July 31, 2017

Ms. Colleen Rumplasch
HR Coordinator
Yadkin County
P.O. Box 220
Yadkinville, NC 27055

Yadkin County
Fiscal Year 2017 GASB 73 Report of the
Separation Allowance for Law Enforcement Officers

Dear Ms. Rumplasch:

Enclosed is the information required under Governmental Accounting Standards Board (GASB) 73 for the Law Enforcement Officers Special Separation Allowance provided under Article 12D of Chapter 143 North Carolina General Statutes. In preparing the report, the actuary relied on data provided by both the employer and the Local Governmental Employees' Retirement System. The active data used for the report was based on the census data provided by the Local Governmental Employees' Retirement System, while the inactive data was supplied by the employer. While not verifying the data at source, the actuary performed tests for consistency and reasonability. The assumptions used by the actuary are in the aggregate reasonably related to the experience under the program and to reasonable expectations of anticipated experience under the program.

This is to certify that the independent consulting actuary is a Member of the American Academy of Actuaries and has experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the plan and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the plan.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

If you have any questions about this information, please call Todd Green at 678.388.1705 or Joseph Walls at 678.388.1704.

Respectfully submitted,

Todd B. Green

Todd B. Green, ASA, FCA, MAAA
Principal and Consulting Actuary

TBG:jnw

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SECTION I – INTRODUCTION

REPORT OF THE ANNUAL GASB STATEMENT NO. 73
REQUIRED INFORMATION FOR
YADKIN COUNTY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE PLAN

PREPARED AS OF DECEMBER 31, 2016

The Governmental Accounting Standards Board issued Statement No. 73 (GASB 73), "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,*" in June 2015. GASB 73's applicable effective date is for an employer's fiscal year beginning after June 15, 2016. For purposes of this report, the Law Enforcement Officers' Special Separation Allowance Plan (Plan) for Yadkin County is assumed to be a single-employer, other than insured, defined benefit pension plan without a special funding situation where assets are not accumulated in a trust that meets the criteria in paragraph 4 of GASB 73.

This report, prepared as of December 31, 2016 (Measurement Date), presents information to assist the Employer in meeting the requirements of GASB 73 for the fiscal year ending June 30, 2017 (Reporting Date). The material provided in this report is based on the data, assumptions, and results of the annual actuarial valuation of the Plan as of December 31, 2015 (Valuation Date).

GASB 73 represents a significant departure from the requirements of the older GASB Statements No. 25 and No. 27 (GASB 25/27). GASB 25/27 were issued as funding statements that required pension plans to report items consistent with the results of the plan's actuarial valuations, as long as those valuations met certain parameters. GASB 73 basically divorces accounting and funding, creating disclosure and reporting requirements that may or may not be consistent with the basis used for funding the Plan. GASB 73 does not require the disclosure of an annual required contribution (ARC) or actuarially determined employer contribution (ADEC).

A major change with GASB 73 is the requirement to determine the Total Pension Liability (TPL) utilizing the Entry Age Normal (EAN) actuarial funding method. The plan provisions recognized in the calculation of the TPL are summarized in Schedule A.

Among the items needed for the liability calculation is the discount rate. As defined by Paragraph 31 of GASB 73, the discount rate should be a yield or an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The Municipal Bond Index Rate used for this purpose is the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month. On the Prior Measurement Date (December 31, 2015), the Municipal Bond Index Rate was 3.57%. Since the Prior Measurement Date, the Municipal Bond Index Rate has increased to 3.86% as of the Measurement Date (December 31, 2016).

SECTION I – INTRODUCTION (CONTINUED)

Another major change with GASB 73 is the requirement to determine and disclose a Pension Expense (PE) in the Notes to Financial Statements. The PE includes amounts for Service Cost (the Normal Cost under EAN for the year), interest on the TPL, benefit payments, and recognition of increases/decreases in the TPL due to changes in benefit structure, actuarial experience, and actuarial assumptions. The actuarial experience and assumption changes are recognized over the average expected remaining service life of the plan membership (active employees and inactive employees) at the beginning of the measurement period. The development of the PE is shown in Section IV.

