

OKALOOSA ISLAND
FIRE DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2014

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



January 12, 2015

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.

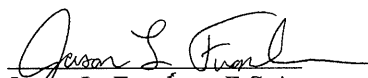
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Okaloosa Island Fire District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Okaloosa Island Fire 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 #14-6888

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, 2014, 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, 2016.

The contribution requirements, compared with those developed in the October 1, 2013 actuarial valuation, are as follows:

Valuation Date	10/1/2013	10/1/2014
Applicable Fiscal Year End	<u>9/30/2015</u>	<u>9/30/2016</u>
Total Required Contribution % of Total Annual Payroll	78.5%	79.6%
Member Contributions (Est.) % of Total Annual Payroll	8.0%	8.0%
Required District and State Cont.* % of Total Annual Payroll	70.5%	71.6%
State Contributions % of Total Annual Payroll	56,846 5.2%	56,846 5.2%
Balance from District % of Total Annual Payroll	65.3%	66.4%

*** The required contribution from the combination of District and State sources for the year ending September 30, 2016, is 71.6% of the actual payroll realized in that year. As a budgeting tool, the District may contribute 66.4% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received.**

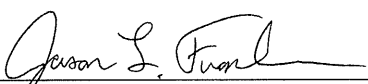
During the past 12 months, the actuarial experience was more favorable than expected, on the basis of the Plan's actuarial assumptions. The principal components of favorable experience included a 9.2% investment return (Actuarial Asset basis) that exceeded the 7.75% assumption, and average increases in Pensionable Earnings that were below the assumed rate by nearly 4.5%. These gains were partially offset by the effect of unfavorable active decrement experience, and no mortality. For a detailed analysis that displays the actuarial gain/loss by component, please refer to page 14 of this report.

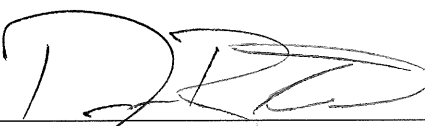
In spite of this favorable experience, it can be seen that the funding requirements have increased when expressed as a percentage of Total Annual Payroll. One contributing reason to this funding increase is that the average age at employment increased since the previous valuation. This occurrence results in a decreased timespan that is allocated to fund the projected benefits for the active membership from their date of employment to their anticipated date of retirement. Additionally, the payments on the Unfunded Actuarial Accrued Liability are scheduled to increase at the payroll growth assumption of 3.5% per year. However, over the past year, the valuation payroll remained relatively flat. Therefore, the required amortization payment increased by 0.6% of payroll since the previous valuation.

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, EA, MAAA

By: 
Drew D. Ballard, EA, MAAA

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

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

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	10/1/2014 <u>9/30/2016</u>	10/1/2013 <u>9/30/2015</u>
A. Participant Data		
Number Included		
Actives	17	17
Service Retirees	11	11
Beneficiaries	0	0
Terminated Vested	1	0
Disability Retirees	1	1
Total	<u>30</u>	<u>29</u>
Total Annual Payroll	\$1,093,476	\$1,091,354
Payroll Under Assumed Ret. Age	1,093,476	1,091,354
Annual Rate of Payments to:		
Service Retirees	626,783	624,775
Beneficiaries	0	0
Terminated Vested	0	0
Disability Retirees	12,939	12,939
B. Assets		
Actuarial Value	5,853,835	5,242,148
Market Value	6,371,444	5,665,885
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	6,920,980	6,393,883
Disability Benefits	75,342	74,575
Death Benefits	41,031	39,929
Vested Benefits	578,681	587,361
Refund of Contributions	58,662	73,067
Service Retirees	8,568,404	8,560,408
Beneficiaries	0	0
Terminated Vested	62	0
Disability Retirees	140,476	142,529
Excess State Monies Reserve	0	0
Total	<u>16,383,638</u>	<u>15,871,752</u>

