

CITY OF WINTER GARDEN
PENSION PLAN FOR GENERAL EMPLOYEES

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2014

CONTRIBUTIONS APPLICABLE TO THE CITY'S
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2016

February 26, 2015

Board of Trustees
City of Winter Garden
Pension Plan for General Employees
300 West Plant Street
Winter Garden, FL 32787-3009

Re: City of Winter Garden
Pension Plan for General Employees

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Winter Garden Pension Plan for General Employees. 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 Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

In conducting the valuation, we have relied on personnel, plan design, financial reports, and asset information supplied by the Board of Trustees, in addition to 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.

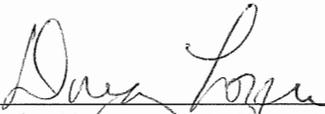
The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the 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 City of Winter Garden, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Winter Garden Pension Plan for General Employees. 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 regular annual actuarial valuation of the City of Winter Garden Pension Plan for General Employees, performed as of October 1, 2014, has been completed, and the results are presented in this Report. The contribution amounts developed in this valuation are applicable to the plan/fiscal year ended September 30, 2016.

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

Valuation Date Applicable to Plan/Fiscal Year Ending	10/1/2013 <u>9/30/2015</u>	10/1/2014 <u>9/30/2016</u>
Total Required Contribution % of Total Annual Payroll	17.41%	12.99%
Member Contributions (Est.) % of Total Annual Payroll	2.50%	2.50%
Balance from City ¹ % of Total Annual Payroll	14.91%	10.49%

¹ Please note there is a City receivable contribution of \$13,587 for the fiscal year ending September 30, 2014. A monthly interest charge of \$82 for each complete month after September 30, 2014 is required until this deposit is made, based on the 7.25% valuation assumption for investment return.

Experience during the last twelve months has been more favorable than expected, relative to the Plan's actuarial assumptions. The primary sources of favorable experience included a 10.7% investment return (Actuarial Asset Basis), exceeding the 7.25% assumption, average increases in pensionable compensation that were less than the assumption by almost 3%, and greater than expected Retiree mortality. These gains were partially offset by lower than expected employee turnover, and earlier than expected Normal Retirements.

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

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 
Douglas H. Lozen, EA, MAAA

By: 
Drew D. Ballard, EA, MAAA

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

Mortality rates are based on the RP 2000 Combined Healthy Table, projected to 2014 using Schedule AA. The prior valuation projected mortality improvements to 2013 using Schedule AA.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2014</u>	<u>10/1/2013</u>
A. Participant Data		
Number Included		
Actives	131	130
Service Retirees	49	47
Beneficiaries	5	5
Terminated Vested	81	65
Disability Retirees	2	2
Total	<u>268</u>	<u>249</u>
Total Annual Payroll	6,606,670	6,288,440
Payroll Under Assumed Ret. Age	6,561,921	6,242,563
Annual Rate of Payments to:		
Service Retirees	966,254	924,486
Beneficiaries	72,835	72,835
Terminated Vested	484,761	461,235
Disability Retirees	33,834	33,834
B. Assets		
Actuarial Value	21,170,068	19,370,058
Market Value	22,902,812	20,903,929
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	11,105,498	11,674,664
Disability Benefits	1,203,542	1,292,807
Death Benefits	378,663	408,340
Vested Benefits	2,121,225	2,352,507
Refund of Contributions	19,418	17,827
Service Retirees	9,390,831	8,925,141
Beneficiaries	744,177	758,078
Terminated Vested	2,097,894	1,863,096
Disability Retirees	362,604	368,256
Total	<u>27,423,852</u>	<u>27,660,716</u>

	<u>10/1/2014</u>	<u>10/1/2013</u>
C. Liabilities - (Continued)		
Present Value of Future Salaries	52,825,678	50,766,873
Normal Cost (Entry Age)		
Service Ret	449,994	493,043
Dis Benefits	69,473	81,794
Death Benefits	18,562	21,602
Vest Benefits	141,023	172,099
Refunds	4,629	4,318
Total Normal Cost	<u>683,681</u>	<u>772,856</u>
Present Value of Future Normal Costs	5,010,479	5,937,140
Actuarial Accrued Liability		
Service Ret	7,732,098	7,775,087
Dis Benefits	710,472	673,479
Death Benefits	230,892	228,662
Vest Benefits	1,141,561	1,129,644
Refunds	2,844	2,133
Inactives	12,595,506	11,914,571
Total Actuarial Accrued Liability	<u>22,413,373</u>	<u>21,723,576</u>
Unfunded Actuarial Accrued Liability (UAAL)	1,243,305	2,353,518
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	12,595,506	11,914,571
Actives	4,421,047	4,605,446
Member Contributions	371,807	241,940
Total	<u>17,388,360</u>	<u>16,761,957</u>
Non-vested Accrued Benefits	<u>1,301,931</u>	<u>1,367,236</u>
Total Present Value Accrued Benefits	18,690,291	18,129,193
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	577,413	
Benefits Paid	(1,284,132)	
Interest	1,267,817	
Other	0	
Total:	<u>561,098</u>	