The unrecognized portions of each year's experience and assumption changes are used to develop the Deferred Outflows of Resources and Deferred Inflows of Resources. The development of the Deferred Outflows of Resources and Deferred Inflows of Resources is shown in Section III.

Section II of this report is a summary of the principal results of the amounts under GASB 73. Section III provides the results of all the necessary calculations, presented in the order laid out in GASB 73 for note disclosure and Required Supplementary Information (RSI).

SECTION II – SUMMARY OF PRINCIPAL RESULTS

Valuation Date (VD):	December 31, 2015
Measurement Date (MD):	December 31, 2016
Reporting Date (RD):	June 30, 2017
Membership Data as of December 31, 2015 (Valuation Date):	
Inactive Members Currently Receiving Benefits	8
Active Members	38
Total Membership	46
Discount Rate:	3.86%
Total Pension Liability as of Measurement Date:	$ 626,059
Pension Expense:	$ 59,786
Deferred Outflows of Resources:*	$ 0
Deferred Inflows of Resources:	$ 12,708

* Does not include benefit payments and administrative expenses subsequent to the measurement date.

SECTION III – NOTES TO FINANCIAL STATEMENTS

The material presented herein will follow the order presented in GASB 73. Paragraph numbers are provided for ease of reference.

Paragraphs 41 (a)-(b): This information is to be prepared by the Plan and/or the employer.

Paragraph 41 (c): The active membership data was furnished by the North Carolina Local Governmental Employees' Retirement. The inactive data was provided by the employer. The following table summarizes the membership of the Plan as of December 31, 2015, the Valuation Date.

Membership

Category	Number
Inactive Members Currently Receiving Benefits	8
Active Members	38
Total	46

Paragraph 41 (d): No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 73.

Paragraph 41 (e): This information is to be prepared by the Plan and/or the employer.

SECTION III – NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Paragraph 42: Listed below is the information to be disclosed regarding the actuarial assumptions and other inputs used to measure the TPL. The complete set of actuarial assumptions and other inputs utilized in developing the TPL are outlined in Schedule B. The TPL was determined by an actuarial valuation as of December 31, 2015, using the following key actuarial assumptions and other inputs:

Valuation date	December 31, 2015
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Discount rate*	3.86%
Projected salary increases*	3.50 – 7.35%
*Includes inflation at	3.00%
Cost-of-living adjustments	N/A

The discount rate used to measure the TPL is the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

***DEATHS AFTER RETIREMENT (HEALTHY)*:** RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 104% for males and 100% for females.

***DEATHS BEFORE RETIREMENT*:** RP-2014 Employee base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015.

***DEATHS AFTER RETIREMENT (BENEFICIARY)*:** RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 123% for males and females.

***DEATHS AFTER RETIREMENT (DISABLED)*:** RP-2014 Disabled Retiree base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 103% for males and 99% for females.

SECTION III – NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The following exhibit presents the TPL of the Plan, calculated using the discount rate of 3.86%, as well as what the Plan's TPL would be if it were calculated using a Discount Rate that is 1-percentage-point lower (2.86%) or 1-percentage-point higher (4.86%) than the current rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Total Pension Liability	$680,896	$626,059	$576,533

There are several tables of Required Supplementary Information (RSI) that need to be included in the Plan's financial statements. The tables for paragraphs 43 – 44 are provided on the following pages.

Paragraph 43: This paragraph requires a schedule of changes in Total Pension Liability. The needed information is provided in the following table.

