

EXHIBIT B

TOWN OF LONGBOAT KEY
FIREFIGHTERS' RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2013

CONTRIBUTIONS APPLICABLE TO THE PLAN/
FISCAL YEAR ENDED SEPTEMBER 30, 2015

January 7, 2014

Board of Trustees
Town of Longboat Key
501 Bay Isles Road
Longboat Key, FL 34228

Re: Town of Longboat Key
Firefighters' Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Town of Longboat Key Firefighters' Retirement System. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapters 112, and 175, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

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

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the

actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.


To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Town of Longboat Key, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Town of Longboat Key Firefighters' Retirement System. 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 #11-7778

DHL/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Town of Longboat Key Firefighters' Retirement System, performed as of October 1, 2013, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2015.

The contribution requirements, compared with those developed in the June 28, 2013, Actuarial Impact Statement (determined as of October 1, 2012), are as follows:

Valuation Date	10/1/12	10/1/13
Applicable Plan/Fiscal Yr. End	<u>9/30/14</u>	<u>9/30/15</u>
Total Required Contribution ¹	\$1,526,725	\$1,638,549

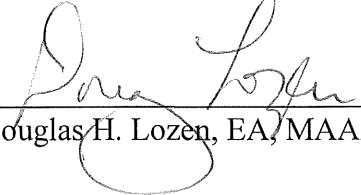
¹ Please note that the Town has access to a prepaid contribution of \$273,608 for the fiscal year ending September 30, 2014. Please refer to page 23 for full details.

Experience during the last 12 months has been less favorable than expected on the basis of the actuarial assumptions. The primary sources of unfavorable experience included a 7.1% investment return (Actuarial Asset Basis), falling short of the 8.0% assumption, lower than expected employee turnover, and no inactive mortality.

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 of Trustees in order to discuss the Report and any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By:  _____
Douglas H. Lozen, EA, MAAA

By:  _____
Christine M. O'Neal, ASA, EA, MAAA

Plan Changes since Prior Valuation

There were three amendments during the fiscal year ending September 30, 2013, as follows:

1. Ordinance 2013-12, adopted and effective April 15, 2013, provided for a structural change to the Board of Trustees. A letter of No Actuarial Impact was submitted for this amendment.
2. Ordinance 2013-21, adopted and effective May 20, 2013, provided for opting out of participation in Chapter 175. A letter informing the Town of the loss of future State Monies was submitted for this amendment.
3. Ordinance 2013-13, adopted and effective July 1, 2013, provided for a Plan Freeze as of September 30, 2013. An Actuarial Impact Statement was submitted for this amendment.

Actuarial Assumption/Method Changes since Prior Valuation

There have been several changes in methods and assumptions since the prior valuation. Please refer to the June 28, 2013, Actuarial Impact Statement, in addition to the Actuarial Assumptions and Methods Section of this report for full details.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2013</u>	<u>10/1/2012</u>
A. Participant Data		
Number Included		
Actives	11	31
Service Retirees	25	25
Beneficiaries	1	1
Terminated Vested	19	3
Disability Retirees	3	3
DROP Plan Members	7	0
Total	<u>66</u>	<u>63</u>
Total Annualized Non-DROP Payroll	N/A	\$2,354,945
Payroll Under Assumed Ret. Age	N/A	685,567
Annual Rate of Payments to:		
Service Retirees	1,297,881	1,280,182
Beneficiaries	44,060	44,060
Terminated Vested	21,613	5,207
Disability Retirees	67,055	67,055
DROP Plan Members	466,430	0
B. Assets		
Actuarial Value ¹	14,260,344	12,743,682
Market Value ¹	14,663,400	12,670,985
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	1,987,842	7,539,560
Disability Benefits	223,371	166,806
Death Benefits	28,463	5,642
Vested Benefits	349,279	435,173
Refund of Contributions	0	632,157
Service Retirees	16,565,704	16,479,817
Beneficiaries	81,935	132,798
Terminated Vested ²	528,645	66,085
Disability Retirees	586,622	599,624
DROP Plan Members ¹	6,664,304	0
Excess State Monies Reserve	0	0
Total	<u>27,016,165</u>	<u>26,057,662</u>

