



The Standard<sup>®</sup>  
Continuity of Benefit

October 1, 2013

**TOWN OF MEDLEY  
DEFINED BENEFIT PLAN**

**ACTUARIAL VALUATION**

Group Annuity Contract 802330  
EIN: 59-6013404

June 2, 2014

Mr. Roy Danziger  
Town of Medley  
7777 NW 72nd Avenue  
Medley, FL 33166

Dear Mr. Danziger:

This report contains the results of the actuarial valuation of the Town of Medley Defined Benefit Plan as of October 1, 2013. This report develops funding levels and the Annual Required Contribution for the Plan Year beginning October 1, 2013 and discusses the funding progress since the previous valuation.

The Annual Required Contribution to the Plan has historically been determined under the Aggregate Funding Method. This report presents results, using the Aggregate Funding Method, for the current Plan Year. In addition, the Entry Age Normal Funding Method has been used for accounting disclosure.

It is important to note that the report focuses solely on funding what is presumed to be an ongoing retirement program. Separate calculations would be required to measure liabilities in the event of plan termination.

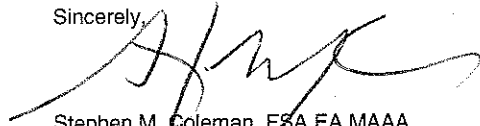
The results presented herein are based upon:

- Financial information provided to us as of the valuation date.
- Unaudited employee data furnished to us as of the valuation date.
- Provisions of the plan as summarized herein.
- Actuarial method and assumptions presented in this report.

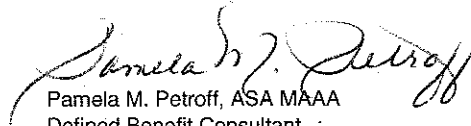
The valuation was based upon generally accepted actuarial methods and assumptions. We performed such tests as necessary to help assure the accuracy of the results presented herein. In our opinion, the results of this valuation have been appropriately determined based upon the actuarial cost method and assumptions and within the framework of federal law and regulations.

If you have any questions regarding the contents of this report, please contact Manuel Preciado at (813) 878-0281 or one of us.

Sincerely,



Stephen M. Coleman, FSA EA MAAA  
Defined Benefit Actuary  
(800) 262-7111 ext. 8558



Pamela M. Petroff, ASA MAAA  
Defined Benefit Consultant  
(800) 262-7111 ext. 4554

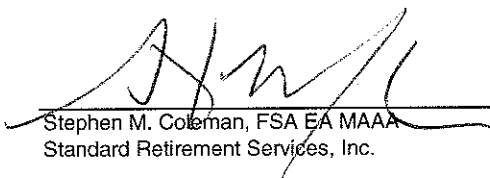
cc: Florida RP

**ENROLLED ACTUARY CERTIFICATION**

This actuarial valuation and/or determination 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.

  
\_\_\_\_\_  
Stephen M. Coleman, FSA EA MAAA  
Standard Retirement Services, Inc.

6-2-2014  
\_\_\_\_\_  
Date

14-03631  
\_\_\_\_\_  
Enrollment Number

## HIGHLIGHTS OF THE OCTOBER 1, 2013 VALUATION

- The Annual Required Contribution for this plan for the plan year beginning October 1, 2013 is \$799,628. The drop from the prior year ARC of \$866,622 can be mostly attributed to asset performance in excess of expectations.
- The actuarial value of assets increased by \$2,526,309, from \$11,826,650 on October 1, 2012 to \$14,352,959 on October 1, 2013.
- As a percentage of gain or loss on investments, the plan had the following return by year:

Year ending September 30, 2011:	(2.74%)
Year ending September 30, 2012:	19.29%
Year ending September 30, 2013:	15.38%
- The plan's funded ratio (the ratio of plan assets to the value of accrued benefits) has increased from 75.9% to 88.3%.
- The number of covered participants grew from 86 in the prior valuation to 88 in this valuation.

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## ANALYSIS

### Overview

In this report, we have valued benefit liabilities and determined required funding levels for the Plan Year beginning October 1, 2013. The purpose of this Analysis is to summarize major results and highlight important points. If you have any questions, we urge you to contact us at your convenience.

### Funding of the Plan

The plan is funded solely by employer contributions.