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 ¹	10.80	12.83
Administrative Expense (with interest) % of Total Annual Payroll ¹	0.39	0.42
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 18 years (with interest) (as of 10/1/14) % of Total Annual Payroll ¹	1.80	4.16
Total Required Contribution % of Total Annual Payroll ¹	12.99	17.41
Expected Member Contributions % of Total Annual Payroll ¹	2.50	2.50
Expected City Contrib. % of Total Annual Payroll ¹	10.49	14.91

F. Past Contributions

Plan Years Ending:	<u>9/30/2014</u>
Total Required Contribution	1,048,039
City Requirement	883,975
Actual Contributions Made:	
Members	164,064
City	883,975
Total	<u>1,048,039</u>

G. Actuarial Gain (Loss) 1,053,136

¹ Contributions developed as of 10/1/14 are expressed as a percentage of Payroll Under Assumed Retirement Age at 10/1/14 of \$6,561,921.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2014	1,243,305
2015	1,211,370
2016	1,177,120
2021	964,823
2026	747,645
2032	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	3.3%	6.2%
Year Ended	9/30/2013	4.1%	6.1%
Year Ended	9/30/2012	4.5%	6.1%

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

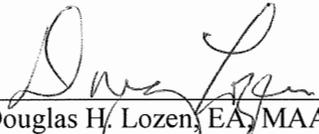
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2014	10.7%	7.25%
Year Ended	9/30/2013	7.6%	7.25%
Year Ended	9/30/2012	5.8%	7.25%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2014	\$6,606,670
	10/1/2004	4,626,404
(b) Total Increase		42.8%
(c) Number of Years		10
(d) Average Annual Rate		3.6%

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.

 2/26/15
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 a copy of the report to the following office to comply with Chapter 112, Florida Statutes:

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2013	\$2,353,518
(2)	Sponsor Normal Cost Applicable for the Year	616,792
(3)	Expected Administrative Expenses for the Year	25,390
(4)	Interest on (1), (2), and (3)	216,268
(5)	Sponsor Contributions to the System during the year ending September 30, 2014	883,975
(6)	Interest on (5)	31,552
(7)	Expected Unfunded Accrued Liability as of October 1, 2014 (1)+(2)+(3)+(4)-(5)-(6)	2,296,441
(8)	New UAAL due to Experience (Gain)/Loss	(1,053,136)
(9)	UAAL as of October 1, 2014	1,243,305

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2014 Amount</u>	<u>Amortization Amount</u>
Method Change	10/1/2010	16	1,433,598	143,851
Assumption Change	10/1/2010	16	(60,389)	(6,060)
Reconciliation Base	10/1/2011	7	(681,536)	(118,942)
Actuarial Loss	10/1/2011	7	876,148	152,906
Actuarial Loss	10/1/2012	8	333,459	52,574
Assumption Change	10/1/2012	18	521,937	49,256
Actuarial Gain	10/1/2013	9	(126,776)	(18,336)
Actuarial Gain	10/1/2014	10	<u>(1,053,136)</u>	<u>(141,427)</u>
			1,243,305	113,822

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2013	\$2,353,518
(2)	Expected UAAL as of October 1, 2014	2,296,441
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(665,689)
	Active Decrements (excluding mortality)	232,729
	Mortality (active and inactive)	(371,031)
	Salary Increases	(308,048)
	Other	58,903
	Change in UAAL due to (Gain)/Loss	(1,053,136)
(4)	Actual UAAL as of October 1, 2014	1,243,305

ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rates</u>	RP2000 Combined Healthy projected to the valuation date with Schedule AA. Disabled lives are set forward five years.	
<u>Interest Rate</u>	7.25% per year compounded annually, net of investment related expenses.	
<u>Normal Retirement Rates</u>	<u>Eligibility Date</u>	<u>Probability of Retirement</u>
	First eligible	40%
	After first eligible, until age 69	20%
	Age 70 and later	100%
<u>Early Retirement Rates</u>	<u>Age</u>	<u>Rates</u>
	60	3.4%
	61	3.2%
	62	3.0%
	63	2.5%
	64	2.0%
<u>Salary Increases</u>	<u>Age</u>	<u>Rates</u>
	20	13.00%
	25	10.00%
	30	8.35%
	35	7.75%
	40	6.95%
	45	6.10%
	50	5.35%
	55	4.75%
	60	4.10%
	65	3.05%
<u>Actuarial Value of Assets</u>	The Actuarial Value of Assets utilizes a five-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a five-year period.	
<u>Cost of Living Adjustments</u>	None.	
<u>Payroll Increases</u>	None.	
<u>Administrative Expenses</u>	\$24,454.	

Funding Method

Entry Age Normal Actuarial Cost Method.

Terminal Leave Pay

<u>Present Value of Retirement Liability</u>	<u>Percentage Increase to Liability (Hired Before October 1, 2000)</u>	<u>Percentage Increase to Liability (Hired After September 30, 2000)</u>
Normal	6.0%	3.0%
Early	3.0%	1.5%
Vesting	3.0%	1.5%
Death	3.0%	1.5%
Disability	3.0%	1.5%

No liability increases are utilized for Members hired after June 30, 2011.

Termination RatesAgeRates

20	22.7%
25	18.2%
30	15.5%
35	12.9%
40	11.2%
45	8.1%
50	6.1%
55	4.9%

Disability RatesAgeProbability of Disability

20	0.07%
25	0.09%
30	0.11%
35	0.14%
40	0.19%
45	0.30%
50	0.51%
55	0.96%
60	1.66%
65	0.00%

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay as of the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost 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.

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS AS OF SEPTEMBER 30

	2014	2015	2016	2017	2018
A. Preliminary Actuarial Value Prior Year	19,370,058				
B. Market Value Beginning of Year	20,903,929				
C. Market Value End of Year	22,902,812				
D. Non-investment net cash flow	(260,547)				
E. Investment Return					
1. Actual market return net of investment expenses: C - B - D	2,259,431				
2. Expected return of 7.25%: (B + D/2) * 0.0725	1,506,090				
3. Excess/(shortfall): E1 - E2	753,341				
F. Phased-in recognition of Investment Return					
1. Current year: 20% of E3	150,668				
2. 20% from first prior year	162,511	150,668			
3. 20% from second prior year	422,087	162,511	150,668		
4. 20% from third prior year	(201,636)	422,087	162,511	150,668	
5. 20% from fourth prior year	20,837	(201,638)	422,088	162,509	150,669
6. Total phased in investment return	554,467	533,628	735,267	313,177	150,669
G. Actuarial Value (AV) End of Year					
1. Preliminary AV end of year: A + D + E2 + F6	21,170,068				
2. Upper corridor limit: 120% * C	27,483,375				
3. Lower corridor limit: 80% * C	18,322,250				
4. Actuarial value end of year	21,170,068				
H. Difference between MV and AV:	1,732,744				
I. Net Investment Income:					
1. Interest and Dividends	556,952				
2. Realized Gains (Losses)	1,669,259				
2. Change in Actuarial Value	(29,192)				
3. Investment Expenses	(136,463)				
	2,060,557				
Actuarial Assets Rate of Return = 2I/(A+G-I):	10.71%				
Market Value of Assets Rate of Return:	10.97%				

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

REVENUES

Contributions:		
Member	164,063.75	
City	883,975.47	
 Total Contributions		 1,048,039.22
Earnings from Investments:		
Interest & Dividends	556,951.73	
Net Realized Gain (Loss)	1,669,259.49	
Change in Actuarial Value	(29,191.61)	
 Total Earnings and Investment Gains		 2,197,019.61

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,072,300.45	
Lump Sum PLOP Distributions	208,496.12	
Refunds of Member Contributions	3,335.02	
 Total Distributions		 1,284,131.59
Expenses:		
Investment Related ¹	136,462.61	
Administrative	24,454.43	
 Total Expenses		 160,917.04
 Change in Net Assets for the Year		 1,800,010.20
 Net Assets Beginning of the Year		 19,370,058.10
 Net Assets End of the Year ²		 21,170,068.30

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

²Net Assets may be limited for actuarial consideration.

