

CITY OF EDGEWATER
POLICE RETIREMENT PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2014

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDED SEPTEMBER 30, 2016



March 12, 2015

Board of Trustees
City of Edgewater
Police Officers' Pension Board
P.O. Box 100
Edgewater, FL 32132-0100

Re: City of Edgewater
Police Retirement Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Edgewater Police Retirement Plan. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapters 112, and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the City of Edgewater and the Board of Trustees, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The undersigned is familiar with the immediate and long-term aspects of pension valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Edgewater, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Edgewater Police Retirement Plan. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.



By: _____

Doug H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

DHL\lke
Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Edgewater Police Retirement Plan, performed as of October 1, 2014, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended September 30, 2016.

The contribution requirements, compared with those developed in the October 1, 2013 Actuarial Valuation Report, are as follows:

Valuation Date	10/1/2013	10/1/2014
Applicable Plan Year End	<u>9/30/2015</u>	<u>9/30/2016</u>
Total Required Contribution % of Total Annual Payroll	63.9%	58.7%
Member Contributions (Est.) % of Total Annual Payroll	6.0%	6.0%
City and State Required Contribution % of Total Annual Payroll	57.9%	52.7%
State Contribution (est.) % of Total Annual Payroll	125,387 10.3%	125,387 10.3%
Balance from City ¹ % of Total Annual Payroll	47.6%	42.4%

¹ For budgeting purposes, the required Sponsor Contribution (City and State) is 52.7% of Pensionable Earnings for the fiscal year ending September 30, 2016. The precise City requirement for the year is this amount, less actual State Contributions (allowable State Contribution cannot exceed \$222,837). Additionally, the City has access to a Credit Balance of \$275,560 for meeting the above funding requirements.

Experience since the prior valuation has been more favorable than expected, relative to the actuarial assumptions. The primary source of favorable experience is a 10.32% investment return (Actuarial Asset Basis), exceeding the 7.50% assumption. This gain was partially offset by higher than expected retirement activity. There were no other significant sources of gains or losses.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 
Douglas H. Lozen, EA, MAAA

By: 
Christine M. O'Neal, ASA, EA, MAAA

Plan Changes Since Prior Valuation

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

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

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2014</u>	<u>10/1/2013</u>
A. Participant Data		
Number Included		
Actives	23	23
Service Retirees	23	21
DROP Retirees	1	2
Beneficiaries	0	0
Terminated Vested	10	9
Disability Retirees	<u>1</u>	<u>1</u>
Total	58	56
Total Annual Payroll	\$1,212,319	\$1,159,490
Payroll Under Assumed Ret. Age	1,212,319	1,159,490
Annual Rate of Payments to:		
Service Retirees	666,437	594,691
DROP Plan Members	40,672	72,827
Beneficiaries	0	0
Terminated Vested	48,434	48,434
Disability Retirees	28,580	28,580
B. Assets		
Actuarial Value ¹	7,609,364	6,968,226
Market Value ¹	8,086,767	7,401,395
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	3,647,150	3,708,234
Disability Benefits	258,661	235,940
Death Benefits	19,216	17,246
Vested Benefits	174,727	201,835
Refund of Contributions	32,210	31,356
Accumulated Leave	127,650	129,788
Service Retirees	7,663,923	6,835,774
DROP Plan Members ¹	688,856	1,133,510
Beneficiaries	0	0
Terminated Vested	282,016	247,964
Disability Retirees	368,401	370,295
Excess State Monies Reserve	0	0
Funding Standard Account (FSA)	<u>275,560</u>	<u>359,310</u>
Total	13,538,370	13,271,252

C. Liabilities - (Continued)	<u>10/1/2014</u>	<u>10/1/2013</u>
Present Value of Future Salaries	9,345,545	8,519,788
Present Value of Future Member Contributions	560,733	511,187
EAN Normal Cost (Retirement) ³	162,551	148,523
EAN Normal Cost (Disability)	18,633	19,760
EAN Normal Cost (Death)	1,046	968
EAN Normal Cost (Vesting)	20,218	25,329
EAN Normal Cost (Refunds)	<u>9,270</u>	<u>8,927</u>
Total Normal Cost (Entry Age Method)	211,718	203,507
Present Value of Future Normal Costs (Entry Age)	1,499,584	1,500,184
Accrued Liability (Retirement) ³	2,517,592	2,606,305
Accrued Liability (Disability)	121,154	96,640
Accrued Liability (Death)	11,864	10,759
Accrued Liability (Vesting)	99,212	101,670
Accrued Liability (Refunds)	10,208	8,841
Accrued Liability (Inactives + FSA) ¹	9,278,756	8,946,853
Excess State Monies Reserve	<u>0</u>	<u>0</u>
Total Actuarial Accrued Liability	12,038,786	11,771,068
Unfunded Actuarial Accrued Liability (UAAL)	4,429,422	4,802,842
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives ¹	9,003,196	8,587,543
Actives	542,659	817,776
Member Contributions	<u>381,787</u>	<u>360,638</u>
Total	9,927,642	9,765,957
Non-vested Accrued Benefits	<u>703,389</u>	<u>645,733</u>
Total Present Value Accrued Benefits	10,631,031	10,411,690
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	241,390	
Benefits Paid	(773,904)	
Interest	751,855	
Other	<u>0</u>	
Total:	219,341	

