

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

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2013

GASB 67/68 SUPPLEMENT



## DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN

### NET PENSION LIABILITY AS OF OCTOBER 1, 2013

Total pension liability	\$1,727,284
Less fiduciary net position	<u>(1,690,602)</u>
<b>Net pension liability</b>	<b><u>\$36,682</u></b> *

\* This amount is recognized on the employer's balance sheet.

### PENSION EXPENSE FOR THE 2013/14 FISCAL YEAR

Service cost	\$76,142
Other recognized changes in net pension liability:	
Expected interest growth	9,105
Investment gain/loss	0
Demographic gain/loss	0
Employee contributions	(12,315)
Benefit payments & refunds	0
Administrative expenses	9,244
Changes in benefit terms	0
Assumption changes	0
<b>Pension expense</b>	<b><u>\$82,176</u></b> *

\* This amount is recognized on the employer's income statement, along with the employer contribution for the 2013/14 fiscal year.

### DEFERRED INFLOW AND OUTFLOW OF RESOURCES

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance as of October 1, 2012	N/A	N/A
Change due to:		
Investment gain/loss	N/A	N/A
Demographic gain/loss	N/A	N/A
Changes in benefit terms	N/A	N/A
Assumption changes	N/A	N/A
Total change	N/A	N/A
Balance as of October 1, 2013	<b>\$0</b> *	<b>\$0</b> *

\* These amounts are recognized on the employer's balance sheet.



**DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)**

**CHANGES IN THE NET PENSION LIABILITY**

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance as of October 1, 2012	N/A	N/A	N/A
Change due to:			
<i>Service cost</i>	N/A	N/A	N/A
<i>Expected interest growth</i>	N/A	N/A	N/A
<i>Unexpected investment income</i>	N/A	N/A	N/A
<i>Demographic experience</i>	N/A	N/A	N/A
<i>Employer contributions</i>	N/A	N/A	N/A
<i>Employee contributions</i>	N/A	N/A	N/A
<i>Benefit payments &amp; refunds</i>	N/A	N/A	N/A
<i>Administrative expenses</i>	N/A	N/A	N/A
<i>Changes in benefit terms</i>	N/A	N/A	N/A
<i>Assumption changes</i>	N/A	N/A	N/A
Balance as of October 1, 2013	\$1,727,284	\$(1,690,602)	\$36,682

**COMPARISON OF NET PENSION LIABILITY USING ALTERNATIVE DISCOUNT RATES**

	Discount Rate Minus 1.00%	8.07% Discount Rate	Discount Rate Plus 1.00%
Total pension liability	\$1,892,944	\$1,727,284	\$1,585,345
Less fiduciary net position	<u>(1,690,602)</u>	<u>(1,690,602)</u>	<u>(1,690,602)</u>
Net pension liability	\$202,342	\$36,682	\$(105,257)

**HISTORICAL TREND INFORMATION**

Historical changes in the net pension liability are not available since this is the first measurement period to which GASB 67 applies.

Measurement Date	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Funded Percentage	Covered Payroll	Net Pension Liability as a % of Covered Payroll
October 1, 2013	\$1,727,284	\$1,690,602	\$36,682	97.88%	\$351,865	10.43%
October 1, 2012	\$1,706,809	\$1,436,085	\$270,724	84.14%	\$378,881	71.45%
October 1, 2011	\$1,596,407	\$1,120,735	\$475,672	70.20%	\$363,761	130.76%
October 1, 2010	\$1,423,371	\$1,015,163	\$408,208	71.32%	\$351,483	116.14%
October 1, 2009	\$1,306,730	\$847,230	\$459,500	64.84%	\$300,430	152.95%

Fiscal Year End	(1) Actuarially Determined Contribution	(2) Contributions Recognized By the Plan	(3) Difference Between (1) and (2)	Covered Payroll	Column (3) as a % of Covered Payroll
September 30, 2014	\$103,846	\$103,846	\$0	\$351,865	0.00%
September 30, 2013	\$113,095	\$113,095	\$0	\$378,881	0.00%
September 30, 2012	\$146,212	\$146,212	\$0	\$363,761	0.00%
September 30, 2011	\$131,397	\$131,397	\$0	\$351,483	0.00%
September 30, 2010	\$125,503	\$125,503	\$0	\$300,430	0.00%
September 30, 2009	\$91,273	\$91,273	\$0	<i>Not available</i>	<i>Not available</i>
September 30, 2008	\$90,407	\$90,407	\$0	<i>Not available</i>	<i>Not available</i>
September 30, 2007	\$86,745	\$86,745	\$0	\$288,571	0.00%
September 30, 2006	\$70,066	\$70,066	\$0	\$241,781	0.00%

## DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)

### INFORMATION USED TO DETERMINE THE NET PENSION LIABILITY

Employer's reporting date: *September 30, 2014*  
Measurement date: *October 1, 2013*  
Actuarial valuation date: *October 1, 2013*

#### Actuarial assumptions

Discount rate: *8.07% per annum (3.59% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.*

Salary increases: *4.00% per annum*

Cost-of-living increases: *3.00% per annum for all benefits other than the health supplement*

Mortality basis: *Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.*

Retirement: *10% of eligible employees are assumed to retire during each of the three years prior to normal retirement age, 40% are assumed to retire at normal retirement age, 20% are assumed to retire during each of the two years following normal retirement age, and 100% are assumed to retire three years after normal retirement age; no retirements are assumed prior to age 50.*

Other decrements: *Assumed employment termination is based on gender, age, and service; for participants with less than 10 years of service, termination rates range 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; for participants with at least 10 years of service, termination rates range from 4.28% for males and 5.41% for females at age 25 to 0.00% at age 55. Assumed disability is based on gender and age and ranges from 0.067% for males and 0.040% for females at age 25 to 1.00% for males and 0.84% for females at age 55.*

Non-investment expenses: *All liabilities have been loaded by 2.50% to account for non-investment expenses.*

Future contributions: *Contributions from the employer and employees are assumed to be made as legally required; employer contributions are assumed to equal \$103,846 for the 2013/14 fiscal year.*

Changes: *The actuarial assumptions did not change from the prior measurement date since GASB 67 is first effective for this measurement period.*

### DETERMINATION OF THE LONG-TERM EXPECTED RATE OF RETURN ON PLAN ASSETS

Investment Category	Target Allocation	Expected Long-Term Real Return
Core bonds	16.00%	2.29% per annum
Multi-sector	24.00%	2.78% per annum
U.S. large cap equity	39.00%	5.68% per annum
U.S. small cap equity	11.00%	6.24% per annum
Non-U.S. equity	10.00%	5.44% per annum
Total or weighted arithmetic average	100.00%	4.48% per annum

### PENSION PLAN DESCRIPTION

Name of the pension plan: *Retirement Plan for the General Employees of the Southern Manatee Fire & Rescue District*

Legal plan administrator: *Board of Trustees of the Retirement Plan for the General Employees of the Southern Manatee Fire & Rescue District*

Plan type: *Single-employer defined benefit pension plan*

Number of covered individuals: *10 (three inactive employee or beneficiary currently receiving benefits; no inactive employees entitled to but not yet receiving benefits; seven active employees)*

Contribution requirement: *Employer contributions are actuarially determined; employees must contribute 3.50% of pensionable earnings; employee contribution requirement may be amended by City ordinance, but employer contribution requirement is subject to State minimums.*

Pension plan reporting: *The plan issues a stand-alone financial report each year, which contains information about the plan's fiduciary net position. The plan's fiduciary net position has been determined on the same basis used by the pension plan and is equal to the market value of assets calculated under the accrual basis of accounting. This report is available to the public at the plan's administrative office: Retirement Department, Florida League of Cities, Inc., P. O. Box 1757, Tallahassee, FL 32302, (800) 342-8112.*



**DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)**

**PENSION PLAN DESCRIPTION (continued)**

**Description of the benefit terms**

Employees covered:	<i>Full-time general employees of the Southern Manatee Fire &amp; Rescue District</i>
Types of benefits offered:	<i>Retirement, disability, and pre-retirement death benefits</i>
Basic pension formula:	<i>2.50% of average earnings x service</i>
Early retirement adjustment:	<i>Early retirement pension is reduced by 5% for each year by which the early retirement date precedes the normal retirement date.</i>
Disability pension:	<i>Larger of basic pension formula or 25% of average earnings (if the participant has earned at least 10 years of service) Disability benefits are offset as necessary to preclude the total of the disability benefit, worker's compensation, and other District-provided disability compensation from exceeding average earnings.</i>
Pre-retirement death benefit:	<i>Basic pension formula payable for 10 years at early or normal retirement age (payable to the beneficiary of a vested participant) Return of accumulated employee contributions (payable to the beneficiary of a non-vested participant)</i>
Normal retirement age:	<i>Age 62 with at least 10 years of service, or Any age with at least 30 years of service</i>
Early retirement age:	<i>Any age with at least 10 years of service</i>
Vesting requirement:	<i>100% vesting after 10 years of service</i>
Form of payment:	<i>Actuarially increased single life annuity 10-year certain and life annuity Actuarially equivalent 50%, 66⅔%, 75%, or 100% joint and contingent annuity Any other actuarially equivalent form of payment approved by the Board of Trustees</i>
Average earnings:	<i>Average of the highest three years of pensionable earnings out of the last 10 years</i>
Cost-of-living adjustment:	<i>3.00% per annum for all benefits other than the health supplement</i>
Health supplement:	<i>\$15 x service, minimum benefit of \$50.00 per month, maximum benefit of \$450.00 per month</i>
DROP:	<i>A deferred retirement option plan (DROP) is available to those participants who have attained their normal retirement age and individuals may participate in the DROP for up to 60 months; DROP accounts are credited with interest at the rate of 6.50% per annum.</i>
Legal authority:	<i>The plan was established effective October 1, 1999 pursuant to District resolution and has been amended several times since that date.</i>
Changes:	<i>The benefit terms did not change from the prior measurement date since GASB 67 is first effective for this measurement period.</i>

DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)