Changes in the Total Pension Liability		
Total Pension Liability as of December 31, 2015	$	650,285
Changes for the year:		
Service Cost at End of Year		39,805
Interest		21,954
Change in benefit terms		0
Difference between expected and actuarial experience		0
Changes of assumptions and other inputs		(15,339)
Benefit payments		(70,646)
Other		0
Net changes	$	(24,226)
Total Pension Liability as of December 31, 2016	$	626,059

SECTION III – NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Paragraph 44 (a): December 31, 2015 is the actuarial valuation date upon which the TPL is based. The result was rolled forward using standard actuarial techniques to the Measurement Date. The roll forward calculation adds the annual normal cost (also called the service cost), subtracts the actual benefit payments for the plan year and then applies interest for the year. The procedure used to determine the TPL as of December 31, 2016 is shown in the following table:

	TPL Roll Forward	(1) Development of TPL for Year Ending 2016 Prior to Assumption Change	(2) Development of TPL for Year Ending 2016 After Assumption Change
(a)	Interest Rate	3.57%	3.86%
(b)	Valuation Date for Measurement	December 31, 2015	December 31, 2015
(c)	TPL as of December 31, 2015	$650,285	$635,685
(d)	Entry Age Normal Cost for the period January 1, 2016 – December 31, 2016 at the End of the Year	39,805	37,846
(e)	Actual Benefit Payments for the period January 1, 2016 – December 31, 2016	70,646	70,646
(f)	TPL as of December 31, 2016 = [c * (1 + a)] + d – [e * (1 + a * .5)]	$641,398	$626,059
(g)	Discount Rate Change (Gain) / Loss: = (2f) – (1f)		($15,339)

CMC assumed no significant changes, other than the change in the Municipal Bond Index Rate, have occurred between the Valuation Date and the Measurement Date. However, each employer may have unique circumstances that will impact the employer's total pension liability. If a significant change, other than the change in the Municipal Bond Index Rate, has occurred between the Valuation Date and the Measurement Date, the employer should disclose the amount of the expected resultant change in the employer's total pension liability, if known.

Paragraph 44 (b): The employer does not have a special funding situation.

Paragraph 44 (c): Since the Prior Measurement Date, the Discount Rate has changed from 3.57% to 3.86% due to a change in the Municipal Bond Rate.

Paragraph 44 (d): There are no changes in benefit terms since the prior Measurement Date.

Paragraph 44 (e): No benefit payments are attributable to the purchase of allocated insurance contracts.

Paragraph 44 (f): CMC assumed no significant changes have occurred between the Measurement Date and the Reporting Date. If a significant change occurred, the employer should disclose the amount of the expected resultant change in the employer's total pension liability, if known.

Paragraph 44 (g): Please see Section IV for the development of the Pension Expense (PE).

SECTION III – NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Paragraphs 44 (h) (1)-(2): Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts will increase Pension Expense, they are labeled Deferred Outflows of Resources. If they serve to reduce Pension Expense, they are labeled Deferred Inflows of Resources. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions and other inputs, if any, are recognized over the average expected remaining service life of the active and inactive Plan members at the beginning of the measurement period.

The following table provides a summary of the Deferred Outflows of Resources and Deferred Inflows of Resources as of December 31, 2016 (Measurement Date):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 0	$ 0
Changes of assumptions and other inputs	0	12,708
Benefit payments and administrative expenses subsequent to the measurement date*	xx,xxx*	0
Total	$ 0	$ 12,708

* Amounts reported subsequent to the measurement date will need to be provided by the employer once the information is available. CMC will not be providing these amounts.

Paragraph 44 (h) (3): The employer does not have a special funding situation.

Paragraph 44 (h) (4): This information is to be prepared by the Plan and/or the employer.

SECTION III – NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Paragraph 44 (i) (1)-(2): Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pension benefits will be recognized in Pension Expense as follows:

Year ended June 30:	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense (a) – (b)
2018	$0	$2,631	($2,631)
2019	$0	$2,631	($2,631)
2020	$0	$2,631	($2,631)
2021	$0	$2,631	($2,631)
2022	$0	$2,184	($2,184)
Thereafter	$0	$0	$0

Paragraph 44 (i) (3): The employer does not have a special funding situation.

Paragraph 44 (j): This information is to be prepared by the Plan and/or the employer.

SECTION IV – PENSION EXPENSE

The Pension Expense (PE) consists of a number of different items. GASB 73 refers to the first item as Service Cost, which is the Normal Cost using the Entry Age Normal actuarial funding method. The second item is interest on the TPL at 3.57%, the Discount Rate in effect as of the Prior Measurement Date.

