

TOWN OF INDIALANTIC
GENERAL EMPLOYEES' PENSION PLAN

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2014

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

December 5, 2014

Board of Trustees
c/o Ms. Laura Eaton
Town of Indialantic
216 Fifth Avenue
Indialantic, FL 32903

Re: Town of Indialantic
General Employees' Pension Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Town of Indialantic General Employees' Pension 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, 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 Town 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 Town of Indialantic, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Town of Indialantic General Employees' Pension 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: 

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

DHL/lke
Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Town of Indialantic General Employees' Pension Plan, performed as of October 1, 2014, has been completed and the results are presented in this Report. The contributions developed in the valuation apply to the Town's fiscal year ended September 30, 2016.

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

Valuation Date	10/1/2013	10/1/2014
Applicable Fiscal Year	<u>9/30/2015</u>	<u>9/30/2016</u>
Total Required Contribution		
% of Total Annual Payroll	14.73%	14.64%
Expected Member Contributions	4.50%	4.50%
Balance From Town ¹		
% of Total Annual Payroll	10.23%	10.14%


¹ Please note that there is a Town receivable contribution of \$3,054.84 required for the fiscal year ending September 30, 2014. We recommend a monthly interest charge of \$18 for each complete month after September 30, 2014 until this deposit is made. This recommended interest charge is based on the 7% valuation assumption for investment return.

Experience since the prior valuation has been more favorable than expected, relative to the Plan's actuarial assumptions. The primary sources of favorable experience included a 7.8% investment return (Actuarial Asset Basis), exceeding the 7.0% assumption, and a 5.4% average salary increase that fell below the 6.0% assumption. There were no other significant sources of actuarial gain or loss.

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: 

Sara E. Baumer

Plan Changes Since Prior Valuation

There have been no plan changes since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

In conjunction with this valuation of the Plan, mortality rates are based on the RP 2000 Combined Healthy Table, projected to October 1, 2014 using Scale AA. The prior valuation projected rates to October 1, 2013 using Scale AA.

In addition, the payroll growth assumption has been lowered from 2.5% to 1.2% per year in order to comply with Part VII of Chapter 112, Florida Statutes.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2014</u>	<u>10/1/2013</u>
A. Participant Data		
Number Included		
Actives	14	14
Service Retirees	5	5
Beneficiaries	0	0
Terminated Vested	6	6
Disability Retirees	0	0
Total	<u>25</u>	<u>25</u>
Total Annual Payroll	\$618,807	\$600,307
Payroll Under Assumed Ret. Age	618,807	600,307
Annual Rate of Payments to:		
Service Retirees	51,078	51,078
Beneficiaries	0	0
Terminated Vested	32,016	32,016
Disability Retirees	0	0
B. Assets		
Actuarial Value	1,163,068	1,040,339
Market Value	1,232,017	1,118,832
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	1,115,687	1,053,331
Disability Benefits	0	0
Death Benefits	16,876	15,957
Vested Benefits	162,361	143,915
Refund of Contributions	11,056	9,213
Service Retirees	480,956	492,293
Beneficiaries	0	0
Terminated Vested	115,474	107,633
Disability Retirees	0	0
Total	<u>1,902,410</u>	<u>1,822,342</u>

	<u>10/1/2014</u>	<u>10/1/2013</u>
C. Liabilities - (Continued)		
Present Value of Future Salaries	3,489,788	3,474,110
Present Value of Future Member Contributions	157,040	156,335
Normal Cost (FIL Method)	39,290	41,689
Present Value of Future Normal Costs (Entry Age)	185,685	192,495
Actuarial Accrued Liability	1,680,835	1,581,079
Unfunded Actuarial Accrued Liability (UAAL)	517,767	540,740
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	596,430	599,926
Actives	672,203	597,064
Member Contributions	<u>192,755</u>	<u>174,804</u>
Total	1,461,388	1,371,794
Non-vested Accrued Benefits	<u>0</u>	<u>4,191</u>
Total Present Value Accrued Benefits	1,461,388	1,375,985
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	49,767	
Benefits Paid	(58,631)	
Interest	94,267	
Other	<u>0</u>	
Total:	85,403	