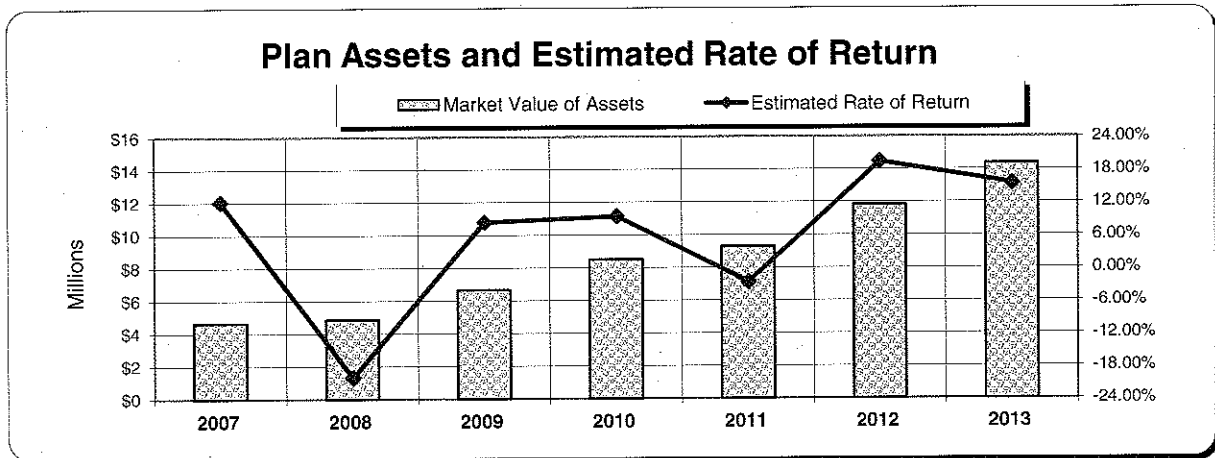
As in past years, employer contributions are determined by application of the Aggregate funding method. As with all actuarial funding methods, the Aggregate method attempts to establish an orderly pattern of contributions intended to accumulate sufficient assets to pay benefits as they come due.

### Contribution Requirement

The annual funding requirement for the plan has decreased from \$866,622 to \$799,628, under the Aggregate Method. The decline is due in part to return on assets in excess of expectations and to some actuarial gains on demographic shifts.

### Asset Summary and Reconciliation

In the period from October 1, 2012 to September 30, 2013, the actuarial value of plan assets increased by \$2,526,309, from \$11,826,650 to \$14,352,959. Contributions of \$1,300,000 and benefit payments of \$636,514 contributed to the net change in assets. An estimate of the investment return is 15.38% for the year.



**Change in Actuarial Assumptions**

There were no changes in actuarial assumptions.

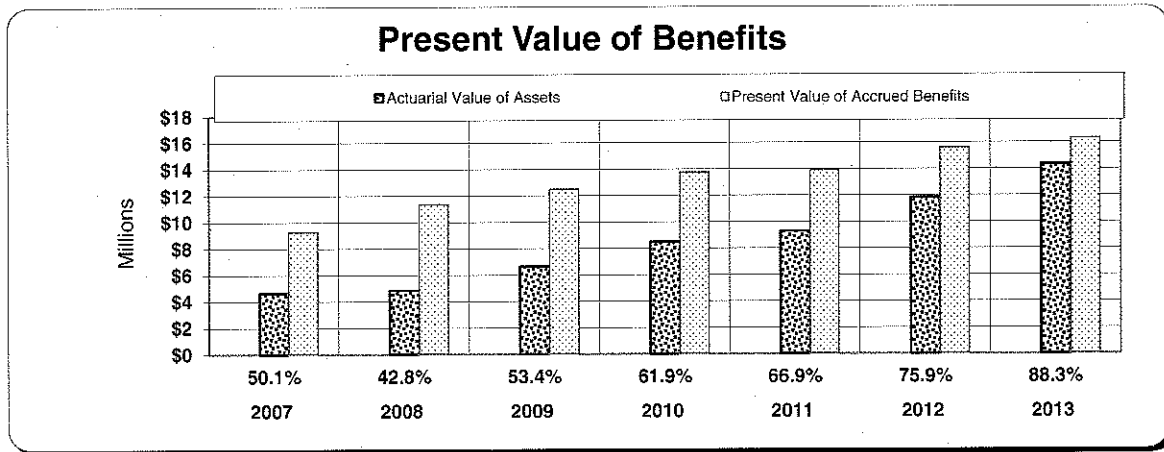
**Change in Plan Provisions**

There have been no changes in Plan provisions.

