

RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF SURFSIDE

PROJECTION ACTUARIAL VALUATION AS OF OCTOBER 1, 2015

This Valuation Determines the Annual Contribution for the Plan and Fiscal Year October 1, 2016 through September 30, 2017 to Be Paid in Fiscal Year October 1, 2016 through September 30, 2017

August 19, 2016

**Retirement Plan for Employees of
the Town of Surfside**

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August 19, 2016

Pension Board
Retirement Plan for Employees
of the Town of Surfside
c/o Ms. Mayte Gamiotea
9293 Harding Avenue
Surfside, Florida 33154

Dear Board Members:

October 1, 2015 Projection Actuarial Valuation

We are pleased to present our October 1, 2015 Projection Actuarial Valuation for the Retirement Plan for Employees of the Town of Surfside (Plan). The purpose of this report is to indicate appropriate contribution levels, comment on the actuarial soundness of the Plan and to satisfy State requirements. Gabriel, Roeder, Smith & Company, as Plan actuary, is authorized by the Pension Board to prepare an annual actuarial valuation under Section 2-185(i)(11)(c) of the Plan.

This report consists of this commentary, detailed Tables I through XV, and the State Required Exhibit on Table XVI. The Tables contain basic Plan cost figures plus significant details on the benefits, liabilities and experience of the Plan. We suggest that you thoroughly review the report at your convenience and contact us with any questions that may arise.

Pension Plan Costs

Our Actuarial Valuation develops the required minimum Pension Plan payment under the Florida Protection of Public Employee Retirement Benefits Act and Police Officers Retirement Chapter 185. The minimum payment consists of payment of annual normal costs and amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law. The minimum payment for the Plan year ending September 30, 2017 is **\$1,173,338 (21.4%)**. The figure in parentheses is the Plan cost expressed as a percentage of covered annual payroll (\$5,484,903) as of October 1, 2015.

This total cost is to be met by Member and Town contributions. We anticipate Member contributions will be **\$375,979 (6.9%)**. The resulting minimum required Town contribution to be paid in **fiscal year ending September 30, 2017** is **\$797,359 (14.5%)**. This Actuarial Valuation assumes Town contributions will be made on the first day of the Plan Year.

Changes in Actuarial Assumptions, Methods and Plan Benefits

Plan provisions remain unchanged from the previous actuarial valuation. Plan benefits are summarized on Table IX.

As a result of an Experience Study dated November 17, 2015 for the five-year period October 1, 2009 through September 30, 2014, several actuarial assumptions have been updated. Assumed investment return has been updated to 7.25%, net of investment expenses with input from the investment consultant. Employee withdrawal rates, salary increase factors, retirement rates and mortality rates have also been updated.

The remaining actuarial assumptions and methods remain unchanged from the previous valuation and are outlined on Table XI.

Comparison of October 1, 2014 and October 1, 2015 Valuation Results

Table II of our report provides information of a comparative nature. The left columns of the Table indicate the costs as calculated the October 1, 2014. The center columns indicate the costs as calculated for October 1, 2015, prior to the update in actuarial assumptions. The right columns indicate the costs as calculated for October 1, 2015, after the update in actuarial assumptions.

Comparing the left and center columns of Table II shows the effect of Plan experience during the year. The number of active participants increased by approximately 4% - covered payroll increased by approximately 8%. The total normal cost, unfunded actuarial accrued liability and net Town minimum funding requirement increased as a dollar amount but decreased as a percentage of covered payroll.

Comparing the center and right columns of Table II shows the effect of the update of the actuarial assumptions. The total normal cost decreased both as a dollar amount and as a percentage of covered payroll. The unfunded actuarial accrued liability increased both as a dollar amount and as a percentage of covered payroll. The net Town minimum funding requirement decreased both as a dollar amount and as a percentage of covered payroll.

Assets exceed the value of vested accrued benefits resulting in a Vested Benefit Security Ratio (VBSR) of 109.0% (112.7% before the update in actuarial assumptions). This is a decrease from 119.8% as of the October 1, 2014 Actuarial Valuation. The Vested Benefit Security Ratio is based upon the market value of assets.

Actuarial Gains (Losses)

The Plan experienced an actuarial gain of **\$4,017** (0.1%) under the prior assumptions. Our Actuarial Valuation Report tracks the actual experience in areas that are very significant in determining whether a gain or loss occurs. Table XIV presents investment return, salary experience and termination experience.

Table XIV provides the investment experience under the Plan in comparison to the actuarial assumption. During 2014-2015, the fund experienced a smoothed actuarial value net return of approximately 7.0%. This return is less than the assumed 7.5% rate of return (prior assumption). Investment return was a source of actuarial loss this year. The average smoothed actuarial value return over the last three, five and ten-years is 7.5%, 4.7% and 4.7%, respectively. The one, three, five and ten-year average market value returns are -0.8%, 6.6%, 6.8% and 4.4%, respectively.

Table XIV also provides salary increase experience for the Plan in comparison to assumed salary increases (prior assumptions). Salary increases averaged 6.1% and 2.4%, respectively for General Employees and Police Officers this year. General Employee average annual salary increases for the three, five and ten-year periods are 7.8%, 7.3% and 6.1%, respectively. Police Officer average annual salary increases for the three, five and ten-year periods are 3.6%, 4.0% and 9.0%, respectively. The average salary increase assumption was 5.1% per annum for General Employees and 5.7% per annum for Police Officers. Salary increases were generally an offsetting source of actuarial loss for General Employees and a source of actuarial gain for Police Officers.

Employee turnover this year was 120% of the assumed turnover for General Employees and 80% of the assumed turnover for Police Officers (prior assumption). General Employee turnover for the three, five and ten-year periods are 110%, 150% and 190%, respectively of expected turnover. Police Officer turnover for the three, five and ten-year periods are 40%, 60% and 90%, respectively of expected turnover. Employee turnover was generally a source of actuarial gain for General Employees and an offsetting source of actuarial loss for Police Officers.

Member Census and Financial Data

The Member census data as of October 1, 2015 used for this valuation was submitted to us by the Town. This information contains name, Social Security number, date of birth, date of hire, October 1, 2015 rate of pay, actual salary paid and member contributions for the previous fiscal year. Dates of termination and retirement are provided where applicable. Information on inactive participants including retirees, beneficiaries and vested terminees was also provided by the Town.

We were supplied with information on the assets of the Plan as of September 30, 2015 by the Board from the Plan CAFR. We do not audit the member census data and asset information that is provided to us. However, we perform certain reasonableness checks and we have questioned reported data and have been assured the information that we received is reliable.

Summary

In our opinion the benefits provided for under the current Plan will be sufficiently funded through the payment of the amount as indicated in this and future Actuarial Valuation reports. We will continue to update you on the future payment requirements for the Plan through our actuarial valuation reports. These reports will also continue to monitor emerging experience of the Plan.

The actuarial assumptions used in this Actuarial Valuation are as adopted by the Board. The economic and demographic actuarial assumptions are based on the results of actuarial Experience Studies for the periods October 1, 2001 - September 30, 2006, October 1, 2007 - September 30, 2010 and October 1, 2009 – September 30, 2014. Each assumption represents an estimate of future Plan experience.

If all actuarial assumptions are met and if all future minimum required contributions are paid, Plan assets will be sufficient to pay all Plan benefits. Plan minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act with normal cost determined as a level percent of covered payroll and a level dollar amortization payment using an initial amortization period of 30 years.

The Unfunded Actuarial Accrued Liability (UAAL) may not be appropriate for assessing the sufficiency of Fund assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions. The UAAL would be different if it reflected the market value of assets rather than the smoothed actuarial value of assets.

The Unfunded Actuarial Present Value of Vested Accrued Benefits and the corresponding Vested Benefit Security Ratio may be appropriate for assessing the sufficiency of Fund assets to meet the estimated cost of settling benefit obligations but may not be appropriate for assessing the need for or the amount of future contributions.

The Government Accounting Standards Board Net Pension Liability and Plan Fiduciary Net Position as a Percentage of Total Pension Liability may not be appropriate for assessing the sufficiency of Fund assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

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 anticipated under 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) and changes in Plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report should not be relied upon for any purpose other than the purpose described in the primary communication. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement plans. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the 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.

This report may be provided to parties other than the Board only in its entirety and only with the permission of an approved representative of the Board.

The signing actuaries are independent of the Plan sponsor.

The undersigned 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 in this report. We are available to respond to any questions with regards to matters covered in this report.

Very truly yours,



Lawrence F. Wilson, E.A., A.S.A.
Senior Consultant and Actuary



Jennifer M. Borregard, E.A.
Consultant and Actuary

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Summary of Retirement Plan Costs as of October 1, 2015

	<u>Prior</u>		<u>Current</u>	
	<u>Assumptions</u>		<u>Assumptions</u>	
	<u>Cost</u>	<u>% of</u>	<u>Cost</u>	<u>% of</u>
	<u>Data</u>	<u>Payroll</u>	<u>Data</u>	<u>Payroll</u>
A. Participant Data Summary (Table III)				
1. Active Employees	87	N/A	87	N/A
2. Terminated Vested	6	N/A	6	N/A
3. Receiving Benefits (including DROPs)	36	N/A	36	N/A
4. Annual Payroll of Active Employees	\$ 5,484,903	100.0%	\$ 5,484,903	100.0%
B. Total Normal Cost				
1. Age Retirement Benefits	\$ 741,566	13.5%	\$ 684,195	12.5%
2. Deferred Vesting Benefits	96,638	1.8%	112,663	2.1%
3. Disability Benefits	113,150	2.1%	116,514	2.1%
4. Return of Employee Contributions	12,073	0.2%	18,993	0.3%
5. Administrative Expenses	85,426	1.6%	85,426	1.6%
6. Total Annual Normal Cost	<u>\$ 1,048,853</u>	19.1%	<u>\$ 1,017,791</u>	18.6%
C. Total Actuarial Accrued Liability				
1. Active Employees	\$ 11,061,237	201.7%	\$ 10,915,246	199.0%
2. Service Retirees and Beneficiaries (including DROPs)	6,503,804	118.6%	6,961,716	126.9%
3. Disabilities	530,200	9.7%	568,294	10.4%
4. Terminated Vested Members	881,441	16.1%	934,081	17.0%
5. Miscellaneous Liability	0	0.0%	0	0.0%
6. Total Actuarial Accrued Liability	<u>\$ 18,976,682</u>	346.0%	<u>\$ 19,379,337</u>	353.3%
D. Plan Assets				
1. Smoothed Actuarial Value	\$ 17,235,998	314.2%	\$ 17,235,998	314.2%
2. Market Value	\$ 16,493,489	300.7%	\$ 16,493,489	300.7%
E. Unfunded Actuarial Accrued Liability (C - D.1.)	\$ 1,740,684	31.7%	\$ 2,143,339	39.1%
F. Minimum Required Contribution				
1. Total Normal Cost	\$ 1,048,853	19.1%	\$ 1,017,791	18.6%
2. Amortization of Unfunded Liability	114,998	2.1%	142,839	2.6%
3. Interest Adjustment	13,116	0.2%	12,708	0.2%
4. Total Contribution	<u>\$ 1,176,967</u>	21.5%	<u>\$ 1,173,338</u>	21.4%