The next three items refer to any changes that occurred in the TPL due to:

- benefit changes, or
- actual versus expected experience, or
- changes in assumptions and other inputs.

Benefit changes are reflected immediately. Benefit improvements for existing Plan members will increase PE, while benefit reductions will decrease PE. For the year ended December 31, 2016, there were no benefit changes to be recognized.

The next item to be recognized is the portion of current year changes in TPL due to actual versus expected Plan experience for the year. For the year ended December 31, 2016, there were no changes to be recognized due to actual versus expected experience.

The last item under changes in TPL is changes in assumptions and other inputs. There was a change in the TPL arising from the change in the Discount Rate from 3.57% on the Prior Measurement Date to 3.86% on the Measurement Date. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire Plan membership at the beginning of the measurement period. The average expected remaining service life of active members is the average number of years the active members are expected to remain in covered employment. For the year ended December 31, 2016, this number is 7.06 years. The average expected remaining service life of the inactive members is zero. Therefore, the recognition period is the weighted average of these two amounts, or 5.83 years. The table below provides the calculation of the average remaining future service life.

Category	Number	Average Years of Future Service Life
	(1)	*(2)*
a. Active Members	38	7.06
b. Inactive Members	8	0.00
c. Total	46	
Weighted Average Years of Future Service Life [(a1 x a2) + (b1 x b2)]/c1		5.83

The change in TPL resulting from the changes in assumptions and other inputs is to be recognized in the Pension Expense (PE), beginning in the current measurement period, over a closed period equal to 5.83 years, using the same approach as described in the prior paragraph.

SECTION IV – PENSION EXPENSE (CONTINUED)

The current year portions of previously determined experience and assumption amounts, recognized as Deferred Outflows of Resources and Deferred Inflows of Resources (see Section III) are included on the following page. Deferred Outflows of Resources are added to the PE while Deferred Inflows of Resources are subtracted from the PE. Finally, other miscellaneous items are included.

The calculation of the PE for the Fiscal Year ended June 30, 2017 is shown in the following table:

Pension Expense	
Service Cost at end of year	$ 39,805
Interest on the Total Pension Liability	21,954
Current-period benefit changes	0
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	0
Expensed portion of current-period changes of assumptions and other inputs	(2,631)
Administrative Expense	658
Other	0
Recognition of beginning Deferred Outflows of Resources as Pension Expense	0
Recognition of beginning Deferred Inflows of Resources as Pension Expense	0
Pension Expense	$59,786

SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

There are several tables of Required Supplementary Information (RSI) that need to be included in the Plan's financial statements.

Paragraph 45 (a)-(b)(1): A schedule of changes in Total Pension Liability and related ratios are shown in the following table. The Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

	Fiscal Year Ending June, 30 2017
Total Pension Liability	
Service Cost at end of year	39,805
Interest	21,954
Changes of benefit terms	0
Difference between expected and actual experience	0
Changes of assumptions and other inputs	(15,339)
Benefit payments	(70,646)
Other	0
Net change in Total Pension Liability	($24,226)
Total Pension Liability - beginning	$650,285
Total Pension Liability – ending	$626,059
Covered-employee payroll	$1,586,114
Total Pension Liability as a percentage of covered-employee payroll	39.47%

Paragraph 45 (b) (2): The employer does not have a special funding situation.

Paragraph 46: In addition, the following should be noted regarding the RSI:

- No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 nor does the Plan provide pay related benefits.

- December 31, 2016 Measurement Date: The Municipal Bond Index Rate increased from 3.57% to 3.86%.

SCHEDULE A – PLAN PROVISIONS

SPECIAL SEPARATION ALLOWANCE FOR LAW ENFORCEMENT OFFICERS

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

COVERAGE, AUTHORITY AND ADMINISTRATION

All law enforcement officers who are members of the North Carolina Local Governmental Employees' Retirement System are covered under the program. This plan is an agent multiple-employer plan established in North Carolina G.S. 143-166.41 and may be amended only by the General Assembly. The plan does not issue a separate standalone financial report. Each local government makes benefit payments required under this plan.