**Present Value of Accumulated Benefits**

The Present Value of Accumulated (or Accrued) Benefits is a measure of the value of benefits earned for service to date. This value increased from \$15,575,944 on October 1, 2012 to \$16,259,902 on October 1, 2013.

One measure of the funding adequacy of the plan is to compare the Present Value of Accumulated Benefits to the plan assets. In this case, the October 1, 2013 Actuarial Value of Assets of \$14,352,959 results in a funded ratio of 88.3% (compared to 75.9% on October 1, 2012).



Please note that although this ratio is an estimate of the funding adequacy of the plan, it does not determine the actual amounts the employer needs to contribute into the plan.

## SUMMARY AND COMPARISON

	<u>October 1, 2012</u>	<u>October 1, 2013</u>
1. Number of Participants		
Active Participants	53	51
Terminated Participants with Vested Benefits	12	13
Retirees Receiving Benefits	21	24
Total	86	88
2. Current Annual Compensation		
Active Participants Below Retirement Age	\$ 1,508,079	\$ 1,774,307
All Other Active Participants	468,332	343,716
Total	\$ 1,976,411	\$ 2,118,023
3. Present Value of All Projected Future Benefits	\$ 19,778,750	\$ 20,997,966
4. Present Value of Accumulated (i.e. Earned to Date) Benefits	\$ 15,575,944	\$ 16,259,902
5. Present Value of Vested Accumulated (i.e., Nonforfeitable) Benefits	\$ 15,323,812	\$ 15,951,101
6. Actuarial Value of Plan Assets	\$ 11,826,650	\$ 14,352,959
7. Normal Cost (including Estimated Expenses) Aggregate Method	\$ 809,927	\$ 747,316
8. Annual Required Contribution (with interest to year end) Aggregate Method	\$ 866,622	\$ 799,628
9. Annual Required Contribution as a Percentage of Compensation (Actives Below Retirement Age) Aggregate Method	57.5%	45.1%



## OUTLINE OF PLAN

*This outline of the plan is intended as a general description of the major plan provisions. For exact provisions as administered, please refer to your plan document and pertinent amendments, if any.*

### Effective Date And Plan Year

The effective date of the plan is April 1, 2003. The plan anniversary is each October 1. The plan was restated effective 10/1/2011.

### Eligibility

All employees who were hired with the expectation of working at least 36 hours each week and who are not police officers are eligible to be covered under the plan.

An eligible employee, other than an elected official, is one who has attained age 21 and is credited with one year of preliminary service. Plan entry is each April 1 or October 1, thereafter. Participating employees accrue service credits for each month of employment.

Elected officials eligible for the plan are the mayor and council members. They are eligible to enter the plan on the first April 1 or October 1 after commencement of service in their elected positions. Elected officials accrue service credits for each month or part of a month they are in office.

### Contributions

The employer contributes whatever amounts are required to fund the plan benefits.

### Amount Of Retirement Benefit

The participant's Normal Retirement Benefit is determined based on the participant's job classification as follows:

#### **General Employees - Union**

The normal retirement benefit is determined as a percent of basic monthly earnings. The percent is based on the number of years of Benefit Service at calculation date. Benefit Service is limited to 30 years. The applicable percent, based on the following table, is multiplied by all years of service at the time the benefit is determined.

Hired Prior to January 1, 2011		Hired After January 1, 2011	
<u>Benefit Service</u>	<u>Percent</u>	<u>Benefit Service</u>	<u>Percent</u>
0 to 10	2.00%	0 to 15	2.00%
10 to 15	2.25%	15 to 20	2.25%
15 to 30	2.50%	20 to 30	2.50%

**Basic monthly earnings** means the average monthly compensation paid for service performed during the 5-consecutive-plan-year period within the most recent 10 years which will produce the highest average, provided the participant received compensation in each of the consecutive whole months.

#### **General Employees - Non-Union**

The normal retirement benefit is determined as a percent of basic monthly earnings. The percent is based on the number of years of Benefit Service at calculation date. Benefit Service is limited to 30 years. The applicable percent, based on the following table, is multiplied by all years of service at the time the benefit is determined.

Hired Prior to January 1, 2011		Hired After January 1, 2011	
<u>Benefit Service</u>	<u>Percent</u>	<u>Benefit Service</u>	<u>Percent</u>
0 to 10	2.00%	0 to 15	2.00%
10 to 15	2.25%	15 to 20	2.25%
15 to 30	2.50%	20 to 30	2.50%

**Basic monthly earnings** means the average monthly compensation paid for service performed during the 5-consecutive-plan-year period within the most recent 10 years which will produce the highest average, provided the participant received compensation in each of the consecutive whole months.

