

EAST NAPLES FIRE CONTROL AND RESCUE DISTRICT
FIREFIGHTERS' PENSION PLAN

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2014

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



January 27, 2015

Board of Trustees
East Naples Fire Control and Rescue District
Firefighters' Pension Plan
c/o Ms. JOYceanna J. Rautio
Plan Administrator
Rautio & Associates, Inc.
10261 Windsor Way
Naples, FL 34109

Re: East Naples Fire Control and Rescue District
Firefighters' Pension Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the East Naples Fire Control and Rescue District Firefighters' 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, and 175, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the Board of Trustees, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

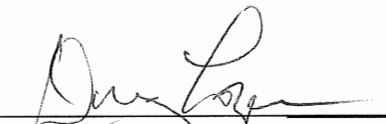
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the East Naples Fire Control and Rescue District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the East Naples Fire Control and Rescue District Firefighters' 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, EA, MAAA
Enrolled Actuary #14-7778

DHL/lke

Enclosures

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SUMMARY OF REPORT

The annual actuarial valuation of the East Naples Fire Control and Rescue District Firefighters' Pension Plan, performed as of October 1, 2014, has been completed, and the results are presented in this Report. The contribution amounts set forth herein are applicable to the District's plan/fiscal year ending September 30, 2016.

The funding requirements, compared with the amounts developed in the October 1, 2013 actuarial valuation report (as revised September 12, 2014), are as follows:

Valuation Date	10/1/2013	10/1/2014
Applicable Plan Year End	<u>9/30/2015</u>	<u>9/30/2016</u>
Total Required Contribution % of Total Annual Payroll	9.51%	10.20%
Member Contributions (Est.) % of Total Annual Payroll	3.00%	3.00%
District and State Required Contribution % of Total Annual Payroll	6.51%	7.20%
State Contribution (est.) * % of Total Annual Payroll	720,074 18.01%	720,074 18.01%
Balance from District * % of Total Annual Payroll	0.00%	0.00%
Normal Cost Minimum Funding (District and State) **	31.12%	30.90%

* Represents actual State Monies received in Calendar 2014. The District may use up to \$902,450.98 in State Contributions for determining its minimum funding requirements, based on the traditional interpretation of Chapter 99-1, Florida Statutes.

** Please note that the Normal Cost Minimum Funding, as shown above, is required pursuant to provisions of Senate Bill 1128 for valuations performed on and after October 1, 2011. For budgeting purposes, the **minimum** required Sponsor Contribution (District and State) is 30.90% of Pensionable Earnings for the fiscal year ending September 30, 2016. The precise District requirement for the year is this amount, less actual State Contributions (up to the maximum \$902,450.98).

Additionally, please note the District has a prepaid contribution of \$201,909.31 that may be utilized for the fiscal year ending September 30, 2015 for offsetting the District's otherwise funding requirement.

During the past year, there was net unfavorable actuarial experience, on the basis of the actuarial assumptions. The primary component of unfavorable experience stemmed from average increases in Pensionable Earnings that exceeded the assumed rate by 11%. This liability loss was partially offset by the effect of a 9.0% investment return (Market Value Basis) which exceeded the 7.75% assumption. For a detailed analysis that displays the actuarial gain/loss by component, please refer to page 14 of the report.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Plan. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 

Drew D. Ballard, EA, MAAA

By: 