	<u>10/1/2013</u>	<u>10/1/2012</u>
C. Liabilities - (Continued)		
Present Value of Future Salaries	N/A	5,517,474
Present Value of Future Member Cont.	N/A	0
Normal Cost (Entry Age Normal)		
Retirement Benefits	0	0
Disability Benefits	15,860	16,409
Death Benefits	1,322	855
Vested Benefits	0	0
Refund of Contributions	0	0
Total Normal Cost	<u>17,182</u>	<u>17,264</u>
Present Value of Future Normal Costs	102,466	129,709
Actuarial Accrued Liability		
Retirement Benefits	1,987,842	7,539,560
Disability Benefits	128,806	39,961
Death Benefits	20,562	2,778
Vested Benefits	349,279	435,173
Refund of Contributions	0	632,157
Inactives ^{1 2}	24,427,210	17,278,324
Excess State Reserve	0	0
Total Actuarial Accrued Liability	<u>26,913,699</u>	<u>25,927,953</u>
Unfunded Actuarial Accrued Liability	12,653,355	13,184,271
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives ^{1 2}	24,427,210	17,278,324
Actives	1,156,179	6,679,731
Member Contributions	896,585	1,847,717
Total	<u>26,479,974</u>	<u>25,805,772</u>
Non-vested Accrued Benefits	<u>494,478</u>	<u>218,037</u>
Total Present Value Accrued Benefits	26,974,452	26,023,809
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	352,562	
Benefits Paid	(1,426,754)	
Interest	2,024,835	
Other	0	
	<u>950,643</u>	

Valuation Date Applicable to Fiscal Year Ending	10/1/2013 <u>9/30/2015</u>	10/1/2012 <u>9/30/2014</u>
E. Pension Cost		
Normal Cost with interest ³	19,244	17,955
Administrative Expenses with interest ³	60,620	58,811
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 29 years with interest ³ (as of 10/1/13)	1,558,685	1,449,959
Total Required Contribution	1,638,549	1,526,725
Expected Member Contributions	0	0
Expected Town Contribution	1,638,549	1,526,725

F. Past Contributions

Plan Years Ending:	<u>9/30/2013</u>
Total Required Contribution	\$2,071,481
Town and State Requirement	1,812,384
Actual Contributions Made:	
Members	259,097
Town	1,542,566
State	269,818
Total	<u>2,071,481</u>

G. Net Actuarial Gain (Loss) (219,183)

¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/13.

² Terminated Vested liabilities include payable lump sums for Members with less than 10 years of Credited Service as of September 30, 2013.

³ Contributions include an interest load for assumed timing of Town Contributions.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2013	\$12,653,355
2014	12,162,605
2015	11,632,598
2020	8,235,765
2025	4,259,555
2035	(680,986)
2042	0

I. (i) 3 Year Comparison of Actual and Assumed Increases in Pensionable Compensation.

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	N/A	N/A
Year Ended	9/30/2012	-4.4%	6.0%
Year Ended	9/30/2011	-0.4%	6.0%

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


		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	7.1%	8.0%
Year Ended	9/30/2012	4.8%	8.0%
Year Ended	9/30/2011	-0.9%	8.0%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2013	N/A
	10/1/2003	1,960,758
(b) Total Increase		N/A
(c) Number of Years		10
(d) Average Annual Rate		N/A

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.


