

**MISSISSIPPI MUNICIPAL RETIREMENT SYSTEMS
GASB STATEMENT NO. 68
PREPARED AS OF JUNE 30, 2016**



Hattiesburg

Paragraph 40(c) Membership as of the Measurement Date of June 30, 2016

	Number
Inactive Members Or Their Beneficiaries Currently Receiving Benefits	147
Inactive Members Entitled To But Not Yet Receiving Benefits	0
Active Members	1
Total	148

Paragraph 42(g) Sensitivity of the NPL to Changes in the Discount Rate

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Plan's Net Pension Liability (Asset)	\$19,101,847	\$15,838,774	\$13,038,294

Paragraph 44 Schedule of Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2015	\$37,101,715	\$22,611,392	\$14,490,323
Changes for the year:			
Service cost	12,368		12,368
Interest	2,745,617		2,745,617
Changes of assumptions	0		0
Difference between expected and actual experience	9,542		9,542
Contributions - employer		1,326,942	(1,326,942)
Contributions - employee		9,993	(9,993)
Net investment income		16,092	(16,092)
Benefit payments, including refunds of employee contributions	(3,348,794)	(3,348,794)	0
Administrative expense		(26,539)	26,539
Other changes	0	92,588	(92,588)
Net changes	(581,267)	(1,929,718)	1,348,451
Balances at June 30, 2016	\$36,520,448	\$20,681,674	\$15,838,774

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**Hattiesburg
(continued)**

Paragraph 45(a) Roll-forward of the Total Pension Liability

TPL Roll-Forward	
(a) TPL as of June 30, 2015	\$37,101,715
(b) Entry Age Normal Cost for the period July 1, 2015 – June 30, 2016	\$12,368
(c) Actual Benefit Payments and Refunds for the period July 1, 2015 – June 30, 2016	(\$3,348,794)
(d) Expected TPL as of June 30, 2016 = [(a) x (1.0775)] + (b) + [(c) x (1.03875)]	\$36,510,906
(e) Actual TPL as of June 30, 2016	\$36,520,448
(f) Experience (Gain)/Loss: (e) – (d)	\$9,542

Paragraph 45(h) Summary of Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$0
Changes of assumptions	0	0
Net difference between projected and actual earnings on plan investments	2,022,362	0
Employer contributions subsequent to the Measurement Date	<u>0</u>	<u>0</u>
Total	\$2,022,362	\$ 0

Paragraph 45(i): Schedule of Amortization of Deferred Inflows and Outflows of Resources:

Year Ended June 30	
2017	\$563,635
2018	\$563,635
2019	\$563,633
2020	\$331,459
Thereafter	0

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Hattiesburg
(continued)

PENSION EXPENSE

Service Cost	\$12,368
Interest on the total pension liability	2,745,617
Current-period benefit changes	0
Expensed portion of current-period difference between expected and actual experience in the total pension liability	9,542
Expensed portion of current-period changes of assumptions	0
Member contributions	(9,993)
Projected earnings on plan investments	(1,673,395)
Expensed portion of current-period differences between actual and projected earnings on plan investments	331,461
Administrative expense	26,539
Other	(92,588)
Recognition of beginning deferred outflows of resources as pension expense	232,174
Recognition of beginning deferred inflows of resources as pension expense	<u>0</u>
Pension Expense (Income)	<u>\$1,581,725</u>

Schedules of Required Supplementary Information
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
Last 10 Fiscal Years Ending June 30



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service Cost	\$23,592	\$12,368								
Interest	2,793,872	2,745,617								
Changes of benefit terms	0	0								
Differences between expected and actual experience	53,434	9,542								
Changes of assumptions	982,479	0								
Benefit payments, including refunds of employee contributions	(3,350,127)	(3,348,794)								
Net change in total pension liability	<u>503,250</u>	<u>(581,267)</u>								
Total pension liability - beginning	<u>36,598,465</u>	<u>37,101,715</u>								
Total pension liability - ending (a)	<u>\$37,101,715</u>	<u>\$36,520,448</u>								
Plan fiduciary net position										
Contributions - employer	\$1,626,692	\$1,326,942								
Contributions - member	9,755	9,993								
Net investment income	664,715	16,092								
Benefit payments, including refunds of employee contributions	(3,350,127)	(3,348,794)								
Administrative Expense	(32,534)	(26,539)								
Other	0	92,588								
Net change in plan fiduciary net position	<u>(1,081,499)</u>	<u>(1,929,718)</u>								
Plan net position - beginning	<u>23,692,891</u>	<u>22,611,392</u>								
Plan net position - ending (b)	<u>\$22,611,392</u>	<u>\$20,681,674</u>								
Net pension liability (asset) - ending (a) - (b)	\$14,490,323	\$15,838,774								
Plan fiduciary net position as a percentage of the total pension liability	60.94%	56.63%								
Covered payroll*	N/A	N/A								
Net pension liability (asset) as a percentage of covered payroll*	N/A	N/A								

*Payroll-related information not provided because plan is closed to new entrants and there are very few remaining active members and many municipalities have no remaining active members.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedules of Required Supplementary Information
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 Last 10 Fiscal Years



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution*	\$1,626,692	\$1,326,942								
Contributions in relation to the actuarially determined contribution*	<u>1,626,692</u>	<u>1,326,942</u>								
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>								
Covered payroll**	N/A	N/A								
Contributions as a percentage of covered payroll	N/A	N/A								

*Payroll-related information not provided because plan is closed to new entrants and there are very few remaining active members and many municipalities have no remaining active members.

Notes to Schedule

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Contributions for the fiscal year ending September 30, 2016 were based on the June 30, 2014 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Ultimate Asset Reserve
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Five year smoothed market
Inflation	3.50%
Salary increases	4.50 – 6.00%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

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