Douglas H. Lozen, EA, MAAA

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

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

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2014</u>	<u>10/1/2013</u>
A. Participant Data		
Number Included		
Actives	51	49
Service Retirees	0	0
Beneficiaries	0	0
Terminated Vested	6	7
Disability Retirees	2	2
Total	<u>59</u>	<u>58</u>
Total Annual Payroll	3,998,708	3,276,849
Payroll Under Assumed Ret. Age	3,998,708	3,276,849
Annual Rate of Payments to:		
Service Retirees	0	0
Beneficiaries	0	0
Terminated Vested	16,863	29,549
Disability Retirees	49,013	47,615
B. Assets		
Actuarial Value ¹	19,686,653	17,002,054
Market Value ¹	19,686,653	17,002,054
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	26,177,723	21,328,910
Disability Benefits	1,887,494	1,644,181
Death Benefits	175,860	151,786
Vested Benefits	90,027	101,115
Refund of Contributions	5,243	4,090
Service Retirees	0	0
Beneficiaries	0	0
Terminated Vested	64,749	142,542
Disability Retirees	774,844	764,154
Share Plan Balances ¹	1,161,669	1,161,669
Total	<u>30,337,609</u>	<u>25,298,447</u>

	<u>10/1/2014</u>	<u>10/1/2013</u>
C. Liabilities - (Continued)		
Present Value of Future Salaries	43,500,941	38,305,450
Present Value of Future Member Cont.	1,305,028	1,149,164
Normal Cost (Entry Age Normal)		
Retirement Benefits	1,160,664	950,866
Disability Benefits	122,225	103,786
Death Benefits	8,517	7,355
Vested Benefits	12,420	13,177
Refund of Contributions	1,268	1,075
Total Normal Cost	<u>1,305,094</u>	<u>1,076,259</u>
Present Value of Future Normal Costs	13,996,648	12,359,001
Actuarial Accrued Liability		
Retirement Benefits	13,561,785	10,247,460
Disability Benefits	638,356	495,782
Death Benefits	84,074	67,455
Vested Benefits	54,572	59,333
Refund of Contributions	912	1,051
Inactives + Share Plan Balances ¹	2,001,262	2,068,365
Total Actuarial Accrued Liability	<u>16,340,961</u>	<u>12,939,446</u>
Unfunded Actuarial Accrued Liability (UAAL)	(3,345,692)	(4,062,608)
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives + Share Plan Balances ¹	2,001,262	2,068,365
Actives	6,717,920	5,526,891
Member Contributions	389,984	277,979
	<u>9,109,166</u>	<u>7,873,235</u>
Non-vested Accrued Benefits	<u>1,091,095</u>	<u>953,999</u>
Total Present Value Accrued Benefits	10,200,261	8,827,234
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	753,402	
Benefits Paid	(62,080)	
Interest	681,705	
Other	0	
	<u>1,373,027</u>	
Total:	1,373,027	

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

E. Pension Cost

Normal Cost (with interest) % of Total Annual Payroll ²	33.90	34.12
Administrative Expense (with interest) % of Total Annual Payroll ²	4.28	4.06
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 28 years as of 10/1/2014 (with interest) % of Total Annual Payroll ²	(27.98)	(28.67)
Total Required Contribution % of Total Annual Payroll ²	10.20	9.51
Expected Member Contributions % of Total Annual Payroll ²	3.00	3.00
Expected District & State Contrib. % of Total Annual Payroll ²	7.20	6.51

F. Past Contributions

Plan Year Ending:	<u>9/30/2014</u>
Total Required Contribution	1,336,648
District and State Requirement	1,226,090
Actual Contributions Made:	
Members	110,558
District	506,016
State	720,074
Total	<u>1,336,648</u>

G. Actuarial Gain (Loss) (1,097,404)

¹ The asset values and liabilities include accumulated Share Plan Balances.

² Contributions developed as of 10/1/2014 are expressed as a percentage of projected annual payroll at 10/1/2014 of \$3,998,708.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2014	(\$3,345,692)
2015	(2,444,355)
2016	(1,549,904)
2017	(409,821)
2018	13,345
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	18.1%	7.1%
Year Ended	9/30/2013	0.4%	9.1%
Year Ended	9/30/2012	-16.7%	9.0%

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

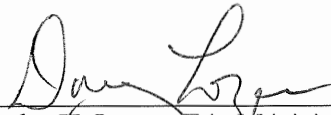
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2014	9.0%	7.75%
Year Ended	9/30/2013	8.4%	7.75%
Year Ended	9/30/2012	17.7%	8.0%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2014	\$3,998,708
	10/1/2005	1,829,234
(b) Total Increase		118.6%
(c) Number of Years		9.00
(d) Average Annual Rate		9.1%

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.