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

(1) City Required Contribution Rate (from the October 1, 2012 actuarial valuation)	13.47%
(2) Pensionable Payroll reported by the City	\$6,562,549.91
(3) Required City Contribution (Item 1 times Item 2)	883,975.47
(4) Less Actual City Contributions	(870,388.64)
(5) Equals City's Shortfall Contribution as of September 30, 2014	\$13,586.83

STATISTICAL DATA

	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>
Number	137	131	130	131
Average Current Age	46.0	45.8	45.8	45.7
Average Age at Employment	37.6	37.4	37.7	37.7
Average Past Service	8.4	8.4	8.1	8.0
Average Annual Salary	\$46,289	\$48,331	\$48,373	\$50,433

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	1	2	1	0	0	0	0	0	0	0	0	4
25 - 29	5	2	2	0	0	1	0	0	0	0	0	10
30 - 34	1	1	0	0	0	5	0	0	0	0	0	7
35 - 39	3	3	1	0	0	8	4	1	0	0	0	20
40 - 44	2	3	0	1	3	6	1	0	2	0	0	18
45 - 49	1	2	2	0	1	6	4	2	0	2	0	20
50 - 54	2	2	0	1	0	4	5	1	2	1	0	18
55 - 59	2	0	0	0	2	8	2	2	2	0	0	18
60 - 64	0	1	1	0	1	4	3	2	0	0	1	13
65+	1	0	0	0	1	1	0	0	0	0	0	3
Total	18	16	7	2	8	43	19	8	6	3	1	131

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/13	130
b. Terminations	
i. Vested (partial or full) with deferred benefits	11
ii. Non-vested or full lump sum distribution received	2
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	4
f. Voluntary Withdrawal	0
g. Continuing participants	113
h. New entrants	18
i. Total active life participants in valuation	131

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

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	47	5	2	65	119
b. In	4	0	0	16	20
c. Out	2	0	0	0	2
d. Number current valuation	49	5	2	81	137

PENSION PLAN FOR GENERAL EMPLOYEES
SUMMARY OF PLAN PROVISIONS
(Through Ordinance No. 13-65)

<u>Eligibility</u>	Full-time General Employees participate in the Plan as a condition of employment unless they have chosen to opt out and participate in the City's Defined Contribution Plan.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the City as a General Employee.
<u>Salary</u>	Gross Compensation for services rendered to the City as a General Employee. Effective July 1, 2011, overtime is limited to 300 hours per calendar year. Additionally, accruals of unused sick and annual leave payments are not considered for benefit purposes after June 30, 2011.
<u>Average Final Compensation</u>	Average Salary for the 3 best years of the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	2.5% of Salary, effective November 1, 2011.
<u>City Contributions</u>	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII, Chapter 112, F.S.
<u>Normal Retirement</u>	
Date	Earlier of: 1) age 65 with 5 years of Credited Service, 2) the completion of 30 years of Credited Service, regardless of age, or 3) the attainment of age 70, regardless of Credited Service.
Benefit	2.5% of Average Final Compensation for each year of Credited Service.
Form of Benefit	Life Annuity (options available).

Early Retirement

Eligibility	Age 60 with 5 years of Credited Service.
Benefit	Accrued benefit, reduced 5% per year that the benefit commencement date precedes age 65.

Vesting

Schedule	100% after 5 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the Early (reduced) or Normal Retirement Date.

Disability

Eligibility	10 years of Credited Service.
Benefit	2.0% of Average Final Compensation for the first 20 years of Credited Service, plus 1.0% of Average Final Compensation for Credited Service in excess of 20 years.
Minimum Benefit	The greater of \$100 or 40% of Average Final Compensation.
Duration	Payable for life. Optional forms of payment are available.

Death Benefits

Eligibility	5 years of Credited Service.
Benefit	Monthly accrued benefit payable to Designated beneficiary for 10 years at otherwise Early (reduced) or Normal (unreduced) Retirement Date.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/14

City	13.47%
Plan Members	2.50%
Actuarially Determined Contribution	883,975
Contributions made	883,975
Actuarial valuation date	10/1/2012
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	20 years as of 10/1/2012
Asset valuation method	5 Year Smooth (Market)
Actuarial assumptions (as of 10/1/2012):	
Investment rate of return	7.25%
Projected salary increase*	3.0%-13.0%
* Includes inflation at	3.0%
Post Retirement COLA	none

THREE YEAR TREND INFORMATION

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2014	916,592	96.44%	(495,235)
9/30/2013	728,790	95.23%	(527,852)
9/30/2012	642,632	98.47%	(562,616)

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

DEVELOPMENT OF NET PENSION OBLIGATION (NPO)

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the "Florida Protection of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the sponsor has funded the actuarially determined required contributions for all years from October 1, 1987, through the transition date, October 1, 1997. Thus, the NPO on October 1, 1997, is 0.