C. Liabilities - (Continued)	10/1/2014 9/30/2016	10/1/2013 9/30/2015
Present Value of Future Salaries	10,615,851	10,897,347
Present Value of Future Member Contributions	849,268	871,788
EAN Normal Cost (Retirement)	243,360	231,509
EAN Normal Cost (Disability)	4,175	4,041
EAN Normal Cost (Death)	1,833	1,776
EAN Normal Cost (Vesting)	31,520	33,762
EAN Normal Cost (Refunds)	9,959	14,121
Total Normal Cost (Entry Age Method)	<u>290,847</u>	<u>285,209</u>
Present Value of Future Normal Costs (Entry Age)	2,732,375	2,694,969
Accrued Liability (Retirement)	4,573,880	4,112,690
Accrued Liability (Disability)	34,894	34,283
Accrued Liability (Death)	23,770	22,857
Accrued Liability (Vesting)	291,709	280,094
Accrued Liability (Refunds)	18,068	23,922
Accrued Liability (Inactives)	8,708,942	8,702,937
Excess State Monies Reserve	0	0
Total Actuarial Accrued Liability	<u>13,651,263</u>	<u>13,176,783</u>
Unfunded Actuarial Accrued Liability (UAAL)	7,797,428	7,934,635
Funded Ratio	42.9%	39.8%

D. Actuarial Present Value of Accrued Benefits

Vested Accrued Benefits		
Inactives	8,708,942	8,702,937
Actives	1,672,799	1,159,830
Member Contributions	<u>600,663</u>	<u>550,301</u>
Total	10,982,404	10,413,068
Non-vested Accrued Benefits	<u>567,132</u>	<u>726,346</u>
Total Present Value Accrued Benefits	11,549,536	11,139,414
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	232,425	
Benefits Paid	(660,031)	
Interest	<u>837,728</u>	
Total:	410,122	

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

E. Pension Cost

Normal Cost (with interest) % of Total Annual Payroll*	27.6	27.1
Administrative Expenses (with interest) % of Total Annual Payroll*	2.3	2.3
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years as of 10/1/2014 (with interest) % of Total Annual Payroll*	49.7	49.1
Total Required Contribution % of Total Annual Payroll*	79.6	78.5
Expected Member Contributions % of Total Annual Payroll*	8.0	8.0
Expected District & State Contrib. % of Total Annual Payroll*	71.6	70.5

F. Past Contributions

Plan Years Ending:	<u>9/30/2014</u>
Total Required Contribution	\$ 809,820
District and State Requirement	729,936
Actual Contributions Made:	
Members	79,884
District	673,090
State	56,846
Total	<u>809,820</u>

G. Net Actuarial Gain (Loss)	242,720
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* Contributions developed as of 10/1/2014 are expressed as a percentage of total annual payroll at 10/1/2014 of \$1,093,476.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2014	\$7,797,428
2015	7,838,243
2016	7,862,495
2021	7,659,802
2026	6,659,757
2036	1,223,701
2044	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2014	2.4%	7.0%
Year Ended	9/30/2013	0.1%	7.0%
Year Ended	9/30/2012	8.1%	7.0%

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

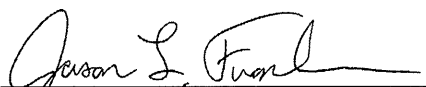
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2014	9.2%	7.75%
Year Ended	9/30/2013	8.9%	7.75%
Year Ended	9/30/2012	7.4%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2014	\$1,093,476
	10/1/2004	472,420
(b) Total Increase		131.5%
(c) Number of Years		10.00
(d) Average Annual Rate		8.8%

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 #14-6888

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2013	\$7,934,635
(2)	District and State Normal Cost Developed as of October 1, 2013 *	222,062
(3)	Interest on (1) and (2)	632,144
(4)	Sponsor Contributions to the System during the year ending September 30, 2014	729,936
(5)	Interest on (4)	18,757
(6)	Expected Unfunded Accrued Liability as of October 1, 2014	8,040,148
(7)	Change to UAAL due to Actuarial (Gain)/Loss	(242,720)
(8)	Unfunded Accrued Liability as of October 1, 2014	7,797,428

