

RETIREMENT PLAN FOR THE FIREFIGHTERS
OF THE CITY OF LABELLE

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2014

DETERMINES THE CONTRIBUTION
FOR THE 2014/15 FISCAL YEAR



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April 4, 2015

Introduction

This report presents the results of the October 1, 2014 actuarial valuation for the Retirement Plan for the Firefighters of the City of Labelle. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2014 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2014/15 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, accounting disclosures pursuant to Governmental Accounting Standards Board Statement Nos. 25 and 27 (GASB 25/27), statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an estimate of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table V-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the normal cost rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2014/15 plan year. The minimum required contribution rate is zero, which represents a decrease of 16.66% of payroll from the prior valuation.

The normal cost rate is also zero, which is 16.08% lower than the normal cost rate that was developed in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate decreased by 13.24% of payroll due to investment gains, increased by 0.18% of payroll due to demographic experience, and decreased by another 3.02% of payroll due to the assumption changes that are described below. The market value of assets earned 17.16% during the 2011/12 plan year, 11.93% during the 2012/13 plan year, and 8.42%



during the 2013/14 plan year, for an average annual return of 12.45% during this period, whereas a 6.75% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2014/15 minimum required contribution is zero. Furthermore, if an actuarial valuation is not prepared as of October 1, 2015, then no employer contribution is required for the 2015/16 plan year as well.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$727,329. As illustrated in Table I-A, current assets are sufficient to cover the entire amount such that no future contributions are required. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

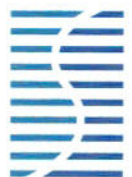
Advance Employer Contribution

The City has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an "advance employer contribution." As of October 1, 2014, the advance employer contribution is \$172,128, which reflects the advance employer contribution of \$162,008 as of October 1, 2011 plus \$10,120 of actual City contributions in excess of the minimum required contribution for the period October 1, 2011 through September 30, 2014 as shown in Table III-F.

The City may apply all or any portion of the advance employer contribution towards the minimum required contribution for any future plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Excess Chapter 175/185 Contributions

As of October 1, 2014, the plan has accumulated excess Chapter 175/185 contributions of \$261,897 as shown in Table III-F. This amount is equal to the \$219,901 accumulated excess Chapter 175/185 contribution balance as of October 1, 2011 plus an additional \$41,996 in excess Chapter 175/185 contributions during the period October 1, 2011 through September 30, 2014. The total Chapter 175/185 distribution received during the 2011/12, 2012/13, and 2013/14 plan years was \$73,160, of which \$31,164 was allowed to be used to offset the City's minimum required contribution. This amount consisted of a \$23,870 distribution for the 2011/12 plan year, a \$25,970 distribution for the 2012/13 plan year, and a \$23,320 distribution for the 2013/14 plan year. The accumulated excess Chapter 175/185 contributions cannot be used to pay for the current plan of benefits. Instead, the excess contributions may only be used to pay for qualifying benefit improvements in excess of the Chapter 175/185 minimum benefits. Tables III-G and III-H provide a history of the Chapter 175/185 contributions and the portion that is allowed to be recognized.



Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-C provide information needed by both the plan's and the employer's accountants in order to prepare the relevant financial statements that cover the period October 1, 2013 through September 30, 2014. Tables III-A through III-F provide information concerning the assets of the trust fund. Specifically, Table III-A shows the development of the actuarial value of assets, which is based on the market value adjusted to reflect any excess Chapter 175/185 contributions and advance employer contributions. Tables IV-A through IV-G provide statistical information concerning the plan's participant population. In particular, Table IV-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables V-A through VI-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2014, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Changes in the Actuarial Assumptions

Three assumptions have been changed since the prior valuation was completed. First, the assumed increase in future salaries was changed from a range of rates based on service to a flat 4.00% per year. Second, the mortality basis was changed from the 1994 Group Annuity Reserving Table, projected to 2002 by Scale AA, to the RP-2000 Mortality Table, projected to 2015 by Scale AA. Finally, the expense loading was increased from 6.00% of projected benefit liability to 16.50% of projected benefit liability.

Refund of Participant Contributions

It is our understanding that there are 32 participants who are due a refund of their contributions. We have estimated the accumulated amount of their refunds to be \$5,056 as of October 1, 2014. The average amount owed to these individuals is \$158. If possible, we recommend that the accumulated contributions be distributed to these individuals in order to simplify the administration of the plan and to reduce future administrative costs.

Certification

This actuarial valuation was prepared 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 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 change in plan costs or required contribution rates have been taken into account in the valuation.



For the firm,

Charles T. Carr

Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

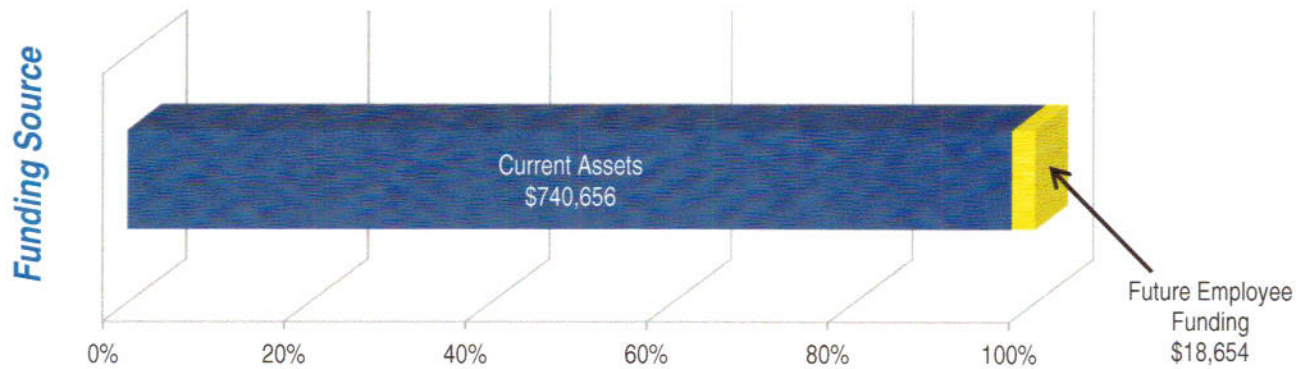
Enrolled Actuary No. 14-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Minimum Required Contribution

Table I-A



For the 2014/15 Plan Year

Present Value of Future Benefits	\$624,317
Present Value of Future Administrative Expenses	\$103,012
Actuarial Value of Assets	(\$740,656)
Present Value of Future Employee Contributions	(\$18,654)
Present Value of Future Normal Costs	\$0
Present Value of Future Payroll	÷ \$1,865,419
Normal Cost Rate	= 0%
Expected Payroll	x \$136,761
Normal Cost	\$0
Adjustment to Reflect Monthly Employer Contributions	\$0
Preliminary Employer Contribution for the 2014/15 Plan Year	\$0