Valuation Date	10/1/2014	10/1/2013
Applicable to Plan Year Ending	<u>9/30/2016</u>	<u>9/30/2015</u>

E. Pension Cost

Normal Cost (with interest) ² % of Total Annual Payroll	18.1	18.2
Administrative Expenses (with interest) ² % of Total Annual Payroll	3.1	4.0
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 19 years ² (as of 10/1/2014) % of Total Annual Payroll	37.5	41.7
Total Required Contribution ² % of Total Annual Payroll	58.7	63.9
Expected Member Contributions ² % of Total Annual Payroll	6.0	6.0
Expected City & State Contribution ² % of Total Annual Payroll	52.7	57.9

F. Past Contributions

Plan Years Ending:	<u>9/30/2014</u>
Total Required Contribution	842,933
City and State Requirement	766,878
Actual Contributions Made:	
Members	76,054
City	641,492
State	<u>125,387</u>
Total	842,933

G. Net Actuarial Gain (Loss)	132,241
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¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2013 and 9/30/2014 .

² Contributions developed as of 10/1/2014 are expressed as a percentage of total annual payroll at 10/1/2014 of \$1,212,319.

³ Includes value of accumulated leave.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability
as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2014	4,429,422
2015	4,290,491
2016	4,113,263
2021	3,064,961
2026	1,723,165
2031	27,411
2033	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2014	6.58%	6.40%
Year Ended	9/30/2013	8.51%	6.00%
Year Ended	9/30/2012	9.07%	6.30%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2014	10.32%	7.50%
Year Ended	9/30/2013	9.15%	7.50%
Year Ended	9/30/2012	6.12%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2014	\$1,212,319
	10/1/2006	1,239,918
(b) Total Increase		-2.23%
(c) Number of Years		8.00
(d) Average Annual Rate		-0.28%

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation 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 taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

Ms. Sarah Carr
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2013	\$4,802,842
(2)	Sponsor Normal Cost developed as of October 1, 2013	133,938
(3)	Expected administrative expenses for the year ended September 30, 2014	44,956
(4)	Expected interest on (1), (2) and (3)	371,944
(5)	Sponsor contributions to the System during the year ended September 30, 2014	766,879
(6)	Expected interest on (5)	25,138
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2014 (1)+(2)+(3)+(4)-(5)-(6)	4,561,663
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(132,241)
(10)	Unfunded Accrued Liability as of October 1, 2014	4,429,422

	<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>10/1/2014</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
Initial Base	10/1/1981	3.00	\$11,793	\$4,218
Benefit Change	10/1/1986	2.00	260	135
Assump Change	10/1/1986	2.00	1,877	972
Benefit Change	10/1/1987	3.00	650	233
Method Change	10/1/1987	3.00	(2,611)	(934)
Benefit Change	10/1/1989	5.00	13,245	3,045
Benefit Change	10/1/1989	5.00	24,340	5,596
Benefit Change	10/1/1990	6.00	71,482	14,166
Benefit Change	10/1/1999	15.00	1,057,675	111,461
Benefit Change	10/1/2003	19.00	151,965	14,194
Assump Change	10/1/2005	1.00	(25,934)	(25,934)
Method Change	10/1/2011	17.00	2,992,810	295,105
Assump Change	10/1/2011	17.00	110,106	10,857
Experience Loss	10/1/2012	8.00	47,417	7,531
Experience Loss	10/1/2013	9.00	106,588	15,544
Experience Gain	10/1/2014	10.00	<u>(132,241)</u>	<u>(17,922)</u>
			4,429,422	438,267

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

RP-2000 Combined Healthy Mortality, projected to 2005 using scale AA. Based on a study of over 650 public safety funds, the RP-2000 table (with no projection) reflects a 10% margin for future mortality improvements.

Interest Rate

7.50% per year compounded annually, net of investment related expenses.