Retirement Plan for Employees of the
Town of Surfside, Florida

Both Groups Combined

Summary of Retirement Plan Costs as of October 1, 2015

	<u>Prior Assumptions</u>		<u>Current Assumptions</u>	
	<u>Cost Data</u>	<u>% of Payroll</u>	<u>Cost Data</u>	<u>% of Payroll</u>
G. Expected Payroll of Active Employees for 2016 - 2017 Plan Year (\$5,484,903 x 1.000)	\$ 5,484,903	100.0%	\$ 5,484,903	100.0%
H. Expected Contribution Sources (percent of expected 2016 - 2017 payroll)				
1. Town	\$ 800,988	14.6%	\$ 797,359	14.5%
2. Employees	375,979	6.9%	375,979	6.9%
I. Years to Which Contribution Applies:				
1. Plan Year Ending			September 30, 2017	
2. Town Fiscal Year Ending			September 30, 2017	
3. Assumed Dates of Town Contribution			October 1, 2016 - September 30, 2017	
J. Actuarial Gain / (Loss) (Table VI)	\$ 4,017	0.1%	\$ 4,017	0.1%
K. Actuarial Present Value of Vested Accrued Benefits				
1. Members Currently Receiving Benefits (including DROPs)	\$ 7,034,004	128.2%	\$ 7,530,010	137.3%
2. Terminated Vested Members Entitled to Future Benefits and Miscellaneous	881,441	16.1%	934,081	17.0%
3. Active Employees	<u>6,724,879</u>	<u>122.6%</u>	<u>6,666,676</u>	<u>121.5%</u>
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 14,640,324	266.9%	\$ 15,130,767	275.9%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (K. - D.2., not less than zero)	\$ 0	0.0%	\$ 0	0.0%
M. Vested Benefit Security Ratio (D.2. ÷ K.)	112.7%	N/A	109.0%	N/A

**Retirement Plan for Employees of the
Town of Surfside, Florida**

General Employees

Summary of Retirement Plan Costs as of October 1, 2015

	<u>Prior Assumptions</u>		<u>Current Assumptions</u>	
	<u>Cost Data</u>	<u>% of Payroll</u>	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary (Table III)				
1. Active Employees	59	N/A	59	N/A
2. Terminated Vested	2	N/A	2	N/A
3. Receiving Benefits (including DROPs)	24	N/A	24	N/A
4. Annual Payroll of Active Employees	\$ 3,121,306	100.0%	\$ 3,121,306	100.0%
B. Total Normal Cost				
1. Age Retirement Benefits	\$ 293,608	9.4%	\$ 214,084	6.9%
2. Deferred Vesting Benefits	34,718	1.1%	73,535	2.4%
3. Disability Benefits	39,588	1.3%	35,515	1.1%
4. Return of Employee Contributions	7,308	0.2%	10,993	0.4%
5. Administrative Expenses	33,287	1.1%	33,287	1.1%
6. Total Annual Normal Cost	<u>\$ 408,509</u>	13.1%	<u>\$ 367,414</u>	11.8%
C. Total Actuarial Accrued Liability				
1. Active Employees	\$ 3,514,544	112.6%	\$ 3,392,203	108.7%
2. Service Retirees and Beneficiaries (including DROPs)	3,654,748	117.1%	3,899,103	124.9%
3. Disabilities	0	0.0%	0	0.0%
4. Terminated Vested Members	181,626	5.8%	197,871	6.3%
5. Miscellaneous Liability	0	0.0%	0	0.0%
6. Total Actuarial Accrued Liability	<u>\$ 7,350,918</u>	235.5%	<u>\$ 7,489,177</u>	239.9%
D. Plan Assets				
1. Smoothed Actuarial Value	\$ 6,659,124	213.3%	\$ 6,659,124	213.3%
2. Market Value	\$ 6,372,256	204.2%	\$ 6,372,256	204.2%
E. Unfunded Actuarial Accrued Liability (C - D.1.)	\$ 691,794	22.2%	\$ 830,053	26.6%
F. Minimum Required Contribution				
1. Total Normal Cost	\$ 408,509	13.1%	\$ 367,414	11.8%
2. Amortization of Unfunded Liability	56,048	1.8%	65,535	2.1%
3. Interest Adjustment	6,520	0.2%	6,317	0.2%
4. Total Contribution	<u>\$ 471,077</u>	15.1%	<u>\$ 439,266</u>	14.1%

Retirement Plan for Employees of the
Town of Surfside, Florida

General Employees

Summary of Retirement Plan Costs as of October 1, 2015

	<u>Prior Assumptions</u>		<u>Current Assumptions</u>	
	<u>Cost Data</u>	<u>% of Payroll</u>	<u>Cost Data</u>	<u>% of Payroll</u>
G. Expected Payroll of Active Employees for 2016 - 2017 Plan Year (\$3,121,306 x 1.000)	\$ 3,121,306	100.0%	\$ 3,121,306	100.0%
H. Expected Contribution Sources (percent of expected 2016 - 2017 payroll)				
1. Town	\$ 284,186	9.1%	\$ 252,375	8.1%
2. Employees	186,891	6.0%	186,891	6.0%
I. Years to Which Contribution Applies:				
1. Plan Year Ending			September 30, 2017	
2. Town Fiscal Year Ending			September 30, 2017	
3. Assumed Date of Town Contribution			October 1, 2016 - September 30, 2017	
J. Actuarial Gain / (Loss) (Table VI)	\$ (148,934)	(4.8%)	\$ (148,934)	(4.8%)
K. Actuarial Present Value of Vested Accrued Benefits				
1. Members Currently Receiving Benefits (including DROPs)	\$ 3,654,748	117.1%	\$ 3,899,103	124.9%
2. Terminated Vested Members Entitled to Future Benefits and Miscellaneous	181,626	5.8%	197,871	6.3%
3. Active Employees	<u>1,970,300</u>	63.1%	<u>1,900,339</u>	60.9%
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 5,806,674	186.0%	\$ 5,997,313	192.1%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (K. - D.2., not less than zero)	\$ 0	0.0%	\$ 0	0.0%
M. Vested Benefit Security Ratio (D.2. ÷ K.)	109.7%	N/A	106.3%	N/A

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Police Officers

Summary of Retirement Plan Costs as of October 1, 2015

	<u>Prior Assumptions</u>		<u>Current Assumptions</u>	
	<u>Cost Data</u>	<u>% of Payroll</u>	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary (Table III)				
1. Active Employees	28	N/A	28	N/A
2. Terminated Vested	4	N/A	4	N/A
3. Receiving Benefits (including DROPs)	12	N/A	12	N/A
4. Annual Payroll of Active Employees	\$ 2,363,597	100.0%	\$ 2,363,597	100.0%
B. Total Normal Cost				
1. Age Retirement Benefits	\$ 447,958	19.0%	\$ 470,111	19.9%
2. Deferred Vesting Benefits	61,920	2.6%	39,128	1.7%
3. Disability Benefits	73,562	3.1%	80,999	3.4%
4. Return of Employee Contributions	4,765	0.2%	8,000	0.3%
5. Administrative Expenses	52,139	2.2%	52,139	2.2%
6. Total Annual Normal Cost	<u>\$ 640,344</u>	27.1%	<u>\$ 650,377</u>	27.5%
C. Total Actuarial Accrued Liability				
1. Active Employees	\$ 7,546,693	319.3%	\$ 7,523,043	318.3%
2. Service Retirees and Beneficiaries (including DROPs)	2,849,056	120.5%	3,062,613	129.6%
3. Disabilities	530,200	22.4%	568,294	24.0%
4. Terminated Vested Members	699,815	29.6%	736,210	31.1%
5. Miscellaneous Liability	0	0.0%	0	0.0%
6. Total Actuarial Accrued Liability	<u>\$ 11,625,764</u>	491.9%	<u>\$ 11,890,160</u>	503.1%
D. Plan Assets				
1. Smoothed Actuarial Value	\$ 10,576,874	447.5%	\$ 10,576,874	447.5%
2. Market Value	\$ 10,121,233	428.2%	\$ 10,121,233	428.2%
E. Unfunded Actuarial Accrued Liability (C - D.1.)	\$ 1,048,890	44.4%	\$ 1,313,286	55.6%
F. Minimum Required Contribution				
1. Total Normal Cost	\$ 640,344	27.1%	\$ 650,377	27.5%
2. Amortization of Unfunded Liability	58,950	2.5%	77,304	3.3%
3. Interest Adjustment	6,596	0.3%	6,391	0.3%
4. Total Contribution	<u>\$ 705,890</u>	29.9%	<u>\$ 734,072</u>	31.1%

Retirement Plan for Employees of the
Town of Surfside, Florida

Police Officers

Summary of Retirement Plan Costs as of October 1, 2015

	<u>Prior Assumptions</u>		<u>Current Assumptions</u>	
	<u>Cost Data</u>	<u>% of Payroll</u>	<u>Cost Data</u>	<u>% of Payroll</u>
G. Expected Payroll of Active Employees for 2016 - 2017 Plan Year (\$2,363,597 x 1.000)	\$ 2,363,597	100.0%	\$ 2,363,597	100.0%
H. Expected Contribution Sources (percent of expected 2016 - 2017 payroll)				
1. Town	\$ 516,802	21.9%	\$ 544,984	23.1%
2. Employees	189,088	8.0%	189,088	8.0%
I. Years to Which Contribution Applies:				
1. Plan Year Ending			September 30, 2017	
2. Town Fiscal Year Ending			September 30, 2017	
3. Assumed Date of Town Contribution			October 1, 2016 - September 30, 2017	
J. Actuarial Gain / (Loss) (Table VI)	\$ 152,951	6.5%	\$ 152,951	6.5%
K. Actuarial Present Value of Vested Accrued Benefits				
1. Members Currently Receiving Benefits (including DROPs)	\$ 3,379,256	143.0%	\$ 3,630,907	153.6%
2. Terminated Vested Members Entitled to Future Benefits and Miscellaneous	699,815	29.6%	736,210	31.1%
3. Active Employees	<u>4,754,579</u>	201.2%	<u>4,766,337</u>	201.7%
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 8,833,650	373.7%	\$ 9,133,454	386.4%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (K. - D.2., not less than zero)	\$ 0	0.0%	\$ 0	0.0%
M. Vested Benefit Security Ratio (D.2. ÷ K.)		114.6%		110.8%
		N/A		N/A

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Comparison of Cost Data of October 1, 2014 and October 1, 2015 Valuations

	October 1, 2014		<u>Prior Assumptions</u> October 1, 2015		<u>Current Assumptions</u> October 1, 2015	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants						
1. Active Employees	84	N/A	87	N/A	87	N/A
2. Terminated Vested	6	N/A	6	N/A	6	N/A
3. Receiving Benefits (including DROPs)	37	N/A	36	N/A	36	N/A
4. Annual Payroll of Active Employees	\$ 5,098,304	100.0%	\$ 5,484,903	100.0%	\$ 5,484,903	100.0%
B. Total Normal Costs	\$ 982,192	19.3%	\$ 1,048,853	19.1%	\$ 1,017,791	18.6%
C. Total Actuarial Accrued Liability	\$ 17,438,415	342.0%	\$ 18,976,682	346.0%	\$ 19,379,337	353.3%
D. Smoothed Actuarial Value of Assets	\$ 15,746,681	308.9%	\$ 17,235,998	314.2%	\$ 17,235,998	314.2%
E. Unfunded Actuarial Accrued Liability	\$ 1,691,734	33.2%	\$ 1,740,684	31.7%	\$ 2,143,339	39.1%
F. Net Town Minimum Funding Payment	\$ 757,304	14.9%	\$ 800,988	14.6%	\$ 797,359	14.5%
G. Actuarial Gain / (Loss)	\$ 68,556	1.3%	\$ 4,017	0.1%	\$ 4,017	0.1%
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%
I. Vested Benefit Security Ratio	119.8%	N/A	112.7%	N/A	109.0%	N/A

**Retirement Plan for Employees of the
Town of Surfside, Florida**

General Employees

Comparison of Cost Data of October 1, 2014 and October 1, 2015 Valuations

	October 1, 2014		<u>Prior Assumptions</u> October 1, 2015		<u>Current Assumptions</u> October 1, 2015	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants						
1. Active Employees	57	N/A	59	N/A	59	N/A
2. Terminated Vested	3	N/A	2	N/A	2	N/A
3. Receiving Benefits (including DROPs)	24	N/A	24	N/A	24	N/A
4. Annual Payroll of Active Employees	\$ 2,909,978	100.0%	\$ 3,121,306	100.0%	\$ 3,121,306	100.0%
B. Total Normal Costs	\$ 397,751	13.7%	\$ 408,509	13.1%	\$ 367,414	11.8%
C. Total Actuarial Accrued Liability	\$ 6,712,712	230.7%	\$ 7,350,918	235.5%	\$ 7,489,177	239.9%
D. Smoothed Actuarial Value of Assets	\$ 6,192,702	212.8%	\$ 6,659,124	213.3%	\$ 6,659,124	213.3%
E. Unfunded Actuarial Accrued Liability	\$ 520,010	17.9%	\$ 691,794	22.2%	\$ 830,053	26.6%
F. Net Town Minimum Funding Payment	\$ 271,560	9.3%	\$ 284,186	9.1%	\$ 252,375	8.1%
G. Actuarial Gain / (Loss)	\$ (81,201)	(2.8%)	\$ (148,934)	(4.8%)	\$ (148,934)	(4.8%)
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%
I. Vested Benefit Security Ratio	118.7%	N/A	109.7%	N/A	106.3%	N/A