Expected Payroll for the 2014/15 Plan Year ÷ \$136,761

Minimum Required Contribution Rate **0.00%**

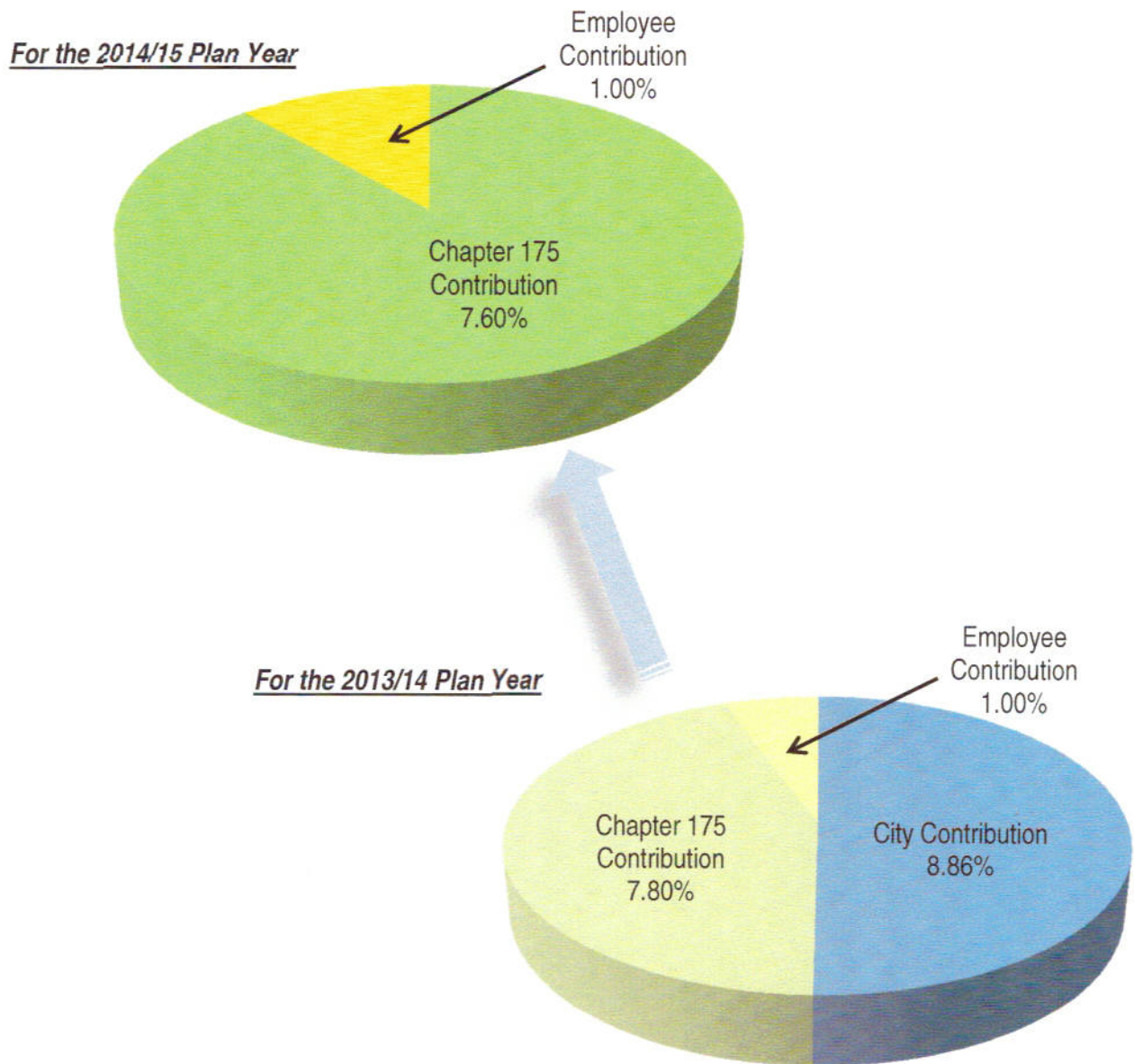
(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)



Minimum Required Contribution

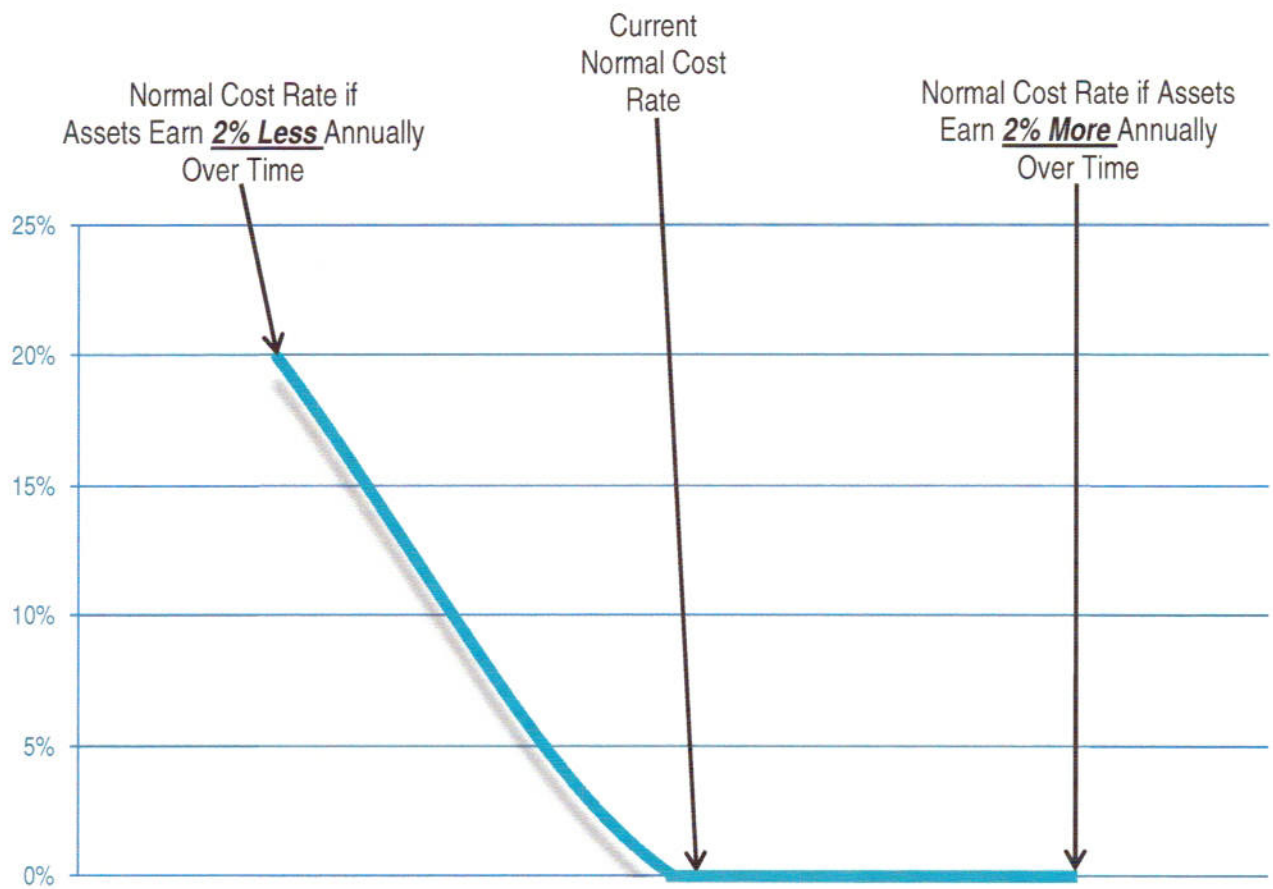
Table I-A
(continued)