PROJECTION OF THE FIDUCIARY NET POSITION

Date	BOY Balance	Contributions	Benefit Payments	Administrative Expenses	Investment Earnings	EOY Balance
October 1, 2013	\$1,690,602	\$116,161	\$50,610	\$9,244	\$130,243	\$1,877,152
October 1, 2014	\$1,877,152	\$108,727	\$55,386	\$9,614	\$143,915	\$2,064,794
October 1, 2015	\$2,064,794	\$100,512	\$61,600	\$9,999	\$157,587	\$2,251,294
October 1, 2016	\$2,251,294	\$91,466	\$78,710	\$10,399	\$170,736	\$2,424,387
October 1, 2017	\$2,424,387	\$81,535	\$88,103	\$10,815	\$183,122	\$2,590,126
October 1, 2018	\$2,590,126	\$70,664	\$99,507	\$11,248	\$194,840	\$2,744,875
October 1, 2019	\$2,744,875	\$58,792	\$126,419	\$11,698	\$205,110	\$2,870,660
October 1, 2020	\$2,870,660	\$45,858	\$138,186	\$12,166	\$213,708	\$2,979,874
October 1, 2021	\$2,979,874	\$31,795	\$150,275	\$12,653	\$220,995	\$3,069,736
October 1, 2022	\$3,069,736	\$16,533	\$173,250	\$13,159	\$226,365	\$3,126,225
October 1, 2023	\$3,126,225	\$0	\$192,166	\$13,685	\$229,309	\$3,149,683
October 1, 2024	\$3,149,683	\$0	\$201,824	\$14,232	\$230,707	\$3,164,334
October 1, 2025	\$3,164,334	\$0	\$222,571	\$14,801	\$231,024	\$3,157,986
October 1, 2026	\$3,157,986	\$0	\$229,538	\$15,393	\$230,262	\$3,143,317
October 1, 2027	\$3,143,317	\$0	\$236,567	\$16,009	\$228,866	\$3,119,607
October 1, 2028	\$3,119,607	\$0	\$257,385	\$16,649	\$226,270	\$3,071,843
October 1, 2029	\$3,071,843	\$0	\$256,068	\$17,315	\$222,674	\$3,021,134
October 1, 2030	\$3,021,134	\$0	\$255,636	\$18,008	\$218,820	\$2,966,310
October 1, 2031	\$2,966,310	\$0	\$257,773	\$18,728	\$214,558	\$2,904,367
October 1, 2032	\$2,904,367	\$0	\$258,290	\$19,477	\$209,816	\$2,836,416
October 1, 2033	\$2,836,416	\$0	\$257,318	\$20,256	\$204,672	\$2,763,514
October 1, 2034	\$2,763,514	\$0	\$264,359	\$21,066	\$198,854	\$2,676,943
October 1, 2035	\$2,676,943	\$0	\$262,792	\$21,909	\$192,319	\$2,584,561
October 1, 2036	\$2,584,561	\$0	\$262,604	\$22,785	\$185,291	\$2,484,463
October 1, 2037	\$2,484,463	\$0	\$268,702	\$23,696	\$177,443	\$2,369,508
October 1, 2038	\$2,369,508	\$0	\$260,262	\$24,644	\$169,008	\$2,253,610
October 1, 2039	\$2,253,610	\$0	\$254,529	\$25,630	\$160,400	\$2,133,851
October 1, 2040	\$2,133,851	\$0	\$247,789	\$26,655	\$151,534	\$2,010,941
October 1, 2041	\$2,010,941	\$0	\$239,706	\$27,721	\$142,479	\$1,885,993
October 1, 2042	\$1,885,993	\$0	\$230,628	\$28,830	\$133,304	\$1,759,839
October 1, 2043	\$1,759,839	\$0	\$220,489	\$29,983	\$124,076	\$1,633,443
October 1, 2044	\$1,633,443	\$0	\$208,720	\$31,182	\$114,889	\$1,508,430
October 1, 2045	\$1,508,430	\$0	\$196,847	\$32,429	\$105,808	\$1,384,962
October 1, 2046	\$1,384,962	\$0	\$184,542	\$33,707	\$96,860	\$1,263,573
October 1, 2047	\$1,263,573	\$0	\$170,410	\$31,126	\$88,280	\$1,150,317
October 1, 2048	\$1,150,317	\$0	\$157,795	\$28,822	\$80,250	\$1,043,950
October 1, 2049	\$1,043,950	\$0	\$145,324	\$26,544	\$72,737	\$944,819
October 1, 2050	\$944,819	\$0	\$133,106	\$24,312	\$65,760	\$853,161
October 1, 2051	\$853,161	\$0	\$121,140	\$22,126	\$59,339	\$769,234
October 1, 2052	\$769,234	\$0	\$109,845	\$20,063	\$53,474	\$692,800
October 1, 2053	\$692,800	\$0	\$99,145	\$18,109	\$48,151	\$623,697
October 1, 2054	\$623,697	\$0	\$89,299	\$16,311	\$43,347	\$561,434
October 1, 2055	\$561,434	\$0	\$80,196	\$14,648	\$39,028	\$505,618
October 1, 2056	\$505,618	\$0	\$72,035	\$13,157	\$35,156	\$455,582
October 1, 2057	\$455,582	\$0	\$64,713	\$11,820	\$31,685	\$410,734
October 1, 2058	\$410,734	\$0	\$58,127	\$10,617	\$28,576	\$370,566
October 1, 2059	\$370,566	\$0	\$52,269	\$9,547	\$25,789	\$334,539
October 1, 2060	\$334,539	\$0	\$46,961	\$8,578	\$23,292	\$302,292
October 1, 2061	\$302,292	\$0	\$42,046	\$7,680	\$21,064	\$273,630
October 1, 2062	\$273,630	\$0	\$37,557	\$6,860	\$19,088	\$248,301
October 1, 2063	\$248,301	\$0	\$33,437	\$6,107	\$17,350	\$226,107
October 1, 2064	\$226,107	\$0	\$29,359	\$5,362	\$15,847	\$207,233
October 1, 2065	\$207,233	\$0	\$25,884	\$4,728	\$14,569	\$191,190



DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN *(continued)*

PROJECTION OF THE FIDUCIARY NET POSITION *(continued)*

Date	BOY Balance	Contributions	Benefit Payments	Administrative Expenses	Investment Earnings	EOY Balance
October 1, 2066	\$191,190	\$0	\$22,678	\$4,142	\$13,494	\$177,864
October 1, 2067	\$177,864	\$0	\$19,528	\$3,567	\$12,623	\$167,392
October 1, 2068	\$167,392	\$0	\$16,888	\$3,085	\$11,945	\$159,364
October 1, 2069	\$159,364	\$0	\$14,579	\$2,663	\$11,438	\$153,560
October 1, 2070	\$153,560	\$0	\$12,624	\$2,306	\$11,084	\$149,714
October 1, 2071	\$149,714	\$0	\$10,969	\$2,004	\$10,866	\$147,607
October 1, 2072	\$147,607	\$0	\$9,674	\$1,767	\$10,763	\$146,929
October 1, 2073	\$146,929	\$0	\$6,459	\$1,180	\$10,853	\$150,143
October 1, 2074	\$150,143	\$0	\$5,356	\$978	\$11,145	\$154,954
October 1, 2075	\$154,954	\$0	\$4,431	\$809	\$11,551	\$161,265
October 1, 2076	\$161,265	\$0	\$3,600	\$658	\$12,065	\$169,072
October 1, 2077	\$169,072	\$0	\$2,907	\$531	\$12,688	\$178,322
October 1, 2078	\$178,322	\$0	\$2,327	\$425	\$13,414	\$188,984
October 1, 2079	\$188,984	\$0	\$1,830	\$334	\$14,244	\$201,064
October 1, 2080	\$201,064	\$0	\$1,396	\$255	\$15,179	\$214,592
October 1, 2081	\$214,592	\$0	\$1,031	\$188	\$16,221	\$229,594
October 1, 2082	\$229,594	\$0	\$722	\$132	\$17,371	\$246,111
October 1, 2083	\$246,111	\$0	\$452	\$83	\$18,635	\$264,211
October 1, 2084	\$264,211	\$0	\$0	\$0	\$20,027	\$284,238

NOTES:

*The fiduciary net position is projected to be sufficient to cover all future benefit payments when due.  
The plan requires only a 7.58% average investment return per year to avoid a crossover date.  
The projection shown above does not reflect future new entrants into the pension plan.*

**DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)**

**DEFERRED INFLOW AND OUTFLOW OF RESOURCES (continued)**

Amortization schedule for deferred outflows and inflows of resources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance as of October 1, 2013	\$0	\$0
Amount recognized in the 2013/14 pension expense:		
<i>Investment gain/loss</i>	N/A	N/A
<i>Demographic gain/loss</i>	N/A	N/A
<i>Changes in benefit terms</i>	N/A	N/A
<i>Assumption changes</i>	N/A	N/A
<i>Total</i>	N/A	N/A
Balance as of October 1, 2014	\$0	\$0
Amount recognized in the 2014/15 pension expense:		
<i>Investment gain/loss</i>	N/A	N/A
<i>Demographic gain/loss</i>	N/A	N/A
<i>Changes in benefit terms</i>	N/A	N/A
<i>Assumption changes</i>	N/A	N/A
<i>Total</i>	N/A	N/A
Balance as of October 1, 2015	\$0	\$0
Amount recognized in the 2015/16 pension expense:		
<i>Investment gain/loss</i>	N/A	N/A
<i>Demographic gain/loss</i>	N/A	N/A
<i>Changes in benefit terms</i>	N/A	N/A
<i>Assumption changes</i>	N/A	N/A
<i>Total</i>	N/A	N/A
Balance as of October 1, 2016	\$0	\$0
Amount recognized in the 2016/17 pension expense:		
<i>Investment gain/loss</i>	N/A	N/A
<i>Demographic gain/loss</i>	N/A	N/A
<i>Changes in benefit terms</i>	N/A	N/A
<i>Assumption changes</i>	N/A	N/A
<i>Total</i>	N/A	N/A
Balance as of October 1, 2017	\$0	\$0
Amount recognized in the 2017/18 pension expense:		
<i>Investment gain/loss</i>	N/A	N/A
<i>Demographic gain/loss</i>	N/A	N/A
<i>Changes in benefit terms</i>	N/A	N/A
<i>Assumption changes</i>	N/A	N/A
<i>Total</i>	N/A	N/A
Balance as of October 1, 2018	\$0	\$0