**Mayor**

The normal retirement benefit is equal to one-twelfth of \$5,500 multiplied by the number of years of credited benefit service as mayor.

**Elected Council Members**

The normal retirement benefit is equal to one-twelfth of \$2,500 multiplied by the number of years of credited benefit service as a council member.

**Benefit Limits**

Council Members' and Mayor benefits are limited to 100% of Basic Monthly Earnings, including Cost of Living adjustments. General Employees' benefits are limited to 75% of Basic Monthly Earnings, including Cost of Living adjustments.

**Annuity Forms**

Prior to July 1, 2007, the normal annuity form was a monthly income payable for life. After June 30, 2007, the normal form of benefit is a 20 Year Certain-and-Life annuity. At the participant's option, retirement income may be paid with a certain period, or on a joint-and-survivor basis. Election of an optional form may be made at any time before retirement. For any annuity form, the amount of income is adjusted so the cost to the fund is the same as it would have been under the normal annuity form.

**Normal Retirement**

For elected officials, normal retirement date is first of the month coincident with, or immediately following, the *later* of (1) age 55 or (2) 8 completed years of vesting service as an elected official.

For all other participants, normal retirement date is first of the month coincident with, or immediately following, the *earlier* of (1) age 62 or (2) 30 completed years of vesting service.

**Early Retirement**

For elected officials, early retirement date is the first of the month coincident with, or immediately following, the last day of the last year of service as an elected official. An elected official who has attained age 50 and completed eight (8) years of service is eligible for an unreduced early retirement benefit.

For all other participants, early retirement date is the first of the month coincident with, or immediately following, the attainment of age 50.

### **Late Retirement**

If termination of employment is postponed beyond the normal retirement date, benefits will continue to accrue according to the benefit formula. In no event will the benefit be less than the benefit accrued to normal retirement, increased by tabular factors.

### **Cost-of-Living Adjustment**

Effective each January 1, a cost-of-living adjustment (COLA) will be calculated based on the Consumer Price Index (Urban Wage Earners and Clerical Workers) for the third quarter of the year preceding the adjustment date. The percentage of increase is rounded to the nearest 1/10th of 1%. Cost of living adjustments will cease if the plan terminates. The COLA is limited to no more than 3% per year effective July 1, 2007 and thereafter. The adjusted benefit is limited to 75% of final earnings.

### **Disability Benefit**

A participant who becomes disabled will be treated as though he had accrued a year of vesting service for each plan year during which his disablement continues. Total and permanent disability shall cease on the earliest of (1) the date he is no longer totally and permanently disabled, (2) date of death, or (3) attainment of normal retirement age.

### **Death Benefit**

In the event of a participant's death before retirement but after becoming vested in a portion of his accrued benefit, the participant's beneficiary will receive a monthly benefit for 20 years based on the participant's pension credit accrued to the date of his death, and which would have been payable if the participant had retired and had elected a 20 Year Certain-and-Life annuity. The benefit may commence no later than the date the participant would have reached age 70-1/2.

### **Vesting**

A participant who terminates with vesting is entitled to receive a vested monthly benefit starting at normal retirement date. Elected officials are automatically 100% vested. Other participants become vested upon the completion of five (5) years of service. A year of vesting service is earned for each plan year in which the participant works at least 1,500 hours.

In addition, a participant shall be 100% vested upon attainment of retirement age while an employee.

## ACTUARIAL METHODS AND ASSUMPTIONS

Costs and liabilities were estimated on the basis of the plan specifications outlined in this report, the employee data furnished The Standard and the following methods and assumptions:

- Actuarial Cost Method** - Aggregate, with normal cost as level percent of salary, as described in the exhibit following
- Asset Value** - Fair Market value
- Funding Entry Age** - Age nearest birthday on valuation date coinciding with or immediately following the date at which eligibility requirements are satisfied
- Expense Assumption** - Estimated fees to be paid from plan assets during the year

### Before Retirement

- Interest - 7.00%
- Mortality - The 1983 Group Annuity Mortality Table (sex distinct) set forward 10 years for disabled participants
- Disability - 1987 Commissioner's Group Disability Table, six month elimination period, male and female - sample rates as follows:

<u>Age</u>	<u>Rate of Disablement</u>
25	0.0854%
30	0.0986%
40	0.1760%
50	0.5396%