Normal Retirement

Years Eligible for Normal Retirement	Retirement Probability
0	50%
1	0%
2	33%
3	60%
4	60%
5	60%
6 and greater	100%

It is assumed that no one works past age 58 if they are eligible to retire.

Early Retirement

None assumed.

Salary Increases

Credited Service	Assumption
Less than 10 Years	7.50%
10 Years and Greater	4.20%

Administrative Expenses

\$36,404 per year.

Amortization Method

Level dollar.

Funding Method

Entry Age Normal Actuarial Cost Method.

Actuarial Asset Method

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.

Termination Rates

Credited Service	Assumption
Less than 5 Years	18%
5-9 Years	14%
10 Years and Greater	0%

Disability Rates

See sample rates below; 80% of disablements are assumed to be service-related.

Age	Assumption
40	0.33%
45	0.56%
50	1.09 %
55	1.69%

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay as of the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost Method (Level Percent of Compensation) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	62,640.03	___%
1999	73,930.98	18.0
2000	66,743.47	(9.7)
2001	70,794.89	6.1
2002	83,308.98	17.7
2003	94,334.37	13.2
2004	108,374.65	14.9
2005	114,652.41	5.8
2006	119,224.68	4.0
2007	126,824.09	6.4
2008	126,189.05	(0.5)
2009	131,228.05	4.0
2010	125,155.52	(4.6)
2011	125,638.65	0.4
2012	122,039.14	(2.9)
2013	121,374.86	(0.5)
2014	125,386.65	3.3

EXCESS STATE MONIES RESERVE

	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount ¹</u>	<u>Addition to Excess State Monies Reserve</u>
1998	\$62,640.03	\$62,640.03	\$0.00
1999	73,930.98	222,837.03	0.00
2000	66,743.47	222,837.03	0.00
2001	70,794.89	222,837.03	0.00
2002	83,308.98	222,837.03	0.00
2003	94,334.37	222,837.03	0.00
2004	108,374.65	222,837.03	0.00
2005	114,652.41	222,837.03	0.00
2006	119,224.68	222,837.03	0.00
2007	126,824.09	222,837.03	0.00
2008	126,189.05	222,837.03	0.00
2009	131,228.05	222,837.03	0.00
2010	125,155.52	222,837.03	0.00
2011	125,638.65	222,837.03	0.00
2012	122,039.14	222,837.03	0.00
2013	121,374.86	222,837.03	0.00
2014	125,386.65	222,837.03	<u>0.00</u>
		Total Accumulation	0.00

¹ "Frozen" under the traditional interpretation of Chapter 99-1, Florida Statutes.

FUNDING STANDARD ACCOUNT

	<u>9/30/2013</u>	<u>9/30/2014</u>
<u>Charges</u>		
(a) Prior year's Accumulated Funding Deficiency	0	0
(b) Sponsor Required Contribution*	634,257	641,492
(c) Interest on (a) & (b)	47,569	24,056
(d) Total Charges	681,826	665,548
<u>Credits</u>		
(e) Prior year's Credit Balance	113,625	359,310
(f) Employer Contribution	889,823	534,795
(g) Interest on (e) & (f)	37,688	47,003
(h) Total Credits	1,041,136	941,108
<u>Balance</u>		
(i) Accumulated Funding Deficiency (-) or Credit (+) Balance as of Plan Year End	359,310	275,560

*Beginning with the fiscal year ending 9/30/2014 this represents the City's required contribution

ACTUARIAL ASSET VALUATION
September 30, 2014

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a four year period. In the first year, 25% of the gain or loss is recognized. In the second year 50%, in the third year 75%, and in the fourth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>			
		Amounts Not Yet Recognized by Valuation Year			
		2014	2015	2016	2017
09/30/2011	(565,253)	0	0	0	0
09/30/2012	731,093	182,774	0	0	0
09/30/2013	278,581	139,291	69,646	0	0
09/30/2014	207,117	155,338	103,559	51,780	0
Total		477,403	173,205	51,780	0

<u>Development of Investment Gain/Loss</u>	
Actual Return Net of Investment Expenses	759,444
Expected Investment Earnings*	552,327
2014 Actuarial Investment Gain/Loss	207,117

*Expected Investment Earnings = $0.075 * [7,401,395 + 0.5 * (74,072)]$

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2014	8,086,767
(2) Gains/(Losses) Not Yet Recognized	477,403
(3) Actuarial Value of Assets, 09/30/2014, (1) - (2)	7,609,364
(A) 09/30/2013 Actuarial Assets:	6,968,226
(I) Net Investment Income:	
1. Interest and Dividends	198,786
2. Realized Gains (Losses)	391,914
2. Change in Actuarial Value	170,412
3. Investment Expenses	(45,902)
Total	715,210
(B) 09/30/2014 Actuarial Assets:	7,609,364
Actuarial Assets Rate of Return = $2I/(A+B-I)$	10.32%
Market Value of Assets Rate of Return:	10.40%
10/01/2014 Limited Actuarial Assets:	7,609,364