The recent development of the Net Pension Obligation is as follows:

	<u>9/30/12</u>	<u>9/30/13</u>	<u>9/30/14</u>
Actuarially Determined			
Contribution (A)	632,769	694,026	883,975
Interest on NPO	(41,505)	(40,790)	(38,269)
Adjustment to (A)	51,368	75,554	70,886
	-----	-----	-----
Annual Pension Cost	642,632	728,790	916,592
Contributions Made	632,769	694,026	883,975
	-----	-----	-----
Increase in NPO	9,863	34,764	32,617
NPO Beginning of Year	(572,479)	(562,616)	(527,852)
	-----	-----	-----
NPO End of Year	(572,479)	(562,616)	(495,235)

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	1,191,399
Total Cash and Equivalents	1,191,399
Receivables:	
Member Contributions	7,770
City Contributions in Transit	238,073
Additional City Contributions	13,587
Investment Income	65,290
Total Receivable	324,720
Investments:	
U. S. Bonds and Bills	2,507,684
Federal Agency Guaranteed Securities	2,042,356
Corporate Bonds	1,121,864
Stocks	13,271,107
Mutual Funds:	
Fixed Income	1,003,668
Equity	66,496
Pooled/Common/Commingled Funds:	
Real Estate	1,399,490
Total Investments	21,412,665
Total Assets	22,928,784
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	24,129
Administrative Expenses	1,667
Prepaid Member Contribution	176
Total Liabilities	25,972
NET POSITION RESTRICTED FOR PENSIONS	22,902,812

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

ADDITIONS

Contributions:

Member	164,064	
City	883,975	
Total Contributions		1,048,039
Investment Income:		
Net Increase in Fair Value of Investments	1,838,940	
Interest & Dividends	556,952	
Less Investment Expense ¹	(136,463)	
Net Investment Income		2,259,429
Total Additions		3,307,468

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,072,300	
Lump Sum PLOP Distributions	208,496	
Refunds of Member Contributions	3,335	
Total Distributions		1,284,131
Administrative Expense		24,454
Total Deductions		1,308,585
Net Increase in Net Position		1,998,883

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		20,903,929
End of the Year		22,902,812

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

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

Plan Description

Plan Administration

The City of Winter Garden Pension Plan for General Employees is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of 5 Trustees, 2 of whom are appointed by the City Commission, 2 of whom are members of the plan who are elected by a majority of the General Employees who are members of the plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees.

Plan Membership as of October 1, 2013:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	54
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	65
Active Plan Members	130
	249

Benefits Provided

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

Normal Retirement:

Date: Earlier of: 1) age 65 with 5 years of Credited Service, 2) the completion of 30 years of Credited Service, regardless of age, or 3) the attainment of age 70, regardless of Credited Service.

Benefit: 2.5% of Average Final Compensation for each year of Credited Service.

Early Retirement:

Eligibility: Age 60 with 5 years of Credited Service.

Accrued benefit, reduced 5% per year that the benefit commencement date precedes age 65.

Vesting:

Schedule: 100% after 5 years of Credited Service.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the Early (reduced) or Normal Retirement Date.

Disability:

Eligibility: 10 years of Credited Service.

Benefit 2.0% of Average Final Compensation for the first 20 years of Credited Service, plus 1.0% of Average Final Compensation for Credited Service in excess of 20 years.

Minimum Benefit: The greater of \$100 or 40% of Average Final Compensation.

Death Benefits:

Eligibility: 5 years of Credited Service.

Benefit: Monthly accrued benefit payable to Designated beneficiary for 10 years at otherwise Early (reduced) or Normal (unreduced) Retirement Date.

Contributions

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2014:

Asset Class	Target Allocation
Domestic Equity	45%
International Equity	15%
Broad Market Fixed Income	30%
Global Bonds	5%
Real Estate	5%
Total	100%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

Rate of Return:

For the year ended September 30, 2014 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.97 percent.