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*	6.57	7.19
Administrative Expense (with interest) % of Total Annual Payroll*	1.38	1.24
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 28 years (with interest) (as of 10/1/14) % of Total Annual Payroll*	6.69	6.30
Total Required Contribution % of Total Annual Payroll*	14.64	14.73
Expected Member Contributions % of Total Annual Payroll*	4.50	4.50
Expected Town Contrib. % of Total Annual Payroll*	10.14	10.23

F. Past Contributions

Plan Years Ending:	<u>9/30/2014</u>
Total Required Contribution	106,715
Town Requirement	81,212
Actual Contributions Made:	
Members	25,503
Town	81,212
Total	<u>106,715</u>

G. Net Actuarial Gain (Loss) N/A

* Contributions developed as of 10/1/14 are expressed as a percentage of total annual payroll at 10/1/14 of \$618,807

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2014	517,767
2015	511,192
2016	503,640
2026	355,256
2036	26,829
2042	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2014	5.4%	6.0%
Year Ended	9/30/2013	2.8%	6.0%
Year Ended	9/30/2012	1.6%	6.0%

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

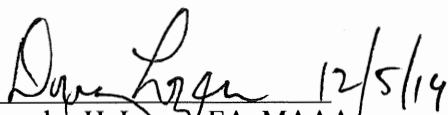
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2014	7.8%	7.0%
Year Ended	9/30/2013	8.5%	7.0%
Year Ended	9/30/2012	5.9%	7.0%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2014	\$618,807
	10/1/2004	551,340
(b) Total Increase		12.2%
(c) Number of Years		10.00
(d) Average Annual Rate		1.2%

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. Loxen, 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 a copy of the report to the following office to comply with Chapter 112 Florida Statutes:

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2013	\$540,740
(2)	Town Normal Cost Applicable for the year *	21,845
(3)	Interest on (1) and (2)	39,130
(4)	Town Contributions to the System during the year ending September 30, 2014	81,212
(5)	Interest on (4)	2,736
(6)	Unfunded Accrued Liability as of October 1, 2014 (1)+(2)+(3)-(4)-(5)	\$517,767

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2014 Amount</u>	<u>Amortization Amount</u>
initial	10/1/1997	23	\$312,441	\$23,442
benefit change	10/1/2005	21	172,951	13,592
method change	10/1/2008	14	(88,427)	(8,849)
assum. change	10/1/2008	14	94,110	9,417
assum. change	10/1/2012	18	34,473	2,951
benefit change	10/1/2012	28	<u>(7,781)</u>	<u>(534)</u>
			\$517,767	\$40,019

*Includes \$7,170 for administrative expenses.

ACTUARIAL ASSUMPTIONS AND METHODS

Assumptions

<u>Mortality Rate</u>	RP-2000 Combined Healthy (sex distinct), projected to valuation date using scale AA.
<u>Interest Rate</u>	7% per year compounded annually, net of investment related expenses.
<u>Retirement Age</u>	Later of age 65 and the completion of 5 years of service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
<u>Early Retirement</u>	Members who are within 5 years of retirement are assumed to retire with an immediate subsidized benefit at the rate of 10% per year.
<u>Termination Rate</u>	See table below.
<u>Salary Increases</u>	6% per year until the assumed retirement age; see table below.

Final Year Salary Load

Years until Normal Retirement as of 10/1/2012	Load Assumption
Less than 5 years	20%
At least 5, less than 10 years	15%
At least 10, less than 15 years	10%
15 or more years	5%

Notwithstanding the above, the load assumption is reduced to 0% for Members with less than 5 years of Credited Service as of September 30, 2012. Valuations prior to October 1, 2012 utilized a flat 20% load assumption.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>Current Salary as a % of Salary at Age 60</u>
20	10.0%	9.7%
30	13.0%	17.4%
40	15.0%	31.2%
50	12.0%	55.8%

Funding Method

Frozen Entry Age Actuarial Cost Method.

Payroll Increases

1.2% per year.

Administrative Expenses

\$8,224 annually.

Asset Valuation Method

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

VALUATION NOTES

Total Annual Payroll is the annual rate of pay for the fiscal year following 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 Rate is determined in the aggregate as the ratio of (a) and (b) as follows:

- (a) The present value of benefits for all Plan participants, less the actuarial value of assets, less the Unfunded Actuarial Accrued Liability (UAAL).
- (b) The present value of future compensation over the anticipated number of years of participation, determined as of the valuation date.