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2014
 Actuarial Asset Basis

REVENUES		
Contributions:		
Member	76,054.06	
City	534,795.07	
State	125,386.65	
Total Contributions		736,235.78
Earnings from Investments:		
Interest & Dividends	198,785.59	
Net Realized Gain (Loss)	391,914.00	
Change in Actuarial Value	170,412.01	
Total Earnings and Investment Gains		761,111.60
EXPENDITURES		
Distributions to Members:		
Benefit Payments	652,545.24	
Lump Sum DROP Distributions	107,606.97	
Refunds of Member Contributions	13,752.03	
Total Distributions		773,904.24
Expenses:		
Investment Related ¹	45,901.88	
Administrative	36,403.66	
Total Expenses		82,305.54
Change in Net Assets for the Year		641,137.60
Net Assets Beginning of the Year		6,968,225.90
Net Assets End of the Year ²		7,609,363.50

¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2013 to September 30, 2014

09/30/2013 Balance	195,428.45
Plus Additions	56,749.44
Investment Return Earned	18,126.76
Less Distributions	(107,606.97)
09/30/2014 Balance	162,697.68

STATISTICAL DATA *

	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>
Number	22	25	23	23
Average Current Age	37.2	35.9	37.1	35.8
Average Age at Employment	29.2	28.4	29.1	29.1
Average Past Service	8.0	7.5	8.0	6.7
Average Annual Salary	\$44,192	\$44,702	\$50,413	\$52,710

* Prior to 10/1/2014, averages were salary weighted.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	1	0	0	1	0	0	0	0	0	0	0	2
25 - 29	2	0	0	0	0	1	0	0	0	0	0	3
30 - 34	0	0	1	0	1	2	1	0	0	0	0	5
35 - 39	0	0	2	1	0	1	1	0	0	0	0	5
40 - 44	0	0	1	0	1	2	0	1	0	0	0	5
45 - 49	0	0	0	0	0	1	0	1	0	0	0	2
50 - 54	0	0	0	0	0	0	0	1	0	0	0	1
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	0	4	2	2	7	2	3	0	0	0	23

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2013	23
b. Terminations	
i. Vested (partial or full) with deferred benefits	2
ii. Non-vested or full lump sum distribution received	2
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	1
f. DROP	0
g. Voluntary withdrawal	0
h. Continuing participants	18
i. New entrants	5
j. Total active life participants in valuation	23

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving Benefits	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
a. Number prior valuation	21	2	0	1	9	33
Retired	2	(1)	0	0	0	1
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	2	2
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	(1)	(1)
Rehires	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
d. Number current valuation	23	1	0	1	10	35

SUMMARY OF PLAN PROVISIONS
(Through Ordinance 2013-O-18)

<u>Eligibility</u>	Full-time police officers shall participate in the system as a condition of employment.
<u>Salary</u>	Total Compensation.
<u>Average Final Compensation (AFC)</u>	Average Salary for the highest 3 years during the 5 years immediately preceding retirement or termination.
<u>Credited Service</u>	Total years and fractional parts of years of service with the City as a Police Officer.
<u>Member Contributions</u>	6.00% of Salary.
<u>City and State Contributions</u>	Remaining amount necessary to pay current costs and amortize past service cost, if any, as provided in Part VII of Florida Statutes, Chapter 112.
 <u>Normal Retirement</u>	
Date	The earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 20 years of Credited Service, regardless of age.
Benefit	2.00% of Average Final Compensation times Credited Service as of 10/1/1987 plus 3.00% of Average Final Compensation times Credited Service after 10/1/1987.
Form of Benefit	Ten Year Certain and Life Annuity (options available).
 <u>Early Retirement</u>	
Date	Age 50 and 5 years of Credited Service.
Benefit	Determined as for Normal Retirement and reduced 3.00% for each year that Early Retirement precedes Normal Retirement.
 <u>Disability Benefit</u>	
Eligibility	
Service Incurred	Covered from Date of Employment.
Non-Service Incurred	5 years of Credited Service.
Exclusions	Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

Benefit	Benefit accrued to date of disability. Minimum benefit for Service Incurred is 42% of AFC, for Non-Service Incurred is 25% of AFC.
Duration	Payable for life (with 120 monthly payments guaranteed), or until recovery (as determined by the Board).