 1/27/15

Douglas H. Lozen, 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 copies of the report to the following offices to comply with Chapter 112 Florida Statutes:

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

Ms. Sarah Carr
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2013	(\$4,062,608)
(2)	District and State Normal Cost Applicable for the Year	977,954
(3)	Expected Administrative Expenses for the Year	127,990
(4)	Interest on (1), (2), and (3)	(234,101)
(5)	Sponsor Contributions to the System during the year ending September 30, 2014	1,226,090
(6)	Interest on (5)	26,241
(7)	Expected UAAL as of October 1, 2014 (1)+(2)+(3)+(4)-(5)-(6)	(4,443,096)
(8)	New UAAL due to Experience (Gain)/Loss	1,097,404
(9)	UAAL as of October 1, 2014	(\$3,345,692)

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2014 Amount</u>	<u>Amortization Amount</u>
Actuarial Gain	10/1/2010	1	(143,284)	(143,284)
Assum. Change	10/1/2010	1	72,063	72,063
Actuarial Loss	10/1/2011	2	315,491	163,630
Actuarial Gain	10/1/2012	3	(2,372,798)	(850,649)
Assum. Change	10/1/2012	3	288,134	103,296
Benefit Change	10/1/2012	28	101	8
Actuarial Gain	10/1/2013	4	(1,326,216)	(369,546)
Assum. Changes	10/1/2013	4	(236,563)	(65,918)
Actuarial Loss *	10/1/2014	5	57,380	13,250
			<u>(3,345,692)</u>	<u>(1,077,150)</u>

* The expected UAAL as of October 1, 2014 developed in Item (7) above is \$1,040,024 lower than the expected UAAL determined by utilizing the walk-forward approach for all existing bases as of October 1, 2013. The walk-forward approach is determined by subtracting the scheduled 2013 amortization payment from the existing 2013 base amount, and then increasing it with a full year of interest. As requested in a letter dated June 24, 2013 from the Division of Retirement, this calculated difference will be included in the actuarial gain or loss based that is developed with each annual valuation, effective October 1, 2014.

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2013	(4,062,608)
(2)	Expected UAAL as of October 1, 2014	(4,443,096)
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(235,518)
	Active Decrements (excluding mortality)	13,103
	Mortality (active and inactive)	10,674
	Salary Increases	1,323,937
	Other ¹	<u>(14,792)</u>
	Increase in UAAL due to (Gain)/Loss	1,097,404
(4)	Actual UAAL as of October 1, 2014	(3,345,692)

¹ e.g. New entrants, data corrections, Share Plan earnings,
change in Administrative Expenses.

ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rates</u>	<p>RP 2000 Combined Healthy – Sex Distinct. Disabled lives set forward 5 years.</p> <p>Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.</p>												
<u>Termination Rates</u>	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Years of Service</u></th> <th style="text-align: center;"><u>Probability</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Less than 6</td> <td style="text-align: center;">4.5%</td> </tr> <tr> <td style="text-align: center;">6-9</td> <td style="text-align: center;">1.5</td> </tr> <tr> <td style="text-align: center;">10 and Higher</td> <td style="text-align: center;">0.0</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Probability</u>	Less than 6	4.5%	6-9	1.5	10 and Higher	0.0				
<u>Years of Service</u>	<u>Probability</u>												
Less than 6	4.5%												
6-9	1.5												
10 and Higher	0.0												
<u>Disability Rates</u>	See table on next page. 75% of disabilities are assumed to be service-incurred.												
<u>Normal Retirement Age</u>	Earlier of 1) Age 55 with 6 years of Credited Service or 2) the completion of 25 years of Credited Service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.												
<u>Early Retirement Age</u>	Attainment of age 50 with 6 years of Credited Service. Members are assumed to retire with an immediate subsidized benefit at the same rate assumed for termination of service.												
<u>Interest Rate</u>	7.75% per year, compounded annually, net of investment related expenses.												
<u>Salary Increases</u>	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Years of Service</u></th> <th style="text-align: center;"><u>% Increase in Salary</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Less than 2</td> <td style="text-align: center;">15.0%</td> </tr> <tr> <td style="text-align: center;">2-9</td> <td style="text-align: center;">7.0</td> </tr> <tr> <td style="text-align: center;">10-14</td> <td style="text-align: center;">6.5</td> </tr> <tr> <td style="text-align: center;">15-19</td> <td style="text-align: center;">6.0</td> </tr> <tr> <td style="text-align: center;">20 and Higher</td> <td style="text-align: center;">5.5</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>% Increase in Salary</u>	Less than 2	15.0%	2-9	7.0	10-14	6.5	15-19	6.0	20 and Higher	5.5
<u>Years of Service</u>	<u>% Increase in Salary</u>												
Less than 2	15.0%												
2-9	7.0												
10-14	6.5												
15-19	6.0												
20 and Higher	5.5												
<u>Administrative Expenses</u>	\$164,656.												
<u>Post Retirement COLA</u>	3% per year for all categories of retirement.												
<u>Payroll Growth</u>	None.												
<u>Funding Method</u>	Individual Entry Age Normal Actuarial Cost Method (level percent of pay).												
<u>Asset Method</u>	Fair Market Value, net of investment related expenses.												

Disability Rates

<u>Age</u>	<u>Probability of Becoming Disabled in Next Year</u>
20	0.14%
25	0.15
30	0.18
35	0.23
40	0.30
45	0.51
50	1.00
55	1.55

Mortality Rates

<u>Age</u>	<u>Male</u>	<u>Female</u>
50	0.21%	0.17%
55	0.36	0.27
60	0.67	0.51
65	1.27	0.97
70	2.22	1.67
75	3.78	2.81
80	6.44	4.59

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the valuation year for 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 is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost 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 Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	71,067.18	_____ %
1999	83,418.13	17.4%
2000	80,991.59	-2.9%
2001	101,629.30	25.5%
2002	143,973.40	41.7%
2003	199,828.06	38.8%
2004	253,386.19	26.8%
2005	293,128.37	15.7%
2006	321,600.23	9.7%
2007	303,292.38	-5.7%
2008	1,025,499.07	238.1%
2009	538,040.00	-47.5%
2010	484,325.00	-10.0%
2011	590,824.19	22.0%
2012	614,157.99	3.9%
2013	679,098.83	10.6%
2014	720,073.51	6.0%

EXCESS STATE MONIES RESERVE

	Regular Distribution			Special Distribution		
	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve</u>	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve</u>
1998	\$71,067.18	\$71,067.18	\$0.00	N/A	N/A	N/A
1999	83,418.13	71,067.18	12,350.95	0.00	0.00	0.00
2000	51,567.71	71,067.18	0.00	29,423.88	0.00	29,423.88
2001	66,621.59	71,067.18	0.00	35,007.71	0.00	35,007.71
2002	92,626.07	71,067.18	21,558.89	51,347.33	0.00	51,347.33
2003	128,325.65	71,067.18	57,258.47	71,502.41	0.00	71,502.41
2004	158,310.83	71,067.18	87,243.65	95,075.36	0.00	95,075.36
2005	185,812.60	71,067.18	114,745.42	107,315.77	0.00	107,315.77
2006	200,990.82	71,067.18	129,923.64	120,609.41	0.00	120,609.41
2007	0.00	0.00 (1)	0.00	303,292.38	0.00	303,292.38
2008	731,136.77	142,134.36 (1)	589,002.41	294,362.30	0.00	294,362.30
2009	351,054.75	715,465.51 (2)	0.00	186,985.47	186,985.47 (2)	0.00
2010	324,470.54	742,596.90 (2)	0.00	159,854.08	159,854.08 (2)	0.00
2011	399,597.65	711,224.44 (2)	0.00	191,226.54	191,226.54 (2)	0.00
2012	398,031.06	686,324.05 (2)	0.00	216,126.93	216,126.93 (2)	0.00
2013	440,695.43	664,047.58 (2)	0.00	238,403.40	238,403.40 (2)	0.00
2014	463,655.24	646,032.71 (2)	0.00	256,418.27	256,418.27 (2)	0.00
			1,012,083.43			1,107,936.55
Accumulated Regular Excess:			1,012,083.43			
Accumulated Special Excess:			1,107,936.55			
Less Amount Allocated as District Contribution:			(902,450.98)			
Less Amount Allocated to Share Plan:			(1,217,569.00)			
Total State Monies Reserve:			\$0.00			