- Terminations - Table V from August 1992 Pension Forum published by the Society of Actuaries, multiplied by 0.35 - sample rates as follows:

<u>Age</u>	<u>Rate of Withdrawal</u>
25	4.76%
30	3.54%
40	2.28%
50	1.58%

- Salary Scale - APH Table S-5 + 1.50% - sample rates as follows:

<u>Age</u>	<u>Rate of Increase</u>
25	5.68%
30	5.07%
40	4.22%
50	3.62%

**After Retirement or Separation**

- Interest - 6.00%
- Mortality - The 1983 Group Annuity Mortality table (sex distinct)

**Retirement Age** - Normal retirement age

**Cost-of-Living Adjustment** - 2.50%

**Marriage Assumption** - 75% of males and 75% of females with males 3 years older than spouses.

**Participant Data**

Active participants and inactive participants with vested benefits, were included in the valuation. Employees who have not completed the eligibility requirements were not included. Terminated employees without vested benefits were not included whether they had incurred a break in service or not. No cost consideration was made for employees hired in the future.

**Change in Actuarial Assumptions**

None

## DESCRIPTION OF ACTUARIAL METHOD

### **The Aggregate Cost Method**

The Aggregate Actuarial Cost Method has been used to determine contribution levels for the plan. Contribution levels have a single component:

#### Normal Cost

Under this method, the excess of the present value of projected benefits of the participants over the value of assets, after adjustment for any credit balance, is allocated on a level basis over the earnings of the participants from the valuation date to assumed retirement dates. This allocation is performed for the group as a whole, not as a sum of individual allocations. The normal cost is the portion of the excess allocated to a valuation year.

### **The Entry Age Actuarial Cost Method**

The Entry Age Actuarial Cost Method has been used to determine certain accounting disclosures.

Contribution levels using the Entry Age Normal are comprised of two components - "Normal Cost" and an amortization payment.

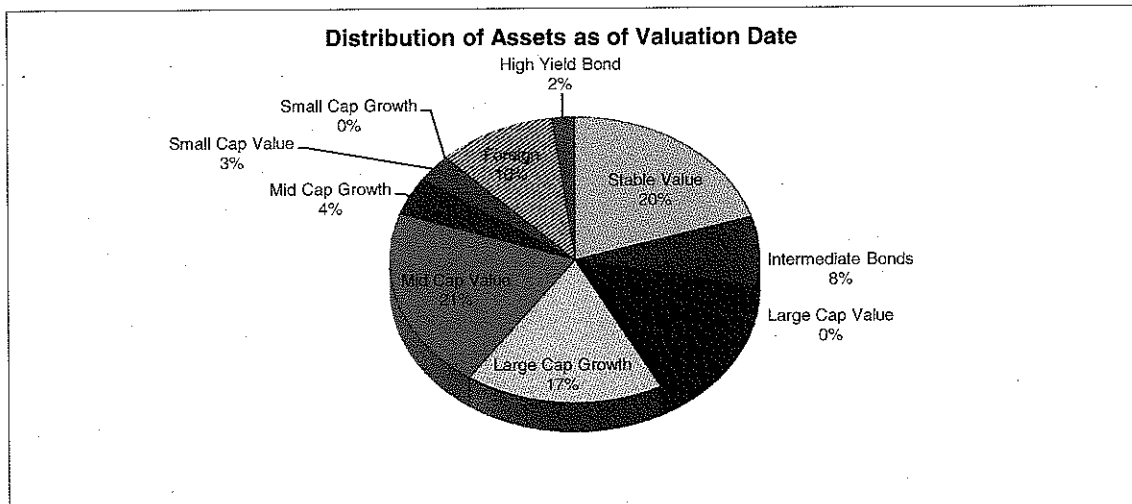
The present value of a participant's future benefits is allocated as a level percentage of earnings over the period running from entry date to retirement. The Entry Age Normal Cost is the portion of the present value of benefits allocated to the current plan year, while the portion allocated to all past years is termed the Actuarial Accrued Liability.

The Unfunded Actuarial Accrued Liability is amortized over a reasonable period of time.