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2014 Amount</u>	<u>Amortization Amount</u>
Benefit Improv.	10/1/1999	15	173,595	15,109
Benefit Improv.	10/1/2001	17	292,440	23,281
Benefit Improv.	10/1/2002	18	873,006	66,815
Method Change	10/1/2006	22	899,675	60,410
Actuarial Loss	10/1/2006	22	874,458	58,717
Actuarial Loss	10/1/2007	23	289,295	18,901
Actuarial Loss	10/1/2008	24	595,841	37,947
Assum Change	10/1/2008	24	208,612	13,286
Method Change	10/1/2008	24	(102,557)	(6,532)
Benefit Improv.	10/1/2008	24	2,052,334	130,708
Actuarial Loss	10/1/2009	25	986,210	61,322
Benefit Improv.	10/1/2009	25	287,361	17,868
Actuarial Loss	10/1/2010	26	345,467	21,004
Assum Changes	10/1/2010	26	471,859	28,688
Actuarial Loss	10/1/2011	27	468,622	27,895
Actuarial Gain	10/1/2012	28	(77,315)	(4,512)
Actuarial Gain	10/1/2013	29	(598,755)	(34,291)
Actuarial Gain	10/1/2014	30	(242,720)	(13,657)
			<u>\$7,797,428</u>	<u>\$522,959</u>

* Includes \$24,161 for administrative expenses.

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2013	7,934,635
(2)	Expected UAAL as of October 1, 2014	8,040,148
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(77,059)
	Salary Increases	(246,129)
	Active Decrements	89,418
	Inactive Mortality	28,528
	Other	<u>(37,478)</u>
	Increase in UAAL due to (Gain)/Loss	(242,720)
(4)	Actual UAAL as of October 1, 2014	7,797,428

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>	\$24,204 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.

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%
2014	56,846.21	4.4%

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	0.00	0.00	0.00	0.00
2014	56,846.21	287,508.53	<u>0.00</u>	0.00	0.00	<u>0.00</u>
			24,823.62			0.00
Accumulated Regular Excess						
Accumulated Special Excess						
Total Excess State Monies						
Less Amounts Used to Help						
Fund 3.0% B.R. & Supplement:						
(24,823.62)						
Equals Current Reserve:						
0.00						

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2014

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*	
09/30/2011	-0.27%	
09/30/2012	16.71%	
09/30/2013	10.45%	
09/30/2014	10.46%	
Annualized Rate of Return for prior four (4) years:		9.16%
(A) 10/01/2013 Actuarial Assets:		\$5,242,148.43
(I) Net Investment Income:		
1. Interest and Dividends	160,202.84	
2. Realized Gains (Losses)	491,016.91	
3. Change in Actuarial Value	(98,005.49)	
4. Investment Related Expenses	(67,113.19)	
Total		486,101.07
(B) 10/01/2014 Actuarial Assets:		\$5,853,834.53
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		9.16%
10/01/2014 Limited Actuarial Assets:		\$5,853,834.53

*Market Value Basis, net of investment related expenses.

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

REVENUES

Contributions:		
Member	79,883.60	
District	673,090.19	
State	56,846.21	
Total Contributions		809,820.00
Earnings from Investments:		
Interest & Dividends	160,202.84	
Net Realized Gain (Loss)	491,016.91	
Change in Actuarial Value	(98,005.49)	
Total Earnings and Investment Gains		553,214.26
EXPENDITURES		
Distributions to Members:		
Benefit Payments	630,571.32	
Refunds of Member Contributions	29,459.81	
Total Distributions		660,031.13
Expenses:		
Investment Related ¹	67,113.19	
Administrative	24,203.84	
Total Expenses		91,317.03
Change in Net Assets for the Year		611,686.10
Net Assets Beginning of the Year		5,242,148.43
Net Assets End of the Year ²		5,853,834.53

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

²Net Assets may be limited for actuarial consideration.

STATISTICAL DATA *

	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>
<u>Active Members</u>				
Number	18	18	17	17
Average Current Age	35.7	36.6	35.3	36.3
Average Age at Employment	25.9	25.9	26.4	26.8
Average Past Service	9.8	10.7	8.9	9.5
Average Annual Salary	\$56,227	\$60,800	\$64,197	\$64,322

* 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	0	3	0	0	0	0	0	3
30 - 34	1	0	0	0	0	4	3	0	0	0	0	8
35 - 39	0	0	0	0	1	0	0	0	0	0	0	1
40 - 44	0	0	0	0	0	0	2	0	0	0	0	2
45 - 49	0	0	0	0	0	0	0	1	0	1	0	2
50 - 54	0	0	0	0	0	0	0	0	1	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	1	0	0	0	1	7	5	1	1	1	0	17

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2013	17
b. Terminations	
i. Vested (partial or full) with deferred benefits *	0
ii. Non-vested or full lump sum distribution received	1
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP Retired	0
g. Voluntary withdrawal	0
h. Continuing participants	16
i. New entrants	1
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	11	0	0	1	0	12
b. In	0	0	0	0	1	1
c. Out	0	0	0	0	0	0
d. Number current valuation	11	0	0	1	1	13

* Includes Non-Vested Members awaiting a refund of contributions.