The minimum required contribution rate of 0.00% includes both the City contribution and the allowable Chapter 175 contribution. In addition, employees are required to contribute 1.00% of pensionable earnings. The actual City contribution rate is expected to be approximately 0.00% based on the allowable Chapter 175 contribution for the previous year. The chart below shows the expected contribution rate by source for the 2014/15 plan year based on the expected payroll. A comparative chart shows the contribution rate by source for the previous plan year.



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the normal cost rate to changes in the long-term investment return.



Gain and Loss Analysis

Table I-C

Previous normal cost rate	16.08%
Increase (decrease) due to investment gains and losses	-13.24%
Increase (decrease) due to demographic experience	0.18%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	-3.02%
Increase (decrease) due to actuarial method changes	0.00%
Current normal cost rate	<u>0.00%</u>



Present Value of Future Benefits

Table I-D

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$589,322	\$589,322	\$506,635
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$589,322	\$589,322	\$506,635
<u>Deferred Vested Participants</u>			
Retirement benefits	\$112,450	\$112,450	\$112,626
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$112,450	\$112,450	\$112,626
<u>Due a Refund of Contributions</u>	\$5,056	\$5,056	\$5,056
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$0	\$0	\$0
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<u>Grand Total</u>	<u>\$706,828</u>	<u>\$706,828</u>	<u>\$624,317</u>
Present Value of Future Payroll	\$2,057,838	\$2,057,838	\$1,865,419
Present Value of Future Employee Contribs.	\$20,580	\$20,580	\$18,654
Present Value of Future Employer Contribs.	\$62,219	\$62,219	-\$31,981



Present Value of Accrued Benefits

Table I-E

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$122,048	\$122,048	\$122,627
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$122,048	\$122,048	\$122,627
<u>Deferred Vested Participants</u>			
Retirement benefits	\$112,450	\$112,450	\$112,626
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$112,450	\$112,450	\$112,626
<u>Due a Refund of Contributions</u>	\$5,056	\$5,056	\$5,056
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$0	\$0	\$0
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<u>Grand Total</u>	<u>\$239,554</u>	<u>\$239,554</u>	<u>\$240,309</u>



Present Value of Vested Benefits

Table I-F

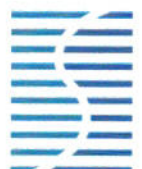
	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$71,929	\$71,929	\$72,106
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$71,929	\$71,929	\$72,106
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$112,450	\$112,450	\$112,626
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$112,450	\$112,450	\$112,626
<i><u>Due a Refund of Contributions</u></i>	\$5,056	\$5,056	\$5,056
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$0	\$0	\$0
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<i><u>Grand Total</u></i>	<u>\$189,435</u>	<u>\$189,435</u>	<u>\$189,788</u>



Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$231,839	\$231,839	\$214,721
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$231,839	\$231,839	\$214,721
<u>Deferred Vested Participants</u>			
Retirement benefits	\$112,450	\$112,450	\$112,626
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$112,450	\$112,450	\$112,626
<u>Due a Refund of Contributions</u>	\$5,056	\$5,056	\$5,056
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$0	\$0	\$0
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<u>Grand Total</u>	<u>\$349,345</u>	<u>\$349,345</u>	<u>\$332,403</u>



GASB 25/27 Results

Table II-A

Development of the Net Pension Obligation (Asset)

Net Pension Obligation (Asset) as of October 1, 2011	\$0
Annual Pension Cost for the 2011/12 Plan Year	\$29,188
Employer Contributions for the 2011/12 Plan Year	(\$29,188)
Net Increase (Decrease) in NPO	\$0
Net Pension Obligation (Asset) as of October 1, 2012	\$0
Annual Pension Cost for the 2012/13 Plan Year	\$27,399
Employer Contributions for the 2012/13 Plan Year	(\$27,399)
Net Increase (Decrease) in NPO	\$0
Net Pension Obligation (Asset) as of October 1, 2013	\$0
Annual Pension Cost for the 2013/14 Plan Year	\$22,172
Employer Contributions for the 2013/14 Plan Year	(\$22,172)
Net Increase (Decrease) in NPO	\$0
Net Pension Obligation (Asset) as of October 1, 2014	\$0



GASB 25/27 Disclosures

Table II-B

Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	% Contrib.	Annual Pension Cost	% Contrib.
2009	\$49,329	100%	\$49,329	100%
2010	\$41,420	100%	\$41,420	100%
2011	\$46,309	100%	\$46,309	100%
2012	\$29,188	100%	\$29,188	100%
2013	\$27,399	100%	\$27,399	100%
2014	\$22,172	100%	\$22,172	100%

Schedule of Funding Progress

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability * (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) ÷ (2)	Covered Payroll	UAAL as % of Covered Payroll (3) ÷ (5)
Not Applicable	N/A	N/A	N/A	N/A	N/A	N/A
Not Applicable	N/A	N/A	N/A	N/A	N/A	N/A
October 1, 2011	\$340,050	\$276,982	\$0	122.77%	\$231,678	0.00%
Not Applicable	N/A	N/A	N/A	N/A	N/A	N/A
Not Applicable	N/A	N/A	N/A	N/A	N/A	N/A
October 1, 2014	\$740,656	\$332,403	\$0	222.82%	\$136,761	0.00%

* The AAL has been calculated under the entry age normal cost method.