Douglas H. Lozen, EA, MAAA
Enrolled Actuary #11-7778

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112 Florida Statutes:

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2012	\$13,184,271
(2)	Sponsor Normal Cost developed as of October 1, 2012	17,264
(3)	Expected Administrative expenses for the fiscal year ending September 30, 2013	56,549
(4)	Interest on (1), (2) and (3)	1,058,385
(5)	Sponsor contributions to the System during the fiscal year ending September 30, 2013	1,812,384
(6)	Interest on (5)	69,913
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2013: (1)+(2)+(3)+(4)-(5)-(6)	12,434,172
(8)	Change to UAAL due to experience (Gain)/Loss	219,183
(9)	Unfunded Actuarial Accrued Liability as of October 1, 2013	12,653,355

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2013 Amount</u>	<u>Amortization Amount</u>
	10/1/1997	14	929,198	104,360
	10/1/1998	15	(250,704)	(27,120)
	10/1/1999	16	(483,997)	(50,630)
	10/1/2001	18	1,552,482	153,382
method change	10/1/2002	19	2,441,021	235,350
prior losses	10/1/2002	15	2,320,904	251,065
actuarial loss	10/1/2003	15	207,701	22,468
actuarial loss	10/1/2004	15	1,508,123	163,142
benefit change	10/1/2005	22	1,600,112	145,243
actuarial loss	10/1/2005	15	792,104	85,686
actuarial loss	10/1/2006	15	(253,134)	(27,383)
actuarial loss	10/1/2007	15	2,073,985	224,354
assum. change	10/1/2007	24	873,429	76,812
benefit change	10/1/2007	24	(186,182)	(16,373)
actuarial gain	10/1/2008	5	(489,013)	(113,404)
method change	10/1/2008	15	253,851	27,460
actuarial loss	10/1/2009	6	998,615	200,015
actuarial loss	10/1/2010	7	94,882	16,874
actuarial loss	10/1/2011	8	641,020	103,284
actuarial gain	10/1/2012	9	(481,302)	(71,340)
benefit change	10/1/2012	29	(1,708,923)	(141,807)
actuarial loss	10/1/2013	10	219,183	30,245
			<u>12,653,355</u>	<u>1,391,683</u>

ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rates</u>	RP-2000 (combined healthy with no projection). Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.
<u>Termination Rates</u>	See Table below (1304).
<u>Disability Rates</u>	See Table below (1205). 75% of Disability Retirements are assumed to service-related.
<u>Retirement Age</u>	The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.
<u>Interest Rate</u>	8% per year, compounded annually, net of investment-related expenses.
<u>Salary Increases</u>	None.
<u>Early Retirement</u>	None.
<u>Cost of Living Adjustment</u>	3.0% per year, beginning 5 years after retirement.
<u>Payroll Growth</u>	None.
<u>Administrative Expenses</u>	\$54,125 annually.
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.
<u>Asset Valuation Method</u>	The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minis bias that is above or below the Market Value of Assets.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	12.4%	0.14%
30	10.5	0.18
40	5.7	0.30
50	1.5	1.00

VALUATION NOTES

Total Annual Payroll – Not applicable.

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 over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost Method (Level Dollar) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

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

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1991	36,265.09	_____%
1992	41,776.90	15.2%
1993	39,590.49	-5.2%
1994	46,668.49	17.9%
1995	52,676.83	12.9%
1996	63,956.08	21.4%
1997	70,510.54	10.2%
1998	84,957.68	20.5%
1999	83,629.64	-1.6%
2000	109,664.52	31.1%
2001	92,878.93	-15.3%
2002	106,726.80	14.9%
2003	138,730.84	30.0%
2004	140,408.22	1.2%
2005	177,792.61	26.6%
2006	225,258.22	26.7%
2007	295,948.69	31.4%
2008	0.00	-100.0%
2009	513,555.97	N/A
2010	241,221.17	-53.0%
2011	239,800.33	-0.6%
2012	274,615.73	14.5%
2013	269,818.47	-1.7%