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. 27 OF THE
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/2014

District and State	73.1%
Plan Members	8.0%
Annual Pension Cost	728,012
Contributions made	729,936
Actuarial valuation date	10/1/2012
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

<u>Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/2014	728,012	100%	(92,517)
9/30/2013	776,341	100%	(90,593)
9/30/2012	711,408	100%	(88,710)

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>9/30/2011</u>	<u>9/30/2012</u>	<u>9/30/2013</u>	<u>9/30/2014</u>
Actuarially Determined				
Contribution (A)		713,252	778,224	729,936
Interest on NPO		(6,732)	(6,875)	(7,021)
Adjustment to (A)		4,888	4,992	5,097
		-----	-----	-----
Annual Pension Cost		711,408	776,341	728,012
Contributions Made		713,251	778,224	729,936
		-----	-----	-----
Increase in NPO		(1,843)	(1,883)	(1,924)
NPO Beginning of Year		(86,867)	(88,710)	(90,593)
		-----	-----	-----
NPO End of Year	(86,867)	(88,710)	(90,593)	(92,517)

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	139,806.34
Total Cash and Equivalents	139,806.34
Receivables:	
Member Contributions	29,328.94
District Contributions	193,078.16
Investment Income	22,940.44
Total Receivable	245,347.54
Investments:	
U. S. Bonds and Bills	577,814.65
Federal Agency Guaranteed Securities	14,381.97
Corporate Bonds	986,306.08
Stocks	3,589,470.61
Mutual Funds:	
Fixed Income	818,317.01
Total Investments	5,986,290.32
Total Assets	6,371,444.20
<u>LIABILITIES</u>	
Payables:	
Total Liabilities	0.00
NET POSITION RESTRICTED FOR PENSIONS	6,371,444.20

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

ADDITIONS

Contributions:

Member	79,883.60
District	673,090.19
State	56,846.21

Total Contributions	809,820.00
---------------------	------------

Investment Income:

Net Increase in Fair Value of Investments	486,884.89
Interest & Dividends	160,202.84
Less Investment Expense ¹	(67,113.19)

Net Investment Income	579,974.54
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Total Additions	1,389,794.54
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DEDUCTIONS

Distributions to Members:

Benefit Payments	630,571.32
Refunds of Member Contributions	29,459.81

Total Distributions	660,031.13
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Administrative Expense	24,203.84
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Total Deductions	684,234.97
------------------	------------

Net Increase in Net Position	705,559.57
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	5,665,884.63
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End of the Year	6,371,444.20
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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 District appointees,
- b. Two Members of the Department elected by the membership,
- c. Fifth Member elected by other four and appointed by District.

Plan Membership as of October 1, 2013:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	12
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	0
Active Plan Members	17
	29

Benefits Provided

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

Normal Retirement:

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 times Credited Service.

Early Retirement:

Eligibility: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% for each year prior to Normal 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 Retirement:

Service Incurred: Covered from Date of Employment

Non-Service Incurred: 10 years of Credited Service.

Benefit accrued to date of disability but not less than 42.00% of Average Final Compensation (if Service Incurred).

Death Benefits Pre-Retirement:

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

Non-Vested: Refund of accumulated contributions without interest.

Death Benefits Post-Retirement:

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

Supplemental Monthly Benefit:

Normal and Early service retirees receive \$250 (reduced for Early) for life.

Cost-of-Living Increase:

Normal or Early Retirees who retire after 03/18/2009 and their Beneficiaries or Joint Annuitants receive annual 3% benefit increases beginning the first 10/1 following 5 years of retirement.

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:

Asset Class	Target Allocation
Domestic Equity	45.00%
International Equity	15.00%
Core Fixed Income	40.00%
Total	100.00%

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 10.46 percent.

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

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	\$ 13,813,411
Plan Fiduciary Net Position	\$ (6,371,445)
Sponsor's Net Pension Liability	<u>\$ 7,441,966</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	46.13%

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	7.00%
Investment Rate of Return	7.75%

RP-2000 Mortality Table (Combined Healthy) with no projection - Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years).

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period 1993-2007.