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Police Officers

Comparison of Cost Data of October 1, 2014 and October 1, 2015 Valuations

	October 1, 2014		<u>Prior Assumptions</u> October 1, 2015		<u>Current Assumptions</u> October 1, 2015	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants						
1. Active Employees	27	N/A	28	N/A	28	N/A
2. Terminated Vested	3	N/A	4	N/A	4	N/A
3. Receiving Benefits (including DROPs)	13	N/A	12	N/A	12	N/A
4. Annual Payroll of Active Employees	\$ 2,188,326	100.0%	\$ 2,363,597	100.0%	\$ 2,363,597	100.0%
B. Total Normal Costs	\$ 584,441	26.7%	\$ 640,344	27.1%	\$ 650,377	27.5%
C. Total Actuarial Accrued Liability	\$ 10,725,703	490.1%	\$ 11,625,764	491.9%	\$ 11,890,160	503.1%
D. Smoothed Actuarial Value of Assets	\$ 9,553,979	436.6%	\$ 10,576,874	447.5%	\$ 10,576,874	447.5%
E. Unfunded Actuarial Accrued Liability	\$ 1,171,724	53.5%	\$ 1,048,890	44.4%	\$ 1,313,286	55.6%
F. Net Town Minimum Funding Payment	\$ 485,744	22.2%	\$ 516,802	21.9%	\$ 544,984	23.1%
G. Actuarial Gain / (Loss)	\$ 149,757	6.8%	\$ 152,951	6.5%	\$ 152,951	6.5%
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%
I. Vested Benefit Security Ratio	120.6%	N/A	114.6%	N/A	110.8%	N/A

Table III

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Characteristics of Participants in Actuarial
Valuation as of October 1, 2015**

	<u>General Employees</u>	<u>Police Officers</u>	<u>Total</u>
A. <u>Active Plan Participants Summary</u>			
1. Active Participants Vested	17	21	38
2. Active Participants Partially Vested	13	0	13
3. Active Participants Non-Vested	29	7	36
4. Total Active Participants	59	28	87
5. Annual Payroll of Active Participants	\$ 3,121,306	\$ 2,363,597	\$ 5,484,903
B. <u>Retired and Terminated Vested Participant Summary</u>			
1. Service Retirees Receiving Benefits (including DROPs)	19	9	28
2. Beneficiaries Receiving Benefits	5	2	7
3. Disabled Participants Receiving Benefits	0	1	1
4. Terminated Vested Participants Entitled to Future Benefits	2	4	6

Table IV**Retirement Plan for Employees of the
Town of Surfside, Florida****Statement of Assets as of October 1, 2015**

	<u>Market Value</u>
<u>Investments</u>	
Cash and Cash Equivalents	\$ 288,591
United States Government Securities	480,278
Government Agency Bonds	723,034
Corporate Bonds	3,378,723
Common Stocks	2,629,005
Master Limited Partnerships	590,545
Real Estate Fund	910,333
Mutual Funds	7,457,819
Total Investments	<u>\$ 16,458,328</u>
<u>Receivables</u>	
Accrued Interest	\$ 60,220
Other Receivable	21,972
Employee Contributions	17,745
Due from Broker	0
Prepaid Insurance	1,484
Total Receivables	<u>\$ 101,421</u>
<u>Liabilities</u>	
Refunds Payable	\$ 32,492
Accounts Payable	33,768
Due to Broker	0
Total Liabilities	<u>\$ 66,260</u>
<u>Net Assets Available For Benefits</u>	\$ 16,493,489

Table V

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Reconciliation of Plan Assets *

	<u>Market Value</u>
A. <u>Value of Assets as of October 1, 2014</u>	\$ 16,258,030
B. <u>Receipts During Period</u>	
1. Employee Contributions	\$ 369,184
2. Service Purchase Contributions	22,029
3. Town Contributions	727,022
4. Net Investment Return	(132,329)
5. Total Receipts During Period	\$ 985,906
C. <u>Disbursements During Period</u>	
1. Benefit Payments	\$ 538,525
2. DROP Distributions	38,975
3. Contribution Refunds	87,521
4. Administrative Expenses	85,426
5. Total Disbursements During Period	\$ 750,447
D. <u>Value of Assets as of September 30, 2015</u>	\$ 16,493,489
E. <u>Approximate Rate of Return:</u> (Net of Investment Expense)	(0.8%)
F. <u>Reconciliation of DROP Account Balances</u>	
1. DROP Accounts Balance as of October 1, 2014	\$ 100,974
2. Benefit Payments into DROP Accounts during Year	108,742
3. Investment Gains / (Losses) during Year	(3,586)
4. Distributions from DROP Accounts during Year	(38,975)
5. DROP Accounts Balance as of September 30, 2015	\$ 167,155

* As reported on Plan's financial statements

Table V
(Cont'd)

Retirement Plan for Employees of the
Town of Surfside, Florida

Allocation of Smoothed Actuarial Value of Assets for Budget Purposes

	<u>General Employees</u>	<u>Police Officers</u>	<u>Total</u>
A. <u>Value of Assets as of October 1, 2014</u>	\$ 6,192,702	\$ 9,553,979	\$ 15,746,681
B. <u>Receipts During Period</u>			
1. Employee Contributions	\$ 183,770	\$ 185,414	\$ 369,184
2. Service Purchases	0	22,029	22,029
3. Town Contributions	247,176	479,846	727,022
4. Net Investment Return	<u>437,008</u>	<u>684,521</u>	<u>1,121,529</u>
5. Total Receipts During Period	\$ 867,954	\$ 1,371,810	\$ 2,239,764
C. <u>Disbursements During Period</u>			
1. Pension Benefit Payments	\$ 241,749	\$ 296,776	\$ 538,525
2. DROP Distributions	38,975	0	38,975
3. Contribution Refunds	87,521	0	87,521
4. Administrative Expenses	<u>33,287</u>	<u>52,139</u>	<u>85,426</u>
5. Total Disbursements During Period	\$ 401,532	\$ 348,915	\$ 750,447
D. <u>Value of Assets as of September 30, 2015</u>	\$ 6,659,124	\$ 10,576,874	\$ 17,235,998

Retirement Plan for Employees of the
Town of Surfside, Florida

Development of Smoothed Actuarial Value of Assets as of September 30

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
A. Preliminary smoothed actuarial value from prior year	14,125,280	15,746,681	17,235,998			
B. Market value end of year	16,258,030	16,493,489				
C. Market beginning of year	14,506,355	16,258,030	16,493,489			
D. Non-investment net cash flow	355,244	367,788				
E. Investment return						
1. Total market value return: B. - C. - D.	1,396,431	(132,329)				
2. Amount for immediate recognition (7.5%)	1,101,298	1,233,144				
3. Amount for phased-in recognition: E.1. - E.2.	295,133	(1,365,473)				
F. Phased-in recognition of investment return						
1. Current year: 20% of E.3.	59,027	(273,095)				
2. First prior year	101,840	59,027	(273,095)			
3. Second prior year	229,115	101,840	59,027	(273,095)		
4. Third prior year	(228,502)	229,115	101,840	59,027	(273,095)	
5. Fourth prior year	3,379	(228,502)	229,113	101,840	59,025	(273,093)
6. Total phased-in recognition of investment return	<u>164,859</u>	<u>(111,615)</u>	<u>116,885</u>	<u>(112,228)</u>	<u>(214,070)</u>	<u>(273,093)</u>
G. Smoothed actuarial value end of year						
1. Preliminary smoothed actuarial value end of year:						
A. + D. + E.2. + F.6.	15,746,681	17,235,998				
2. Upper corridor limit: 120% of B.	19,509,636	19,792,187				
3. Lower corridor limit: 80% of B.	13,006,424	13,194,791				
4. Smoothed actuarial value end of year:						
G.1., not more than G.2., nor less than G.3.	15,746,681	17,235,998				
H. Difference between market value and smoothed actuarial value	511,349	(742,509)				
I. Smoothed actuarial value rate of return	8.9%	7.0%				
J. Market value rate of return	9.5%	(0.8%)				

Table VI

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Actuarial Gain / (Loss) for Plan Year Ended September 30, 2015

	<u>General Employees</u>	<u>Police Officers</u>	<u>Total</u>
A. <u>Derivation of Actuarial Gain / (Loss)</u>			
1. Town normal cost previous actuarial valuation	\$ 223,529	\$ 409,375	\$ 632,904
2. Unfunded actuarial accrued liability (UAAL) previous actuarial valuation	520,010	1,171,724	1,691,734
3. Town contributions previous year	247,176	479,846	727,022
4. Interest on:			
(a) Town normal cost	\$ 16,765	\$ 30,703	\$ 47,468
(b) Unfunded actuarial accrued liability	39,001	87,879	126,880
(c) Town contribution	9,269	17,994	27,263
(d) Net total: (a) + (b) - (c)	<u>\$ 46,497</u>	<u>\$ 100,588</u>	<u>\$ 147,085</u>
5. Increase (decrease) in unfunded actuarial accrued liability due to assumption changes	\$ 138,259	\$ 264,396	\$ 402,655
6. Expected unfunded actuarial accrued liability current year (1. + 2. - 3. + 4. + 5.)	\$ 681,119	\$ 1,466,237	\$ 2,147,356
7. Actual unfunded actuarial accrued liability current year	830,053	1,313,286	2,143,339
8. Actuarial gain / (loss): (6. - 7.)	\$ (148,934)	\$ 152,951	\$ 4,017
B. <u>Approximate Portion of Gain / (Loss) due to Investments</u>			
1. Smoothed actuarial value of assets previous year	\$ 6,192,702	\$ 9,553,979	\$ 15,746,681
2. Contributions during period	430,946	687,289	1,118,235
3. Benefits and administrative expenses during period	401,532	348,915	750,447
4. Expected appreciation for period	<u>465,556</u>	<u>729,237</u>	<u>1,194,793</u>
5. Expected smoothed actuarial value of assets current year (1. + 2. - 3. + 4.)	\$ 6,687,672	\$ 10,621,590	\$ 17,309,262
6. Actual smoothed actuarial value of assets current year	6,659,124	10,576,874	17,235,998
7. Approximate gain / (loss) due to investments: (6. - 5.)	\$ (28,548)	\$ (44,716)	\$ (73,264)
C. <u>Approximate Portion of Gain / (Loss) due to Liabilities: A. - B.</u>	\$ (120,386)	\$ 197,667	\$ 77,281

Table VII

**Retirement Plan for Employees of the
Town of Surfside, Florida**

A. Amortization of Unfunded Actuarial Accrued Liability

<u>Valuation Date</u>	<u>Unfunded Liability</u>	<u>Amortization Payment</u>
10/01/2015	\$ 2,143,339	\$ 142,839
10/01/2016	\$ 2,145,536	\$ 142,839
10/01/2017	\$ 2,147,893	\$ 142,839
10/01/2018	\$ 2,150,420	\$ 142,839
10/01/2019	\$ 2,153,131	\$ 142,839
...
10/01/2045	\$ 0	\$ 0

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Accounting Disclosure Exhibit

	<u>10/01/2014</u>	<u>Prior Assumptions 10/01/2015</u>	<u>Current Assumptions 10/01/2015</u>
I. <u>Financial Accounting Standards Board Allocation as of</u>			
A. <u>Statement of Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated vested plan benefits			
a. Participants currently receiving benefits	\$ 7,127,693	\$ 7,034,004	\$ 7,530,010
b. Other participants	6,441,546	7,606,320	7,600,757
c. Total	<u>\$ 13,569,239</u>	<u>\$ 14,640,324</u>	<u>\$ 15,130,767</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>760,295</u>	<u>879,907</u>	<u>869,947</u>
3. Total actuarial present value of accumulated plan benefits	\$ 14,329,534	\$ 15,520,231	\$ 16,000,714
B. <u>Statement of Change in Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2014			\$ 14,329,534
2. Increase / (decrease) during year attributable to:			
a. Change in plan provisions / actuarial assumptions			\$ 480,483
b. Benefits paid (includes refunds and DROP distributions)			(665,021)
c. Other, including benefits accumulated, increase for interest due to decrease in the discount period			<u>1,855,718</u>
d. Net increase			\$ 1,671,180
3. Actuarial present value of accumulated plan benefits as of October 1, 2015			\$ 16,000,714
C. <u>Significant Matters Affecting Calculations</u>			
1. Assumed rate of return used in determining actuarial present values			7.25%
2. Change in plan provisions			None.
3. Change in actuarial assumptions			See Table X, Item K.