DEFINITIONS

Base Rate of Compensation

An officer's dollar rate of pay at retirement, excluding pay for longevity, overtime, shift differential, unused sick leave and expense reimbursement.

Creditable Service

The service for which credit is allowed, at the retirement of an officer, under the Local Governmental Employees' Retirement System. For the purpose of eligibility only, "creditable service" means that a minimum of 50% of the service is as a law-enforcement officer.

BENEFITS

Eligibility for Allowance

Any officer who commences retirement and meets the following conditions shall receive a separation allowance. An officer must have:

(1) Either accrued 30 years of creditable service, regardless of age, or have attained 55 years of age with a minimum of 5 years of creditable service.

(2) Completed a minimum of 5 years of continuous service as a law-enforcement officer immediately preceding retirement.

(3) Not attained 62 years of age.

SCHEDULE A (CONTINUED)

Amount of Allowance

The annual allowance to an eligible retired officer, which is payable monthly, is equal to 0.85% of the officer's annual base rate of compensation multiplied by total years of creditable service.

Cessation of Allowance

The allowance payable to a retired officer ceases at age 62, at death, or upon reemployment by a State department, agency, or institution.

EMPLOYER AND MEMBER CONTRIBUTIONS

No member contributions are required. The full cost of the allowances is paid by the employer. The Director of the Budget may authorize the transfer of funds within the budgets of each State department, agency or institution to fund this plan's benefits. The participating employers generally fund benefits on a pay-as-you-go basis.

SCHEDULE B – ACTUARIAL ASSUMPTIONS & METHODS

SEPARATION ALLOWANCE FOR LAW ENFORCEMENT OFFICERS

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

DISCOUNT RATE: 3.86% per annum, compounded annually.

INFLATION: 3.00% per annum.

REAL WAGE GROWTH: 0.5% per annum.

SEPARATIONS FROM SERVICE AND SALARY INCREASES: Representative values of the annual rates of separation and annual rates of salary increases are as follows:

ANNUAL RATE OF SALARY INCREASES*									
Service	0	5	10	15	20	25	30	35	40
	7.35%	6.15%	5.15%	4.45%	4.02%	3.90%	3.80%	3.70%	3.50%

These rates include inflation of 3.00% and real wage growth of 0.5% .

ANNUAL RATE OF							
	Withdrawal			Withdrawal and Vesting*		Disability	
Service	Male	Female	Age	Male	Female	Male	Female
0	12.0%	12.0%	25	5.00%	5.00%	0.06%	0.25%
1	8.5%	8.5%	30	5.00%	5.00%	0.10%	0.30%
2	8.0%	8.0%	35	4.00%	4.00%	0.20%	0.40%
3	7.5%	7.5%	40	3.00%	3.00%	0.30%	0.50%
4	7.0%	7.0%	45	3.50%	3.50%	0.40%	0.60%
			50	3.50%	3.50%	0.40%	0.70%
			55	3.50%	3.50%	0.40%	0.70%
			60	3.50%	3.50%	0.40%	0.70%
			65				

These rates apply only after five years of membership in the system.

ANNUAL RATE OF RETIREMENT							
Age	5	10	15	20	25	30	35
50			8.0%	8.0%	8.0%	40.0%	40.0%
55	10.0%	32.5%	32.5%	32.5%	32.5%	75.0%	40.0%
60	10.0%	20.0%	20.0%	20.0%	20.0%	22.5%	20.0%
65	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
70	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
75	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SCHEDULE B (CONTINUED)

***LEAVE CONVERSION*:** Eligibility service for unreduced retirement has been increased by one year. Credited service for benefit calculation purposes has been increased by 1.2 years. The service conversions are based on the service totals received from the Local Government Employees' Retirement System.

***ASSET VALUATION METHOD*:** Market Value.

***ACTUARIAL METHOD*:** Costs were determined using the Entry Age Normal Actuarial Cost Method. This method allocates the actuarial present value of each member's projected benefits on a level basis over the member's compensation between the entry-age of the member and the expected exit ages. The portion of the actuarial present value allocated to the valuation year is called the normal cost. The portion of the actuarial present value not provided for by the actuarial present value of future costs is called the actuarial accrued liability. The excess of the actuarial accrued liability over current assets is the unfunded actuarial accrued liability.