(1) State contribution withheld in 2007 released in 2008.

(2) The sum of the Regular and Supplemental distributions is \$902,450.98.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	1,181,487.89
Cash	17.08
Total Cash and Equivalents	1,181,504.97
Receivables:	
State Contributions	256,418.27
Investment Income	1,897.39
Total Receivable	258,315.66
Investments:	
Stocks	3,293,274.45
Mutual Funds:	
Fixed Income	7,971,437.02
Equity	5,279,114.67
Pooled/Common/Commingled Funds:	
Master Limited Partnership	1,132,490.99
Real Estate	814,519.10
Total Investments	18,490,836.23
Total Assets	19,930,656.86
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	11,922.00
Administrative Expenses	30,173.02
Prepaid District Contribution	201,909.31
Total Liabilities	244,004.33
NET POSITION RESTRICTED FOR PENSIONS	19,686,652.53

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

ADDITIONS

Contributions:

Member	110,558.13	
District	506,016.15	
State	720,073.51	
 Total Contributions		 1,336,647.79
 Investment Income:		
Net Increase in Fair Value of Investments	1,218,843.17	
Interest & Dividends	417,190.50	
Less Investment Expense ¹	(61,346.62)	
 Net Investment Income		 1,574,687.05
 Total Additions		 2,911,334.84

DEDUCTIONS

Distributions to Members:

Benefit Payments	58,853.16	
Lump Sum Share Distributions	0.00	
Refunds of Member Contributions	3,227.26	
 Total Distributions		 62,080.42
 Administrative Expense		 164,656.14
 Total Deductions		 226,736.56
 Net Increase in Net Position		 2,684,598.28
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		17,002,054.25
 End of the Year		 19,686,652.53

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

RECONCILIATION OF DISTRICT'S PREPAID CONTRIBUTION FOR THE
FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2014

(1) District and State Required Contribution Rate (from the August 12, 2013 Actuarial Impact Statement)	33.27%
(2) Pensionable Payroll	\$3,685,271.00
(3) Required District and State Contribution (1) x (2)	1,226,089.66
(4) Less Allowable State Contribution	<u>(720,073.51)</u>
(5) Equals Required District Contribution	506,016.15
(6) Less District Prepaid Contribution at September 30, 2013	(89,881.03)
(7) Less Actual District Contributions	<u>(618,044.43)</u>
(8) Equals District's Prepaid Contribution as of September 30, 2014	\$201,909.31

STATISTICAL DATA

	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>
Number	<u>53</u>	<u>50</u>	<u>49</u>	<u>51</u>
Vested	32	38	39	43
Non-Vested	21	12	10	8
Average Current Age	36.6	37.6	38.1	39.4
Average Age at Employment	29.2	29.4	29.0	29.6
Average Past Service	7.4	8.2	9.1	9.8
Average Annual Salary	\$82,864	\$67,390	\$66,874	\$78,406