Additional Information

Valuation Date **October 1, 2014**

Actuarial Cost Method **Aggregate**

Amortization Method **Level dollar, open**

Remaining Amortization Period **30 years**

Asset Valuation Method **Market value**

Discount Rate **6.75%**

Salary Increase Rate **4.00%**



SFAS 35 Disclosures

Table II-C

Actuarial Present Value of Accrued Benefits

	<u>As of October 1, 2011</u>	<u>As of October 1, 2014</u>
<u>Vested Benefits</u>		
Participants currently receiving benefits	\$0	\$0
Other participants	\$99,309	\$189,788
Sub-total	\$99,309	\$189,788
<u>Non-Vested Benefits</u>	\$59,827	\$50,521
<u>Total Benefits</u>	<u>\$159,136</u>	<u>\$240,309</u>
<u>Funded Percentage</u>	315.49%	379.84%
(based on the market value of assets)		

Statement of Change in Actuarial Present Value of Accrued Benefits

<u>Actuarial Present Value as of October 1, 2011</u>	<u>\$159,136</u>
<u>Increase (Decrease) Due To:</u>	
Interest	\$34,449
Benefits accumulated	\$45,969
Benefits paid	\$0
Plan amendments	\$0
Changes in actuarial methods and assumptions	\$755
Net increase (decrease)	<u>\$81,173</u>
<u>Actuarial Present Value as of October 1, 2014</u>	<u>\$240,309</u>



Actuarial Value of Assets

Table III-A

Market Value of Assets as of October 1, 2014	\$1,174,681
Minus advance employer contributions	(\$172,128)
Minus excess Chapter 175/185 contributions	(\$261,897)
Actuarial Value of Assets as of October 1, 2014	<u>\$740,656</u>

Historical Actuarial Value of Assets

October 1, 2005	N/A
October 1, 2006	\$148,241
October 1, 2007	\$195,843
October 1, 2008	\$128,329
October 1, 2009	\$193,657
October 1, 2010	\$288,579
October 1, 2011	\$340,050
October 1, 2012	\$495,745
October 1, 2013	\$631,248
October 1, 2014	\$740,656

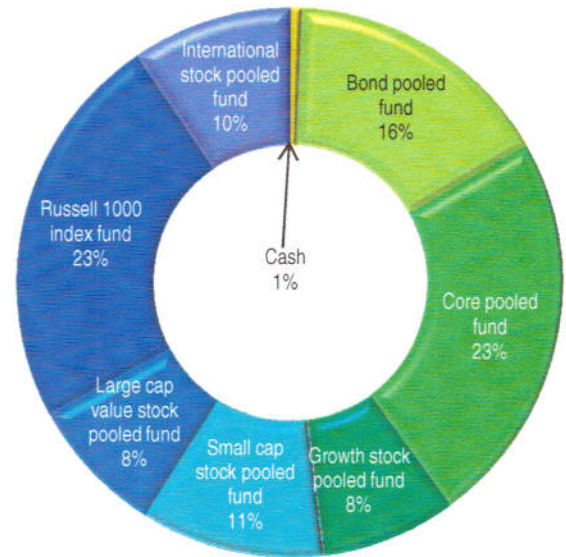


Market Value of Assets

Table III-B

As of October 1, 2014

Market Value of Assets	<u>\$1,174,681</u>
Cash	\$7,048
Bond pooled fund	\$187,949
Core pooled fund	\$274,875
Growth stock pooled fund	\$93,975
Small cap stock pooled fund	\$128,040
Large cap value stock pooled fund	\$96,324
Russell 1000 index fund	\$274,875
International stock pooled fund	\$111,595

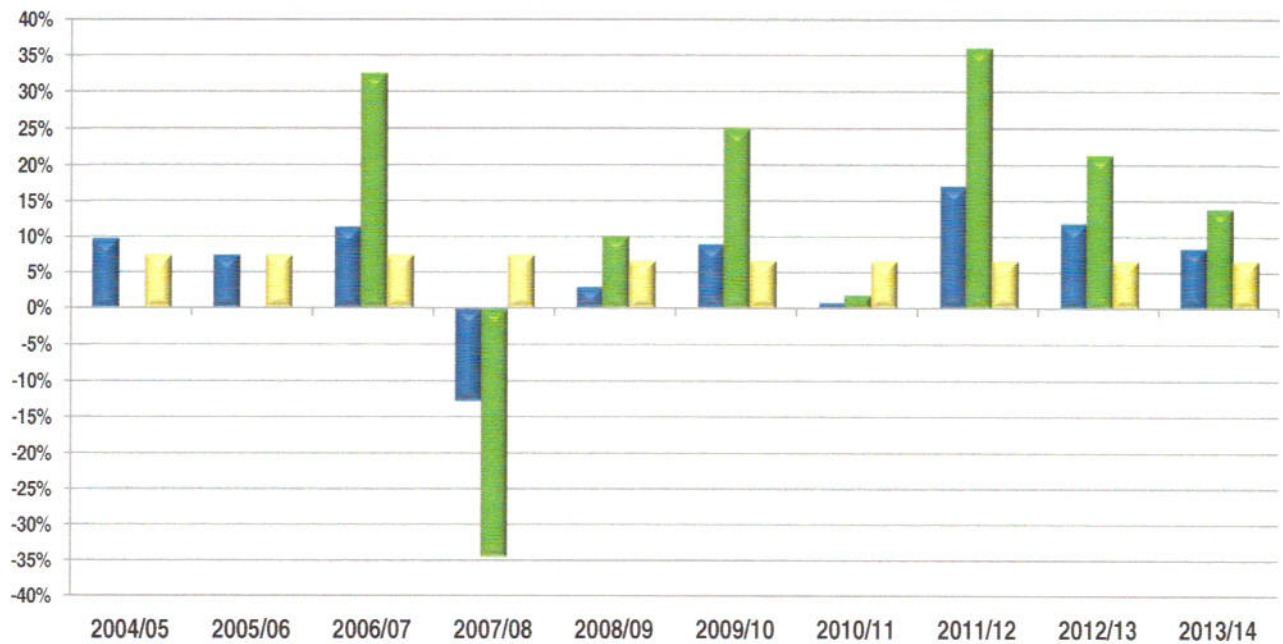
Historical Market Value of Assets

October 1, 2005	\$325,876
October 1, 2006	\$392,064
October 1, 2007	\$497,514
October 1, 2008	\$494,247
October 1, 2009	\$569,287
October 1, 2010	\$669,472
October 1, 2011	\$721,959
October 1, 2012	\$893,834
October 1, 2013	\$1,047,926
October 1, 2014	\$1,174,681



Investment Return

Table III-C

*Annual Investment Returns*

■ Market Value Return
■ Actuarial Value Return
■ Assumed Return

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2004/05	9.81%	N/A	7.50%
2005/06	7.43%	N/A	7.50%
2006/07	11.47%	32.61%	7.50%
2007/08	-12.74%	-34.45%	7.50%
2008/09	2.98%	10.21%	6.75%
2009/10	9.07%	25.09%	6.75%
2010/11	0.84%	1.87%	6.75%
2011/12	17.16%	36.05%	6.75%
2012/13	11.93%	21.49%	6.75%
2013/14	8.42%	14.01%	6.75%
10yr. Avg.	6.33%	10.98%	7.05%