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

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2014 were as follows:

Total Pension Liability	\$ 22,557,246
Plan Fiduciary Net Position	\$ (22,902,812)
Sponsor's Net Pension Liability	<u>\$ (345,566)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	101.53%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation		3.00%
Salary Increases	3.00% - 13.00%	
Investment Rate of Return		7.25%

RP 2000 Combined Healthy projected to the valuation date with Schedule AA. Disabled lives set forward 5 years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.5%
International Equity	8.5%
Broad Market Fixed Income	2.5%
Global Bonds	3.5%
Real Estate	4.5%

Discount Rate:

The discount rate used to measure the total pension liability was 7.25 percent.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Liability	\$ 2,586,977	\$ (345,566)	\$ (2,795,543)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	<u>09/30/2014</u>
Total Pension Liability	
Service Cost	772,422
Interest	1,568,252
Change in Excess State Money	-
Share Plan Allocation	-
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	-
Contributions - Buy Back	-
Benefit Payments, Including Refunds of Employee Contributions	(1,284,131)
Net Change in Total Pension Liability	1,056,543
Total Pension Liability - Beginning	21,500,703
Total Pension Liability - Ending (a)	<u>\$ 22,557,246</u>
 Plan Fiduciary Net Position	
Contributions - Employer	883,975
Contributions - State	-
Contributions - Employee	164,064
Contributions - Buy Back	-
Net Investment Income	2,259,429
Benefit Payments, Including Refunds of Employee Contributions	(1,284,131)
Administrative Expense	(24,454)
Other	-
Net Change in Plan Fiduciary Net Position	1,998,883
 Plan Fiduciary Net Position - Beginning	20,903,929
Plan Fiduciary Net Position - Ending (b)	<u>\$ 22,902,812</u>
 Net Pension Liability - Ending (a) - (b)	<u>\$ (345,566)</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.53%
 Covered Employee Payroll	\$ 6,562,550
Net Pension Liability as a Percentage of covered Employee Payroll	-5.27%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2014
Actuarially Determined Contribution	883,975
Contributions in Relation to the	
Actuarially Determined Contributions	883,975
Contribution Deficiency (Excess)	\$ -
Covered Employee Payroll	\$ 6,562,550
Contributions as a Percentage of	
Covered Employee Payroll	13.47%

Notes to Schedule

Valuation Date: 10/01/2012
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Actuarial Cost Method.	
Amortization Method:	Level Percentage of Pay, Closed.	
Remaining Amortization Period:	20 Years (as of 10/01/2012).	
Asset Valuation Method:	The Actuarial Value of Assets utilizes a five-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a five-year period.	
Inflation:	3.0% per year.	
Salary Increases:	<u>Age</u>	<u>Rates</u>
	20	13.00%
	25	10.00%
	30	8.35%
	35	7.75%
	40	6.95%
	45	6.10%
	50	5.35%
	55	4.75%
	60	4.10%
	65	3.05%
Interest Rate:	7.25% per year, compounded annually, net of investment-related expenses.	
Payroll Growth:	None.	
Cost-of-Living Adjustments:	None.	

Normal Retirement Rates:	<u>Eligibility Date</u>	<u>Probability of Retirement</u>	
	First eligible	40%	
	After first eligible, until age 69	20%	
	Age 70 and later	100%	
Early Retirement Rates:	<u>Age</u>	<u>Rates</u>	
	60	3.4%	
	61	3.2%	
	62	3.0%	
	63	2.5%	
	64	2.0%	
Terminal Leave Pay:		<u>% Increase to</u>	<u>% Increase to Liability</u>
	<u>Present Value of Retirement</u>	<u>Liability (Hired</u>	<u>(Hired After September</u>
	<u>Liability</u>	<u>Before October 1,</u>	<u>30, 2000)</u>
	Normal	2000)	3.0%
	Early	3.0%	1.5%
	Vesting	3.0%	1.5%
	Death	3.0%	1.5%
	Disability	3.0%	1.5%
Termination Rates:	<u>Age</u>	<u>Rates</u>	
	20	22.7%	
	25	18.2%	
	30	15.5%	
	35	12.9%	
	40	11.2%	
	45	8.1%	
	50	6.1%	
	55	4.9%	
Disability Rates:	<u>Age</u>	<u>Probability of Disability</u>	
	20	0.07%	
	25	0.09%	
	30	0.11%	
	35	0.14%	
	40	0.19%	
	45	0.30%	
	50	0.51%	
	55	0.96%	
	60	1.66%	
	65	0.00%	
Mortality:	RP 2000 Combined Healthy projected to the valuation date with Schedule AA. Disabled lives set forward 5 years.		

