

RETIREMENT PLAN FOR THE GENERAL EMPLOYEES
OF THE SOUTHERN MANATEE FIRE & RESCUE DISTRICT

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2013

DETERMINES THE CONTRIBUTION
FOR THE 2013/14 FISCAL YEAR



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January 30, 2014

Introduction

This report presents the results of the October 1, 2013 actuarial valuation for the Retirement Plan for the General Employees of the Southern Manatee Fire & Rescue District. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2013 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2013/14 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, accounting disclosures pursuant to Governmental Accounting Standards Board Statement Nos. 25 and 27 (GASB 25/27), statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

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

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

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2013/14 plan year. The minimum required contribution rate is 29.51% of covered payroll, which represents a decrease of 1.43% of payroll from the prior valuation.

The normal cost rate is 28.50%, which is 1.31% lower than the normal cost rate that was developed in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate decreased by 2.32% of payroll due to investment gains, decreased by another 3.10% of payroll due to demographic



experience, and increased by 4.11% of payroll due to the assumption changes that are described below. The market value of assets earned 11.94% during the 2012/13 plan year, whereas a 7.50% annual investment return was required to maintain a stable contribution rate. The demographic gain occurred primarily because actual salary increases during the recent past have been much less than assumed.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the District must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the District's 2013/14 minimum required contribution will be equal to 29.51% multiplied by the total pensionable earnings for the 2013/14 fiscal year for the active employees who are covered by the plan.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$2,405,059. As illustrated in Table I-A, current assets are sufficient to cover \$1,690,602 of this amount, the employer's 2013/14 expected contribution will cover \$103,846 of this amount, and future employee contributions are expected to cover \$78,151 of this amount, leaving \$532,460 to be covered by future employer funding beyond the 2013/14 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Advance Employer Contribution

The District has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an "advance employer contribution." As of October 1, 2013, the advance employer contribution is \$6,850 as shown in Table III-F.

The District may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2013/14 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the District may apply all or any portion of the advance employer contribution as an *extra* contribution in excess of the minimum required contribution. In this case, the immediate application of the entire balance of the advance employer contribution as of October 1, 2013 would reduce the normal cost rate to 28.19% of payroll and would reduce the minimum required contribution for the 2013/14 plan year to 29.20% of payroll.

Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-C provide information needed by both the plan's and the employer's accountants in order to prepare the relevant financial statements that cover the period October 1, 2013 through September 30, 2014. Tables III-A through III-F provide information concerning the assets of the trust fund. Tables IV-A through IV-G provide statistical information concerning the plan's participant population. In particular, Table IV-G gives a 10-year projection



of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables V-A through VI-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2013, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Assumption Changes

Since the previous valuation was prepared, three assumptions have been changed. First, the assumed interest rate was decreased from 7.50% per annum to 7.00% per annum. Second, the assumed future salary increase was decreased from a range of rates based on service to a flat 4.00% per year. Finally, the mortality basis was changed from the RP-2000 Mortality Table, projected to 2007 by Scale AA, to the RP-2000 Mortality Table, projected to 2015 by Scale AA, both as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430. The combined effect of these assumption changes was to increase the normal cost rate by 4.11% of payroll.

Certification

This actuarial valuation was prepared by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,



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

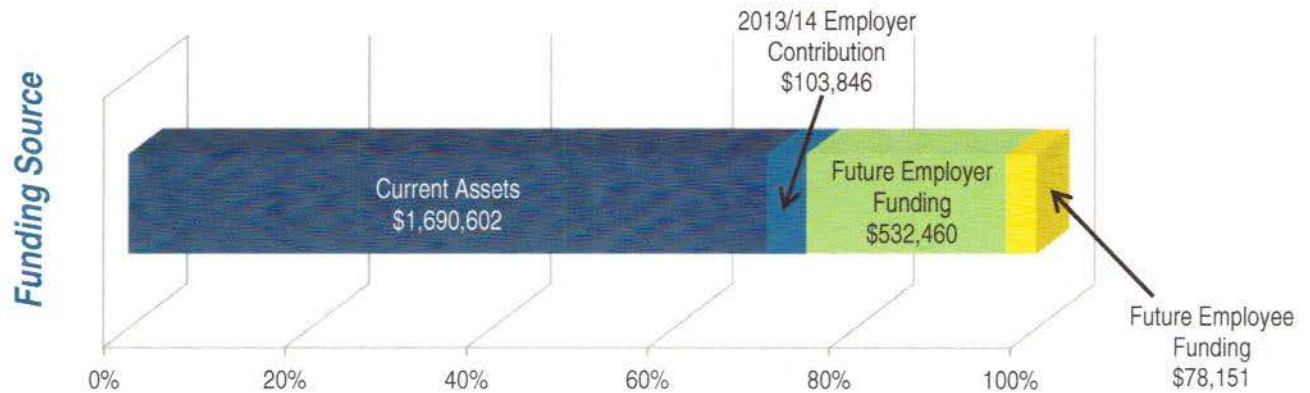
Enrolled Actuary No. 11-04927

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



Minimum Required Contribution

Table I-A



For the 2013/14 Plan Year

Present Value of Future Benefits	\$2,346,399
Present Value of Future Administrative Expenses	\$58,660
Actuarial Value of Assets	(\$1,690,602)
Present Value of Future Employee Contributions	(\$78,151)
Present Value of Future Normal Costs	\$636,306
<hr/>	
Present Value of Future Payroll	÷ \$2,232,926
Normal Cost Rate	= 28.4965%
Expected Payroll	x \$351,865
<hr/>	
Normal Cost	\$100,269
Adjustment to Reflect Semi-Monthly Employer Contributions	\$3,577
Preliminary Employer Contribution for the 2013/14 Plan Year	\$103,846
<hr/>	
Expected Payroll for the 2013/14 Plan Year	÷ \$351,865