Asset Reconciliation

Table III-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2011	\$721,959	\$340,050
<i>Increases Due To:</i>		
Employer Contributions	\$57,715	\$57,715
Chapter 175/185 Contributions	\$73,160	\$73,160
Employee Contributions	\$4,728	\$4,728
Service Purchase Contributions	\$0	\$0
Total Contributions	\$135,603	\$135,603
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	\$326,802	
Total Investment Income	\$326,802	\$326,802
Other Income	\$0	
Total Income	\$462,405	\$462,405
<i>Decreases Due To:</i>		
Monthly Benefit Payments	\$0	\$0
Refund of Employee Contributions	\$0	\$0
Total Benefit Payments	\$0	\$0
Investment Expenses	\$0	
Administrative Expenses	(\$9,683)	(\$9,683)
Advance Employer Contribution		(\$10,120)
Excess Chapter 175/185 Contribution		(\$41,996)
Total Expenses	(\$9,683)	(\$61,799)
As of October 1, 2014	\$1,174,681	\$740,656



Historical Trust Fund Detail

Table III-E

Income

Plan	Employer	Chapter	Employee	Service	Interest /	Realized	Unrealized	Other
<u>Year</u>	<u>Contribs.</u>	<u>Contribs.</u>	<u>Contribs.</u>	<u>Purchase</u>	<u>Dividends</u>	<u>Gains /</u>	<u>Gains /</u>	<u>Income</u>
				<u>Contribs.</u>		<u>Losses</u>	<u>Losses</u>	
2004/05	\$14,021	\$38,289	\$1,152	\$0	\$0	\$0	\$26,747	\$0
2005/06	\$12,226	\$28,943	\$1,009	\$0	\$0	\$0	\$25,700	\$0
2006/07	\$21,006	\$36,842	\$1,732	\$0	\$0	\$0	\$48,240	\$0
2007/08	\$23,943	\$40,304	\$1,967	\$0	\$0	\$0	-\$67,470	\$0
2008/09	\$28,005	\$31,036	\$2,306	\$0	\$0	\$0	\$15,638	\$0
2009/10	\$23,571	\$23,112	\$1,936	\$0	\$0	\$0	\$53,762	\$0
2010/11	\$24,611	\$22,714	\$2,022	\$0	\$0	\$0	\$5,812	\$0
2011/12	\$21,498	\$23,870	\$1,752	\$0	\$0	\$0	\$127,655	\$0
2012/13	\$20,018	\$25,970	\$1,645	\$0	\$0	\$0	\$109,346	\$0
2013/14	\$16,199	\$23,320	\$1,331	\$0	\$0	\$0	\$89,801	\$0

Expenses

Plan	Monthly	Contrib.	Admin.	Invest.	<u>Other Actuarial Adjustments</u>	
<u>Year</u>	<u>Benefit</u>	<u>Refunds</u>	<u>Expenses</u>	<u>Expenses</u>	<u>Advance</u>	<u>Excess</u>
	<u>Payments</u>				<u>Employer</u>	<u>Chapter</u>
					<u>Contribs.</u>	<u>Contribs.</u>
2004/05	\$0	\$0	\$525	\$0	\$14,397	\$27,901
2005/06	\$0	\$0	\$1,690	\$0	\$12,073	\$18,555
2006/07	\$0	\$533	\$1,837	\$0	\$31,394	\$26,454
2007/08	\$0	\$0	\$2,011	\$0	\$34,331	\$29,916
2008/09	\$0	\$0	\$1,945	\$0	-\$10,936	\$20,648
2009/10	\$0	\$0	\$2,196	\$0	-\$7,461	\$12,724
2010/11	\$0	\$0	\$2,672	\$0	-\$11,310	\$12,326
2011/12	\$0	\$0	\$2,900	\$0	\$2,698	\$13,482
2012/13	\$0	\$0	\$2,887	\$0	\$3,007	\$15,582
2013/14	\$0	\$0	\$3,896	\$0	\$4,415	\$12,932

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.



Other Reconciliations

Table III-F

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2011	\$162,008
Additional Employer Contribution	\$31,886
Minimum Required Contribution	(\$29,188)
Net Increase in Advance Employer Contribution	\$2,698
Advance Employer Contribution as of October 1, 2012	<u>\$164,706</u>
Additional Employer Contribution	\$30,406
Minimum Required Contribution	(\$27,399)
Net Increase in Advance Employer Contribution	\$3,007
Advance Employer Contribution as of October 1, 2013	<u>\$167,713</u>
Additional Employer Contribution	\$26,587
Minimum Required Contribution	(\$22,172)
Net Increase in Advance Employer Contribution	\$4,415
Advance Employer Contribution as of October 1, 2014	<u>\$172,128</u>



Other Reconciliations

Table III-F
(continued)**Excess Chapter 175/185 Contribution**

Excess Chapter 175/185 Contribution as of October 1, 2011	\$219,901
Additional Chapter 175/185 Contribution	\$23,870
Allowable Chapter 175/185 Contribution	(\$10,388)
Net Increase in Excess Chapter 175/185 Contribution	\$13,482
Excess Chapter 175/185 Contribution as of October 1, 2012	<u>\$233,383</u>
Additional Chapter 175/185 Contribution	\$25,970
Allowable Chapter 175/185 Contribution	(\$10,388)
Net Increase in Excess Chapter 175/185 Contribution	\$15,582
Excess Chapter 175/185 Contribution as of October 1, 2013	<u>\$248,965</u>
Additional Chapter 175/185 Contribution	\$23,320
Allowable Chapter 175/185 Contribution	(\$10,388)
Net Increase in Excess Chapter 175/185 Contribution	\$12,932
Excess Chapter 175/185 Contribution as of October 1, 2014	<u>\$261,897</u>



Allowable Chapter 175/185 Contribution

Table III-G

1997 Base Amounts

Chapter 175 Regular Distribution	\$7,572
Chapter 175 Supplemental Distribution	\$2,816
Chapter 185 Distribution	\$0