**Table VIII
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

General Employees

Accounting Disclosure Exhibit

		<u>Prior Assumptions</u>	<u>Current Assumptions</u>
	<u>10/01/2014</u>	<u>10/01/2015</u>	<u>10/01/2015</u>
I. <u>Financial Accounting Standards Board Allocation as of</u>			
A. <u>Statement of Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated vested plan benefits			
a. Participants currently receiving benefits	\$ 3,640,612	\$ 3,654,748	\$ 3,899,103
b. Other participants	1,746,434	2,151,926	2,098,210
c. Total	<u>\$ 5,387,046</u>	<u>\$ 5,806,674</u>	<u>\$ 5,997,313</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>603,480</u>	<u>575,278</u>	<u>526,026</u>
3. Total actuarial present value of accumulated plan benefits	\$ 5,990,526	\$ 6,381,952	\$ 6,523,339
B. <u>Statement of Change in Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2014			\$ 5,990,526
2. Increase / (decrease) during year attributable to:			
a. Change in plan provisions / actuarial assumptions			\$ 141,387
b. Benefits paid (includes refunds and DROP distributions)			(368,245)
c. Other, including benefits accumulated, increase for interest due to decrease in the discount period			<u>759,671</u>
d. Net increase			\$ 532,813
3. Actuarial present value of accumulated plan benefits as of October 1, 2015			\$ 6,523,339
C. <u>Significant Matters Affecting Calculations</u>			
1. Assumed rate of return used in determining actuarial present values			7.25%
2. Change in plan provisions			None.
3. Change in actuarial assumptions			See Table X, Item K.

**Table VIII
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Police Officers

Accounting Disclosure Exhibit

	<u>10/01/2014</u>	<u>Prior Assumptions 10/01/2015</u>	<u>Current Assumptions 10/01/2015</u>
I. <u>Financial Accounting Standards Board Allocation as of</u>			
A. <u>Statement of Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated vested plan benefits			
a. Participants currently receiving benefits	\$ 3,487,081	\$ 3,379,256	\$ 3,630,907
b. Other participants	4,695,112	5,454,394	5,502,547
c. Total	<u>\$ 8,182,193</u>	<u>\$ 8,833,650</u>	<u>\$ 9,133,454</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>156,815</u>	<u>304,629</u>	<u>343,921</u>
3. Total actuarial present value of accumulated plan benefits	\$ 8,339,008	\$ 9,138,279	\$ 9,477,375
B. <u>Statement of Change in Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2014			\$ 8,339,008
2. Increase / (decrease) during year attributable to:			
a. Change in plan provisions / actuarial assumptions			\$ 339,096
b. Benefits paid (includes refunds and DROP distributions)			(296,776)
c. Other, including benefits accumulated, increase for interest due to decrease in the discount period			<u>1,096,047</u>
d. Net increase			\$ 1,138,367
3. Actuarial present value of accumulated plan benefits as of October 1, 2015			\$ 9,477,375
C. <u>Significant Matters Affecting Calculations</u>			
1. Assumed rate of return used in determining actuarial present values			7.25%
2. Change in plan provisions			None.
3. Change in actuarial assumptions			See Table X, Item K.

Retirement Plan for Employees of the
Town of Surfside, Florida

Accounting Disclosure Exhibit

II. Net Pension Liability and Related Ratios (GASB No. 67 & No. 68)

Measurement date	9/30/2014	9/30/2015	Projected 9/30/2016 *
A. <u>Total Pension Liability (TPL)</u>			
Service Cost	\$ 888,988	\$ 901,998	\$ 932,365
Interest	1,227,596	1,336,817	1,448,806
Benefit Changes	35,244	0	0
Difference Between Actual and Expected Experience	170,264	100,031	(35,527)
Assumption Changes	0	0	402,655
Benefit Payments, including Refunds of Member Contributions	(545,746)	(665,021)	(656,354)
Net Change in Total Pension Liability	\$ 1,776,346	\$ 1,673,825	\$ 2,091,945
Total Pension Liability (TPL) - (beginning of year)	15,562,038	17,338,384	19,012,209
Total Pension Liability (TPL) - (end of year)	<u>\$ 17,338,384</u>	<u>\$ 19,012,209</u>	<u>\$ 21,104,154</u>
B. <u>Plan Fiduciary Net Position</u>			
Contributions - Town	\$ 631,584	\$ 727,022	\$ 757,304
Contributions - Member	349,600	391,213	375,979
Net Investment Income	1,396,431	(132,329)	1,209,970
Benefit Payments, including Refunds of Member Contributions	(545,746)	(665,021)	(656,354)
Administrative Expenses	(80,194)	(85,426)	(85,426)
Other	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,751,675	\$ 235,459	\$ 1,601,473
Plan Fiduciary Net Position - (beginning of year)	14,506,355	16,258,030	16,493,489
Plan Fiduciary Net Position - (end of year)	<u>\$ 16,258,030</u>	<u>\$ 16,493,489</u>	<u>\$ 18,094,962</u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 1,080,354	\$ 2,518,720	\$ 3,009,192
D. <u>Plan Fiduciary Net Position as a Percentage of TPL: (B) / (A)</u>	93.77 %	86.75 %	85.74 %
E. <u>Covered Employee Payroll</u> **	\$ 5,103,795	\$ 5,321,296	\$ 5,484,903
F. <u>NPL as a Percentage of Covered Employee Payroll: (C) / (E)</u>	21.17 %	47.33 %	54.86 %
G. <u>Notes to Schedule:</u>			
Valuation Date	10/01/2013	10/01/2014	10/01/2015
Reporting Date (GASB No. 68)	9/30/2015	9/30/2016	9/30/2017

Update procedures used to roll forward TPL excluding DROP account balances to the measurement dates - actual DROP account balances as of measurement dates included in TPL.

See Table VIII, Item IV. for assumption and / or method changes during FYE 2016.

No benefit changes during FYE 2016.

* Projected - actual amounts will be available after fiscal year end.

** Reported payroll on which contributions to the Plan are based as provided under GASB No. 82.

**Table VIII
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Accounting Disclosure Exhibit

III. Schedule of Employer Contributions (GASB No. 67 & No. 68)

<u>Fiscal Year End 9/30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll^{1,2}</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2006	\$ 203,274	\$ 230,812	(27,538)	\$ 3,170,278	7.28%
2007	264,370	264,370	0	3,653,048	7.24%
2008	384,905	384,416	489	3,978,291	9.66%
2009	423,747	423,747	0	4,568,544	9.28%
2010	553,919	553,919	0	4,059,522	13.64%
2011	625,963	625,963	0	4,016,852	15.58%
2012	515,440	515,440	0	4,053,208	12.72%
2013	534,209	534,209	0	4,359,957	12.25%
2014	631,584	631,584	0	5,103,795	12.37%
2015	727,022	727,022	0	5,321,296	13.66%
2016 ³	757,304	757,304	0	5,484,903	13.81%

¹ Projected prior to fiscal year ended September 30, 2014

² Reported payroll on which contributions to the Plan are based as provided under GASB No. 82

³ Projected - actual amounts will be available after fiscal year end

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Accounting Disclosure Exhibit

IV. Notes to Schedule of Contributions (GASB No. 67 & No. 68)

Valuation Date: Actuarially determined contributions are calculated as of October 1st - two years prior the fiscal year end in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level dollar amount, Closed
Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	3.5%
Salary Increases	4.0% - 13.5%
Investment Rate of Return	7.5%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition

Mortality For healthy General Employee participants, the RP 2000 Combined Mortality Table was used with separate rates for males and females 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA.

For healthy Police Officer participants, the RP 2000 Combined Mortality Table with Blue Collar Adjustment was used with separate rates for males and females 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA.

For disabled participants, the RP 2000 Combined Disabled Mortality Table was used with separate rates for males and females 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA.

Cost of Living Adjustment 1.5%

Other Information:

Benefit Changes

2013: Police Officers - normal retirement eligibility updated to include completion of 15 years and 4 months of service if hired on a full time basis in March 2003; General Employees - may enter DROP upon attainment of normal retirement. 2012: Police Officers - normal retirement eligibility updated to the earliest of (1) age 52 with 20 years of Creditable Service, (2) age 62 with 5 years of Creditable Service or (3) completion of 25 years of Creditable Service. 2011: Town Manager and Town Attorney allowed to opt out of Plan. 2009: Member contributions *picked-up* by the Town. 2006: Police Officers - vesting percentages updated.

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Accounting Disclosure Exhibit

IV. Notes to Schedule of Contributions (GASB No. 67 & No. 68) (cont'd)

Assumption Changes

2015: Investment return updated from 7.5% to 7.25%; mortality, withdrawal rates, salary increase factors and retirement rates updated - first affects required contribution for fiscal year ending September 30, 2017. 2012: Mortality assumption for healthy General Employees updated to RP 2000 Combined Mortality Table (RP 2000 Disabled Mortality Table for disabled lives) with separate rates for males and females and 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA; mortality assumption for healthy Police Officer participants updated to RP 2000 Combined Mortality Table with Blue Collar Adjustment with separate rates for males and females and 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA. 2010: Salary increase factors updated. 2007: Mortality assumption for healthy participants updated to 1994 UP Mortality Table (RP 2000 Disabled Mortality Table for Disabled Lives) projected to 2007 with separate rates for males and females, salary increase, withdrawal and service related disability assumptions updated.

V. Discount Rate (GASB No. 67 & No. 68)

Discount rates of 7.50% and 7.25% were used to measure the September 30, 2015 TPL and the September 30, 2016 TPL, respectively. These discount rates were based on the expected rate of return on Plan investments of 7.50% and 7.25%. The projection of cash flows used to determine these discount rates assumed member contributions will be made at the current member contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined current contribution rates and the member contribution rate. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future expected benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the TPL.

Retirement Plan for Employees of the
Town of Surfside, Florida

Accounting Disclosure Exhibit

VI. Sensitivity of the NPL to the Discount Rate Assumption (GASB No. 67 & No. 68)

Measurement date: September 30, 2015

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.50%	7.50%	8.50%
NPL	\$ 5,137,862	\$ 2,518,720	\$ 357,820

Measurement date: September 30, 2016 *

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
NPL	\$ 6,079,443	\$ 3,009,192	\$ 509,203

* Projected - actual amounts will be available after fiscal year end

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Accounting Disclosure Exhibit

VII. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Reporting Date (GASB No. 68)

Pension Expense for Fiscal Year Ending September 30, 2016 \$ 952,643

Summary of Outstanding Deferred Inflows and Outflows of Resources as of September 30, 2016

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience on liabilities	207,623	0
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on pension plan investments	915,299	0
Total	\$ 1,122,922	\$ 0

Projected Deferred Outflows for City Contributions to Be Recognized in Pension Expense for Fiscal Year Ending September 30, 2017 \$ 757,304

Summary of Deferred Outflows and Inflows of Resources that will be Recognized in Pension Expense in Future Years.