## ASSET SUMMARY AND RECONCILIATION

### Statement of Plan Net Assets

	<u>September 30, 2012</u>	<u>September 30, 2013</u>
<b>Assets:</b>		
Cash		
Checking/Savings Account	\$ 0.00	\$ 0.00
Investments		
Insurance contracts at contract value		
Available for nonretired lives	\$ 0.00	\$ 0.00
Reserved for retired lives	0.00	0.00
Unallocated Separate Accounts at Fair Value	9,562,597.21	11,545,331.57
Allocated Separate Accounts at Fair Value	0.00	0.00
Other	<u>2,264,052.77</u>	<u>2,807,627.85</u>
Subtotal	\$ 11,826,649.98	\$ 14,352,959.42
Accrued Transfer to Police Plan	<u>0.00</u>	<u>0.00</u>
<b>Total Assets</b>	<b>\$ 11,826,649.98</b>	<b>\$ 14,352,959.42</b>
<b>Liabilities:</b>		
Accrued Expenses	\$ 0.00	\$ 0.00
Accrued Distributions	<u>0.00</u>	<u>0.00</u>
<b>Total Liabilities</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Net assets available for benefits:</b>	<b>\$ 11,826,649.98</b>	<b>\$ 14,352,959.42</b>



## ASSET SUMMARY AND RECONCILIATION

### Statement of Changes in Plan Net Assets

	<u>Year Ending September 30, 2012</u>	<u>Year Ending September 30, 2013</u>
<b>Additions:</b>		
Contributions		
Employer Contributions	\$ 1,100,000.00	\$ 1,300,000.00
Accrued Contributions	<u>0.00</u>	<u>0.00</u>
Total Contributions	\$ 1,100,000.00	\$ 1,300,000.00
Investment Income		
Net appreciation/(depreciation) in fair value of investments	1,813,057.64	\$ 1,825,693.56
Contract Investment Income	43,816.37	43,231.95
Dividend Income	0.00	0.00
Other Income	<u>0.00</u>	<u>0.00</u>
Total Investment Income	\$ 1,856,874.01	\$ 1,868,925.51
Total Additions	\$ 2,956,874.01	\$ 3,168,925.51
<b>Deductions:</b>		
Pension Payments	\$ 406,555.29	\$ 636,514.32
Administrative expenses	4,882.25	6,101.75
Increase in Accrued Transfer - (Spun off Assets)	0.00	0.00
Annuity Purchases	0.00	0.00
Other expenses	<u>0.00</u>	<u>0.00</u>
Total Deductions	\$ 411,437.54	\$ 642,616.07
Net increase/(decrease)	\$ 2,545,436.47	\$ 2,526,309.44
Net Assets on October 1	\$ 9,281,213.51	\$ 11,826,649.98
Net Assets on September 30	\$ 11,826,649.98	\$ 14,352,959.42
Estimated Rate of Return at Year End	19.29%	15.38%



**ACTUARIAL VALUE OF ASSETS  
AND DEVELOPMENT OF ANNUAL REQUIRED CONTRIBUTION**

	<u>October 1, 2012</u>	<u>October 1, 2013</u>
1. Present Value of Retirement Benefits		
Active Participants, Vested Benefits	\$ 5,638,349	\$ 5,320,803
Retirees In Pay Status	8,276,188	8,999,091
Terminated with Vested Benefits	<u>1,409,275</u>	<u>1,631,207</u>
Present Value of Vested Benefits	\$ 15,323,812	\$ 15,951,101
Non-Vested Benefits	<u>252,132</u>	<u>308,801</u>
Present Value of Accrued Benefits	\$ 15,575,944	\$ 16,259,902
Present Value of Future Accruals	<u>4,202,806</u>	<u>4,738,064</u>
Present Value of Future Benefits	\$ 19,778,750	\$ 20,997,966
2. Actuarial Value of Plan Assets		
Total Assets Held Under Contract	\$ 11,826,650	\$ 14,352,959
Accrued Contribution received after Valuation Date	<u>0</u>	<u>0</u>
Total	\$ 11,826,650	\$ 14,352,959
3. Present Value of Future Normal Costs = (1) - (2)	\$ 7,952,100	\$ 6,645,007
4. Present Value of Future Salaries	\$ 14,954,467	\$ 15,947,563
5. Current Annual Salaries for Active Participants Below Assumed Retirement Age	\$ 1,508,079	\$ 1,774,307
6. Normal Cost Rate = (3) / (4)	53.1754%	41.6679%
7. Normal Cost		
Normal Cost = (5) * (6)	\$ 801,927	\$ 739,316
Estimated Plan Expenses	<u>8,000</u>	<u>8,000</u>
	\$ 809,927	\$ 747,316
8. Annual Required Contribution (Includes interest to Year-End)	\$ 866,622	\$ 799,628

## Summary of Significant Accounting Policies

A. Basis of Accounting

The plan values plan assets on an accrual basis of accounting using market value.