Death Benefits

Pre-Retirement	
Vested	A monthly benefit determined assuming the participant terminated employment on his date of death, survived to his earliest retirement date, elected a 100% qualified joint and survivor annuity and then died the next day.
Not Vested	Refund of accumulated contributions without interest.
Post-Retirement	According to optional form of benefit selected.

Termination of Employment

Benefit	
Less than 5 years	Refund of accumulated contributions without interest.
5 or more	Refund of Contributions or Accrued benefit payable at retirement age.

Board of Trustees

- a. Two Council appointees,
- b. Two Members of the Department elected by the membership, and
- c. Fifth Member elected by the other 4 and appointed by Council.

Deferred Retirement Option Plan

Eligibility	Eligibility for Normal Retirement.
Participation	Not to exceed 60 months.
Rate of Return	Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.
Form of Distribution	Cash lump sum at termination of employment.

DISCLOSURE INFORMATION PER STATEMENT NO. 27 OF THE
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/2014		
City & State	60.50%	
Plan Members	6.00%	
City and State Required Contribution	766,878	
Contributions made	660,182	
Actuarial valuation date	10/1/2012	
Actuarial cost method	Entry Age Normal	
Amortization method	Level Dollar	
Remaining amortization period	21 Years (as of 10/1/2012)	
Asset valuation method	4 Year Smoothed Market	
Actuarial assumptions:		
Investment rate of return	7.50%	(as of 10/1/2012)
Projected salary increase ¹	4.20% - 7.50%	
¹ Includes inflation at	3.00%	
Post Retirement COLA	0.00%	

THREE YEAR TREND INFORMATION

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of (APC)</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
9/30/2014	781,886	84.43%	(126,264)
9/30/2013	878,355	101.31%	(247,968)
9/30/2012	787,116	75.40%	(236,501)

DISCLOSURE INFORMATION PER STATEMENT NO. 27 OF THE
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

DEVELOPMENT OF NET PENSION OBLIGATION (NPO)

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the "Protection of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980. As the sponsor has funded the actuarially determined required contributions for all years from October 1, 1987, the transition date, October 1, 1997. Thus, the NPO on October 1, 1997, is 0.

The recent development of the Net Pension Obligation is as follows:

	<u>9/30/2010</u>	<u>9/30/2011</u>	<u>9/30/2012</u>	<u>9/30/2013</u>	<u>9/30/2014</u>
Actuarially Determined					
Contribution (A)		673,391	762,743	874,513	766,878
Interest on NPO		(39,363)	(32,259)	(17,738)	(18,598)
Adjustment to (A)		67,138	56,632	21,580	33,606
		-----	-----	-----	-----
Annual Pension Cost		701,166	787,116	878,355	781,886
Contributions Made		606,437	593,502	889,823	660,182
		-----	-----	-----	-----
Increase in NPO		94,729	193,614	(11,467)	121,704
NPO Beginning of Year		(524,844)	(430,115)	(236,501)	(247,968)
		-----	-----	-----	-----
NPO End of Year	(524,844)	(430,115)	(236,501)	(247,968)	(126,264)

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	343,105
Total Cash and Equivalents	343,105
Receivables:	
Member Contributions in Transit	2,867
Investment Income	32,106
Total Receivable	34,973
Investments:	
U. S. Bonds and Bills	29,522
Federal Agency Guaranteed Securities	848,540
Corporate Bonds	1,659,839
Stocks	2,840,457
Municipal Obligations	199,992
Mutual Funds:	
Equity	2,130,339
Total Investments	7,708,689
Total Assets	8,086,767
Total Liabilities	0
NET POSITION RESTRICTED FOR PENSIONS	8,086,767

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2014
Market Value Basis

ADDITIONS

Contributions:		
Member	76,054	
City	534,795	
State	125,387	
Total Contributions		736,236
Investment Income:		
Net Increase in Fair Value of Investments	606,560	
Interest & Dividends	198,786	
Less Investment Expense ¹	(45,902)	
Net Investment Income		759,444
Total Additions		1,495,680
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	652,545	
Lump Sum DROP Distributions	107,607	
Refunds of Member Contributions	13,752	
Total Distributions		773,904
Administrative Expense		36,404
Total Deductions		810,308
Net Increase in Net Position		685,372
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		7,401,395
End of the Year		8,086,767

¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2014)

Plan Description

Plan Administration

The Plan is administered by a Board of Trustees comprised of:

- a. Two Council appointees,
- b. Two Members of the Department elected by the membership, and
- c. Fifth Member elected by the other 4 and appointed by Council.

Plan Membership as of October 1, 2013:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	24
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	9
Active Plan Members	23
	56
	56

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: The earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 20 years of Credited Service, regardless of age.