Historical Chapter 175/185 Contributions

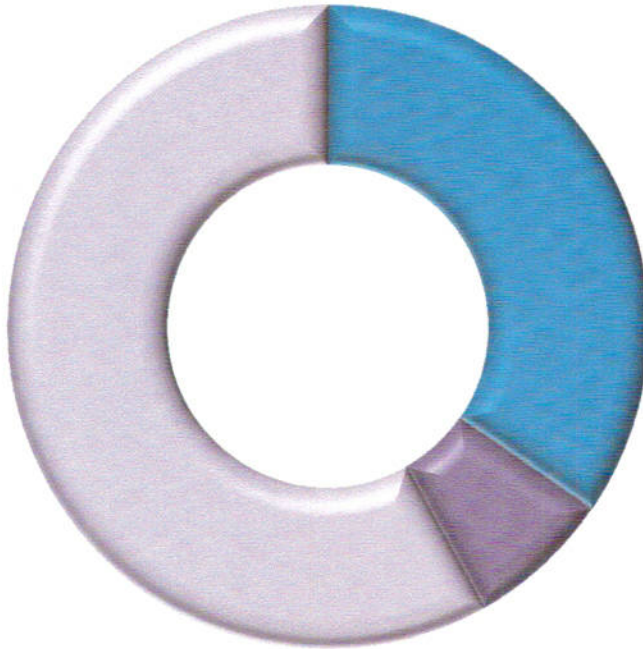
Table III-H

Total Accumulated Excess Chapter 175/185 Contribution				\$261,897
	<u>Chapter 175 Regular Distribution</u>	<u>Chapter 175 Supplemental Distribution</u>	<u>Chapter 185 Distribution</u>	<u>Allowable Amount</u>
1998 Distribution	\$7,756	\$0	\$0	(\$7,572)
1999 Distribution	\$10,206	\$3,872	\$0	(\$10,388)
2000 Distribution	\$9,313	\$5,823	\$0	(\$10,388)
2001 Distribution	\$13,528	\$4,893	\$0	(\$10,388)
2002 Distribution	\$16,674	\$7,499	\$0	(\$10,388)
2003 Distribution	\$37,100	\$9,291	\$0	(\$10,388)
2004 Distribution	\$16,008	\$22,281	\$0	(\$10,388)
2005 Distribution	\$19,698	\$9,245	\$0	(\$10,388)
2006 Distribution	\$25,022	\$11,820	\$0	(\$10,388)
2007 Distribution	\$18,993	\$21,311	\$0	(\$10,388)
2008 Distribution	\$16,128	\$14,908	\$0	(\$10,388)
2009 Distribution	\$14,522	\$8,590	\$0	(\$10,388)
2010 Distribution	\$15,560	\$7,154	\$0	(\$10,388)
2011 Distribution	\$16,424	\$7,446	\$0	(\$10,388)
2012 Distribution	\$17,052	\$8,918	\$0	(\$10,388)
2013 Distribution	\$14,096	\$9,224	\$0	(\$10,388)
Interest Adjustment				\$4,934



Summary of Participant Data

Table IV-A

As of October 1, 2014Actively Employed Participants

Active Participants	19
DROP Participants	0

Inactive Participants

Deferred Vested Participants	4
Due a Refund of Contributions	32
Deferred Beneficiaries	0

Participants Receiving a Benefit

Service Retirements	0
Disability Retirements	0
Beneficiaries Receiving	0

Total Participants 55Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2005	11	0	2	0	13
October 1, 2006	5	0	13	0	18
October 1, 2007	N/A	N/A	N/A	N/A	N/A
October 1, 2008	21	0	7	0	28
October 1, 2009	N/A	N/A	N/A	N/A	N/A
October 1, 2010	N/A	N/A	N/A	N/A	N/A
October 1, 2011	30	0	16	0	46
October 1, 2012	N/A	N/A	N/A	N/A	N/A
October 1, 2013	N/A	N/A	N/A	N/A	N/A
October 1, 2014	19	0	36	0	55



Data Reconciliation

Table IV-B

	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2011</u>	30	0	0	16	0	0	0	0	46
<u>Change in Status</u>									
Re-employed	1			(1)					
Terminated	(21)		4	17					
Retired									
<u>Participation Ended</u>									
Transferred Out									
Cashed Out									
Died									
<u>Participation Began</u>									
Newly Hired	9								9
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2014</u>	19	0	4	32	0	0	0	0	55

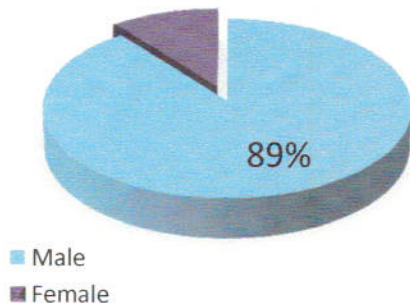


Active Participant Data

Table IV-C

Gender Mix

As of October 1, 2014



Average Age	33.6 years
Average Service	5.8 years
Total Annualized Compensation for the Prior Year	\$130,555
Total Expected Compensation for the Current Year	\$136,761
Average Increase in Compensation for the Prior Year	-12.12%
Expected Increase in Compensation for the Current Year	4.00%



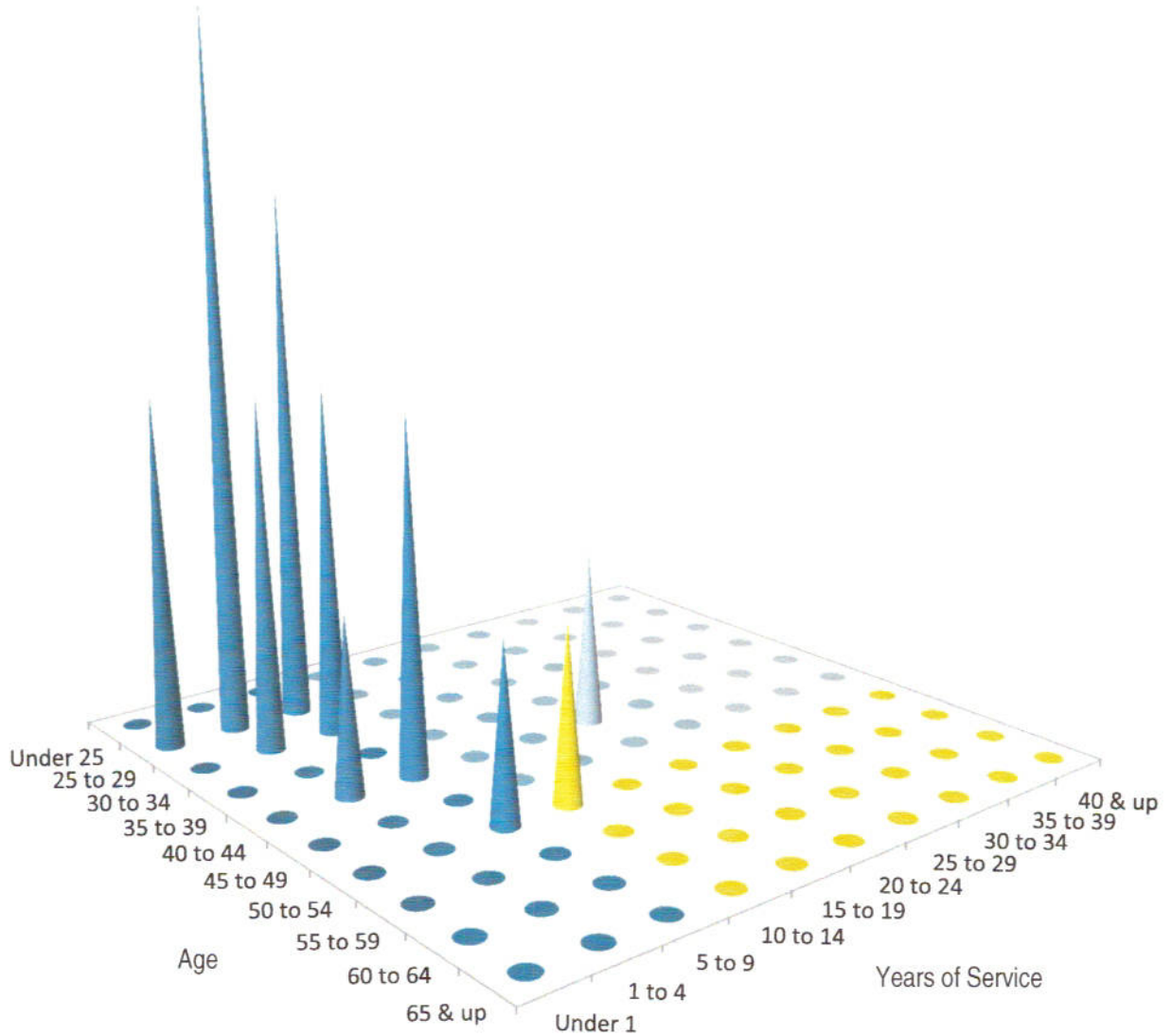
Active Participant Statistics From Prior Valuations