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2014</u>
Annual Money-Weighted Rate of Return	
Net of Investment Expense	10.97%

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

General Information about the Pension Plan

Plan Description

Full-time General Employees participate in the Plan as a condition of employment unless they have chosen to opt out and participate in the City's Defined Contribution Plan.

The City of Winter Garden Pension Plan for General Employees is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of 5 Trustees, 2 of whom are appointed by the City Commission, 2 of whom are members of the plan who are elected by a majority of the General Employees who are members of the plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees.

Plan Membership as of October 1, 2013:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	54
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	65
Active Plan Members	130
	249

Benefits Provided

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

Normal Retirement:

Date: Earlier of: 1) age 65 with 5 years of Credited Service, 2) the completion of 30 years of Credited Service, regardless of age, or 3) the attainment of age 70, regardless of Credited Service.

Benefit: 2.5% of Average Final Compensation for each year of Credited Service.

Early Retirement:

Eligibility: Age 60 with 5 years of Credited Service.

Accrued benefit, reduced 5% per year that the benefit commencement date precedes age 65.

Vesting:

Schedule: 100% after 5 years of Credited Service.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the Early (reduced) or Normal Retirement Date.

Disability:

Eligibility: 10 years of Credited Service.

Benefit 2.0% of Average Final Compensation for the first 20 years of Credited Service, plus 1.0% of Average Final Compensation for Credited Service in excess of 20 years.

Minimum Benefit: The greater of \$100 or 40% of Average Final Compensation.

Death Benefits:

Eligibility: 5 years of Credited Service.

Benefit: Monthly accrued benefit payable to Designated beneficiary for 10 years at otherwise Early (reduced) or Normal (unreduced) Retirement Date.

Contributions

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Net Pension Liability

The Sponsor's net pension liability was measured as of September 30, 2014.

The total pension liability used to calculate the net pension liability was determined as of that date.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation	3.00%
Salary Increases	3.00% - 13.00%
Investment Rate of Return	7.25%

RP 2000 Combined Healthy projected to the valuation date with Schedule AA. Disabled lives set forward 5 years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September, 30 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	45.00%	7.50%
International Equity	15.00%	8.50%
Broad Market Fixed Income	30.00%	2.50%
Global Bonds	5.00%	3.50%
Real Estate	5.00%	4.50%
Total	<u>100.00%</u>	

Discount Rate:

The discount rate used to measure the total pension liability was 7.25 percent.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2013	\$ 21,500,703	\$ 20,903,929	\$ 596,774
Changes for a Year:			
Service Cost	772,422		772,422
Interest	1,568,252		1,568,252
Change In Excess State Money	-		-
Share Plan Allocation	-		-
Differences Between Expected and Actual Experience	-		-
Changes of Assumptions	-		-
Changes of Benefit Terms	-		-
Contributions - Employer		883,975	(883,975)
Contributions - State		-	-
Contributions - Employee		164,064	(164,064)
Contributions - Buy Back	-	-	-
Net Investment Income		2,259,429	(2,259,429)
Benefit Payments, Including Refunds of Employee Contributions	(1,284,131)	(1,284,131)	-
Administrative Expense		(24,454)	24,454
Other Changes	-	-	-
New Changes	1,056,543	1,998,883	(942,340)
Balances at September 30, 2014	<u>\$ 22,557,246</u>	<u>\$ 22,902,812</u>	<u>\$ (345,566)</u>

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.25%	7.25%	8.25%
Sponsor's Net Pension Liability	\$ 2,586,977	\$ (345,566)	\$ (2,795,543)

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2015 the Sponsor will recognize a pension expense of \$544,306. On September 30, 2015 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	602,671
Total	<u>\$ -</u>	<u>\$ 602,671</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2016	\$ (150,668)
2017	\$ (150,668)
2018	\$ (150,668)
2019	\$ (150,667)
2020	\$ -
Thereafter	\$ -