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	1	0	0	0	0	0	0	0	0	0	1
25 - 29	1	0	0	0	0	2	0	0	0	0	0	3
30 - 34	0	0	0	0	0	5	7	0	0	0	0	12
35 - 39	0	0	0	0	0	6	3	1	0	0	0	10
40 - 44	0	0	0	0	0	6	5	0	0	0	0	11
45 - 49	0	0	1	0	0	2	3	2	0	0	0	8
50 - 54	1	0	0	0	0	1	0	3	0	0	0	5
55 - 59	0	0	0	0	1	0	0	0	0	0	0	1
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	2	1	1	0	1	22	18	6	0	0	0	51

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2013	49
b. Terminations	
i. Vested (partial or full) with deferred benefits	1 *
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. Voluntary withdrawal	0
g. Continuing participants	48
h. New entrants	3
i. Total active life participants in valuation	51

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

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
a. Number prior valuation	0	0	2	7	9
b. In	0	0	0	1	1
c. Out	0	0	0	2	2
d. Number current valuation	0	0	2	6	8

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

FIREFIGHTERS' PENSION PLAN
SUMMARY OF PLAN PROVISIONS
(Through Resolution No. 2013-02)

<u>Eligibility</u>	Full-time employees hired after December 31, 1995 who are classified as certified Firefighters participate in the Plan as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of service with the District as a Firefighter.
<u>Compensation</u>	Monthly compensation, including up to 300 hours of overtime annually, but excluding lump sum payments of unused leave.
<u>Average Final Compensation</u>	Average Compensation for the best five (5) out of the last ten (10) years of Credited Service.
<u>Member Contributions</u>	3.0% of Compensation.
<u>District and State Contributions</u>	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.
<u>Normal Retirement</u>	
Date	Earlier of 1) age 55 and the completion of 6 years of Credited Service, or 2) the completion of 25 years of credited service, regardless of age.
Benefit Amount	3.00% of Average Final Compensation (AFC) <u>times</u> Credited Service, limited to 100% or AFC. In addition, a monthly supplemental benefit of \$5 times Credited Service is payable, with a minimum of \$50 per month and a maximum of \$150 per month.
Form of Benefit	Ten Year Certain and Life Annuity (options available).

Early Retirement

Date	Age 50 and the completion of 6 years of Credited Service.
Benefit Amount	Accrued benefit, reduced 3% per year retirement precedes the earlier of age 55 and 6 years of service or the date when 25 years of service would have been completed.

Vesting

Schedule	100% after 6 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at age 55 (unreduced), or age 50, reduced as for Early Retirement. Non-vested members receive a refund of member contributions.

Disability

Eligibility	Total and permanent as determined by the Board of Trustees. Members are covered from Date of Employment (Service Incurred), or after 8 years of Credited Service (Non-Service Incurred).
Benefit Amount	Accrued benefit, but not less than 42% of Average Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).
Duration	Payable for life with 10 years certain or until recovery (as determined by the Board).

Death Benefits

Pre-Retirement	
Vested	Accrued benefit, actuarially reduced for commencement prior to age 50. The benefit is determined as if the participant had retired immediately prior to death and had chosen the 10 Year Certain and Life Annuity.
Non-Vested	Refund of member contributions.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

Cost of Living Adjustment

Eligibility	Normal and Early service Retirees and Beneficiaries, Disability Retirees and Vested, Terminated Retirees.
Amount	3.0% increase at the beginning of each fiscal plan year.

Chapter 175 Share Accounts

Allocation	Effective October 1, 2009, the initial accumulated Excess State Monies Reserve of \$1,217,569 shall be allocated to all active members who were employed on or before September 30, 2008 in a pro-rata fashion according to months of Credited Service. For subsequent years after the frozen State contribution is reduced to \$659,404, premium tax monies received pursuant to Chapter 175, Florida Statutes in excess of \$659,404 will be allocated to individual Member Share accounts based on months of Credited Service, determined as of September 30.
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Investment Earnings	Net rate of investment return realized by the Plan for the preceding Plan Year. Members within 5 years of the Normal Retirement Date have a one-time option of changing the interest crediting as realized by a money market mutual fund selected by the Board. Investment earnings will not begin to accrue until the frozen State contribution is reduced to the \$659,404 level.
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Vesting Schedule	Same as for other benefits.
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Distribution	Lump sum payment at retirement, termination, disability, or death.
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Board of Trustees

Two Trustees appointed by the Board of Fire Commissioners, two Members of the Plan elected by the membership, and a fifth Member elected by other 4 and appointed by the Board of Fire Commissioners as a ministerial duty.