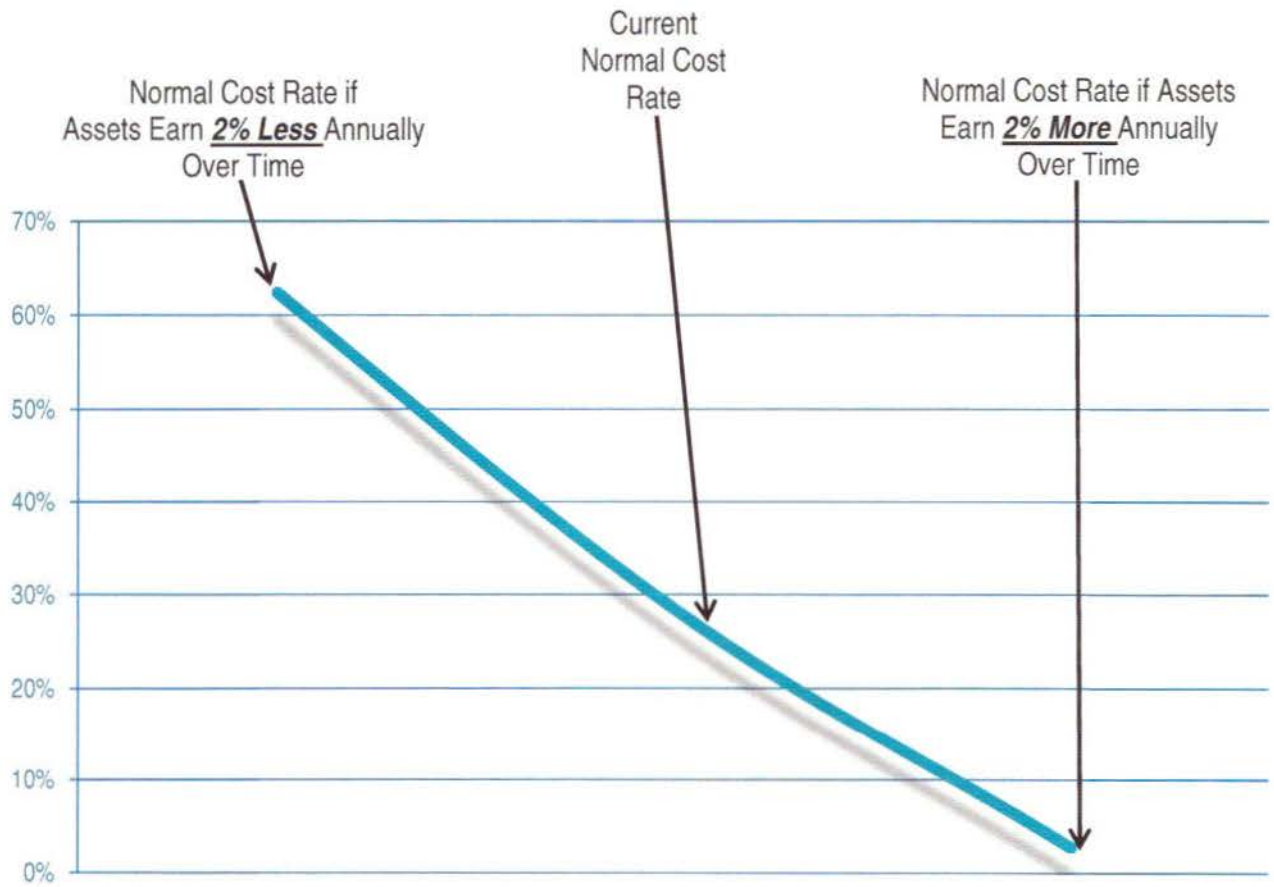
Minimum Required Contribution Rate 29.51%

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



Sensitivity Analysis

Table I-B



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



Gain and Loss Analysis

Table I-C

Previous normal cost rate	29.81%
Increase (decrease) due to investment gains and losses	-2.32%
Increase (decrease) due to demographic experience	-3.10%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	4.11%
Increase (decrease) due to actuarial method changes	0.00%
Current normal cost rate	<u>28.50%</u>



Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$1,700,485	\$1,700,485	\$1,720,300
Termination benefits	\$19,310	\$19,310	\$20,305
Disability benefits	\$38,248	\$38,248	\$40,237
Death benefits	\$17,408	\$17,408	\$29,399
Refund of employee contributions	\$9,564	\$9,564	\$10,014
Sub-total	\$1,785,015	\$1,785,015	\$1,820,255
<u>Deferred Vested Participants</u>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<u>Due a Refund of Contributions</u>	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$496,956	\$496,956	\$526,144
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$496,956	\$496,956	\$526,144
<u>Grand Total</u>	<u>\$2,281,971</u>	<u>\$2,281,971</u>	<u>\$2,346,399</u>
Present Value of Future Payroll	\$2,325,158	\$2,325,158	\$2,232,926
Present Value of Future Employee Contribs.	\$81,380	\$81,380	\$78,151
Present Value of Future Employer Contribs.	\$567,038	\$567,038	\$636,306



Present Value of Accrued Benefits

Table I-E

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$874,685	\$874,685	\$938,078
Termination benefits	\$11,980	\$11,980	\$13,065
Disability benefits	\$25,482	\$25,482	\$27,728
Death benefits	\$9,978	\$9,978	\$17,576
Refund of employee contributions	\$6,486	\$6,486	\$6,791
Sub-total	\$928,611	\$928,611	\$1,003,238
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<i><u>Due a Refund of Contributions</u></i>	\$0	\$0	\$0
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$496,956	\$496,956	\$526,144
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$496,956	\$496,956	\$526,144
<i><u>Grand Total</u></i>	<u>\$1,425,567</u>	<u>\$1,425,567</u>	<u>\$1,529,382</u>



Present Value of Vested Benefits

Table I-F

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$858,097	\$858,097	\$920,687
Termination benefits	\$8,834	\$8,834	\$9,537
Disability benefits	\$25,482	\$25,482	\$27,728
Death benefits	\$9,180	\$9,180	\$16,013
Refund of employee contributions	\$7,489	\$7,489	\$7,951
Sub-total	\$909,082	\$909,082	\$981,916
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<i><u>Due a Refund of Contributions</u></i>	\$0	\$0	\$0
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$496,956	\$496,956	\$526,144
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$496,956	\$496,956	\$526,144
<u>Grand Total</u>	<u>\$1,406,038</u>	<u>\$1,406,038</u>	<u>\$1,508,060</u>



Entry Age Normal Accrued Liability

Table I-G

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$1,268,664	\$1,268,664	\$1,292,716
Termination benefits	\$15,257	\$15,257	\$16,108
Disability benefits	\$31,233	\$31,233	\$32,949
Death benefits	\$13,440	\$13,440	\$22,684
Refund of employee contributions	\$7,163	\$7,163	\$7,480
Sub-total	\$1,335,757	\$1,335,757	\$1,371,937
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<i><u>Due a Refund of Contributions</u></i>	\$0	\$0	\$0
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$496,956	\$496,956	\$526,144
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$496,956	\$496,956	\$526,144
<u>Grand Total</u>	<u>\$1,832,713</u>	<u>\$1,832,713</u>	<u>\$1,898,081</u>



Development of the Net Pension Obligation (Asset)

Net Pension Obligation (Asset) as of October 1, 2012	(\$19,618)
Annual Pension Cost for the 2012/13 Plan Year	\$117,311
Employer Contributions for the 2012/13 Plan Year	(\$113,095)
Net Increase (Decrease) in NPO	<u>\$4,216</u>
Net Pension Obligation (Asset) as of October 1, 2013	<u><u>(\$15,402)</u></u>

For the 2013/14 Plan Year

Development of the Annual Required Contribution (ARC)

Normal Cost	\$100,269
Amortization of the UAAL	\$1,160
Amortization of the Net Pension Obligation (Asset)	(\$1,160)
Interest Adjustment	\$3,577
Annual Required Contribution (ARC)	<u><u>\$103,846</u></u>

Development of the Annual Pension Cost (APC)

Annual Required Contribution (ARC)	\$103,846
Interest on the Net Pension Obligation (Asset)	(\$1,078)
Adjustment to the ARC	\$1,160
Annual Pension Cost (APC)	<u><u>\$103,928</u></u>



Schedule of Employer Contributions

Year Ended <u>September 30</u>	Annual Required <u>Contribution</u>	% <u>Contrib.</u>	Annual Pension <u>Cost</u>	% <u>Contrib.</u>
2008	\$90,407	100%	\$90,407	100%
2009	\$91,273	100%	\$91,273	100%
2010	\$113,790	110%	\$113,790	110%
2011	\$127,429	103%	\$127,474	103%
2012	\$142,171	103%	\$142,230	103%
2013	\$117,237	96%	\$117,311	96%

Schedule of Funding Progress

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability * (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) ÷ (2)	Covered Payroll	UAAL as % of Covered Payroll (3) ÷ (5)
Not Applicable	N/A	N/A	N/A	N/A	N/A	N/A
October 1, 2009	\$847,230	\$1,306,730	\$459,500	64.84%	\$300,430	152.95%
October 1, 2010	\$1,015,163	\$1,423,371	\$408,208	71.32%	\$351,483	116.14%
October 1, 2011	\$1,120,735	\$1,596,407	\$475,672	70.20%	\$363,761	130.76%
October 1, 2012	\$1,436,085	\$1,706,809	\$270,724	84.14%	\$378,881	71.45%
October 1, 2013	\$1,690,602	\$1,898,081	\$207,479	89.07%	\$351,865	58.97%

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

Additional Information

Valuation Date **October 1, 2013**

Actuarial Cost Method **Aggregate**

Amortization Method **Level dollar, open**

Remaining Amortization Period **30 years**

Asset Valuation Method **Market value**

Discount Rate **7.00%**

Salary Increase Rate **4.00%**



SFAS 35 Disclosures

Table II-C

Actuarial Present Value of Accrued Benefits

	<u>As of October 1, 2012</u>	<u>As of October 1, 2013</u>
<i>Vested Benefits</i>		
Participants currently receiving benefits	\$476,539	\$526,144
Other participants	\$784,987	\$981,916
Sub-total	<u>\$1,261,526</u>	<u>\$1,508,060</u>
<i>Non-Vested Benefits</i>	\$13,962	\$21,322
<i>Total Benefits</i>	<u><u>\$1,275,488</u></u>	<u><u>\$1,529,382</u></u>
<i>Funded Percentage</i>	112.59%	110.99%
(based on the market value of assets)		

Statement of Change in Actuarial Present Value of Accrued Benefits

<u>Actuarial Present Value as of October 1, 2012</u>	\$1,275,488
<i>Increase (Decrease) Due To:</i>	
Interest	\$95,662
Benefits accumulated	\$95,318
Benefits paid	(\$40,901)
Plan amendments	\$0
Changes in actuarial methods and assumptions	\$103,815
Net increase (decrease)	<u>\$253,894</u>
<u>Actuarial Present Value as of October 1, 2013</u>	<u><u>\$1,529,382</u></u>



Actuarial Value of Assets

Table III-A

Market Value of Assets as of October 1, 2013	\$1,697,452
Minus DROP account balances	\$0
Minus advance employer contributions	(\$6,850)
Actuarial Value of Assets as of October 1, 2013	<u>\$1,690,602</u>



Historical Actuarial Value of Assets	
October 1, 2004	N/A
October 1, 2005	\$533,350
October 1, 2006	\$629,301
October 1, 2007	\$785,284
October 1, 2008	\$749,500
October 1, 2009	\$847,230
October 1, 2010	\$1,015,163
October 1, 2011	\$1,120,735
October 1, 2012	\$1,436,085
October 1, 2013	\$1,690,602

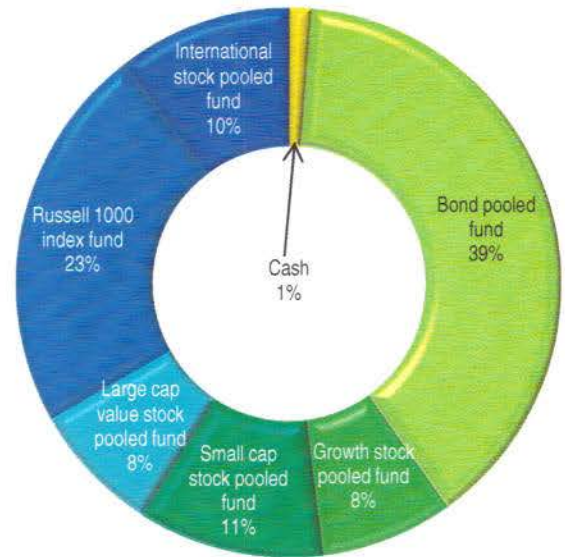


Market Value of Assets

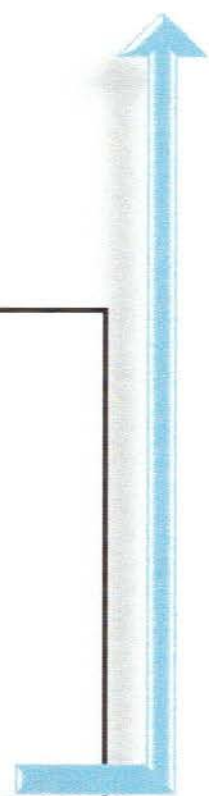
Table III-B

As of October 1, 2013

Market Value of Assets	<u>\$1,697,452</u>
Cash	\$22,067
Bond pooled fund	\$658,611
Growth stock pooled fund	\$134,099
Small cap stock pooled fund	\$186,720
Large cap value stock pooled fund	\$132,401
Russell 1000 index fund	\$387,019
International stock pooled fund	\$176,535

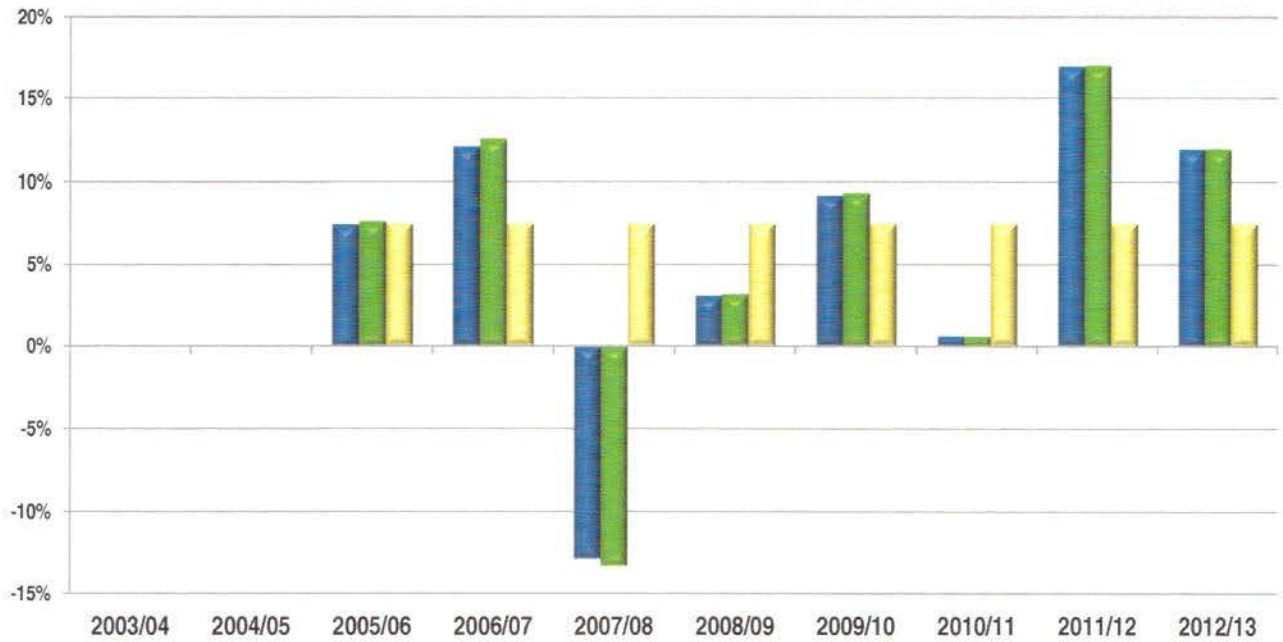


Historical Market Value of Assets	
October 1, 2004	N/A
October 1, 2005	\$545,982
October 1, 2006	\$653,288
October 1, 2007	\$812,700
October 1, 2008	\$780,077
October 1, 2009	\$880,491
October 1, 2010	\$1,015,691
October 1, 2011	\$1,127,172
October 1, 2012	\$1,436,085
October 1, 2013	\$1,697,452



Investment Return

Table III-C



Annual Investment Returns

- Market Value Return
- Actuarial Value Return
- Assumed Return

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2003/04	N/A	N/A	N/A
2004/05	N/A	N/A	N/A
2005/06	7.44%	7.68%	7.50%
2006/07	12.12%	12.59%	7.50%
2007/08	-12.84%	-13.30%	7.50%
2008/09	3.06%	3.19%	7.50%
2009/10	9.18%	9.35%	7.50%
2010/11	0.62%	0.62%	7.50%
2011/12	16.93%	16.98%	7.50%
2012/13	11.94%	11.97%	7.50%
8yr. Avg.	5.68%	5.74%	7.50%



Asset Reconciliation

Table III-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2012	\$1,436,085	\$1,436,085
<i>Increases Due To:</i>		
Employer Contributions	\$119,945	\$119,945
Employee Contributions	\$12,794	\$12,794
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$132,739</u>	<u>\$132,739</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	\$176,601	
Total Investment Income	<u>\$176,601</u>	\$176,601
Other Income	\$0	
Total Income	<u>\$309,340</u>	<u>\$309,340</u>
<i>Decreases Due To:</i>		
Monthly Benefit Payments	(\$40,901)	(\$40,901)
Refund of Employee Contributions	\$0	\$0
DROP Credits		\$0
Total Benefit Payments	<u>(\$40,901)</u>	<u>(\$40,901)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$7,072)	(\$7,072)
Advance Employer Contribution		(\$6,850)
Total Expenses	<u>(\$47,973)</u>	<u>(\$54,823)</u>
As of October 1, 2013	<u><u>\$1,697,452</u></u>	<u><u>\$1,690,602</u></u>



Historical Trust Fund Detail

Table III-E

Income

<u>Plan</u>	<u>Employer</u>	<u>Employee</u>	<u>Service</u>	<u>Interest /</u>	<u>Realized</u>	<u>Unrealized</u>	<u>Other</u>
<u>Year</u>	<u>Contribs.</u>	<u>Contribs.</u>	<u>Purchase</u>	<u>Dividends</u>	<u>Gains /</u>	<u>Gains /</u>	<u>Income</u>
			<u>Contribs.</u>		<u>Losses</u>	<u>Losses</u>	
2003/04	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004/05	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005/06	\$81,421	\$10,109	\$0	\$0	\$0	\$42,997	\$0
2006/07	\$90,174	\$11,196	\$0	\$0	\$0	\$83,748	\$0
2007/08	\$93,568	\$11,617	\$0	\$0	\$0	-\$109,299	\$0
2008/09	\$93,957	\$11,745	\$0	\$0	\$0	\$25,045	\$0
2009/10	\$92,770	\$11,596	\$0	\$0	\$0	\$83,202	\$0
2010/11	\$137,306	\$12,687	\$0	\$0	\$0	\$6,583	\$0
2011/12	\$139,775	\$13,095	\$0	\$0	\$0	\$200,050	\$0
2012/13	\$119,945	\$12,794	\$0	\$0	\$0	\$176,601	\$0

Expenses

<u>Plan</u>	<u>Monthly</u>	<u>Contrib.</u>	<u>Admin.</u>	<u>Invest.</u>	<u>Other Actuarial Adjustments</u>	<u>Advance</u>
<u>Year</u>	<u>Benefit</u>	<u>Refunds</u>	<u>Expenses</u>	<u>Expenses</u>	<u>DROP</u>	<u>Employer</u>
	<u>Payments</u>				<u>Credits</u>	<u>Contribs.</u>
2003/04	N/A	N/A	N/A	N/A	N/A	N/A
2004/05	N/A	N/A	N/A	N/A	N/A	N/A
2005/06	\$20,099	\$1,620	\$5,502	\$0	\$0	\$11,355
2006/07	\$20,702	\$0	\$5,004	\$0	\$0	\$3,429
2007/08	\$21,323	\$1,548	\$5,638	\$0	\$0	\$3,161
2008/09	\$25,481	\$431	\$4,421	\$0	\$0	\$2,684
2009/10	\$37,134	\$9,382	\$5,852	\$0	\$0	-\$32,733
2010/11	\$39,491	\$0	\$5,604	\$0	\$0	\$5,909
2011/12	\$38,126	\$0	\$5,881	\$0	\$0	-\$6,437
2012/13	\$40,901	\$0	\$7,072	\$0	\$0	\$6,850

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



Other Reconciliations

Table III-F

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2012	\$0
Additional Employer Contribution	\$119,945
Minimum Required Contribution	(\$113,095)
Net Increase in Advance Employer Contribution	<u>\$6,850</u>
Advance Employer Contribution as of October 1, 2013	<u><u>\$6,850</u></u>

DROP Account Reconciliation

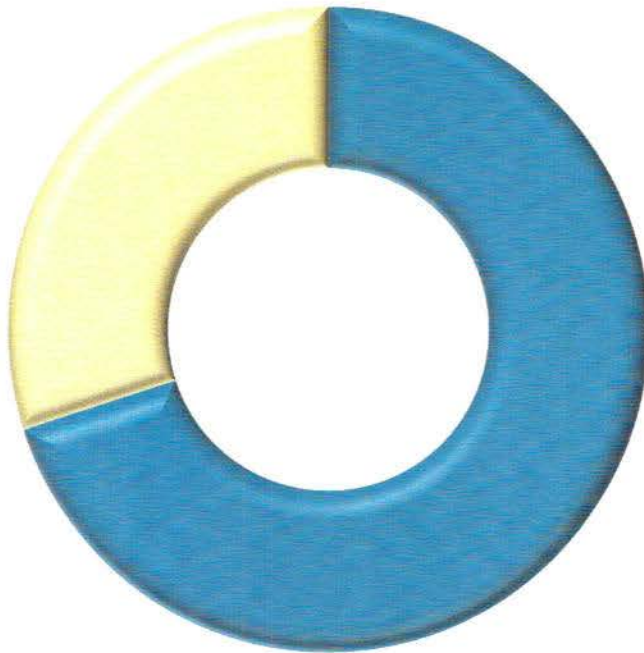
DROP Balance as of October 1, 2012	\$0
DROP Benefit Credits	\$0
DROP Investment Credits	\$0
DROP Benefits Paid Out	<u>\$0</u>
Net DROP Credit	\$0
DROP Balance as of October 1, 2013	<u><u>\$0</u></u>



Summary of Participant Data

Table IV-A

As of October 1, 2013

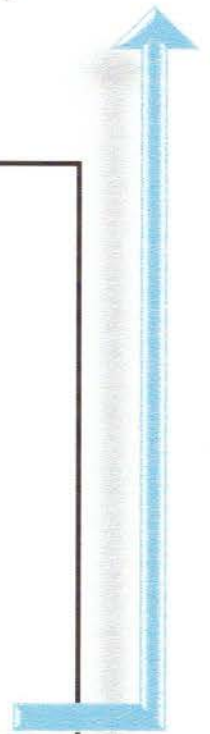


Participant Distribution by Status

<u>Actively Employed Participants</u>		
◆	Active Participants	7
◆	DROP Participants	0
<u>Inactive Participants</u>		
◆	Deferred Vested Participants	0
◆	Due a Refund of Contributions	0
◆	Deferred Beneficiaries	0
<u>Participants Receiving a Benefit</u>		
◆	Service Retirements	3
◆	Disability Retirements	0
◆	Beneficiaries Receiving	0
Total Participants		10

Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2004	N/A	N/A	N/A	N/A	N/A
October 1, 2005	N/A	N/A	N/A	N/A	N/A
October 1, 2006	7	0	1	1	9
October 1, 2007	7	0	1	1	9
October 1, 2008	N/A	N/A	N/A	N/A	N/A
October 1, 2009	6	0	0	3	9
October 1, 2010	7	0	0	3	10
October 1, 2011	7	0	0	3	10
October 1, 2012	7	0	0	3	10
October 1, 2013	7	0	0	3	10



Data Reconciliation

Table IV-B

	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2012</u>	7	0	0	0	0	3	0	0	10
<u>Change in Status</u>									
Re-employed									
Terminated									
Retired									
<u>Participation Ended</u>									
Transferred Out									
Cashed Out									
Died									
<u>Participation Began</u>									
Newly Hired									
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2013</u>	7	0	0	0	0	3	0	0	10

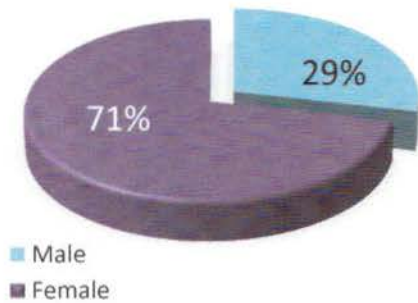


Active Participant Data

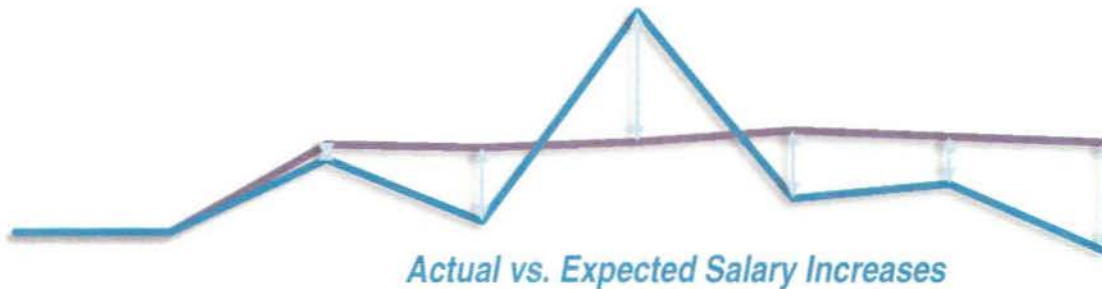
Table IV-C

As of October 1, 2013

Gender Mix



Average Age	55.6 years
Average Service	9.4 years
Total Annualized Compensation for the Prior Year	\$365,529
Total Expected Compensation for the Current Year	\$351,865
Average Increase in Compensation for the Prior Year	-1.19%
Expected Increase in Compensation for the Current Year	4.00%
Accumulated Contributions for Active Employees	\$112,471