Payable to the Pension Plan

On September 30, 2014, the Sponsor reported a payable of \$13,587, for the outstanding amount of contributions of the pension plan required for the year ended September 30, 2014.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	<u>09/30/2014</u>
Total Pension Liability	
Service Cost	772,422
Interest	1,568,252
Change in Excess State Money	-
Share Plan Allocation	-
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	-
Contributions - Buy Back	-
Benefit Payments, Including Refunds of Employee Contributions	(1,284,131)
Net Change in Total Pension Liability	1,056,543
Total Pension Liability - Beginning	21,500,703
Total Pension Liability - Ending (a)	<u>\$ 22,557,246</u>
Plan Fiduciary Net Position	
Contributions - Employer	883,975
Contributions - State	-
Contributions - Employee	164,064
Contributions - Buy Back	-
Net Investment Income	2,259,429
Benefit Payments, Including Refunds of Employee Contributions	(1,284,131)
Administrative Expense	(24,454)
Other	-
Net Change in Plan Fiduciary Net Position	1,998,883
Plan Fiduciary Net Position - Beginning	20,903,929
Plan Fiduciary Net Position - Ending (b)	<u>\$ 22,902,812</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (345,566)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.53%
Covered Employee Payroll	\$ 6,562,550
Net Pension Liability as a Percentage of covered Employee Payroll	-5.27%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2014
Actuarially Determined Contribution	883,975
Contributions in Relation to the	
Actuarially Determined Contributions	883,975
Contribution Deficiency (Excess)	\$ -
Covered Employee Payroll	\$ 6,562,550
Contributions as a Percentage of	
Covered Employee Payroll	13.47%

Notes to Schedule

Valuation Date: 10/01/2012
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.
Amortization Method: Level Percentage of Pay, Closed.
Remaining Amortization Period: 20 Years (as of 10/01/2012).
Asset Valuation Method: The Actuarial Value of Assets utilizes a five-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a five-year period.

Inflation: 3.0% per year.

Salary Increases:	Age	Rates
	20	13.00%
	25	10.00%
	30	8.35%
	35	7.75%
	40	6.95%
	45	6.10%
	50	5.35%
	55	4.75%
	60	4.10%
	65	3.05%

Interest Rate: 7.25% per year, compounded annually, net of investment-related expenses.

Payroll Growth: None.

Cost-of-Living Adjustments: None.

Normal Retirement Rates:

<u>Eligibility Date</u>	<u>Probability of Retirement</u>
First eligible	40%
After first eligible, until age 69	20%
Age 70 and later	100%

Early Retirement Rates:

<u>Age</u>	<u>Rates</u>
60	3.4%
61	3.2%
62	3.0%
63	2.5%
64	2.0%

Terminal Leave Pay:

<u>Present Value of Retirement Liability</u>	<u>% Increase to Liability (Hired Before October 1, 2000)</u>	<u>% Increase to Liability (Hired After September 30, 2000)</u>
Normal	6.0%	3.0%
Early	3.0%	1.5%
Vesting	3.0%	1.5%
Death	3.0%	1.5%
Disability	3.0%	1.5%

Termination Rates:

<u>Age</u>	<u>Rates</u>
20	22.7%
25	18.2%
30	15.5%
35	12.9%
40	11.2%
45	8.1%
50	6.1%
55	4.9%

Disability Rates:

<u>Age</u>	<u>Probability of Disability</u>
20	0.07%
25	0.09%
30	0.11%
35	0.14%
40	0.19%
45	0.30%
50	0.51%
55	0.96%
60	1.66%
65	0.00%

Mortality:

RP 2000 Combined Healthy projected to the valuation date with Schedule AA. Disabled lives set forward 5 years.

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2015

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 596,774	\$ -	\$ 883,975	
Total pension liability factors:				
Service cost	772,422			772,422
Interest	1,568,252			1,568,252
Change in Excess State Money	-			-
Share Plan Allocation	-			-
Changes in Benefit terms	-			-
Contributions - buy back	-			-
Differences between expected and actual experience with regard to economic or demographic assumptions	-	-	-	
Current year amortization		-	-	-
Changes in assumptions about future economic or demographic factors or other inputs	-	-	-	
Current year amortization		-	-	-
Benefit payments	(1,284,131)			(1,284,131)
Net change	<u>1,056,543</u>	<u>-</u>	<u>-</u>	<u>1,056,543</u>
Plan fiduciary net position:				
Contributions - employer	883,975		(883,975)	
Contributions - state	-			-
Contributions - employee	164,064			(164,064)
Contributions - buy back	-			-
Net investment income	1,506,090			(1,506,090)
Difference between projected and actual earnings on pension plan investments				
Current year amortization	753,339	753,339	-	(150,668)
Benefit payments	(1,284,131)			1,284,131
Administrative expenses	(24,454)			24,454
Other	-			-
Net change	<u>1,998,883</u>	<u>602,671</u>	<u>(883,975)</u>	<u>(512,237)</u>
Ending Balance	<u>\$ (345,566)</u>	<u>\$ 602,671</u>	<u>\$ -</u>	<u>\$ 544,306</u>