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2005	N/A	N/A	\$7,746	5.69%	12.65%
October 1, 2006	41.3	5.4	\$5,279	5.28%	81.38%
October 1, 2007	N/A	N/A	N/A	N/A	N/A
October 1, 2008	34.9	3.9	\$9,110	6.53%	3.09%
October 1, 2009	N/A	N/A	N/A	6.24%	0.82%
October 1, 2010	N/A	N/A	N/A	5.78%	0.83%
October 1, 2011	31.8	3.7	\$7,217	6.04%	0.50%
October 1, 2012	N/A	N/A	N/A	N/A	N/A
October 1, 2013	N/A	N/A	N/A	N/A	N/A
October 1, 2014	33.6	5.8	\$6,871	5.53%	-12.12%



Active Age-Service Distribution

Table IV-D



- ▲ *Eligible to retire*
- ▲ *May be eligible to retire*
- ▲ *Not eligible to retire*



Active Age-Service-Salary Table

Table IV-E

Attained Age	Completed Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
25 to 29	2	4	3	0	0	0	0	0	0	0	9
Avg. Pay	1,760	5,804	9,433	0	0	0	0	0	0	0	6,115
30 to 34	0	2	2	0	0	0	0	0	0	0	4
Avg. Pay	0	6,250	5,605	0	0	0	0	0	0	0	5,928
35 to 39	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	1	2	0	0	1	0	0	0	0	4
Avg. Pay	0	11,245	2,203	0	0	23,090	0	0	0	0	9,685
45 to 49	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
50 to 54	0	0	1	1	0	0	0	0	0	0	2
Avg. Pay	0	0	5,830	7,240	0	0	0	0	0	0	6,535
55 to 59	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
65 & up	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
Total	2	7	8	1	0	1	0	0	0	0	19
Avg. Pay	1,760	6,709	6,218	7,240	0	23,090	0	0	0	0	6,871



Inactive Participant Data

Table IV-F

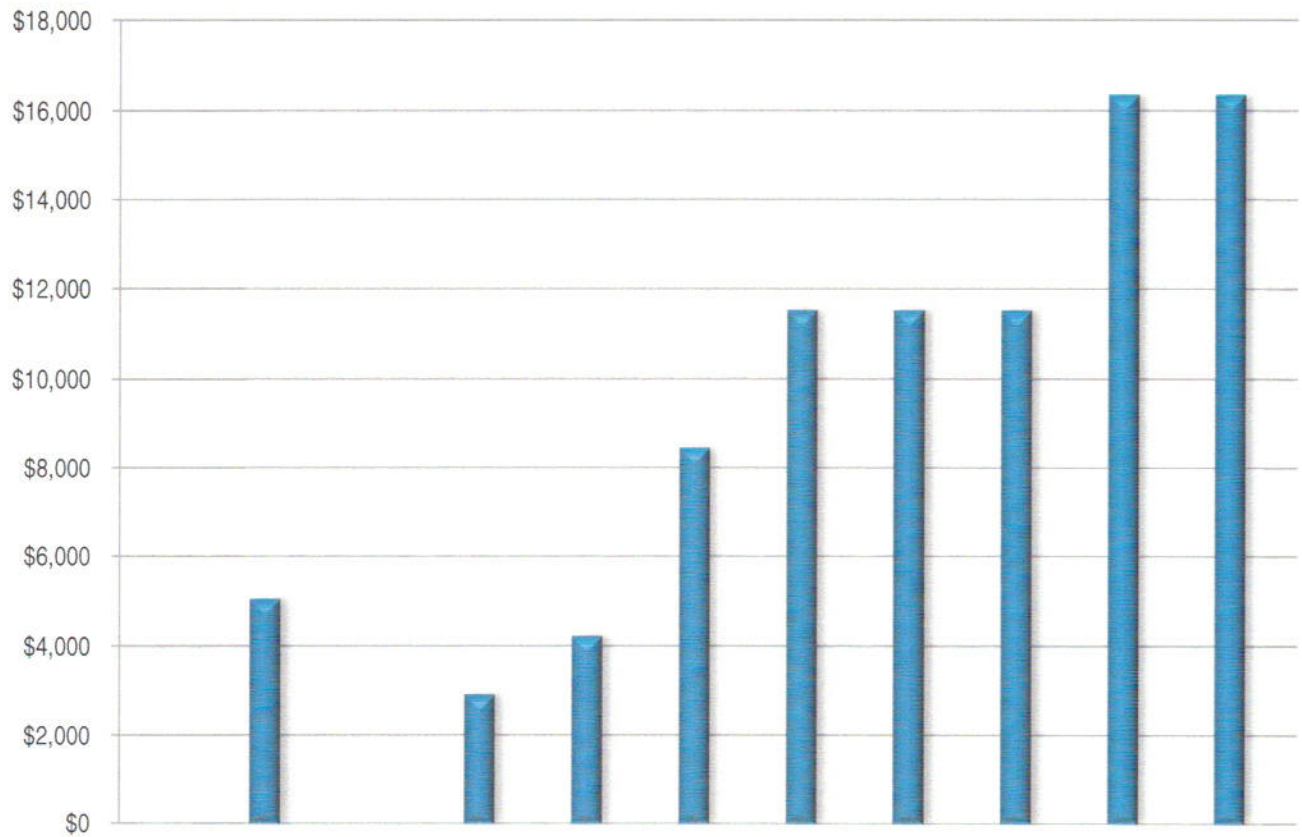


<u>Average Monthly Benefit</u>	
Service Retirements	Not applicable
Disability Retirements	Not applicable
Beneficiaries Receiving	Not applicable
DROP Participants	Not applicable
Deferred Vested Participants	\$285.27
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table IV-G

Actual

For the period October 1, 2013 through September 30, 2014

\$0

Projected

For the period October 1, 2014 through September 30, 2015

\$5,056

For the period October 1, 2015 through September 30, 2016

\$0

For the period October 1, 2016 through September 30, 2017

\$2,939

For the period October 1, 2017 through September 30, 2018

\$4,238

For the period October 1, 2018 through September 30, 2019

\$8,464

For the period October 1, 2019 through September 30, 2020

\$11,530

For the period October 1, 2020 through September 30, 2021

\$11,530

For the period October 1, 2021 through September 30, 2022

\$11,530

For the period October 1, 2022 through September 30, 2023

\$16,357

For the period October 1, 2023 through September 30, 2024

\$16,357



Summary of Actuarial Methods and Assumptions

Table V-A

1. Actuarial Cost Method

Aggregate cost method. Under this actuarial cost method, a funding cost is developed for the plan as a level percentage of payroll. The level funding percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants. The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

2. Asset Method

The actuarial value of assets is equal to the market value of assets.