Year Ending 30-Sep	Amount
2017	\$ 252,759
2018	252,759
2019	252,761
2020	311,784
2021	38,691
Thereafter	14,168

**Table VIII
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Accounting Disclosure Exhibit

The following information is not required to be disclosed but is provided for informational purposes.

VIII. Components of Pension Expense (GASB No. 68)

Measurement Date	<u>9/30/2014</u>	<u>9/30/2015</u>	<u>Projected 9/30/2016 *</u>
Service Cost	\$ 888,988	\$ 901,998	\$ 932,365
Interest on Total Pension Liability	1,227,596	1,336,817	1,448,806
Current-Period Benefit Changes	35,244	0	0
Contributions - Member	(349,600)	(391,213)	(375,979)
Projected Earnings on Plan Investments	(1,101,298)	(1,233,144)	(1,209,970)
Administrative Expenses	80,194	85,426	85,426
Other Changes in Plan Fiduciary Net Position	0	0	0
Recognition of Beginning Deferred Outflows / (Inflows) due to Liabilities	23,981	38,691	96,965
Recognition of Beginning Deferred Outflows / (Inflows) due to Assets	(59,027)	214,068	214,068
Total Pension Expense	<u>\$ 746,078</u>	<u>\$ 952,643</u>	<u>\$ 1,191,681</u>

* Projected - actual amounts will be available after measurement date

Retirement Plan for Employees of the
Town of Surfside, Florida

Accounting Disclosure Exhibit

The following information is not required to be disclosed but is provided for informational purposes.

IX. Recognition of Deferred Outflows and (Inflows) due to Liabilities - Measurement Date (GASB No. 68)

Recognition of Deferred Outflows due to Differences Between Actual and Expected Experience on Liabilities

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2015	Recognition Amount for 2014 / 2015	Balance as of 9/30/2015
2013 / 2014	\$ 170,264	7.1	5.1	\$ 23,981	\$ 122,302
2014 / 2015	100,031	6.8	5.8	14,710	85,321
TOTAL				\$ 38,691	\$ 207,623

Recognition of Deferred (Inflows) due to Differences Between Actual and Expected Experience on Liabilities

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2015	Recognition Amount for 2014 / 2015	Balance as of 9/30/2015
2013 / 2014	\$ 0	7.1	5.1	\$ 0	\$ 0
2014 / 2015	0	6.8	5.8	0	0
TOTAL				\$ 0	\$ 0

Recognition of Deferred Outflows due to Changes of Assumptions or Other Inputs

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2015	Recognition Amount for 2014 / 2015	Balance as of 9/30/2015
2013 / 2014	\$ 0	7.1	5.1	\$ 0	\$ 0
2014 / 2015	0	6.8	5.8	0	0
TOTAL				\$ 0	\$ 0

Recognition of Deferred (Inflows) due to Changes of Assumptions or Other Inputs

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2015	Recognition Amount for 2014 / 2015	Balance as of 9/30/2015
2013 / 2014	\$ 0	7.1	5.1	\$ 0	\$ 0
2014 / 2015	0	6.8	5.8	0	0
TOTAL				\$ 0	\$ 0

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Accounting Disclosure Exhibit

The following information is not required to be disclosed but is provided for informational purposes.

X. Recognition of Deferred Outflows and (Inflows) Due to Assets - Measurement Date (GASB No. 68)

Recognition of Deferred Outflows / (Inflows) due to Difference Between Projected and Actual Earnings on Pension Plan Investments

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2015	Recognition Amount for 2014 / 2015	Balance as of 9/30/2015
2013 / 2014	\$ (295,133)	5	3	\$ (59,027)	\$ (177,079)
2014 / 2015	1,365,473	5	4	273,095	1,092,378
			TOTAL	\$ 214,068	\$ 915,299

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Outline of Principal Provisions of the Retirement Plan

A. Effective Date:

January 1, 1962. Most recent amendatory Ordinance considered: 13-1603.

B. Eligibility Requirements:

All regular, full-time employees are eligible upon employment. The Town Manager and Town Attorney have the right to opt out of the Plan at any time.

C. Creditable Service:

All service of a member measured in years and completed calendar months since latest date of hire with the Town.

D. Average Final Compensation (AFC):

The average of basic compensation during the highest three years (five years for General Employees) of the ten years preceding termination of employment; does not include bonuses, overtime, lump sum payments of unused leave or other nonregular payments.

E. Normal Retirement:

1. Eligibility:

For sworn Police Officers, the earliest of (1) age 52 with 20 years of Creditable Service, (2) age 62 with 5 years of Creditable Service, (3) completion of 25 years of Creditable Service or (4) the completion of 15 years and 4 months of service if hired on a full time basis in March 2003. For the Town Manager, age 64 with 7 years of Creditable Service. For all other employees, the earlier of (1) age 62 with 15 years of Creditable Service or (2) age 65 with 10 years of Creditable Service.

2. Benefit:

Period of Service	Benefit Accrual Rate per Year of Service Based on Employee Contribution Rate of			
	5%	6%	7%	8%
Before 10/1/1979	1 2/3%	N/A	N/A	N/A
10/1/1979 - 6/30/1996	1 2/3%	N/A	2%	N/A
7/1/1996 - 1/31/2003	1 2/3%	N/A	2%	2.5%
2/1/2003 - 9/30/2005	2%	2.5%	N/A	N/A
10/1/2005 - 9/30/2006	2%	2.5%	N/A	3% *
After 10/1/2006	2%	2.5%	N/A	3.5% *

Maximum benefit is 90% (75% prior to October 1, 2006) of AFC (60% of AFC for General Employees).

* For Police Officers only.

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Outline of Principal Provisions of the Retirement Plan

3. Form of Payment:

Straight life annuity with guaranteed refund of Accumulated Contributions (with options available).

F. Early Retirement:

1. Eligibility:

The earlier of (a) age 55 with 15 years of Creditable Service, or (b) 20 years of Creditable Service regardless of age.

2. Benefit:

Same as Normal Retirement Benefit using AFC and Creditable Service as of Early Retirement Date but payable at Normal Retirement Date assuming continued employment. Alternatively, benefits may commence immediately after reduction of 0.5% for each month early.

G. Delayed Retirement:

1. Eligibility:

Retirement after Normal Retirement Date.

2. Benefit:

Calculated in the same manner as Normal Retirement Benefit using AFC and Creditable Service as of delayed retirement date.

H. Disability Retirement:

1. Service Connected:

a) Eligibility:

Total and permanent disability incurred prior to normal retirement date as a direct result of performance of service to the Town and eligible for Social Security disability benefits.

b) Benefit:

75% (if injury) or 45% (if disease) of the rate of pay in effect on date of disability payable for life or until recovery. For General Employees, less Social Security disability benefits; there is an offset for Workers' Compensation to the extent that the disability benefit plus the Workers' Compensation benefit exceed 100% of preretirement salary.

2. Non-Service Connected:

a) Eligibility:

Total and permanent disability not incurred as a direct result of performance of service to the Town.

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Outline of Principal Provisions of the Retirement Plan

b) Benefit:

Accrued pension benefit.

I. Death Benefit:

1. Pre-Retirement:

Refund of Accumulated Contributions

2. After Normal Retirement Date but before Actual Retirement:

Survivor benefit payable in accordance with optional form of benefit chosen by member.

3. After Retirement:

Refund of any remaining Accumulated Contributions or optional survivor's benefits if elected.

J. Accumulated Contributions:

The sum of all amounts contributed by members including 4% interest on contributions made after January 1, 1979. Effective January 1, 2009, member contributions are *picked-up* by the Town.

K. Termination Benefit:

Upon termination prior to normal or early retirement date a member shall be entitled to choose (1) or (2) below, where:

1. A refund of Accumulated Contributions.

2. The benefit as for normal retirement using AFC and creditable service as of date of termination multiplied by the applicable percentage on the table below, commencing upon the earliest date a member would have attained normal retirement had he remained in service (age 65 for General Employees).

<u>Years of Credited Service</u>	<u>Percentage</u>	
	<u>General Employees</u>	<u>Police Officers</u>
Less than 5	0%	0%
5	50%	100%
6	60%	100%
7	70%	100%
8	80%	100%
9	90%	100%
10 or more	100%	100%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Outline of Principal Provisions of the Retirement Plan

L. Cost of Living Increase

A 1.5% automatic annual cost of living increase is provided for all current and future retirees, disableds, beneficiaries and vested terminated members.

M. Deferred Retirement Option Program (DROP)

1. Eligibility: Attainment of normal retirement date.
2. The maximum period of participation in the DROP is five (5) years.
3. An employee's account in the DROP program shall be credited with interest based upon actual Fund investment return.
4. No payment may be made from DROP until the employee actually separates from service with the Town.

N. Changes From Previous Valuation

None.

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

A. Mortality

For healthy male participants, RP 2000 Annuitant Male Mortality Table, with 10% White Collar / 90% Blue Collar Adjustment for Police Officers - 50% White Collar / 50% Blue Collar Adjustment for General Employees and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

For disabled male Police Officers, 60% RP 2000 Disabled Male Mortality Table setback four years / 40% RP 2000 Annuitant Male Mortality Table, with White Collar Adjustment and no setback, without projected mortality improvements. For disabled female Police Officers, 60% RP 2000 Disabled Female Mortality Table set forward two years / 40% RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment, without projected mortality improvements.

For disabled male General Employees, RP 2000 Disabled Male Mortality Table, setback four years, without projected mortality improvements. For disabled female General Employees, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements.

B. Investment Return

7.25%, compounded annually; net rate after investment related expenses.

C. Allowances for Expenses or Contingencies

Estimated expenses for upcoming year, not including investment related expenses.

D. Employee Withdrawal Rates

Withdrawal rates for males and females were used in accordance with the following illustrative examples:

<u>General Employees</u>	
<u>Age</u>	<u>Withdrawal Rate</u>
Under 25	30.0%
25 - 29	20.0%
30 - 34	15.0%
35 - 39	10.0%
40 - 44	9.0%
45 - 49	8.0%
50 - 54	7.0%
55 - 60	6.0%
60 & over	5.0%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

D. Employee Withdrawal Rates (cont'd)

<u>Police Officers</u>	
<u>Service</u>	<u>Withdrawal Rate</u>
0 - 4	12.0%
5 - 6	10.0%
7	5.0%
8	2.0%
9 & over	1.0%

E. Salary Increase Factors

Current salary is assumed to increase at a rate based on the tables below.

<u>General Employees</u>	
<u>Service</u>	<u>Salary Increase</u>
0 - 4	6.5%
4 - 5	6.0%
6	5.0%
7 - 9	4.5%
10 & over	4.0%

<u>Police Officers</u>	
<u>Service</u>	<u>Salary Increase</u>
0 - 3	8.0%
3	7.0%
4 - 5	6.0%
6	5.0%
7 & over	4.0%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

F. Disability Benefits

1. Rates: See Table Below
2. Percent Service Connected: 25% for General, 80% for Police.
3. Assume 50% of Service Connected Disabilities are due to injury and 50% are due to disease.

Age	Annual Rate of Disability	
	General Employees	Police Department
20	0.07%	0.14%
30	0.11%	0.18%
40	0.19%	0.30%
50	0.51%	1.00%
60	1.66%	0.00%

G. Smoothed Actuarial Value of Assets

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The smoothed actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of plan assets and whose upper limit is 120% of the fair market value of plan assets.

H. Assumed Retirement Age

Age	Annual Rate of Retirement*	
	General Employees	Police Officers
40	N/A	3%
41-45	4%	2%
46-47	3%	1%
48-50	2%	1%
51 & over	1%	1%
NRA	40%	50%
Past NRA	50%	50%

100% of members are assumed to retire upon reaching age 70 for General Employees and age 65 for Police Officers.

* For Employees who meet the age and service eligibility requirements for normal or early retirement

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

I. Marriage Assumption

100% of all members are assumed to be married. Wives are assumed to be three years younger than their husbands.