The Normal Cost dollar requirement is the ratio of (a) and (b), multiplied by the Total Annual Payroll as of the valuation date.

Frozen Initial Liability Funding 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 Actuarial Accrued Liability (UAAL). The UAAL is reconciled each valuation with charges and credits as follows:

- (a) Charges: the Normal Cost for the prior year, in addition to interest (at the valuation assumption of 7%) on the Normal Cost and prior year's UAAL balance.
- (b) Credits: Sponsor contributions with interest at the valuation assumption of 7%.

New UAAL bases will be created only for changes in methods, assumptions, or benefits. Actuarial gains and losses are funded as part of the Normal Cost.

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 initial base is amortized over 40 years). The required amount is adjusted for interest according to the timing of sponsor contributions during the year.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Checking Account	35,629.18
Money Market	80,658.68
Cash, Deposits and Money Market Funds	13,634.42
Total Cash and Equivalents	129,922.28
Receivables:	
Additional Town Contributions	3,054.84
Total Receivable	3,054.84
Investments:	
Mutual Funds:	
Fixed Income	312,079.28
Equity	786,961.05
Total Investments	1,099,040.33
Total Assets	1,232,017.45
<u>LIABILITIES</u>	
Total Liabilities	0.00
NET POSITION RESTRICTED FOR PENSIONS	1,232,017.45

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

ADDITIONS

Contributions:

Member	25,502.87	
Town	81,212.47	

Total Contributions		106,715.34
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Investment Income:

Net Increase in Fair Value of Investments	41,894.64	
Interest & Dividends	37,211.95	
Less Investment Expense ¹	(5,781.60)	

Net Investment Income		73,324.99
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Total Additions		180,040.33
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DEDUCTIONS

Distributions to Members:

Benefit Payments	51,078.48	
Refunds of Member Contributions	7,552.15	

Total Distributions		58,630.63
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Administrative Expense		8,224.45
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Total Deductions		66,855.08
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Net Increase in Net Position		113,185.25
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		1,118,832.20
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End of the Year		1,232,017.45
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¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

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	-1.98%	
09/30/2012	13.94%	
09/30/2013	13.56%	
09/30/2014	6.54%	
Annualized Rate of Return for prior four (4) years:		7.82%
(A) 10/01/2013 Actuarial Assets:		\$1,040,339.09
(I) Net Investment Income:		
1. Interest and Dividends	37,211.95	
2. Realized Gains (Losses)	60,823.09	
3. Change in Actuarial Value	(9,384.66)	
4. Investment Related Expenses	(5,781.60)	
Total		82,868.78
(B) 10/01/2014 Actuarial Assets:		\$1,163,068.13
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		7.82%
10/01/2014 Limited Actuarial Assets:		\$1,163,068.13

*Market Value Basis, net of investment related expenses.

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

REVENUES		
Contributions:		
Member	25,502.87	
Town	81,212.47	
Total Contributions		106,715.34
Earnings from Investments:		
Interest & Dividends	37,211.95	
Net Realized Gain (Loss)	60,823.09	
Change in Actuarial Value	(9,384.66)	
Total Earnings and Investment Gains		88,650.38
EXPENDITURES		
Distributions to Members:		
Benefit Payments	51,078.48	
Refunds of Member Contributions	7,552.15	
Total Distributions		58,630.63
Expenses:		
Investment Related ¹	5,781.60	
Administrative	8,224.45	
Total Expenses		14,006.05
Change in Net Assets for the Year		122,729.04
Net Assets Beginning of the Year		1,040,339.09
Net Assets End of the Year ²		1,163,068.13

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

²Net Assets may be limited for actuarial consideration.

RECONCILIATION OF TOWN'S SHORTFALL CONTRIBUTION FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2014

(1) Town Required Contribution Rate (from the October 8, 2013 Actuarial Impact Statement)	14.33%
(2) Pensionable Payroll Derived from Member Contributions	\$566,730.44
(3) Required Town Contribution (Item 1 times Item 2)	81,212.47
(4) Less Actual Town Contributions	<u>(78,157.63)</u>
(5) Equals Town's Shortfall Contribution as of September 30, 2014	\$3,054.84

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	15	14	14	14
Average Current Age	46.2	46.4	46.4	46.4
Average Age at Employment	35.8	35.8	35.5	35.7
Average Past Service	10.4	10.6	10.9	8.4
Average Annual Salary	\$39,490	\$39,441	\$42,879	\$44,201