Benefit: 2.0% of Average Final Compensation times Credited Service as of 10/1/1987 plus 3.0% of Average Final Compensation times Credited Service after 10/1/1987.

Early Retirement:

Date: Age 50 and 5 years of Credited Service.

Benefit: Determined as for Normal Retirement and reduced 3.0% for each year that Early Retirement precedes Normal Retirement.

Termination of Employment:

Less than 5 years: Refund of accumulated contributions without interest.

5 or more: Refund of Contributions or Accrued benefit payable at retirement age.

Disability:

Eligibility: Service Incurred: Covered from Date of Employment.

Non-Service Incurred: 5 years of Credited Service.

Benefit: Benefit accrued to date of disability. Minimum benefit for Service Incurred is 42% of AFC, for Non-Service Incurred is 25% of AFC.

Pre-Retirement Death Benefits:

Vested: A monthly benefit determined assuming the participant terminated employment on his date of death, survived to his earliest retirement date, elected a 100% qualified joint and survivor annuity and then died the next day.

Not Vested: Refund of accumulated contributions without interest.

Contributions

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45%
International Equity	15%
Broad Market Fixed Income	25%
TIPS	5%
Real Estate	10%
Total	100%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

Rate of Return:

For the year ended September 30, 2014 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.4 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Eligibility for Normal Retirement.

Participation: Not to Exceed 60 Months.

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.

The DROP balance as September 30, 2014 is \$162,698.

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2014 were as follows:

Total Pension Liability	\$	11,824,371
Plan Fiduciary Net Position	\$	(8,086,767)
Sponsor's Net Pension Liability	<u>\$</u>	<u>3,737,604</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability		68.39%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation		3.00%
Salary Increases	4.20% - 7.50%	
Investment Rate of Return		7.50%

RP-2000 Combined Healthy Mortality, projected to 2005 using scale AA. Based on a study of over 650 public safety funds, the RP-2000 table (with no projection) reflects a 10% margin for future mortality improvements.

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period 2003-2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.5%
International Equity	8.5%
Broad Market Fixed Income	2.5%
TIPS	2.5%
Real Estate	4.5%

Discount Rate:

The discount rate used to measure the total pension liability was 7.50 percent.

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Sponsor's Net Pension Liability	\$ 5,070,850	\$ 3,737,604	\$ 2,625,348

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	<u>09/30/2014</u>	<u>09/30/2013</u>
Total Pension Liability		
Service Cost	206,976	192,536
Interest	859,397	836,080
Change in Excess State Money	-	-
Change in Funding Standard Account	(106,697)	-
Share Plan Allocation	-	-
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Contributions - Buy Back	-	-
Benefit Payments, Including Refunds of Employee Contributions	(773,904)	(690,444)
Net Change in Total Pension Liability	185,772	338,172
Total Pension Liability - Beginning	11,638,599	11,300,427
Total Pension Liability - Ending (a)	<u>\$ 11,824,371</u>	<u>\$ 11,638,599</u>
Plan Fiduciary Net Position		
Contributions - Employer	534,795	768,448
Contributions - State	125,387	121,375
Contributions - Employee	76,054	70,431
Contributions - Buy Back	-	-
Net Investment Income	759,444	769,004
Benefit Payments, Including Refunds of Employee Contributions	(773,904)	(690,444)
Administrative Expense	(36,404)	(82,988)
Other	-	-
Net Change in Plan Fiduciary Net Position	685,372	955,826
Plan Fiduciary Net Position - Beginning	7,401,395	6,445,568
Plan Fiduciary Net Position - Ending (b)	<u>\$ 8,086,767</u>	<u>\$ 7,401,394</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,737,604</u>	<u>\$ 4,237,205</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.39%	63.59%
Covered Employee Payroll	\$ 1,267,568	\$ 1,173,844
Net Pension Liability as a Percentage of covered Employee Payroll	294.86%	360.97%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2014	09/30/2013
Actuarially Determined Contribution	766,878	874,513
Contributions in Relation to the		
Actuarially Determined Contributions	766,878	874,513
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Employee Payroll	\$ 1,267,568	\$ 1,173,844
Contributions as a Percentage of		
Covered Employee Payroll	60.50%	74.50%

Notes to Schedule

Valuation Date: 10/01/2012
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.
Amortization Method: Level dollar.
Remaining Amortization Period: 21 Years (as of 10/01/2012).
Actuarial Asset Method: All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.
Inflation: 3.0% per year.

Salary Increases:

Credited Service	Assumption
Less than 10 Years	7.5%
10 Years or Greater	4.2%

Interest Rate: 7.5% per year compounded annually, net of investment related expenses.