J. Actuarial Funding Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Actuarial Cost Method. Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his age at hire to his assumed retirement age to fund his estimated benefits, assuming the Plan has always been in effect. The normal cost for the Plan is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Plan is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the smoothed actuarial accrued liability over the actuarial value of assets of the Plan.

K. Change From Previous Valuation

1. Mortality was:

For healthy General Employee participants, RP 2000 Combined Mortality Tables, separate rates for males and females, 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA.

For healthy Police Officer participants, RP 2000 Combined Mortality Tables, separate rates for males and females, with Blue Collar Adjustment and 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA.

For disabled participants, RP 2000 Disabled Mortality Tables, separate rates for males and females, 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA.

2. Investment Return was:

7.5%, compounded annually; net rate after investment related expenses.

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

K. Change From Previous Valuation (cont'd)

3. Employee Withdrawal Rates were:

Withdrawal rates for males and females were used in accordance with the following illustrative examples:

<u>General Employees</u>	
<u>Age</u>	<u>Withdrawal Rate</u>
20	18.0%
30	15.2%
40	8.3%
50	2.2%
60	0.7%

<u>Police Officers</u>			
<u>Service</u>	<u>Withdrawal Rate</u>	<u>Service</u>	<u>Withdrawal Rate</u>
1	20.0%	7	6.0%
2	18.0%	8	4.0%
3	15.0%	9	3.0%
4	12.0%	10	2.5%
5	10.0%	11 & over	2.0%
6	8.0%		

4. Salary Increase Factors were:

Current salary is assumed to increase at a rate based on the tables below.

<u>General Employees</u>	
<u>Service</u>	<u>Salary Increase</u>
0 - 4	6.5%
4 - 7	4.5%
7 & over	4.0%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

K. Change From Previous Valuation (cont'd)

4. Salary Increase Factors were (cont'd):

Police Officers	
<u>Service</u>	<u>Salary Increase</u>
0 - 2	13.5%
2 - 3	12.5%
3 - 4	10.5%
4 - 5	8.5%
5 - 6	6.5%
6 & over	4.5%

5. Assumed Retirement Age was:

Age	Annual Rate of Retirement	
	General Employees	Police Officers
40	N/A	3%
41-45	4%	2%
46-47	3%	1%
48-50	2%	1%
51+	1%	1%
NRA	100%	100%

Table XI

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Distribution of Plan Participants by Attained Age Groups
and Service Groups as of October 1, 2015**

General Employees

Completed Years of Service Since Hire

<u>Attained Age Group</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40+</u>	<u>Total</u>
0-24	2	-	-	-	-	-	-	-	-	2
25-29	7	-	-	-	-	-	-	-	-	7
30-34	5	-	3	-	-	-	-	-	-	8
35-39	4	1	1	-	-	-	-	-	-	6
40-44	2	3	2	2	-	-	-	-	-	9
45-49	3	1	-	2	-	-	-	-	-	6
50-54	2	5	3	-	1	-	-	-	-	11
55-59	1	2	-	1	-	1	-	-	-	5
60-64	2	1	1	-	-	-	-	-	-	4
65-69	1	-	-	-	-	-	-	-	-	1
70+	=	=	=	=	=	=	=	=	=	<u>0</u>
TOTAL	29	13	10	5	1	1	0	0	0	59

	<u>Prior Year</u>	<u>Current Year</u>
Average Pay	\$ 51,052	\$ 52,903
Average Service	6.46 years	7.05 years
Percent Female	38.6%	35.6%

**Table XI
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Distribution of Plan Participants by Attained Age Groups
and Service Groups as of October 1, 2015**

Police Officers

Completed Years of Service Since Hire

<u>Attained Age Group</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40+</u>	<u>Total</u>
0-24	1	-	-	-	-	-	-	-	-	1
25-29	1	1	-	-	-	-	-	-	-	2
30-34	1	1	2	-	-	-	-	-	-	4
35-39	-	3	2	1	-	-	-	-	-	6
40-44	-	3	1	-	-	-	-	-	-	4
45-49	1	3	-	-	1	-	-	-	-	5
50-54	2	-	1	-	-	-	-	-	-	3
55-59	-	1	-	-	-	-	-	-	-	1
60-64	1	-	-	-	-	-	-	-	-	1
65-69	-	-	-	-	-	1	-	-	-	1
70+	=	=	=	=	=	=	=	=	=	<u>0</u>
TOTAL	7	12	6	1	1	1	0	0	0	28

	<u>Prior Year</u>	<u>Current Year</u>
Average Pay	\$ 81,049	\$ 84,414
Average Service	8.96 years	9.26 years
Percent Female	14.8%	14.3%

**Table XI
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Distribution of Plan Participants by Attained Age Groups
and Service Groups as of October 1, 2015**

General Employees - 5% Contribution Group

Completed Years of Service Since Hire

<u>Attained Age Group</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40+</u>	<u>Total</u>
0-24	-	-	-	-	-	-	-	-	-	0
25-29	-	-	-	-	-	-	-	-	-	0
30-34	-	-	-	-	-	-	-	-	-	0
35-39	-	-	-	-	-	-	-	-	-	0
40-44	-	-	-	-	-	-	-	-	-	0
45-49	-	-	-	-	-	-	-	-	-	0
50-54	-	-	-	-	-	-	-	-	-	0
55-59	-	-	-	1	-	-	-	-	-	1
60-64	-	-	-	-	-	-	-	-	-	0
65-69	-	-	-	-	-	-	-	-	-	0
70+	-	-	-	-	-	-	-	-	-	0
TOTAL	0	0	0	1	0	0	0	0	0	1
										Average Pay \$ 38,756

General Employees - 6% Contribution Group

Completed Years of Service Since Hire

<u>Attained Age Group</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40+</u>	<u>Total</u>
0-24	2	-	-	-	-	-	-	-	-	2
25-29	7	-	-	-	-	-	-	-	-	7
30-34	5	-	3	-	-	-	-	-	-	8
35-39	4	1	1	-	-	-	-	-	-	6
40-44	2	3	2	2	-	-	-	-	-	9
45-49	3	1	-	2	-	-	-	-	-	6
50-54	2	5	3	-	1	-	-	-	-	11
55-59	1	2	-	-	-	1	-	-	-	4
60-64	2	1	1	-	-	-	-	-	-	4
65-69	1	-	-	-	-	-	-	-	-	1
70+	-	-	-	-	-	-	-	-	-	0
TOTAL	29	13	10	4	1	1	0	0	0	58
										Average Pay \$ 53,147

Table XII

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Summary of Participant Data

	<u>10/01/2014</u>	<u>10/01/2015</u>
Active Participants		
Number: Fully Vested	35	38
Partially Vested	16	13
Non-Vested	33	36
Total	<u>84</u>	<u>87</u>
Average Attained Age	42.37 years	43.03 years
Average Years of Service	7.26 years	7.76 years
Average Compensation	\$ 60,694	\$ 63,045
 Inactive Participants Receiving Benefits (including DROPs)		
Number	37	36
Average Age at Retirement	60.70 years	60.85 years
Average Annual Benefit	\$ 17,557	\$ 17,938
 Inactive Participants Due Deferred Benefits		
Number	6	6
Average Age at Commencement	60.00 years	59.00 years
Average Annual Benefit	\$ 15,311	\$ 17,904

**Table XII
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

General Employees

Summary of Participant Data

	<u>10/01/2014</u>	<u>10/01/2015</u>
Active Participants		
Number: Fully Vested	13	17
Partially Vested	16	13
Non-Vested	28	29
Total	<u>57</u>	<u>59</u>
Average Attained Age	42.93 years	43.30 years
Average Years of Service	6.46 years	7.05 years
Average Compensation	\$ 51,052	\$ 52,903
 Inactive Participants Receiving Benefits (including DROPs)		
Number	24	24
Average Age at Retirement	61.54 years	61.54 years
Average Annual Benefit	\$ 13,970	\$ 14,166
 Inactive Participants Due Deferred Benefits		
Number	3	2
Average Age at Commencement	65.00 years	63.50 years
Average Annual Benefit	\$ 12,817	\$ 9,856

**Table XII
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Police Officers

Summary of Participant Data

	<u>10/01/2014</u>	<u>10/01/2015</u>
Active Participants		
Number: Fully Vested	22	21
Partially Vested	0	0
Non-Vested	5	7
Total	<u>27</u>	<u>28</u>
Average Attained Age	41.20 years	42.45 years
Average Years of Service	8.96 years	9.26 years
Average Compensation	\$ 81,049	\$ 84,414
 Inactive Participants Receiving Benefits (including DROPs)		
Number	13	12
Average Age at Retirement	59.16 years	59.46 years
Average Annual Benefit	\$ 24,180	\$ 25,482
 Inactive Participants Due Deferred Benefits		
Number	3	4
Average Age at Commencement	55.00 years	56.75 years
Average Annual Benefit	\$ 17,806	\$ 21,928

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Reconciliation of Employee Data

A. <u>Active Participants</u>	
1. Active participants previous year	84
2. Retired during year	0
3. Entered DROP	0
4. Died during year	0
5. Disabled during year	0
6. Non-vested employment terminations	(5)
7. Vested employment terminations	(1)
8. Terminated vested paid lump sum	0
9. Leave of absence	0
10. Transfers	0
11. New active participants	9
12. Rehired participant	0
13. Part time employees transferred to full time participants	0
14. Active participants current year	<u>87</u>
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	32
2. New retired participants	0
3. New terminated vested receiving benefits	0
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Former DROPs now receiving benefits	1
7. Died or ceased payment during year	(1)
8. Retired or terminated vested receiving benefits current year	<u>32</u>
C. <u>DROP Participants</u>	
1. DROP participants previous year	5
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	(1)
5. Entered DROP during year	0
6. DROP participants current year	<u>4</u>
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	6
2. Died during year	0
3. Commenced receiving benefits during year	0
4. New terminated vested	1
5. Terminated vested paid lump sum	(1)
6. Terminated vested entitled current year	<u>6</u>

**Retirement Plan for Employees of the
Town of Surfside, Florida
General Employees**

Reconciliation of Employee Data

A. <u>Active Participants</u>	
1. Active participants previous year	57
2. Retired during year	0
3. Entered DROP	0
4. Died during year	0
5. Disabled during year	0
6. Non-vested employment terminations	(5)
7. Vested employment terminations	0
8. Terminated vested paid lump sum	0
9. Leave of absence	0
10. Transfers	0
11. New active participants	7
12. Rehired participant	0
13. Part time employees transferred to full time participants	0
14. Active participants current year	<u>59</u>
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	20
2. New retired participants	0
3. New terminated vested receiving benefits	0
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Former DROPs now receiving benefits	1
7. Died or ceased payment during year	0
8. Retired or terminated vested receiving benefits current year	<u>21</u>
C. <u>DROP Participants</u>	
1. DROP participants previous year	4
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	(1)
5. Entered DROP during year	0
6. DROP participants current year	<u>3</u>
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	3
2. Died during year	0
3. Commenced receiving benefits during year	0
4. New terminated vested	0
5. Terminated vested paid lump sum	(1)
6. Terminated vested entitled current year	<u>2</u>

Retirement Plan for Employees of the
Town of Surfside, Florida

Police Officers

Reconciliation of Employee Data

A. <u>Active Participants</u>	
1. Active participants previous year	27
2. Retired during year	0
3. Entered DROP	0
4. Died during year	0
5. Disabled during year	0
6. Non-vested employment terminations	0
7. Vested employment terminations	(1)
8. Terminated vested paid lump sum	0
9. Leave of absence	0
10. Transfers	0
11. New active participants	2
12. Rehired participant	0
13. Part time employees transferred to full time participants	0
14. Active participants current year	<u>28</u>
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	12
2. New retired participants	0
3. New terminated vested receiving benefits	0
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Former DROPs now receiving benefits	0
7. Died or ceased payment during year	(1)
8. Retired or terminated vested receiving benefits current year	<u>11</u>
C. <u>DROP Participants</u>	
1. DROP participants previous year	1
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	0
5. Entered DROP during year	0
6. DROP participants current year	<u>1</u>
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	3
2. Died during year	0
3. Commenced receiving benefits during year	0
4. New terminated vested	1
5. Terminated vested paid lump sum	0
6. Terminated vested entitled current year	<u>4</u>