B. Valuation of Investments

Plan assets are invested in an unallocated Group Deposit contract and unallocated separate accounts at Standard Insurance Company. The assets are valued at fair market value.

C. Contributions

Investment expenses, including investment manager and custodial services, are funded through investment earnings and/or contributions.

Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions.

D. Investments that represent 5% or more of net assets available for benefits

As of September 30, 2013, the following investments (other than U.S. Government and U.S. Government guaranteed obligations), in any one organization, that represent 5% or more of net Assets available for benefits (\$14,352,959.42 x 5% = \$717,647.97):

Standard Insurance Company	\$ 14,352,959.42
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E. Investments

The plan is authorized to invest in legal investments. GASB Statements 3 and 40 require certain plan investments to be categorized to give an indication of the level of custodial credit risk assumed by the plan at year-end.

Category 1 includes investments that are insured or registered or for which the securities are held by the plan or its agent in the plan's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer bank's trust department or gain in the plan's name. Category 3 includes uninsured and unregistered investments for which the securities are held by a counterparty or by its trust department or agent but not in the plan's name.

	1	-- Category -- 2	3	Carrying Amount	Market Value
<u>Securities</u>					
U.S. Government Securities					
Corporate bonds and notes					
Short-term securities					
Certificates of deposit					
Stocks					
	0.00	0.00	0.00		

			Carrying Amount	Market Value
<u>Investments other than Securities</u>				
Insurance Company Separate Accounts	\$	11,545,331.57	\$	11,545,331.57
Invested in Insurance Companies		2,807,627.85		2,807,627.85
Mutual Funds		0.00		0.00
Common Trust funds		0.00		0.00
Assets at contract value		0.00		0.00
Limited partnership		0.00		0.00
Total Investments	\$	14,352,959.42	\$	14,352,959.42
Net Investments Held Under Contract	\$	14,352,959.42	\$	14,352,959.42

### Schedule of Funding Progress

Historical trend information about the plan is presented herewith as required supplementary information. It is intended to help users assess the plan's funding status as an ongoing concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

The historical information required to be disclosed beginning as of October 1, 2007 is as follows:

#### Unfunded Present Value of Accrued Benefits

The Unfunded PVAB in this exhibit is on the basis used historically, beginning in 2007.

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Present Value of Accrued Benefits (PVAB)	(3) Unfunded PVAB (UPVAB) = (2) - (1)	(4) Funded Ratio = (1)/(2)	(5) Annual Covered Payroll *	(6) Unfunded PVAB as a % of Payroll = [(2) - (1)]/(5)
October 1, 2007	4,631,754	9,248,046	4,616,292	50.1%	2,284,596	202.1%
October 1, 2008	4,849,226	11,322,630	6,473,404	42.8%	2,400,099	269.7%
October 1, 2009	6,653,129	12,451,899	5,798,770	53.4%	2,680,416	216.3%
October 1, 2010	8,491,233	13,719,370	5,228,137	61.9%	2,640,787	198.0%
October 1, 2011	9,281,214	13,873,043	4,591,829	66.9%	2,224,763	206.4%
October 1, 2012	11,826,650	15,575,944	3,749,294	75.9%	1,976,411	189.7%
October 1, 2013	14,352,959	16,259,902	1,906,943	88.3%	2,118,023	90.0%

#### Unfunded Actuarial Accrued Liability

The Unfunded Actuarial Accrued Liability in this exhibit is calculated under the Entry Age Normal Actuarial Cost Method.

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Unfunded AAL = (2) - (1)	(4) Funded Ratio = (1)/(2)	(5) Annual Covered Payroll *	(6) Unfunded AAL as a % of Payroll = [(2) - (1)]/(5)
October 1, 2010	8,491,233	15,863,345	7,372,112	53.5%	2,640,787	279.2%
October 1, 2011	9,281,214	15,513,448	6,232,234	59.8%	2,224,763	280.1%
October 1, 2012	11,826,650	17,012,666	5,186,016	69.5%	1,976,411	262.4%
October 1, 2013	14,352,959	17,876,827	3,523,868	80.3%	2,118,023	166.4%

\* Prior to October 1, 2007, annual covered payroll had been limited to participants who had not yet reached the plan's normal retirement age. Starting with the 2007 entry, payroll for all participants is shown.

