,212
2040	1,698,212	58,342	1,274,900	481,654
2041	481,654	-	1,274,822	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan

25.42

Certain Key Assumptions

Valuation Investment return assumption

5.50%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

ACTUARIALLY DETERMINED CONTRIBUTION			
	Actuarial Valuation Assumptions	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions
A. Valuation Date	October 1, 2015	October 1, 2015	October 1, 2015
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2017	9/30/2017	9/30/2017
C. Assumed Dates of Employer Contributions	Monthly	Monthly	Monthly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 0	\$ 0	\$ 0
E. Employer Normal Cost	421,046	421,046	1,444,857
F. Employer ADC if Paid on Valuation Date: D + E	421,046	421,046	1,444,857
G. Employer ADC Adjusted for Frequency of Payments	437,580	437,580	1,486,845
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	40.71 %	40.71 %	138.31 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %	0.00 %
J. Covered Payroll for Contribution Year	1,074,980	1,074,980	1,074,980
K. ADC for Contribution Year: H x J	437,580	437,580	1,486,845
L. Allowable Credit for State Revenue in Contribution Year	0	0	0
M. Net Employer ADC After State Revenue in Contribution Year	437,580	437,580	1,486,845
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	40.71 %	40.71 %	138.31 %
O. Expected Member Contributions	53,749	53,749	53,749
P. Total Contribution (including Members) in Contributing Year: K + O	491,329	491,329	1,540,594
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	45.71 %	45.71 %	143.31 %
R. Certain Key Assumptions			
Investment Return Assumption	7.50%	7.50%	5.50%
Mortality Table	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA