

OKALOOSA ISLAND
FIRE DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2013

CONTRIBUTIONS APPLICABLE TO THE DISTRICT'S
PLAN/FISCAL YEAR ENDED SEPTEMBER 30, 2015

February 26, 2014

Board of Trustees
Okaloosa Island Fire District
Firefighters' Retirement Trust Fund
105 Santa Rosa Blvd.
Ft. Walton Beach, FL 32548

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Okaloosa Island Fire District Firefighters' Retirement Trust Fund. 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 175, 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 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.

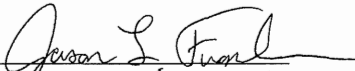
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Okaloosa Island Fire District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Okaloosa Island Fire District Firefighters' Retirement Trust Fund. 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:


Jason L. Franken, F.S.A.
Enrolled Actuary #11-6888

JLF/lke

Enclosures

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INTRODUCTORY DISCUSSION

The regular annual actuarial valuation of the Okaloosa Island Fire District Firefighters' Retirement Trust Fund, performed as of October 1, 2013, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2015.

The contribution requirements, compared with those developed in the October 1, 2012 actuarial valuation (as revised May 28, 2013), are as follows:

Valuation Date	10/1/2012	10/1/2013
Applicable Fiscal Year End	<u>9/30/2014</u>	<u>9/30/2015</u>
Total Required Contribution % of Total Annual Payroll	81.1%	78.5%
Member Contributions (Est.) % of Total Annual Payroll	8.0%	8.0%
Required District and State Cont.* % of Total Annual Payroll	73.1%	70.5%
State Contributions % of Total Annual Payroll	54,472 5.0%	54,472 5.0%
Balance from District % of Total Annual Payroll	68.1%	65.5%

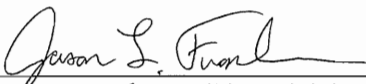
*** The required contribution from the combination of District and State sources for the year ending September 30, 2015, is 70.5% of the actual payroll realized in that year. As a budgeting tool, the District may contribute 65.5% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received.**


During the past 12 months, the actuarial experience was more favorable than expected, on the basis of the Plan's actuarial assumptions. The principal components of favorable experience included an 8.9% investment return (Actuarial Asset basis) that exceeded the 7.75% assumption, and average increases in Pensionable Earnings that were below the assumed rate by nearly 7%. These liability gains were partially offset by the effect of no employee turnover, and no mortality. For a detailed analysis that displays the actuarial gain/loss by component, please refer to page 16 of this report.

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 answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 
Jason L. Franken, FSA, MAAA

By: 
Drew D. Ballard

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in Plan provisions since the prior valuation.

Actuarial Assumption/Method Changes

In conjunction with this valuation, we implemented use of different actuarial valuation software for purposes of valuing the liabilities associated with the Plan. The new valuation software is ProVal, developed by WinTech in Greenwich, Ct.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	10/1/2013 <u>9/30/2015</u>	10/1/2012 <u>9/30/2014</u>
A. Participant Data		
Number Included		
Actives	17	18
Service Retirees	11	10
Beneficiaries	0	0
Terminated Vested	0	0
Disability Retirees	1	1
Total	<u>29</u>	<u>29</u>
Total Annual Payroll	\$1,091,354	\$1,094,407
Payroll Under Assumed Ret. Age	1,091,354	1,094,407
Annual Rate of Payments to:		
Service Retirees	624,775	564,469
Beneficiaries	0	0
Terminated Vested	0	0
Disability Retirees	12,939	12,939
B. Assets		
Actuarial Value	5,242,148	4,597,893
Market Value	5,665,885	4,913,694
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	6,393,883	6,868,392
Disability Benefits	74,575	121,311
Death Benefits	39,929	49,013
Vested Benefits	587,361	973,166
Refund of Contributions	73,067	89,794
Service Retirees	8,560,408	7,657,342
Beneficiaries	0	0
Terminated Vested	0	0
Disability Retirees	142,529	144,483
Excess State Monies Reserve	0	0
Total	<u>15,871,752</u>	<u>15,903,501</u>

C. Liabilities - (Continued)	10/1/2013 <u>9/30/2015</u>	10/1/2012 <u>9/30/2014</u>
Present Value of Future Salaries	10,897,347	11,199,404
Present Value of Future Member Contributions	871,788	895,952
EAN Normal Cost (Retirement)	231,509	251,255
EAN Normal Cost (Disability)	4,041	4,666
EAN Normal Cost (Death)	1,776	1,781
EAN Normal Cost (Vesting)	33,762	41,535
EAN Normal Cost (Refunds)	14,121	4,862
Total Normal Cost (Entry Age Method)	<u>285,209</u>	<u>304,099</u>
Present Value of Future Normal Costs (Entry Age)	2,694,969	2,893,418
Accrued Liability (Retirement)	4,112,690	4,569,886
Accrued Liability (Disability)	34,283	71,489
Accrued Liability (Death)	22,857	30,487
Accrued Liability (Vesting)	280,094	503,564
Accrued Liability (Refunds)	23,922	32,832
Accrued Liability (Inactives)	8,702,937	7,801,825
Excess State Monies Reserve	0	0
Total Actuarial Accrued Liability	<u>13,176,783</u>	<u>13,010,083</u>
Unfunded Actuarial Accrued Liability (UAAL)	7,934,635	8,412,190
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	8,702,937	7,801,825
Actives	1,159,830	2,151,753
Member Contributions	550,301	526,302
	<u>10,413,068</u>	<u>10,479,880</u>
Non-vested Accrued Benefits	<u>726,346</u>	<u>202,329</u>
Total Present Value Accrued Benefits	11,139,414	10,682,209
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	263,873	
Benefits Paid	(610,868)	
Interest	804,200	
Other	0	
Total:	<u>457,205</u>	

Valuation Date Applicable to Fiscal Year Ending	10/1/2013 <u>9/30/2015</u>	10/1/2012 <u>9/30/2014</u>
E. Pension Cost		
Normal Cost (with interest) % of Total Annual Payroll*	27.1	28.9
Administrative Expenses (with interest) % of Total Annual Payroll*	2.3	2.1
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years as of 10/1/13 (with interest) % of Total Annual Payroll*	49.1	50.1
Total Required Contribution % of Total Annual Payroll*	78.5	81.1
Expected Member Contributions % of Total Annual Payroll*	8.0	8.0
Expected District & State Contrib. % of Total Annual Payroll*	70.5	73.1

F. Past Contributions

Plan Years Ending:	<u>9/30/2013</u>
Total Required Contribution District and State Requirement	\$ 861,680 778,224
Actual Contributions Made:	
Members	83,456
District	723,752
State	54,472
Total	<u>861,680</u>

G. Net Actuarial Gain (Loss) 585,450

* Contributions developed as of 10/1/13 are expressed as a percentage of total annual payroll at 10/1/13 of \$1,091,354.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2013	\$7,934,635
2014	7,994,119
2015	8,038,767
2020	7,969,387
2025	7,173,022
2035	2,199,699
2043	(240)

I. (i) 3 Year Comparison of Actual and Assumed Increases in Pensionable Earnings

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	0.1%	7.0%
Year Ended	9/30/2012	8.1%	7.0%
Year Ended	9/30/2011	5.2%	7.0%

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

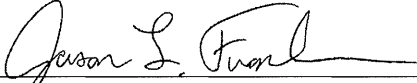
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	8.9%	7.75%
Year Ended	9/30/2012	7.4%	7.75%
Year Ended	9/30/2011	0.4%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2013	\$1,091,354
	10/1/2003	638,324
(b) Total Increase		71.0%
(c) Number of Years		10.00
(d) Average Annual Rate		5.5%

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.


Jason L. Franken, FSA, EA, MAAA
Enrolled Actuary #11-6888

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

ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rate</u>	RP-2000 Mortality Table (Combined Healthy) with no projection. Disabled lives are set forward five years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.
<u>Interest Rate</u>	7.75% per year compounded annually, net of investment related expenses.
<u>Retirement Age</u>	Age 55 and 10 years of Credited Service, or age 52 and 25 years of Credited Service. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.
<u>Early Retirement</u>	Commencing with the earliest Early Retirement Age (50), Members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year.
<u>Disability Rate</u>	See table below (1201). It is assumed that 75% of Disability Retirees are service related.
<u>Termination Rate</u>	See table below (1304A).
<u>Salary Increases</u>	7.0% per year until the assumed retirement age; see table below.
<u>Administrative Expenses</u>	\$24,161 annually.
<u>Payroll Increase</u>	3.5% per year.
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method.
<u>Actuarial Asset Method</u>	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>	<u>Current Salary as a % of Salary at Age 57</u>
20	0.03%	9.3%	8.2%
30	0.04%	7.9%	16.1%
40	0.07%	4.3%	31.7%
50	0.18%	1.1%	62.3%

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on 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.

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.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age .

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2012	\$8,412,190
(2)	District and State Normal Cost Developed as of October 1, 2012 *	238,621
(3)	Interest on (1) and (2)	670,438
(4)	Sponsor Contributions to the System during the year ending September 30, 2013	778,224
(5)	Interest on (4)	22,940
(6)	Expected Unfunded Accrued Liability as of October 1, 2013	8,520,085
(7)	Change to UAAL due to Actuarial (Gain)/Loss	(585,450)
(8)	Unfunded Accrued Liability as of October 1, 2013	7,934,635

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2013 Amount</u>	<u>Amortization Amount</u>
Benefit Improv.	10/1/1999	16	174,702	14,515
Benefit Improv.	10/1/2001	18	292,217	22,365
Benefit Improv.	10/1/2002	19	869,762	64,186
Method Change	10/1/2006	23	888,218	58,033
Actuarial Loss	10/1/2006	23	863,322	56,406
Actuarial Loss	10/1/2007	24	285,108	18,158
Actuarial Loss	10/1/2008	25	586,273	36,454
Assum Change	10/1/2008	25	205,262	12,763
Method Change	10/1/2008	25	(100,911)	(6,275)
Benefit Improv.	10/1/2008	25	2,019,377	125,564
Actuarial Loss	10/1/2009	26	968,945	58,909
Benefit Improv.	10/1/2009	26	282,331	17,165
Actuarial Loss	10/1/2010	27	338,960	20,177
Assum Changes	10/1/2010	27	462,972	27,559
Actuarial Loss	10/1/2011	28	459,224	26,798
Actuarial Gain	10/1/2012	29	(75,677)	(4,334)
Actuarial Gain	10/1/2013	30	(585,450)	(32,942)
			<u>\$7,934,635</u>	<u>\$515,501</u>

* Includes \$22,075 for administrative expenses.

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2012	8,412,190
(2)	Expected UAAL as of October 1, 2013	8,520,085
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(54,294)
	Salary Increases	(258,956)
	Active Decrements	145,285
	Inactive Mortality	24,790
	Transition to ProVal Software	(439,873)
	Other	(2,402)
	Increase in UAAL due to (Gain)/Loss	(585,450)
(4)	Actual UAAL as of October 1, 2013	7,934,635

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	4,098.53	_____ %
1999	20,782.77	407.1%
2000	8,815.32	-57.6%
2001	11,419.94	29.5%
2002	14,476.74	26.8%
2003	18,698.15	29.2%
2004	16,018.82	-14.3%
2005	19,156.56	19.6%
2006	28,570.91	49.1%
2007	43,058.82	50.7%
2008	54,556.78	26.7%
2009	38,584.60	-29.3%
2010	53,131.49	37.7%
2011	52,025.28	-2.1%
2012	51,623.31	-0.8%
2013	54,472.08	5.5%

EXCESS STATE MONIES RESERVE

	Regular Distribution			Special Distribution		
	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve</u>	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve</u>
1998	\$4,098.53	\$4,098.53	0.00	N/A	N/A	N/A
1999	20,782.77	4,098.53	16,684.24	0.00	0.00	0.00
2000	8,815.32	20,431.53	0.00	0.00	0.00	0.00
2001	11,419.94	20,431.53	0.00	0.00	0.00	0.00
2002	14,476.74	20,431.53	0.00	0.00	0.00	0.00
2003	18,698.15	20,431.53	0.00	0.00	0.00	0.00
2004	16,018.82	20,431.53	0.00	0.00	0.00	0.00
2005	19,156.56	20,431.53	0.00	0.00	0.00	0.00
2006	28,570.91	20,431.53	8,139.38	0.00	0.00	0.00
2007	43,058.82	113,574.53	0.00	0.00	0.00	0.00
2008	50,306.76	109,324.51	0.00	4,250.02	4,250.02	0.00
2009	26,273.65	275,197.58	0.00	12,310.95	12,310.95	0.00
2010	53,131.49	287,508.53	0.00	0.00	0.00	0.00
2011	52,025.28	287,508.53	0.00	0.00	0.00	0.00
2012	51,623.31	287,508.53	0.00	0.00	0.00	0.00
2013	54,472.08	287,508.53	<u>0.00</u>	0.00	0.00	<u>0.00</u>
			24,823.62			0.00
	Accumulated Regular Excess		24,823.62			
	Accumulated Special Excess		<u>0.00</u>			
	Total Excess State Monies		24,823.62			
	Less Amounts Used to Help Fund 3.0% B.R. & Supplement:		(24,823.62)			
	Equals Current Reserve:		0.00			

BALANCE SHEET
September 30, 2013

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	180,085.12	180,085.12
Cash	3,018.14	3,018.14
Total Cash and Equivalents	183,103.26	183,103.26
Receivable:		
District Contributions	139,503.97	139,503.97
Accrued Income	17,538.99	17,538.99
Total Receivable	157,042.96	157,042.96
Investments:		
U. S. Bonds and Bills	486,865.81	497,801.25
Federal Agency Guaranteed Securities	16,760.14	18,536.81
Corporate Bonds	1,028,292.15	1,029,445.15
Stocks	2,629,552.95	3,356,309.09
Mutual Funds:		
Fixed Income	429,783.76	423,680.00
Total Investments	4,591,254.81	5,325,772.30
TOTAL ASSETS	4,931,401.03	5,665,918.52
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Prepaid Member Contribution	33.89	33.89
Total Liabilities	33.89	33.89
Net Assets	4,931,367.14	5,665,884.63
TOTAL LIABILITIES AND NET ASSETS	4,931,401.03	5,665,918.52

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2013
Market Value Basis

REVENUES

Contributions:		
Member	83,455.66	
District	723,751.95	
State	54,472.08	
Total Contributions		861,679.69
Earnings from Investments		
Interest & Dividends	139,081.51	
Net Realized Gain (Loss)	317,563.81	
Unrealized Gain (Loss)	107,666.10	
Total Earnings and Investment Gains		564,311.42
EXPENDITURES		
Expenses:		
Investment Related ¹	38,771.80	
Administrative	24,160.79	
Total Expenses		62,932.59
Distributions to Members:		
Benefit Payments	610,867.78	
Termination Payments	0.00	
Total Distributions		610,867.78
Change in Net Assets for the Year		752,190.74
Net Assets Beginning of the Year		4,913,693.89
Net Assets End of the Year		5,665,884.63

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

ACTUARIAL ASSET VALUATION
September 30, 2013

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*	
09/30/2010	9.25%	
09/30/2011	-0.27%	
09/30/2012	16.71%	
09/30/2013	10.45%	
Annualized Rate of Return for prior four (4) years:		8.86%
(A) 10/01/2012 Actuarial Assets:		\$4,597,892.56
(I) Net Investment Income:		
1. Interest and Dividends	139,081.51	
2. Realized Gains (Losses)	317,563.81	
3. Change in Actuarial Value	(268.77)	
4. Investment Related Expenses	(38,771.80)	
Total		417,604.75
(B) 10/01/2013 Actuarial Assets:		\$5,242,148.43
Actuarial Asset Rate of Return = 2I/(A+B-I):		8.86%
10/01/2013 Limited Actuarial Assets:		\$5,242,148.43

*Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2013
Actuarial Asset Basis

REVENUES

Contributions:		
Member	83,455.66	
District	723,751.95	
State	54,472.08	
Total Contributions		861,679.69
Earnings from Investments		
Interest & Dividends	139,081.51	
Net Realized Gain (Loss)	317,563.81	
Change in Actuarial Value	(268.77)	
Total Earnings and Investment Gains		456,376.55
EXPENDITURES		
Expenses:		
Investment Related ¹	38,771.80	
Administrative	24,160.79	
Total Expenses		62,932.59
Distributions to Members:		
Benefit Payments	610,867.78	
Termination Payments	0.00	
Total Distributions		610,867.78
Change in Net Assets for the Year		644,255.87
Net Assets Beginning of the Year		4,597,892.56
Net Assets End of the Year²		5,242,148.43

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

²Net Assets may be limited for actuarial consideration.

STATISTICAL DATA *

	<u>10/1/2010</u>	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>
<u>Active Members</u>				
Number	19	18	18	17
Average Current Age	36.3	35.7	36.6	35.3
Average Age at Employment	25.2	25.9	25.9	26.4
Average Past Service	11.2	9.8	10.7	8.9
Average Annual Salary	\$56,426	\$56,227	\$60,800	\$64,197

* Prior to October 1, 2013, 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	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	3	1	0	0	0	0	0	4
30 - 34	0	0	0	1	2	5	0	0	0	0	0	8
35 - 39	0	0	0	0	0	0	0	0	0	0	0	0
40 - 44	0	0	0	0	0	1	1	0	0	0	0	2
45 - 49	0	0	0	0	0	0	0	1	1	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	0	0	0	1	5	7	1	2	1	0	0	17

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/12	18
b. Terminations	
i. Vested (partial or full) with deferred benefits *	0
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	1
f. DROP Retired	0
g. Voluntary withdrawal	0
h. Continuing participants	17
i. New entrants	0
j. Total active life participants in valuation	17

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

	<u>Service Retirees, Vested Receiving Benefits</u>	<u>DROP Retirees</u>	<u>Receiving Death Benefits</u>	<u>Receiving Disability Benefits</u>	<u>Vested Deferred</u>	<u>Total</u>
a. Number prior valuation	10	0	0	1	0	11
b. In	1	0	0	0	0	1
c. Out	0	0	0	0	0	0
d. Number current valuation	11	0	0	1	0	12

SUMMARY OF PLAN PROVISIONS
(Through Resolution No. 01-13)

<u>Eligibility</u>	Full-time employees who are classified as full-time certified firefighters shall participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the District as a Firefighter.
<u>Salary</u>	W-2 compensation (excluding lump sum payments of unused sick and vacation pay) plus tax exempt, tax sheltered, and tax deferred items of income.
<u>Average Final Compensation</u>	Average Salary for the best 3 years during the 5 years immediately preceding retirement or termination.
<u>Member Contributions</u>	8.0% of Salary.
<u>District and State Contributions</u>	Remaining amount required in order to pay current costs and amortize any unfunded past service cost as provided in Part VII of Chapter 112, F.S.
<u>Normal Retirement</u>	
Date	Earlier of: 1) Age 55 and 10 years of Credited Service, or 2) Age 52 and 25 years of Credited Service.
Benefit	3.5% of Average Final Compensation <u>times</u> Credited Service.
Form of Benefit	Ten Year Certain and Life Annuity (options available).
<u>Early Retirement</u>	
Eligibility	Age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% for each year prior to Normal Retirement.
<u>Supplemental Monthly Benefit</u>	Normal and Early service retirees receive \$250 (reduced for Early) for life.
<u>Cost-of-Living Increase</u>	Normal or Early Retirees who retire after 3/18/2009 and their Beneficiaries or Joint Annuitants receive annual 3% benefit increases beginning the first 10/1 following 5 years of retirement.