Retirement Age:

Years Eligible for Normal Retirement	Retirement Probability
0	50%
1	0%
2	33%
3	60%
4	60%
5	60%
6 and greater	100%

Early Retirement: None assumed.

Termination Rates:

Credited Service	Assumption
Less than 5 Years	18%
5-9 Years	14%
10 Years and Greater	0%

Disability Rates:

See table below. 80% of disablements are assumed as service-related.

Age	% Becoming Disabled During the Year
40	0.30%
45	0.51
50	1.00
55	1.55

Mortality:

RP-2000 Combined Healthy Mortality, projected to 2005 using scale AA. Based on a study of over 650 public safety funds, the RP-2000 table (with no projection) reflects a 10% margin for future mortality improvements.

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2014</u>	<u>09/30/2013</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	10.40%	10.40%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2014)

General Information about the Pension Plan

Plan Description

Full-time police officers shall participate in the system as a condition of employment.

The Plan is administered by a Board of Trustees comprised of:

- a. Two Council appointees,
- b. Two Members of the Department elected by the membership, and
- c. Fifth Member elected by the other 4 and appointed by Council.

Plan Membership as of October 1, 2013:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	24
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	9
Active Plan Members	23
	56
	56

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: The earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 20 years of Credited Service, regardless of age.

Benefit: 2.0% of Average Final Compensation times Credited Service as of 10/1/1987 plus 3.0% of Average Final Compensation times Credited Service after 10/1/1987.

Early Retirement:

Date: Age 50 and 5 years of Credited Service.

Benefit: Determined as for Normal Retirement and reduced 3.0% for each year that Early Retirement precedes Normal Retirement.

Termination of Employment:

Less than 5 years: Refund of accumulated contributions without interest.

5 or more: Refund of Contributions or Accrued benefit payable at retirement age.

Disability:

Eligibility: Service Incurred: Covered from Date of Employment.

Non-Service Incurred: 5 years of Credited Service.

Benefit: Benefit accrued to date of disability. Minimum benefit for Service Incurred is 42% of AFC, for Non-Service Incurred is 25% of AFC.

Pre-Retirement Death Benefits:

Vested: A monthly benefit determined assuming the participant terminated employment on his date of death, survived to his earliest retirement date, elected a 100% qualified joint and survivor annuity and then died the next day.

Not Vested: Refund of accumulated contributions without interest.

Contributions

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Net Pension Liability

The Sponsor's net pension liability was measured as of September 30, 2014.

The total pension liability used to calculate the net pension liability was determined as of that date.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation	3.00%
Salary Increases	4.20% - 7.50%
Investment Rate of Return	7.50%

RP-2000 Combined Healthy Mortality, projected to 2005 using scale AA. Based on a study of over 650 public safety funds, the RP-2000 table (with no projection) reflects a 10% margin for future mortality improvements.

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period 2003-2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September, 30 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	45.00%	7.50%
International Equity	15.00%	8.50%
Broad Market Fixed Income	25.00%	2.50%
TIPS	5.00%	2.50%
Real Estate	10.00%	4.50%
	<u>100.00%</u>	

Discount Rate:

The discount rate used to measure the total pension liability was 7.50 percent.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2013	\$ 11,638,599	\$ 7,401,395	\$ 4,237,204
Changes for a Year:			
Service Cost	206,976		206,976
Interest	859,397		859,397
Change In Excess State Money	-		-
Change In Funding Standard Account	(106,697)		(106,697)
Share Plan Allocation	-		-
Differences Between Expected and Actual Experience	-		-
Changes of Assumptions	-		-
Changes of Benefit Terms	-		-
Contributions - Employer		534,795	(534,795)
Contributions - State		125,387	(125,387)
Contributions - Employee		76,054	(76,054)
Contributions - Buy Back	-	-	-
Net Investment Income		759,444	(759,444)
Benefit Payments, Including Refunds of Employee Contributions	(773,904)	(773,904)	-
Administrative Expense		(36,404)	36,404
Other Changes	-	-	-
New Changes	185,772	685,372	(499,600)
Balances at September 30, 2014	<u>\$ 11,824,371</u>	<u>\$ 8,086,767</u>	<u>\$ 3,737,604</u>

Sensitivity of the net pension liability to changes in the discount rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability	\$ 5,070,850	\$ 3,737,604	\$ 2,625,348