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

Contribution rates as of 9/30/2014	
District/State	33.27%
Plan Members	3.00%
Annual Pension Cost	1,230,937
Contributions made (District/State)	1,226,090
Actuarial valuation date	10/1/2012
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	30 Years (as of 10/1/2012)
Asset valuation method	Market Value
Actuarial assumptions (as of 10/1/2012):	
Investment rate of return	7.75%
Projected salary increase*	7.5% to 13% based on service
* Includes inflation at	3.0%
Post Retirement COLA	3.0%

THREE YEAR TREND INFORMATION

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2014	1,230,937	99.61%	(26,744)
9/30/2013	1,719,456	99.67%	(31,591)
9/30/2012	1,513,958	99.56%	(37,249)

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>9/30/2012</u>	<u>9/30/2013</u>	<u>9/30/2014</u>
Actuarially Determined			
Contribution (A)	1,507,286	1,713,798	1,226,090
Interest on NPO	(3,514)	(2,980)	(2,448)
Adjustment to (A)	10,186	8,638	7,295
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Annual Pension Cost	1,513,958	1,719,456	1,230,937
Contributions Made	1,507,286	1,713,798	1,226,090
	-----	-----	-----
Increase in NPO	6,672	5,658	4,847
NPO Beginning of Year	(43,921)	(37,249)	(31,591)
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NPO End of Year	(43,921)	(37,249)	(31,591)
		(31,591)	(26,744)

SUPPLEMENTAL CHAPTER 175 SHARE PLAN ACTIVITY
October 1, 2013 through September 30, 2014

09/30/2013 Balance	1,161,669.01
Plus Additions	-
Investment Return Earned	-
Less Distributions	-
09/30/2014 Balance	1,161,669.01

CUMULATIVE STATE MONIES (EXCESS OF \$659,404)

An excerpt of Resolution 2009-05, Section 2, reads "Any premium tax revenues received by the District in excess of the \$902,451 "applicable frozen amount" during any plan year beginning October 1, 2008 or later shall be used for the supplemental pension benefit provided in Section 3 below. The District and the Union have further agreed that the "applicable frozen amount" shall remain at \$902,451 until such time, as determined by the plan actuary, the District has received cumulative premium tax revenues in excess of \$659,404 equal to 274,223, plus interest at the rate of 4% per year, compounded annually; at which time the "applicable frozen amount" shall be adjusted to \$659,404.

The purpose of the below schedule is to report the cumulative premium tax revenues (in excess of \$659,404) received since the plan year beginning October 1, 2008. As stated above, once the accumulation with interest reaches \$274,223, the "applicable frozen amount" will be reduced from \$902,451 to 659,404 annually.

<u>Plan Year Ending September 30</u>	<u>Regular Premium Tax Distribution</u>	<u>Supplemental Premium Tax Distribution</u>	<u>Total Premium Tax Distribution</u>	<u>Excess above \$659,404</u>	<u>Applicable Interest</u>	<u>Cumulative Excess</u>
2009	351,054.75	186,985.47	538,040.22	0.00	N/A	0.00
2010	324,470.54	159,854.08	484,324.62	0.00	N/A	0.00
2011	399,597.65	191,226.54	590,824.19	0.00	N/A	0.00
2012	398,031.06	216,126.93	614,157.99	0.00	N/A	0.00
2013	440,695.43	238,403.40	679,098.83	19,694.83	N/A	19,694.83
2014	463,655.24	256,418.27	720,073.51	60,669.51	787.79	81,152.13