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Recent Plan Experience

A. Investment Return Experience

<u>Year Ended</u>	<u>Market Value</u>	<u>Smoothed Actuarial Value</u>	<u>Assumed</u>
09/30/2015	(0.8%)	7.0%	7.5%
09/30/2014	9.5%	8.9%	7.5%
09/30/2013	11.5%	6.7%	7.5%
09/30/2012	18.4%	0.9%	7.5%
09/30/2011	(3.2%)	0.3%	7.5%
09/30/2010	7.7%	3.9%	7.5%
09/30/2009	(2.1%)	(0.7%)	7.5%
09/30/2008	(13.8%)	4.6%	7.5%
09/30/2007	13.9%	9.5%	7.5%
09/30/2006	7.0%	6.2%	7.5%
Average			
Last 3 Years	6.6%	7.5%	7.5%
Last 5 Years	6.8%	4.7%	7.5%
Last 10 Years	4.4%	4.7%	7.5%

B. Review of Recent Salary Experience *

<u>Year Ended</u>	<u>General Employees</u>		<u>Police Officers</u>	
	<u>Actual</u>	<u>Assumed</u>	<u>Actual</u>	<u>Assumed</u>
09/30/2015	6.1%	5.1%	2.4%	5.7%
09/30/2014	10.7%	4.9%	3.9%	5.8%
09/30/2013	6.6%	5.0%	4.6%	5.1%
09/30/2012	4.6%	4.9%	4.2%	5.3%
09/30/2011	8.6%	5.0%	5.0%	5.5%
09/30/2010	1.0%	7.0%	11.1%	11.4%
09/30/2009	3.0%	6.7%	13.4%	12.1%
09/30/2008	6.8%	6.8%	14.7%	12.4%
09/30/2007	4.8%	6.0%	(0.1%)	6.0%
09/30/2006	9.6%	6.0%	35.2%	6.0%
Average				
Last 3 Years	7.8%	5.0%	3.6%	5.5%
Last 5 Years	7.3%	5.0%	4.0%	5.5%
Last 10 Years	6.1%	5.7%	9.0%	7.5%

* Participants who have full years of pay for both years considered.

Retirement Plan for Employees of the
Town of Surfside, Florida

Recent Plan Experience

C. Recent Termination Experience

General Employees

<u>Year Ended</u>	<u>Number of Employees Previous Valuation</u>	<u>Expected Terminations</u>	<u>Actual Terminations</u>	<u>Ratio of Actual To Expected</u>
09/30/2015	57	4.2	5	1.2
09/30/2014	64	4.8	6	1.3
09/30/2013	52	3.5	3	0.9
09/30/2012	51	3.7	8	2.2
09/30/2011	50	3.1	7	2.3
09/30/2010	50	3.3	3	0.9
09/30/2009	66	4.9	17	3.5
09/30/2008	60	4.2	9	2.1
09/30/2007	65	3.6	9	2.5
09/30/2006	65	3.7	7	1.9
Last 3 Years	173	12.5	14	1.1
Last 5 Years	274	19.3	29	1.5
Last 10 Years	580	39.0	74	1.9

Police Officers

<u>Year Ended</u>	<u>Number of Employees Previous Valuation</u>	<u>Expected Terminations</u>	<u>Actual Terminations</u>	<u>Ratio of Actual To Expected</u>
09/30/2015	27	1.3	1	0.8
09/30/2014	27	1.4	0	0.0
09/30/2013	27	2.0	1	0.5
09/30/2012	27	2.3	1	0.4
09/30/2011	27	2.4	3	1.3
09/30/2010	29	3.2	1	0.3
09/30/2009	30	3.7	3	0.8
09/30/2008	30	4.4	4	0.9
09/30/2007	25	0.7	3	4.3
09/30/2006	19	0.5	2	4.0
Last 3 Years	81	4.7	2	0.4
Last 5 Years	135	9.4	6	0.6
Last 10 Years	268	21.9	19	0.9

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Town Contribution Information

Valuation Date	Contribution Fiscal Year End		Minimum Required Employer Contributions	Actual Employer Contributions Made
10/01/2015	09/30/2017	¹	\$ 797,359	N/A
10/01/2014	09/30/2016		\$ 757,304	N/A
10/01/2013	09/30/2015	²	\$ 727,022	\$ 727,022
10/01/2012	09/30/2014	³	\$ 631,584	\$ 631,584
10/01/2011	09/30/2013		\$ 534,209	\$ 534,209
10/01/2010	09/30/2012	⁴	\$ 515,440	\$ 515,440
10/01/2009	09/30/2011		\$ 625,963	\$ 625,963
10/01/2008	09/30/2010		\$ 553,919	\$ 553,919
10/01/2007	09/30/2009	⁵	\$ 423,747	\$ 423,747
10/01/2006	09/30/2008	⁶	\$ 384,905	\$ 384,416
10/01/2005	09/30/2007		\$ 264,370	\$ 264,370
10/01/2004	09/30/2006	⁷	\$ 203,274	\$ 230,812
10/01/2003	09/30/2005		\$ 0	\$ 102,410
10/01/2002	09/30/2004		\$ 0	\$ 102,410
10/01/2001	09/30/2003		\$ 0	\$ 0
10/01/2000	09/30/2002		\$ 0	\$ 0
10/01/1999	09/30/2001		\$ 0	\$ 0
10/01/1998	09/30/2000		\$ 14,417	\$ 14,417
10/01/1997	09/30/1999		\$ 0	\$ 0
10/01/1996	09/30/1998		\$ 58,833	\$ 58,833
10/01/1995	09/30/1997		\$ 140,751	\$ 140,751
10/01/1994	09/30/1996		\$ 116,992	\$ 116,992
01/01/1994	09/30/1995		\$ 118,566	\$ 118,566
01/01/1993	09/30/1994		\$ 147,703	\$ 167,952
01/01/1992	09/30/1993		\$ 145,740	\$ 167,952
01/01/1991	09/30/1992		\$ 167,483	\$ 167,952
01/01/1990	09/30/1991		\$ 167,981	\$ 167,981

¹ Reflects assumption changes effective October 1, 2015

² Reflects benefit changes effective October 1, 2013

³ Reflects assumption and benefit changes effective October 1, 2012

⁴ Reflects assumption changes effective October 1, 2010

⁵ Reflects assumption changes effective October 1, 2007

⁶ Reflects benefit improvement effective October 1, 2007

⁷ Reflects benefit improvement effective October 1, 2005

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Actuarial Valuation as of October 1, 2015

State Required Exhibit

All Members

	<u>10/01/2014</u>	<u>Prior Assumptions 10/01/2015</u>	<u>Current Assumptions 10/01/2015</u>
A. <u>Participant Data</u>			
1. Active participants	84	87	87
2. Retired, disabled and beneficiaries receiving benefits (including DROPs)	37	36	36
3. Terminated vested participants	6	6	6
4. Annual payroll of active participants	\$ 5,098,304	\$ 5,484,903	\$ 5,484,903
5. Expected payroll of active employees for the following year	\$ 5,098,304	\$ 5,484,903	\$ 5,484,903
6. Annual benefits payable to those currently receiving benefits (including DROPs)	\$ 649,624	\$ 645,765	\$ 645,765
B. <u>Assets</u>			
1. Smoothed actuarial value	\$ 15,746,681	\$ 17,235,998	\$ 17,235,998
2. Market value	\$ 16,258,030	\$ 16,493,489	\$ 16,493,489
C. <u>Liabilities</u>			
1. Actuarial present value of future expected benefit payments for active members			
a. Retirement benefits	\$ 14,861,473	\$ 16,240,250	\$ 15,462,257
b. Vesting benefits	1,251,292	1,318,826	1,448,660
c. Disability benefits	1,271,273	1,351,021	1,493,505
d. Return of member contributions	125,952	141,522	250,012
e. Total	<u>\$ 17,509,990</u>	<u>\$ 19,051,619</u>	<u>\$ 18,654,434</u>
2. Actuarial present value of future expected benefit payments for terminated vested members and miscellaneous	\$ 648,390	\$ 881,441	\$ 934,081
3. Actuarial present value of future expected benefit payments for members currently receiving benefits (including DROPs)	<u>\$ 7,127,693</u>	<u>\$ 7,034,004</u>	<u>\$ 7,530,010</u>
4. Total actuarial present value of future expected benefit payments	\$ 25,286,073	\$ 26,967,064	\$ 27,118,525
5. Actuarial accrued liabilities	\$ 17,438,415	\$ 18,976,682	\$ 19,379,337
6. Unfunded actuarial accrued liabilities	\$ 1,691,734	\$ 1,740,684	\$ 2,143,339

Retirement Plan for Employees of the
Town of Surfside, Florida

Actuarial Valuation as of October 1, 2015

State Required Exhibit

General Employees

		<u>Prior</u> <u>Assumptions</u>	<u>Current</u> <u>Assumptions</u>
	<u>10/01/2014</u>	<u>10/01/2015</u>	<u>10/01/2015</u>
A. <u>Participant Data</u>			
1. Active participants	57	59	59
2. Retired, disabled and beneficiaries receiving benefits (including DROPs)	24	24	24
3. Terminated vested participants	3	2	2
4. Annual payroll of active participants	\$ 2,909,978	\$ 3,121,306	\$ 3,121,306
5. Expected payroll of active employees for the following year	\$ 2,909,978	\$ 3,121,306	\$ 3,121,306
6. Annual benefits payable to those currently receiving benefits	\$ 335,286	\$ 339,985	\$ 339,985
B. <u>Assets</u>			
1. Smoothed actuarial value	\$ 6,192,702	\$ 6,659,124	\$ 6,659,124
2. Market value	\$ 6,393,800	\$ 6,372,256	\$ 6,372,256
C. <u>Liabilities</u>			
1. Actuarial present value of future expected benefit payments for active members			
a. Retirement benefits	\$ 4,937,767	\$ 5,476,654	\$ 4,143,140
b. Vesting benefits	379,597	420,715	949,742
c. Disability benefits	545,346	569,527	524,603
d. Return of member contributions	78,112	84,292	126,783
e. Total	<u>\$ 5,940,822</u>	<u>\$ 6,551,188</u>	<u>\$ 5,744,268</u>
2. Actuarial present value of future expected benefit payments for terminated vested members and miscellaneous	\$ 217,400	\$ 181,626	\$ 197,871
3. Actuarial present value of future expected benefit payments for members currently receiving benefits (including DROPs)	<u>\$ 3,640,612</u>	<u>\$ 3,654,748</u>	<u>\$ 3,899,103</u>
4. Total actuarial present value of future expected benefit payments	\$ 9,798,834	\$ 10,387,562	\$ 9,841,242
5. Actuarial accrued liabilities	\$ 6,712,712	\$ 7,350,918	\$ 7,489,177
6. Unfunded actuarial accrued liabilities	\$ 520,010	\$ 691,794	\$ 830,053