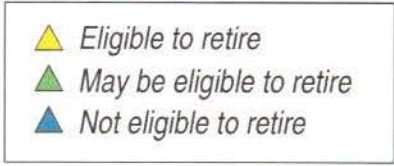
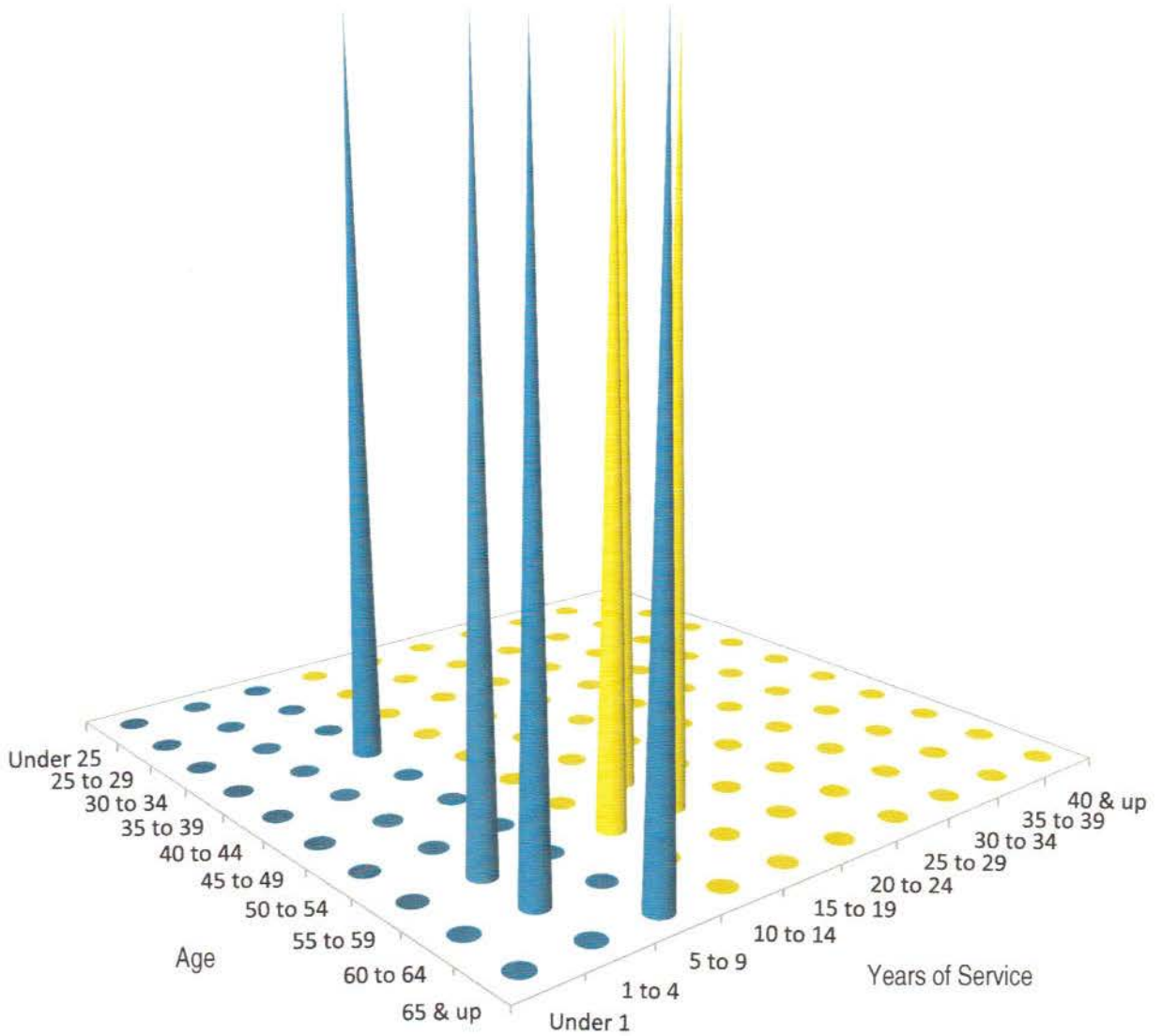
Active Participant Statistics From Prior Valuations

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2004	N/A	N/A	N/A	N/A	N/A
October 1, 2005	N/A	N/A	\$41,080	N/A	N/A
October 1, 2006	46.1	5.8	\$41,531	N/A	N/A
October 1, 2007	47.4	7.7	\$45,697	N/A	N/A
October 1, 2008	N/A	N/A	N/A	5.20%	4.33%
October 1, 2009	48.5	7.8	\$49,982	5.00%	0.59%
October 1, 2010	52.6	6.4	\$50,309	5.33%	12.94%
October 1, 2011	53.6	7.4	\$51,782	6.00%	1.96%
October 1, 2012	54.6	8.4	\$53,448	5.64%	2.81%
October 1, 2013	55.6	9.4	\$52,218	5.29%	-1.19%