* Prior to October 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	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	1	0	0	1	0	0	0	0	0	0	0	2
30 - 34	1	1	1	0	0	0	0	0	0	0	0	3
35 - 39	0	0	0	0	0	0	1	0	0	0	0	1
40 - 44	1	0	0	0	0	0	0	0	0	0	0	1
45 - 49	1	0	0	0	0	0	0	1	0	0	0	2
50 - 54	0	0	0	0	0	1	0	0	0	0	0	1
55 - 59	0	0	0	0	0	1	0	0	0	0	0	1
60 - 64	0	0	0	0	0	0	1	0	0	0	1	2
65+	0	0	0	0	0	0	0	0	1	0	0	1
Total	4	1	1	1	0	2	2	1	1	0	1	14

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/13	14
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	4
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. Voluntary withdrawal	0
g. Continuing participants	10
h. New entrants	4
i. Total active life participants in valuation	14

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

	<u>Service Retirees, Vested Receiving Benefits</u>	<u>Receiving Death Benefits</u>	<u>Receiving Disability Benefits</u>	<u>Vested Deferred</u>	<u>Total</u>
a. Number prior valuation	5	0	0	6	11
b. In	0	0	0	0	0
c. Out	0	0	0	0	0
d. Number current valuation	5	0	0	6	11

SUMMARY OF PRINCIPAL BENEFIT PROVISIONS
(Through Ordinance 13-06)

<u>Eligibility</u>	Full-time employees who are classified as General Employees participate in the Plan as a condition of employment.
<u>Credited Service</u>	Total years and completed months of employment with the Town as a General Employee.
<u>Salary</u>	Total W-2 compensation including tax deferred and exempt income. Effective July 1, 2011, overtime included in Salary is limited to 300 hours per year. Additionally, no hours of unused vacation leave earned after July 1, 2011 shall be includible for Salary purposes.
<u>Average Final Compensation</u>	Average Salary for the highest 5 years during the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	4.5% of Salary.
<u>Normal Retirement</u>	
Date	Later of Age 65 and the completion of 5 years of Credited Service.
Benefit	2.0% of Average Final Compensation <u>times</u> Credited Service.
Form of Benefit	Life Annuity, ceasing upon death (options available).
<u>Early Retirement</u>	
Eligibility	Later of Age 60 and the completion of 5 Years of Credited Service.
Benefit	Formula benefit, reduced 1/15th for each year that Early Retirement precedes Normal Retirement.
<u>Vesting</u>	
Schedule	100% after 5 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Early (reduced basis) or Normal (unreduced basis) Retirement Date.

Death Benefits

Pre-Retirement

Beneficiary selects either:

1) A monthly benefit which is the actuarial equivalent of the benefit earned at the date of death, payable for 120 months, or 2) a refund of the Member's Accumulated Contributions.

Post-Retirement

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

Board of Trustees

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

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/14

Town	14.33%
Plan Members	4.50%
Actuarially Determined Contribution	81,212
Contributions made	81,212
Actuarial valuation date	10/1/2012
Actuarial cost method	Frozen Entry Age
Amortization method	Level Percentage of Pay, Closed
Remaining amortization period	30 Years as of 10/1/12
Asset valuation method	4 Year Smooth (Market Basis)
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increase*	6.0%
* Includes inflation at	3.0%
Post Retirement COLA	0.0%

THREE YEAR TREND INFORMATION

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/14	82,453	98.5%	(13,365)
9/30/13	65,854	98.0%	(14,606)
9/30/12	86,762	98.2%	(15,939)

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 development of the Net Pension Obligation to date is as follows:

	<u>9/30/12</u>	<u>9/30/13</u>	<u>9/30/14</u>
Actuarially Determined Contribution (A)	85,183	64,521	81,212
Interest on NPO	(1,226)	(1,116)	(1,022)
Adjustment to (A)	2,805	2,449	2,263
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Annual Pension Cost	86,762	65,854	82,453
Contributions Made	85,183	64,521	81,212
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Increase in NPO	1,579	1,333	1,241
NPO Beginning of Year	(17,518)	(15,939)	(14,606)
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NPO End of Year	(17,518)	(15,939)	(13,365)