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2015 the Sponsor will recognize a pension expense of \$251,869. On September 30, 2015 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	332,842
Total	<u>\$ -</u>	<u>\$ 332,842</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2015	\$ (97,140)
2016	\$ (97,140)
2017	\$ (97,140)
2018	\$ (41,425)
2019	\$ -
Thereafter	\$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	09/30/2014	09/30/2013
Total Pension Liability		
Service Cost	206,976	192,536
Interest	859,397	836,080
Change in Excess State Money	-	-
Change in Funding Standard Account	(106,697)	-
Share Plan Allocation	-	-
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Contributions - Buy Back	-	-
Benefit Payments, Including Refunds of Employee Contributions	(773,904)	(690,444)
Net Change in Total Pension Liability	185,772	338,172
Total Pension Liability - Beginning	11,638,599	11,300,427
Total Pension Liability - Ending (a)	\$ 11,824,371	\$ 11,638,599
 Plan Fiduciary Net Position		
Contributions - Employer	534,795	768,448
Contributions - State	125,387	121,375
Contributions - Employee	76,054	70,431
Contributions - Buy Back	-	-
Net Investment Income	759,444	769,004
Benefit Payments, Including Refunds of Employee Contributions	(773,904)	(690,444)
Administrative Expense	(36,404)	(82,988)
Other	-	-
Net Change in Plan Fiduciary Net Position	685,372	955,826
	-	-
Plan Fiduciary Net Position - Beginning	7,401,395	6,445,568
Plan Fiduciary Net Position - Ending (b)	\$ 8,086,767	\$ 7,401,394
	0	0
Net Pension Liability - Ending (a) - (b)	\$ 3,737,604	\$ 4,237,205
	0	0
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.39%	63.59%
 Covered Employee Payroll	\$ 1,267,568	\$ 1,173,844
Net Pension Liability as a Percentage of covered Employee Payroll	294.86%	360.97%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2014	09/30/2013
Actuarially Determined Contribution	766,878	874,513
Contributions in Relation to the		
Actuarially Determined Contributions	766,878	874,513
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Employee Payroll	\$ 1,267,568	\$ 1,173,844
Contributions as a Percentage of		
Covered Employee Payroll	60.50%	74.50%

Notes to Schedule

Valuation Date: 10/01/2012
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.
Amortization Method: Level dollar.
Remaining Amortization Period: 21 Years (as of 10/01/2012).
Actuarial Asset Method: All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.
Inflation: 3.0% per year.

Salary Increases:	Credited Service	Assumption
	Less than 10 Years	7.5%
	10 Years or Greater	4.2%

Interest Rate: 7.5% per year compounded annually, net of investment related expenses.

Retirement Age:	Years Eligible for Normal Retirement	Retirement Probability
	0	50%
	1	0%
	2	33%
	3	60%
	4	60%
	5	60%
	6 and greater	100%

Early Retirement: None assumed.

Termination Rates:	Credited Service	Assumption
	Less than 5 Years	18%
	5-9 Years	14%
	10 Years and Greater	0%

Disability Rates:

See table below. 80% of disablements are assumed as service-related.

Age	% Becoming Disabled During the Year
40	0.30%
45	0.51
50	1.00
55	1.55

Mortality:

RP-2000 Combined Healthy Mortality, projected to 2005 using scale AA.
Based on a study of over 650 public safety funds, the RP-2000 table (with no projection) reflects a 10% margin for future mortality improvements.

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2015

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 4,237,204	\$ -	\$ 534,795	
Total pension liability factors:				
Service cost	206,976			206,976
Interest	859,397			859,397
Change in Excess State Money	-			-
Change in Funding Standard Account	(106,697)			
Share Plan Allocation	-			-
Changes in Benefit terms	-			-
Contributions - buy back	-			-
Differences between expected and actual experience with regard to economic or demographic assumptions	-	-	-	
Current year amortization		-	-	-
Changes in assumptions about future economic or demographic factors or other inputs	-	-	-	
Current year amortization		-	-	-
Benefit payments	(773,904)			(773,904)
Net change	<u>185,772</u>	<u>-</u>	<u>-</u>	<u>292,469</u>
Plan fiduciary net position:				
Contributions - employer	534,795		(534,795)	
Contributions - state	125,387			(125,387)
Contributions - employee	76,054			(76,054)
Contributions - buy back	-			-
Net investment income	552,327			(552,327)
Difference between projected and actual earnings on pension plan investments	207,117	429,982	-	
Current year amortization		(97,140)	-	(97,140)
Benefit payments	(773,904)			773,904
Administrative expenses	(36,404)			36,404
Other	-			-
Net change	<u>685,372</u>	<u>332,842</u>	<u>(534,795)</u>	<u>(40,600)</u>
Ending Balance	<u>\$ 3,737,604</u>	<u>\$ 332,842</u>	<u>\$ -</u>	<u>\$ 251,869</u>