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%
Core Fixed Income	2.5%

Discount Rate:

The discount rate used to measure the total pension liability was 7.75 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 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Sponsor's Net Pension Liability	\$ 9,414,219	\$ 7,441,966	\$ 5,829,044

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	290,356	269,472
Interest	1,017,277	968,929
Change in Excess State Money	-	-
Share Plan Allocation	-	-
Changes of Benefit Terms		
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	
Benefit Payments, Including Refunds of Employee Contributions	(660,031)	(610,868)
Net Change in Total Pension Liability	647,602	627,533
Total Pension Liability - Beginning	13,165,809	12,538,276
Total Pension Liability - Ending (a)	<u>\$ 13,813,411</u>	<u>\$ 13,165,809</u>
Plan Fiduciary Net Position		
Contributions - Employer	673,090	723,752
Contributions- State	56,846	54,472
Contributions - Employee	79,884	83,456
Net Investment Income	579,975	525,540
Benefit Payments, Including Refunds of Employee Contributions	(660,031)	(610,868)
Administrative Expense	(24,204)	(24,161)
Other	-	-
Net Change in Plan Fiduciary Net Position	705,560	752,191
Plan Fiduciary Net Position - Beginning	5,665,885	4,913,694
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,371,445</u>	<u>\$ 5,665,885</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,441,966</u>	<u>\$ 7,499,924</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.13%	43.03%
Covered Employee Payroll	\$ 998,545	\$ 1,043,196
Net Pension Liability as a Percentage of covered Employee Payroll	745.28%	718.94%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2014	9/30/2013
Actuarially Determined Contribution	729,936	778,224
Contributions in Relation to the		
Actuarially Determined Contributions	729,936	778,224
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Employee Payroll	\$ 998,545	\$ 1,043,196
Contributions as a Percentage of		
Covered Employee Payroll	73.10%	74.60%

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 Percentage of Pay, Closed.
Remaining Amortization Period:	30 Years (as of 10/01/2012).
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.
Inflation:	3.0% per year.
Salary Increases:	7.00% per year until the assumed retirement age.
Interest Rate:	7.75% per year, compounded annually, net of investment related expenses.
Payroll Growth:	3.5% per year.
Retirement Age:	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.
Early Retirement:	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.

Termination Rates: See table below.

Disability Rates: See table below. 75% of disablements and active Member deaths are service related.

Mortality: RP 2000 Combined Healthy Mortality Table, with no projections. Disabled lives are set forward 5 years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

Other Information: Termination and Disability Rate Table.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	9.3%	0.03%
30	7.9%	0.04%
40	4.3%	0.07%
50	1.1%	0.18%

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	10.46%	10.45%

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

General Information about the Pension Plan

Plan Description

Each person employed by the District as a full-time Firefighter, becomes a member of the Plan as a condition of his employment. All Firefighters are therefore eligible for plan benefits as provided for in the plan document and by applicable law. The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

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

Plan Membership as of October 1, 2013:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	12
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	0
Active Plan Members	17
	<u>29</u>

Benefits Provided

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

Normal Retirement:

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 times Credited Service.

Early Retirement:

Eligibility: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% for each year prior to Normal 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 Retirement:

Service Incurred: Covered from Date of Employment

Non-Service Incurred: 10 years of Credited Service.

Benefit accrued to date of disability but not less than 42.00% of Average Final Compensation (if Service Incurred).

Death Benefits Pre-Retirement:

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

Non-Vested: Refund of accumulated contributions without interest.

Death Benefits Post-Retirement:

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

Supplemental Monthly Benefit:

Normal and Early service retirees receive \$250 (reduced for Early) for life.

Cost-of-Living Increase:

Normal or Early Retirees who retire after 03/18/2009 and their Beneficiaries or Joint Annuitants receive annual 3%

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	7.00%
Investment Rate of Return	7.75%

RP-2000 Mortality Table (Combined Healthy) with no projection - Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years).

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period 1993-2007.