### Schedule of Employer Contributions

The following historical summary of employer contributions to the plan is detailed below:

Actuarial Valuation Date	(1) Annual Required Contribution	(2) Employer Contribution	(3) Percentage Contributed	(4) Plan Year End
October 1, 2007	1,078,125	1,451,204	135%	September 30, 2008
October 1, 2008	1,397,378	1,550,000	111%	September 30, 2009
October 1, 2009	1,371,965	1,400,000	102%	September 30, 2010
October 1, 2010	1,315,711	1,400,000	106%	September 30, 2011
October 1, 2011	1,133,056	1,100,000	97%	September 30, 2012
October 1, 2012	866,622	1,300,000	150%	September 30, 2013
October 1, 2013	799,628	TBD	TBD	September 30, 2014

**ACCOUNTING FOR PENSIONS BY  
STATE GOVERNMENTAL EMPLOYERS**

	<u>October 1, 2012</u>	<u>October 1, 2013</u>
1. Annual Required Contribution (ARC)	\$ 866,622	\$ 799,628
2. Net Pension Obligation at Beginning of Year <sup>(a)</sup>	\$ (1,009,158)	\$ (1,411,406)
3. Interest on Net Pension Obligation	\$ (70,641)	\$ (98,798)
4. Adjustment Factor <sup>(b)</sup>	9.916	8.988
5. Adjustment to Annual Required Contribution	\$ (101,771)	\$ (157,032)
6. Annual Pension Cost for the Plan Year = (1) + (3) - (5)	\$ 897,752	\$ 857,862
7. Actual Contribution Made <sup>(c)</sup>	\$ 1,300,000	N/A
8. Increase/(Decrease) in the Net Pension Obligation = (6) - (7)	\$ (402,248)	N/A
9. Net Pension Obligation at End of Year = (8) + (2)	\$ (1,411,406)	N/A

<sup>(a)</sup> Net Pension Obligation (NPO) is the cumulative difference between annual pension cost at transition, if any, and the employer's contributions to the plan, including the pension liability or asset at transition, if any.

<sup>(b)</sup> The factor used to adjust the Annual Required Contribution (ARC) is based on the same amortization method (level dollar or level percentage of payroll), the same assumptions, and the same amortization period that were used in determining the ARC.

<sup>(c)</sup> As used in GASB 27, the term "employer contributions" means actual contributions made in relation to the ARC. The term does not include amounts attributable to plan members under the terms of the plan. However, it does include any aid from the state.

**PRESENT VALUE OF ACCUMULATED BENEFITS**

**FAS 35 Exhibit**

	<u>October 1, 2012</u>	<u>October 1, 2013</u>
Present Value of Nonvested Accumulated Benefits	\$ 252,132	\$ 308,801
Present Value of Vested Accumulated Benefits		
a. Retirees in Pay Status	8,276,188	8,999,091
b. Active members	5,638,349	5,320,803
c. Inactive members	<u>1,409,275</u>	<u>1,631,207</u>
Present Value of Accumulated Benefits	\$ 15,575,944	\$ 16,259,902

Actuarial Present Value of Accumulated Benefits At Beginning of Prior Year \$ 15,575,944

Increase (Decrease) during the Year Attributable to:

Benefits Earned during the Year( Including Experience Gains and Losses)	230,156
Change in Plan Provisions	0
Change in Actuarial Assumptions	0
Increase for Interest Due to the Decrease in the Discount Period	1,090,316
Benefits Paid	<u>(636,514)</u>
Net Increase (Decrease)	\$ 683,958

Actuarial Present Value of Accumulated Benefits at End of Year \$ 16,259,902

**CHANGE IN NUMBER OF PARTICIPANTS**

	<b>Active Participants</b>	<b>Disabled and Terminated with Deferred Benefits</b>	<b>Beneficiaries and Retirees in Pay Status</b>	<b>Total</b>
1. Number on 10/01/2012	53	12	21	86
2. New Entrants	2	0	0	2
3. Rehired Participants	0	0	0	0
4. Terminated without Vesting	0	0	0	0
5. Terminated with Vesting	(1)	1	0	0
6. Terminated and Paid Out	0	0	0	0
7. Retired	(3)	0	3	0
8. Newly Disabled	0	0	0	0
9. Deceased	0	0	0	0
10. Data Corrections	0	0	0	0
11. Number on 10/01/2013	51	13	24	88

	<u><b>October 1, 2012</b></u>	<u><b>October 1, 2013</b></u>
12. Average Salary for Active Participants	\$37,291	\$41,530
13. Average Age of Active Participants	46.68	46.19
14. Average Service Credits for Active Participants	10.71	10.71