SCHEDULE C – DEFERRED OUTFLOWS & DEFERRED INFLOWS OF RESOURCES

SCHEDULE OF CHANGES OF ASSUMPTIONS AND OTHER INPUTS

Measurement Date	Changes of Assumptions & Other Inputs	Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumption and Other Inputs (Fiscal Year Ending)					
			2018	2019	2020	2021	2022	Thereafter
December 31, 2016	($15,339)	5.83	($2,631)	($2,631)	($2,631)	($2,631)	($2,184)	$0

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES ARISING FROM CHANGES OF ASSUMPTIONS AND OTHER INPUTS

Measurement Date	Differences Due to Changes of Assumptions & Other Inputs (a)	Amounts Recognized in Pension Expense through Fiscal Year Ending June 30, 2017 (b)	Deferred (Inflows)/Outflows of Resources (a) – (b)
December 31, 2016	($15,339)	($2,631)	($12,708)

SCHEDULE OF DIFFERENCES BETWEEN ACTUAL AND EXPECTED EXPERIENCE

Measurement Date	Difference Between Expected & Actual Experience	Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Difference Between Expected & Actual Experience (Fiscal Year Ending)					
			2018	2019	2020	2021	2022	Thereafter
December 31, 2016	$0	5.83	$0	$0	$0	$0	$0	$0

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES ARISING FROM EXPERIENCE

Measurement Date	Differences Between Expected & Actual Experience (a)	Amounts Recognized in Pension Expense through Fiscal Year Ending June 30, 2017 (b)	Deferred (Inflows)/Outflows of Resources (a) – (b)
December 31, 2016	$0	$0	$0

SUMMARY OF RECOGNIZED OUTFLOWS AND INFLOWS OF RESOURCES

	Net Increase/(Decrease) in Pension Expense (Fiscal Year Ending)					
	2018	2019	2020	2021	2022	Thereafter
Changes of Assumptions and Other Inputs	($2,631)	($2,631)	($2,631)	($2,631)	($2,184)	$0
Difference between Expected and Actual Experience	$0	$0	$0	$0	$0	$0
Totals	**($2,631)**	**($2,631)**	**($2,631)**	**($2,631)**	**($2,184)**	**$0**

SCHEDULE D – SAMPLE JOURNAL ENTRIES

YADKIN COUNTY
Law Enforcement Officers Special Separation Allowance
Sample Journal Entries for Employer's Fiscal Year
Ending June 30, 2017 (December 31, 2016 Measurement Date)^

	Debit	Credit
Beginning net pension liability	$650,285	
Ending net pension liability		$626,059
Pension expense	59,786	0
Beginning Deferred Outflows/Inflows due to Change in Assumptions and Other Inputs	0	0
Ending Deferred Outflows/Inflows due to Change in Assumptions and Other Inputs	0	12,708
Beginning Deferred Outflows/Inflows due to Differences between Expected versus Actual Experience	0	0
Ending Deferred Outflows/Inflows due to Differences between Expected versus Actual Experience	0	0
Deferred outflows of resources – Benefit Payments 1/1/2016 – 12/31/2016		70,646
Deferred outflows of resources – Administrative Expenses 1/1/2016 – 12/31/2016		658
To record current year activity	$710,071	$710,071
Deferred outflows of resources – Benefit Payments and Administrative Expenses for the period 1/1/2017 – 6/30/2017*	$xx,xxx*	
Pension expense		$xx,xxx*
To record deferred outflows of resources for contributions subsequent to measurement date		

^ The entries provided are sample journal entries. Each employer should consult with their accountants and auditors to determine the entries required for their particular situation. Since we are not accountants, CMC will not be able to provide any additional journal entries or advice beyond the information contained above.

* Benefit payments and administrative expenses incurred subsequent to the measurement date but before the reporting date will need to be provided by the employer once the information is available. CMC will not be providing these journal entries.