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%
Core Fixed Income	40.00%	2.50%
Total	<u>100.00%</u>	

Discount Rate:

The discount rate used to measure the total pension liability was 7.75 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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2013	\$ 13,165,809	\$ 5,665,885	\$ 7,499,924
Changes for a Year:			
Service Cost	290,356		290,356
Interest	1,017,277		1,017,277
Change In Excess State Money	-		-
Share Plan Allocation	-		-
Differences Between Expected and Actual Experience	-		-
Contributions - Employer		673,090	(673,090)
Contributions -State		56,846	(56,846)
Contributions - Employee		79,884	(79,884)
Net Investment Income		579,975	(579,975)
Benefit Payments, Including Refunds of Employee Contributions	(660,031)	(660,031)	-
Administrative Expense		(24,204)	24,204
Other Changes	-	-	-
New Changes	647,602	705,560	(57,958)
Balances at September 30, 2014	\$ 13,813,411	\$ 6,371,445	\$ 7,441,966

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

	Current Discount		
	1% Decrease 6.75%	Rate 7.75%	1% Increase 8.75%
Sponsor's Net Pension Liability	\$ 9,414,219	\$ 7,441,966	\$ 5,829,044

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 \$723,934. On September 30, 2015 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	108,801
Total	<u>\$ -</u>	<u>\$ 108,801</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:	
2016	\$ (27,200)
2017	\$ (27,200)
2018	\$ (27,200)
2019	\$ (27,201)
2020	\$ -
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	290,356	269,472
Interest	1,017,277	968,929
Change in Excess State Money	-	-
Share Plan Allocation	-	-
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(660,031)	(610,868)
Net Change in Total Pension Liability	647,602	627,533
Total Pension Liability - Beginning	13,165,809	12,538,276
Total Pension Liability - Ending (a)	<u>\$ 13,813,411</u>	<u>\$ 13,165,809</u>
Plan Fiduciary Net Position		
Contributions - Employer	673,090	723,752
Contributions- State	56,846	54,472
Contributions - Employee	79,884	83,456
Net Investment Income	579,975	525,540
Benefit Payments, Including Refunds of Employee Contributions	(660,031)	(610,868)
Administrative Expense	(24,204)	(24,161)
Other	-	-
Net Change in Plan Fiduciary Net Position	705,560	752,191
Plan Fiduciary Net Position - Beginning	5,665,885	4,913,694
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,371,445</u>	<u>\$ 5,665,885</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,441,966</u>	<u>\$ 7,499,924</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.13%	43.03%
Covered Employee Payroll	\$ 998,545	\$ 1,043,196
Net Pension Liability as a Percentage of covered Employee Payroll	745.28%	718.94%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	<u>09/30/2014</u>	<u>09/30/2013</u>
Actuarially Determined Contribution	729,936	778,224
Contributions in Relation to the		
Actuarially Determined Contributions	729,936	778,224
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered Employee Payroll	 \$ 998,545	 \$ 1,043,196
Contributions as a Percentage of		
Covered Employee Payroll	73.10%	74.60%

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 Percentage of Pay, Closed.
Remaining Amortization Period:	30 Years (as of 10/01/2012).
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.
Inflation:	3.0% per year.
Salary Increases:	7.00% per year until the assumed retirement age.
Interest Rate:	7.75% per year, compounded annually, net of investment related expenses.
Payroll Growth:	3.5% per year.
Retirement Age:	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.
Early Retirement:	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.

Termination Rates: See table below.

Disability Rates: See table below. 75% of disablements and active Member deaths are service related.

Mortality: RP 2000 Combined Healthy Mortality Table, with no projections. Disabled lives are set forward 5 years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

Other Information: Termination and Disability Rate Table.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	9.3%	0.03%
30	7.9%	0.04%
40	4.3%	0.07%
50	1.1%	0.18%

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2015

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	7,499,924	-	673,090	
Total pension liability factors:				
Service cost	290,356			290,356
Interest	1,017,277			1,017,277
Change in Excess State Money	-			-
Share Plan Allocation	-			-
Changes in benefit terms	-			-
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	(660,031)			(660,031)
Net change	647,602	-	-	647,602
Plan fiduciary net position:				
Contributions - employer	673,090		(673,090)	
Contributions - state	56,846			(56,846)
Contributions - employee	79,884			(79,884)
Net investment income	443,973			(443,973)
Difference between projected and actual earnings on pension plan investments	136,002	136,002	-	
Current year amortization		(27,200)	-	(27,200)
Benefit payments	(660,031)			660,031
Administrative expenses	(24,204)			24,204
Other	-			-
Net change	705,560	108,801	(673,090)	76,332
Ending Balance	7,441,966	108,801	-	723,934