3. Interest (or Discount) Rate

6.75% per annum

4. Salary Increases

Plan compensation is assumed to increase at the rate of 4.00% per annum, unless actual plan compensation is known for a prior plan year.

5. Decrements

- Pre-retirement mortality: None is assumed.
- Post-retirement mortality: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.
- Disability: None is assumed.
- Termination: None is assumed.
- Retirement: Retirement is assumed to occur at normal retirement age.



Summary of Actuarial Methods and Assumptions

Table V-A

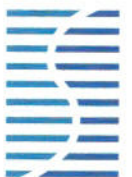
(continued)

6. Form of Payment

Future retirees have been assumed to select the 10-year certain and life annuity.

7. Expenses

The total projected benefit liability has been loaded by 16.50% to account for anticipated administrative expenses. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.



Changes in Actuarial Methods and Assumptions

Table V-B

Since the previous valuation was completed, the following assumptions were changed:

- (1) The assumed increase in future salaries was changed from a range of rates based on service to a flat 4.00% per year.
- (2) The mortality basis was changed from the 1994 Group Annuity Reserving Table, projected to 2002 by Scale AA, to the RP-2000 Mortality Table, projected to 2015 by Scale AA.
- (3) The expense loading was increased from 6.00% of projected benefit liability to 16.50% of projected benefit liability.



Summary of Plan Provisions

Table VI-A

1. Monthly Accrued Benefit

2% of Average Final Compensation multiplied by Credited Service

2. Normal Retirement Age and Benefit

- **Age**

Age 55 with at least 10 years of Credited Service; or
Age 52 with at least 25 years of Credited Service

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Actuarially increased single life annuity (optional);
10-year certain and life annuity (normal form of payment);
Actuarially reduced 50% joint and contingent annuity (optional);
Actuarially reduced 66²/₃% joint and contingent annuity (optional);
Actuarially reduced 75% joint and contingent annuity (optional);
Actuarially reduced 100% joint and contingent annuity (optional);
Any other actuarially equivalent form of payment approved by the Board; or
Actuarially equivalent lump sum distribution (automatic if the single sum value of the participant's benefit is less than or equal to \$5,000 or the monthly annuity is less than \$100)

(Note: A participant may change his joint annuitant up to two times after retirement.)

3. Early Retirement Age and Benefit

- **Age**

Age 50 with at least 10 years of Credited Service

- **Amount**

Monthly Accrued Benefit (payable at Normal Retirement Age); or
Monthly Accrued Benefit reduced by 3% for each year by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)

- **Form of Payment**

Same as for Normal Retirement



Summary of Plan Provisions

Table VI-A

(continued)

4. Service Incurred Disability Eligibility and Benefit

- **Eligibility**

The participant is eligible if his disability was incurred during the course of his employment with the City.

- **Condition**

The Board must find that the participant has a physical or mental condition resulting from bodily injury, disease, or a mental disorder which renders him incapable of employment as a firefighter.

- **Amount Payable**

A monthly 10-year certain and life annuity equal to the larger of (a) or (b), as follows, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-provided disability compensation from exceeding his Average Monthly Earnings:

- (a) Monthly Accrued Benefit; or
- (b) 42% of Average Final Compensation

5. Non-Service Incurred Disability Eligibility and Benefit

- **Eligibility**

The participant must have earned at least 10 years of Credited Service if his disability was incurred other than during the course of his employment with the City.

- **Condition**

Same as for a Service Incurred Disability Benefit

- **Amount Payable**

A monthly 10-year certain and life annuity equal to the larger of (a) or (b), as follows, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-provided disability compensation from exceeding his Average Monthly Earnings:

- (a) Monthly Accrued Benefit; or
- (b) 25% of Average Final Compensation

6. Delayed Retirement Age and Benefit

- **Age**

After Normal Retirement Age

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Same as for Normal Retirement



Summary of Plan Provisions

Table VI-A

(continued)

7. Deferred Vested Benefit

- **Age**
Any age with at least 10 years of Credited Service
- **Amount**
Monthly Accrued Benefit (payable at Normal Retirement Age); or
Monthly Accrued Benefit reduced by 3% for each year by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)
- **Form of Payment**
Same as for Normal Retirement

8. Pre-Retirement Death Benefit

In the case of the death of a vested participant prior to retirement, his beneficiary will receive the participant's Monthly Accrued Benefit payable for 10 years beginning on the participant's early or normal retirement date. In the case of the death of a non-vested participant prior to retirement, his beneficiary will receive the participant's Accumulated Contributions in lieu of any other benefits payable from the plan.

9. Average Final Compensation

Average of the highest five years of Compensation out of the last 10 years of employment (or career average, if higher)

10. Compensation

Fixed monthly remuneration for full-time firefighters or total cash remuneration for services rendered for volunteer firefighters; annual compensation in excess of \$200,000 (as indexed) is excluded in accordance with Internal Revenue Code (IRC) §401(a)(17).

11. Credited Service

The elapsed time from the participant's date of hire until his date of termination, retirement, or death.

12. Participation Requirement

All full-time and volunteer firefighters of the City of Labelle, Florida automatically become a participant in the plan on their date of hire.



Summary of Plan Provisions

Table VI-A

(continued)

13. Accumulated Contributions

The Employee Contributions accumulated with no interest; if the participant terminates his employment with less than 10 years of Credited Service, he receives his Accumulated Contributions in lieu of any other benefits payable from the plan.

12. Participant Contribution

1.00% of earnings

13. Definition of Actuarially Equivalent

- **Interest Rate**

6.75% per annum

- **Mortality Table**

Unisex mortality table promulgated by the Secretary of the Treasury for purposes of Internal Revenue Code (IRC) section 417(e)(3)

14. Plan Effective Date

January 1, 1996



Summary of Plan Amendments

Table VI-B

No plan amendments were adopted since the completion of the previous valuation.