Retirement Plan for Employees of the
Town of Surfside, Florida

Actuarial Valuation as of October 1, 2015

State Required Exhibit

Police Officers

	<u>10/01/2014</u>	<u>Prior Assumptions</u> <u>10/01/2015</u>	<u>Current Assumptions</u> <u>10/01/2015</u>
A. <u>Participant Data</u>			
1. Active participants	27	28	28
2. Retired, disabled and beneficiaries receiving benefits (including DROPs)	13	12	12
3. Terminated vested participants	3	4	4
4. Annual payroll of active participants	\$ 2,188,326	\$ 2,363,597	\$ 2,363,597
5. Expected payroll of active employees for the following year	\$ 2,188,326	\$ 2,363,597	\$ 2,363,597
6. Annual benefits payable to those currently receiving benefits	\$ 314,338	\$ 305,780	\$ 305,780
B. <u>Assets</u>			
1. Smoothed actuarial value	\$ 9,553,979	\$ 10,576,874	\$ 10,576,874
2. Market value	\$ 9,864,230	\$ 10,121,233	\$ 10,121,233
C. <u>Liabilities</u>			
1. Actuarial present value of future expected benefit payments for active members			
a. Retirement benefits	\$ 9,923,706	\$ 10,763,596	\$ 11,319,117
b. Vesting benefits	871,695	898,111	498,918
c. Disability benefits	725,927	781,494	968,902
d. Return of member contributions	47,840	57,230	123,229
e. Total	\$ 11,569,168	\$ 12,500,431	\$ 12,910,166
2. Actuarial present value of future expected benefit payments for terminated vested members and miscellaneous	\$ 430,990	\$ 699,815	\$ 736,210
3. Actuarial present value of future expected benefit payments for members currently receiving benefits (including DROPs)	\$ 3,487,081	\$ 3,379,256	\$ 3,630,907
4. Total actuarial present value of future expected benefit payments	\$ 15,487,239	\$ 16,579,502	\$ 17,277,283
5. Actuarial accrued liabilities	\$ 10,725,703	\$ 11,625,764	\$ 11,890,160
6. Unfunded actuarial accrued liabilities	\$ 1,171,724	\$ 1,048,890	\$ 1,313,286

Retirement Plan for Employees of the
Town of Surfside, Florida

Actuarial Valuation as of October 1, 2015

State Required Exhibit - All Members

	<u>10/01/2014</u>	<u>Prior Assumptions 10/01/2015</u>	<u>Current Assumptions 10/01/2015</u>
D. <u>Statement of Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated vested benefits			
a. Participants currently receiving benefits	\$ 7,127,693	\$ 7,034,004	\$ 7,530,010
b. Terminated vested members and miscellaneous	648,390	881,441	934,081
c. Other participants	5,793,156	6,724,879	6,666,676
d. Total	<u>\$ 13,569,239</u>	<u>\$ 14,640,324</u>	<u>\$ 15,130,767</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>760,295</u>	<u>879,907</u>	<u>869,947</u>
3. Total actuarial present value of accumulated plan benefits	\$ 14,329,534	\$ 15,520,231	\$ 16,000,714
E. <u>Statement of Change in Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2014			\$ 14,329,534
2. Increase / (decrease) during year attributable to:			
a. Change in plan provisions / actuarial assumptions			\$ 480,483
b. Benefits paid (includes refunds and DROP distributions)			(665,021)
c. Other, including benefits accumulated, increase for interest due to decrease in the discount period			<u>1,855,718</u>
d. Net increase			<u>\$ 1,671,180</u>
3. Actuarial present value of accumulated plan benefits as of October 1, 2015			\$ 16,000,714
F. <u>Pension Cost</u>			
1. Total normal cost	\$ 982,192	\$ 1,048,853	\$ 1,017,791
2. Payment required to amortize unfunded liability	112,215	114,998	142,839
3. Interest	12,185	13,116	12,708
4. Total required contributions	<u>\$ 1,106,592</u>	<u>\$ 1,176,967</u>	<u>\$ 1,173,338</u>
5. Item 4 as a percentage of payroll	21.7%	21.5%	21.4%
6. Estimated employee contributions	\$ 349,288	\$ 375,979	\$ 375,979
7. Item 6 as a percentage of payroll	6.9%	6.9%	6.9%
8. Net amount payable by Town	\$ 757,304	\$ 800,988	\$ 797,359
9. Item 8 as a percentage of payroll	14.9%	14.6%	14.5%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Actuarial Valuation as of October 1, 2015

State Required Exhibit - General Employees

	<u>10/01/2014</u>	<u>Prior Assumptions 10/01/2015</u>	<u>Current Assumptions 10/01/2015</u>
D. <u>Statement of Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated vested benefits			
a. Participants currently receiving benefits	\$ 3,640,612	\$ 3,654,748	\$ 3,899,103
b. Terminated vested members and miscellaneous	217,400	181,626	197,871
c. Other participants	1,529,034	1,970,300	1,900,339
d. Total	\$ 5,387,046	\$ 5,806,674	\$ 5,997,313
2. Actuarial present value of accumulated non-vested plan benefits	603,480	575,278	526,026
3. Total actuarial present value of accumulated plan benefits	\$ 5,990,526	\$ 6,381,952	\$ 6,523,339
E. <u>Statement of Change in Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2014			\$ 5,990,526
2. Increase / (decrease) during year attributable to:			
a. Change in plan provisions / actuarial assumptions			\$ 141,387
b. Benefits paid (includes refunds and DROP distributions)			(368,245)
c. Other, including benefits accumulated, increase for interest due to decrease in the discount period			759,671
d. Net increase			\$ 532,813
3. Actuarial present value of accumulated plan benefits as of October 1, 2015			\$ 6,523,339
F. <u>Pension Cost</u>			
1. Total normal cost	\$ 397,751	\$ 408,509	\$ 367,414
2. Payment required to amortize unfunded liability	41,953	56,048	65,535
3. Interest	6,078	6,520	6,317
4. Total required contributions	\$ 445,782	\$ 471,077	\$ 439,266
5. Item 4 as a percentage of payroll	15.3%	15.1%	14.1%
6. Estimated employee contributions	\$ 174,222	\$ 186,891	\$ 186,891
7. Item 6 as a percentage of payroll	6.0%	6.0%	6.0%
8. Net amount payable by Town	\$ 271,560	\$ 284,186	\$ 252,375
9. Item 8 as a percentage of payroll	9.3%	9.1%	8.1%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Actuarial Valuation as of October 1, 2015

State Required Exhibit - Police Officers

	<u>10/01/2014</u>	<u>Prior Assumptions 10/01/2015</u>	<u>Current Assumptions 10/01/2015</u>
D. <u>Statement of Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated vested benefits			
a. Participants currently receiving benefits	\$ 3,487,081	\$ 3,379,256	\$ 3,630,907
b. Terminated vested members and miscellaneous	430,990	699,815	736,210
c. Other participants	4,264,122	4,754,579	4,766,337
d. Total	\$ 8,182,193	\$ 8,833,650	\$ 9,133,454
2. Actuarial present value of accumulated non-vested plan benefits	156,815	304,629	343,921
3. Total actuarial present value of accumulated plan benefits	\$ 8,339,008	\$ 9,138,279	\$ 9,477,375
E. <u>Statement of Change in Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2014			\$ 8,339,008
2. Increase / (decrease) during year attributable to:			
a. Change in plan provisions / actuarial assumptions			\$ 339,096
b. Benefits paid (includes refunds and DROP distributions)			(296,776)
c. Other, including benefits accumulated, increase for interest due to decrease in the discount period			1,096,047
d. Net increase			\$ 1,138,367
3. Actuarial present value of accumulated plan benefits as of October 1, 2015			\$ 9,477,375
F. <u>Pension Cost</u>			
1. Total normal cost	\$ 584,441	\$ 640,344	\$ 650,377
2. Payment required to amortize unfunded liability	70,262	58,950	77,304
3. Interest	6,107	6,596	6,391
4. Total required contributions	\$ 660,810	\$ 705,890	\$ 734,072
5. Item 4 as a percentage of payroll	30.2%	29.9%	31.1%
6. Estimated employee contributions	\$ 175,066	\$ 189,088	\$ 189,088
7. Item 6 as a percentage of payroll	8.0%	8.0%	8.0%
8. Net amount payable by Town	\$ 485,744	\$ 516,802	\$ 544,984
9. Item 8 as a percentage of payroll	22.2%	21.9%	23.1%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Actuarial Valuation as of October 1, 2015

State Required Exhibit - All Members

	<u>10/01/2014</u>	<u>Prior Assumptions 10/01/2015</u>	<u>Current Assumptions 10/01/2015</u>
G. <u>Past Contributions</u>			
1. Total contribution required (Prior Year)	\$ 1,080,523	\$ 1,106,592	\$ 1,106,592
2. Actual contributions made:			
a. Member	\$ 369,184	N/A	N/A
b. Town	727,022	N/A	N/A
c. Total	\$ 1,096,206	N/A	N/A
H. <u>Net Actuarial Gain / (Loss)</u>			
1. General Employees	\$ (81,201)	\$ (148,934)	\$ (148,934)
2. Police Officers	149,757	152,951	152,951
3. Total	\$ 68,556	\$ 4,017	\$ 4,017
I. <u>Disclosure of Following Items:</u>			
1. Actuarial present value of future salaries - attained age			
a. General Employees	\$ 24,590,284	\$ 25,739,198	\$ 22,876,305
b. Police Officers	19,193,230	19,738,548	21,145,496
c. Total	\$ 43,783,514	\$ 45,477,746	\$ 44,021,801
2. Actuarial present value of future employee contributions - attained age			
a. General Employees	\$ 1,472,944	\$ 1,542,072	\$ 1,370,030
b. Police Officers	1,535,458	1,579,084	1,691,640
c. Total	\$ 3,008,402	\$ 3,121,156	\$ 3,061,670
3. Actuarial present value of future contributions from other sources	N/A	N/A	N/A
4. Amount of active members' accumulated contributions			
a. General Employees	\$ 972,312	\$ 1,161,694	\$ 1,161,694
b. Police Officers	1,494,183	1,664,479	1,664,479
c. Total	\$ 2,466,495	\$ 2,826,173	\$ 2,826,173
5. Actuarial present value of future salaries and future benefits at entry age	N/A	N/A	N/A
6. Actuarial present value of future employee contributions at entry age	N/A	N/A	N/A

Retirement Plan for Employees of the
Town of Surfside, Florida

Actuarial Valuation as of October 1, 2015

State Required Exhibit

<u>Date</u>	<u>Unfunded Actuarial Accrued Liabilities</u>	<u>Current Unfunded Liabilities</u>	<u>Current Assumptions Amortization Payment</u>	<u>Prior Assumptions Amortization Payment</u>	<u>Remaining Funding Period</u>
<u>General Employees</u>					
10/01/2009	Combined Bases *	\$ 1,984	\$ 187	\$ 190	18 years
10/01/2010	Actuarial (Gain) / Loss	220,977	18,080	18,441	25 years
10/01/2010	Assumption Changes	(118,720)	(9,714)	(9,907)	25 years
10/01/2011	Actuarial (Gain) / Loss	80,380	6,484	6,617	26 years
10/01/2012	Actuarial (Gain) / Loss	155,693	12,398	12,658	27 years
10/01/2012	Assumption Changes	117,634	9,367	9,564	27 years
10/01/2013	Actuarial (Gain) / Loss	83	7	7	28 years
10/01/2014	Actuarial (Gain) / Loss	84,829	6,602	6,747	29 years
10/01/2015	Actuarial (Gain) / Loss	148,934	11,473	11,731	30 years
10/01/2015	Assumption Changes	138,259	10,651	N/A	30 years
	Total	\$ 830,053	\$ 65,535	\$ 56,048	
<u>Police Officers</u>					
10/01/2011	Combined Credit Bases *	\$ (5,096,907)	\$ (481,003)	\$ (488,492)	18 years
10/01/2011	Combined Charge Bases *	5,870,436	515,346	524,404	21 years
10/01/2012	Actuarial (Gain) / Loss	533,421	42,477	43,369	27 years
10/01/2012	Assumption Changes	40,295	3,209	3,276	27 years
10/01/2013	Actuarial (Gain) / Loss	(31,065)	(2,444)	(2,497)	28 years
10/01/2013	Plan Amendment	36,953	2,908	2,970	28 years
10/01/2014	Actuarial (Gain) / Loss	(151,292)	(11,774)	(12,033)	29 years
10/01/2015	Actuarial (Gain) / Loss	(152,951)	(11,783)	(12,047)	30 years
10/01/2015	Assumption Changes	264,396	20,368	N/A	30 years
	Total	\$ 1,313,286	\$ 77,304	\$ 58,950	

* Combined per Internal Revenue Code Regulation 1.412(b)-1

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise provided for in the valuation. All known events or trends which may require material increase in plan costs or required contribution rates have been taken into account in the valuation.

Enrollment Number: 14-02802
Date: August 19, 2016



Lawrence F. Wilson, A.S.A.