Active Age-Service Distribution

Table IV-D



Active Age-Service-Salary Table

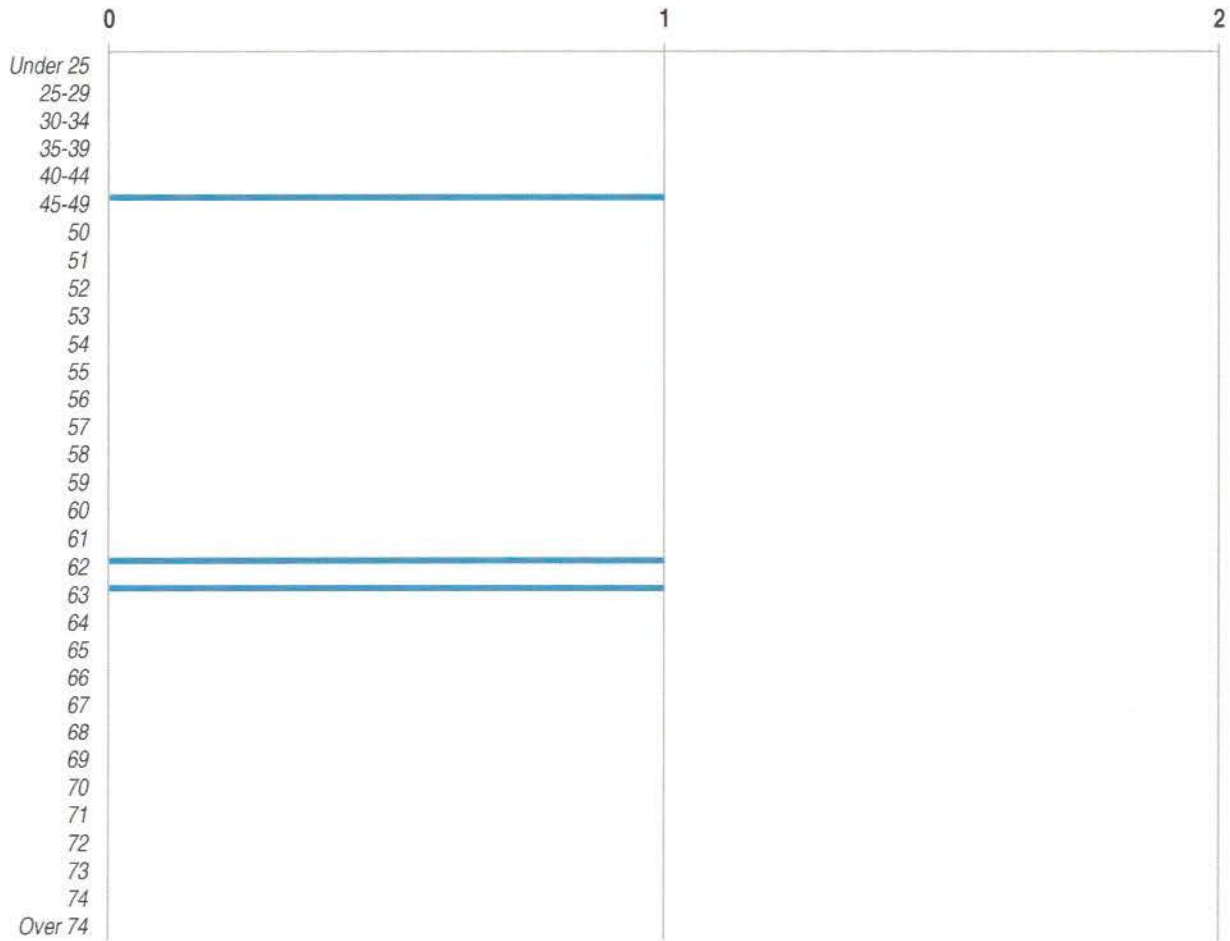
Table IV-E

Attained Age	Completed Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	1	0	0	0	0	0	0	0	0	1
Avg.Pay	0	0	36,712	0	0	0	0	0	0	0	0	36,712
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
50 to 54	0	0	0	0	1	0	0	0	0	0	0	1
Avg.Pay	0	0	0	0	67,621	0	0	0	0	0	0	67,621
55 to 59	0	1	0	1	1	0	0	0	0	0	0	3
Avg.Pay	0	44,160	0	61,099	87,672	0	0	0	0	0	0	64,310
60 to 64	0	1	0	0	0	0	0	0	0	0	0	1
Avg.Pay	0	32,323	0	0	0	0	0	0	0	0	0	32,323
65 & up	0	0	1	0	0	0	0	0	0	0	0	1
Avg.Pay	0	0	35,942	0	0	0	0	0	0	0	0	35,942
Total	0	2	2	1	2	0	0	0	0	0	0	7
Avg.Pay	0	38,242	36,327	61,099	77,647	0	0	0	0	0	0	52,218



Inactive Participant Data

Table IV-F



Age at Retirement

- Service Retirements
- Disability Retirements
- DROP Participants

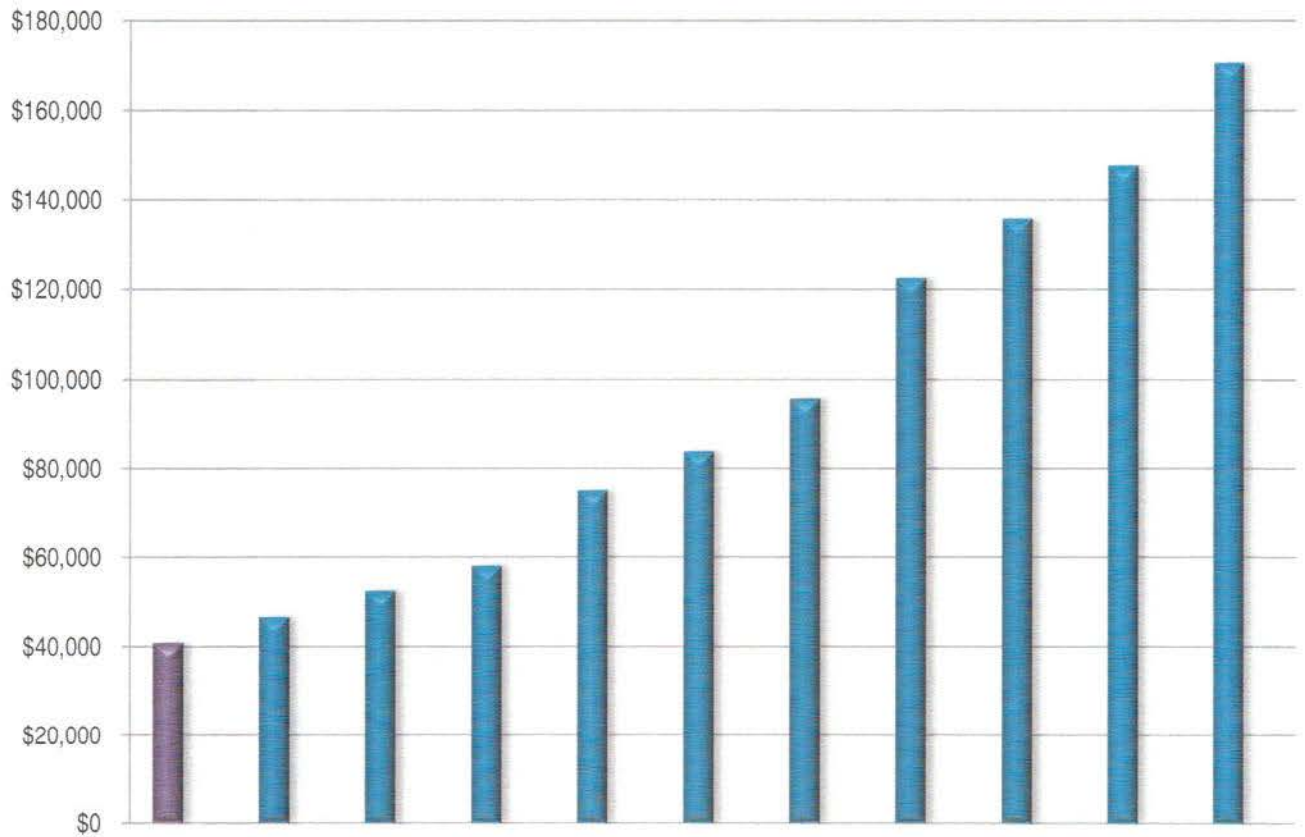
Average Monthly Benefit

Service Retirements	\$1,165.71
Disability Retirements	Not applicable
Beneficiaries Receiving	Not applicable
DROP Participants	Not applicable
Deferred Vested Participants	Not applicable
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table IV-G



Actual

For the period October 1, 2012 through September 30, 2013

\$40,901

Projected

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

\$46,847

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

\$52,651

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

\$58,252

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

\$75,197

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

\$83,951

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

\$95,893

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

\$122,578

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

\$135,843

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

\$147,795

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

\$170,618



Summary of Actuarial Methods and Assumptions

Table V-A

1. **Actuarial Cost Method**

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

2. **Asset Method**

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

3. **Interest (or Discount) Rate**

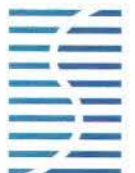
7.00% per annum

4. **Salary Increases**

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

5. **Decrements**

- Pre-retirement mortality: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430
- Post-retirement mortality: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430
- Disability: Age- and gender-based rates of disability were assumed, ranging from 0.067% for males and 0.040% for females at age 25, 0.119% for males and 0.118% for females at age 35, 0.462% for males and 0.435% for females at age 45, and 1.000% for males and 0.840% for females at age 55.



Summary of Actuarial Methods and Assumptions

Table V-A

(continued)

- Termination: With respect to participants with less than 10 years of service, the termination rates are both gender- and service-based, ranging from 15.00% for males and 10.01% for females with less than two years of service to 4.30% for males and 4.75% for females with between eight and 10 years of service; with respect to participants with at least 10 years of service, the termination rates are both gender- and age-based, ranging from 4.28% for males and 5.41% for females at age 25 to 0.00% for both genders at age 55.
- Retirement: For those participants who have met the age and service requirements to retire, retirement is assumed to occur at the rate of 10% per year during each of the three years prior to normal retirement age; alternatively, 40% of participants who reach their normal retirement age are assumed to retire immediately, with 20% assumed to retire during each of the next two years after the attainment of normal retirement age and 100% assumed to retire three years after the attainment of normal retirement age. No early retirements are assumed to occur prior to age 50.

6. Form of Payment

Future retirees have been assumed to select the 10-year certain and life annuity, except that participants who are under age 40 or who have earned less than 15 years of service are assumed to receive a refund of their employee contributions.

7. Expenses

The total projected benefit liability has been loaded by 2.50% to account for anticipated administrative expenses. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.



Changes in Actuarial Methods and Assumptions

Table V-B

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

- (1) The interest (or discount) rate was decreased from 7.50% per annum to 7.00% per annum.
- (2) The assumed increase in future salaries was changed from a range of rates based on service (8.00% for employees with less than one year of service, 7.00% for employees with at least one but less than two years of service, 6.00% for employees with at least two but less than three years of service, 5.50% for employees with at least three but less than four years of service, and 5.20% for all other employees) to a flat 4.00% per year.
- (3) The mortality basis was changed from the RP-2000 Mortality Table, projected to 2007 by Scale AA, to the RP-2000 Mortality Table, projected to 2015 by Scale AA, both as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430.



Summary of Plan Provisions

Table VI-A

1. **Monthly Accrued Benefit**

2.50% of Average Final Compensation multiplied by Credited Service

2. **Normal Retirement Age and Benefit**

- **Age**

Age 62 with at least 10 years of Credited Service; or
Any age with at least 30 years of Credited Service

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

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

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

3. **Early Retirement Age and Benefit**

- **Age**

Any age with at least 10 years of Credited Service

- **Amount**

Monthly Accrued Benefit (payable at Normal Retirement Age); or
Monthly Accrued Benefit reduced by 5% for each year by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)

- **Form of Payment**

Same as for Normal Retirement



Summary of Plan Provisions

Table VI-A

(continued)

4. **Disability Eligibility and Benefit**

- **Eligibility**

The participant must have earned at least 10 years of Credited Service.

- **Condition**

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

- **Amount Payable**

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

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

5. **Delayed Retirement Age and Benefit**

- **Age**

After Normal Retirement Age

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Same as for Normal Retirement

6. **Deferred Vested Benefit**

- **Age**

Any age with at least 10 years of Credited Service

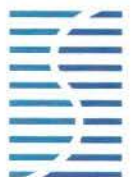
- **Amount**

Monthly Accrued Benefit (payable at Normal Retirement Age); or

Monthly Accrued Benefit reduced by 5% for each year by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)

- **Form of Payment**

Same as for Normal Retirement



Summary of Plan Provisions

Table VI-A

(continued)

7. Pre-Retirement Death Benefit

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

8. Average Final Compensation

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

9. Compensation

Compensation includes regular earnings, incentive pay, merit pay, vacation pay, and sick pay, plus all tax-deferred and tax-exempt items of income, but excludes lump sum payments; annual compensation in excess of \$200,000 (as indexed) is excluded in accordance with IRC §401(a)(17).

10. Credited Service

The elapsed time from the participant's date of hire until his date of termination, retirement, or death, provided that the participant made all required contributions. In addition, Credited Service includes prior service with the Oneco-Tallevast and Somoset Fire Districts.

11. Participation Requirement

All full-time general employees of the Southern Manatee Fire & Rescue District automatically become a participant in the plan on their date of hire.

12. Accumulated Contributions

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

13. Participant Contribution

3.50% of earnings



Summary of Plan Provisions

Table VI-A

(continued)

14. **Definition of Actuarially Equivalent**

- **Interest Rate**

7.00% per annum

- **Mortality Table**

Unisex mortality table promulgated by the IRS for purposes of calculating lump sum distributions pursuant to IRC 417(e)(3)

15. **Plan Effective Date**

October 1, 1999

16. **Automatic Annual Cost-of-Living Adjustment (COLA)**

All retirement and disability benefits, other than the retiree health supplement, include an automatic annual 3% cost-of-living adjustment.

17. **Retiree Health Supplement**

Participants receive a monthly post-retirement health supplement equal to \$15 for each year of service, with a minimum monthly benefit of \$50 and a maximum monthly benefit of \$450.

18. **Deferred Retirement Option Plan (DROP)**

A participant who reaches his Normal Retirement Age is eligible to participate in the DROP for a period of up to 60 months. Interest is credited on the DROP accounts at the rate of 6.50% per annum.



Summary of Plan Amendments

Table VI-B

No significant plan changes have been adopted since the completion of the previous valuation.