Vesting

Schedule 100% after 10 years of Credited Service.

Benefit Amount Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability

Eligibility

Service Incurred Covered from Date of Employment.

Non-Service Incurred 10 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 but not less than 42% of Average Final Compensation (if Service Incurred).

Duration

Payable for life and ten years certain or until recovery (as determined by the Board). Options available.

Death Benefits

Pre-Retirement

Vested Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested Refund of accumulated contributions without interest.

Post-Retirement

Benefits payable to beneficiary in accordance with option selected at retirement.

Board of Trustees

Two District appointees, two Members of the Department elected by the membership, and a fifth Member elected by other 4 and appointed by the District.

DISCLOSURE INFORMATION PER STATEMENT NO. 25 OF THE
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

The schedule provided below has been prepared in accordance with the requirements
of paragraph 37 of Statement No. 25 of the Governmental Accounting Standards Board.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/01/13	5,242,148	13,176,783	7,934,635	39.78%	1,091,354	727.05%
10/01/12	4,597,893	13,010,083	8,412,190	35.34%	1,094,407	768.65%
10/01/11	4,108,396	12,461,747	8,353,351	32.97%	1,012,090	825.36%
10/01/10	3,592,929	11,641,640	8,048,711	30.86%	1,072,093	750.75%
10/01/09	2,944,135	9,992,246	7,048,111	29.46%	1,202,184	586.28%
10/01/08	2,790,791	6,711,910	3,921,119	41.58%	871,576	449.89%
10/01/07	2,561,972	5,707,434	3,145,462	44.89%	735,534	427.64%

The schedule provided below has been prepared in accordance with the requirements
of paragraph 38 of Statement No. 25 of the Governmental Accounting Standards Board.

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended September 30	Annual Required Contribution	District Contribution	State Contribution	Percentage Contributed
2013	778,224	723,752	54,472	100.00%
2012	713,252	661,628	51,623	100.00%
2011	916,862	864,837	52,025	100.00%
2010	800,694	747,563	53,131	100.00%
2009	298,513	259,928	38,585	100.00%
2008	267,228	212,671	54,557	100.00%
2007	268,901	297,994	43,059	126.83%

* Does not include the \$450,000 deposited to help fund Resolution #01-07.

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/13

District and State	74.6%	
Plan Members	8.0%	
Annual Pension Cost	776,341	*
Contributions made	778,224	*
Actuarial valuation date	10/1/2011	
Actuarial cost method	Entry Age Normal	
Amortization method	Level percentage of pay, closed	
Remaining amortization period	30 Years	
Asset valuation method	4 Year Smooth (Market)	
Actuarial assumptions:		
Investment rate of return	7.75%	
Projected salary increase*	7.0%	
* Includes inflation at	3.0%	
Post Retirement COLA	3% (Following 5 years of Retirement)	

THREE YEAR TREND INFORMATION

Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
9/30/2013	776,341	100%	(90,593)
9/30/2012	711,408	100%	(88,710)
9/30/2011	868,058	100%	(86,867)

* Beginning October 1, 2012, this includes both City and State contributions.

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 "Florida Protection of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the sponsor has funded the actuarially determined required contributions for all years from October 1, 1987, through 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>9/30/10</u>	<u>9/30/11</u>	<u>9/30/12</u>	<u>9/30/13</u>
Actuarially Determined				
Contribution (A)		864,837	713,252	778,224 *
Interest on NPO		(7,207)	(6,732)	(6,875)
Adjustment to (A)		10,428	4,888	4,992
		-----	-----	-----
Annual Pension Cost		868,058	711,408	776,341
Contributions Made		864,837	713,251	778,224 *
		-----	-----	-----
Increase in NPO		3,221	(1,843)	(1,883)
NPO Beginning of Year		(90,088)	(86,867)	(88,710)
		-----	-----	-----
NPO End of Year	(90,088)	(86,867)	(88,710)	(90,593)

* Beginning October 1, 2012, this includes both City and State contributions.