EXCESS STATE MONIES RESERVE

	Regular Distribution			Special Distribution		
	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u> *	<u>Excess State Monies Reserve</u>	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u> *	<u>Excess State Monies Reserve</u>
1998	\$84,957.68	\$84,957.68	\$0.00	N/A	N/A	N/A
1999	83,629.64	84,957.68	0.00	0.00	0.00	0.00
2000	109,664.52	84,957.68	24,706.84	0.00	0.00	0.00
2001	72,743.37	84,957.68	0.00	20,135.56	15,247.00	4,888.56
2002	106,726.80	100,204.68	6,522.12	0.00	0.00	0.00
2003	119,397.72	200,204.68	0.00	19,333.12	61,255.00	0.00
2004	120,469.06	200,204.68	0.00	19,939.16	61,255.00	0.00
2005	146,592.74	200,204.68	0.00	31,199.87	61,255.00	0.00
2006	148,151.22	184,352.68	0.00	77,107.00 **	77,107.00	0.00
2007	159,827.48	229,733.47	0.00	136,121.21	136,121.21	0.00
2008	0.00	365,854.68	0.00	0.00	0.00	0.00
2009	500,812.30	718,965.69 ***	0.00	12,743.67	12,743.67	0.00
2010	176,956.42	301,589.93	0.00	64,264.75	64,264.75	0.00
2011	174,301.13	300,355.48	0.00	65,499.20	65,499.20	0.00
2012	177,976.34	269,215.29	0.00	96,639.39	96,639.39	0.00
2013	175,096.41	271,132.62	<u>0.00</u>	94,722.06	94,722.06	<u>0.00</u>
			31,228.96			4,888.56
	Accumulated Regular Excess		31,228.96			
	Accumulated Special Excess		4,888.56			
	Amount used in funding Ord. 03-07 (50 & 10 Early Retirement Date)		<u>(36,117.52)</u>			
	Total State Monies Reserve		\$0.00			

* - Pursuant to a December, 2006 agreement with the Town, the Pension Board approved full use of state monies for the funding of additional benefits pursuant to the provisions of Chapter 175, Florida Statutes.

** Supplement accrued beginning with the fiscal year ending September 30, 2006.

*** State contribution withheld for the fiscal year ending September 30, 2008 subsequently released in 2009.

BALANCE SHEET
September 30, 2013

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	124,334.27	124,334.27
Money Market	1,051,061.35	1,051,061.35
Pending Trades Receivable	3,750.24	3,750.24
Pending Trades Payable	(15,786.36)	(15,786.36)
Cash	12,467.55	12,467.55
 Total Cash and Equivalents	 1,175,827.05	 1,175,827.05
Receivable:		
Member Contributions in Transit	4,018.75	4,018.75
State Contributions	269,818.47	269,818.47
Accrued Income	45,530.43	45,530.43
 Total Receivable	 319,367.65	 319,367.65
Investments:		
U. S. Bonds and Bills	2,384,876.61	2,352,004.39
Federal Agency Guaranteed Securities	1,007,301.29	1,001,677.17
Corporate Bonds	1,103,343.04	1,095,515.85
Stocks	7,896,869.29	8,992,615.88
 Total Investments	 12,392,390.23	 13,441,813.29
 TOTAL ASSETS	 13,887,584.93	 14,937,007.99
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Prepaid City Contribution	273,607.88	273,607.88
 Total Liabilities	 273,607.88	 273,607.88
 Net Assets, including DROP Account Balances	 13,613,977.05	 14,663,400.11
 TOTAL LIABILITIES AND NET ASSETS	 13,887,584.93	 14,937,007.99

ACTUARIAL ASSET VALUATION
September 30, 2013

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*	
09/30/2010	6.60%	
09/30/2011	-0.62%	
09/30/2012	12.28%	
09/30/2013	10.62%	
Annualized Rate of Return for prior four (4) years:		7.10%
(A) 10/01/2012 Actuarial Assets:		\$12,743,681.94
(I) Net Investment Income:		
1. Interest and Dividends	344,269.04	
2. Realized Gains (Losses)	1,046,119.49	
3. Change in Actuarial Value	(344,866.62)	
4. Investment Related Expenses	(119,462.38)	
Total		926,059.53
(B) 10/01/2013 Actuarial Assets:		\$14,260,344.09
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		7.10%
10/01/2013 Limited Actuarial Assets:		\$14,260,344.09

*Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2013
Actuarial Asset Basis

REVENUES

Contributions:		
Member	259,097.09	
City	1,542,565.67	
State	269,818.47	
Total Contributions		2,071,481.23
Earnings from Investments		
Interest & Dividends	344,269.04	
Net Realized Gain (Loss)	1,046,119.49	
Change in Actuarial Value	(344,866.62)	
Total Earnings and Investment Gains		1,045,521.91
EXPENDITURES		
Expenses:		
Investment Related ¹	119,462.38	
Administrative	54,124.94	
Total Expenses		173,587.32
Distributions to Members:		
Benefit Payments	1,373,622.36	
Lump Sum DROP Balances	0.00	
Termination Payments	53,131.31	
Total Distributions		1,426,753.67
Change in Net Assets for the Year		1,516,662.15
Net Assets Beginning of the Year		12,743,681.94
Net Assets End of the Year ²		14,260,344.09

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

²Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2012 to September 30, 2013

09/30/2012 Balance	0.00
Plus Additions	142,142.26
Investment Return Earned	2,922.33
Less Distributions	0.00
09/30/2013 Balance	145,064.59

Reconciliation of Town's Prepaid Contribution for the
Fiscal Year Ended (FYE) September 30, 2013

(1) Town and State Required Contribution Rate (from the October 1, 2011 Actuarial Valuation Report)	69.95%
(2) Pensionable Payroll Derived from Member Contributions	\$2,590,970.90
(3) Required Town and State Contribution (Item 1 times Item 2)	1,812,384.14
(4) Less Allowable State Contribution	<u>(269,818.47)</u>
(5) Less Town Prepaid Contribution from Fiscal 2012	<u>(205,258.03)</u>
(6) Equals Required Town Contribution	1,337,307.64
(7) Less Actual Town Contributions	<u>(1,610,915.52)</u>
(8) Equals Town's Prepaid Contribution as of September 30, 2013.	\$273,607.88

STATISTICAL DATA

(Averages are salary weighted prior to 10/1/2013)

	<u>10/1/2010</u>	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>
Number	33	33	31	11
Average Current Age	42.8	42.2	42.1	42.7
Average Age at Employment	33.6	32.5	31.3	30.4
Average Past Service	9.2	9.6	10.8	12.3
Average Annual Salary	\$78,503	\$75,049	\$75,966	N/A

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/12	31
b. Terminations	
i. Vested (partial or full) with deferred benefits	12 *
ii. Non-vested or full lump sum distribution received	1
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. Entered DROP	7
g. Continuing participants	11
h. New entrants	0
i. Total active life participants in valuation	11

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

	<u>Service Retirees, Vested Receiving Benefits</u>	<u>Receiving Death Benefits</u>	<u>Receiving Disability Benefits</u>	<u>Vested Deferred</u>	<u>DROP</u>	<u>Total</u>
a. Number prior valuation	25	1	3	3	0	32
b. In	0	0	0	17	7	24
c. Out	0	0	0	1	0	1
d. Number current valuation	25	1	3	19	7	55

* Includes Members who elected to receive a lump sum payment equal to the present value of the accrued benefit as of September 30, 2013. Members had until December 13, 2013 to make this election.

SUMMARY OF PLAN PROVISIONS
(Through Ordinance 2013-21)

The below information is for historical reference only. Benefits are frozen as of September 30, 2013.

<u>Eligibility</u>	Full-time certified Firefighters participate as a condition of employment. Members hired after September 30, 2013 do not participate in this System
<u>Credited Service</u>	Total years and fractional parts of years of service as a Firefighter with the Town. Credited Service is frozen as of September 30, 2013.
<u>Salary</u>	Total W-2 compensation, plus tax deferred, tax-sheltered, and tax-exempt income. Salary earned after September 30, 2013 is not counted for determination of the accrued benefit.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination. Average Final Compensation is not applicable for the determination of the accrued benefit after September 30, 2013.
<u>Member Contributions</u>	None (previously 10%).
<u>Town Contributions</u>	Amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years (per Chapter 112, <u>Florida Statutes</u>).
<u>Normal Retirement</u>	
Eligibility	Attainment of 1) age 60, 2) age 55 and the completion of 10 years of Credited Service or 3) the completion of 25 years of Credited Service, regardless of age.
Benefit	3.5% of Average Final Compensation times Years of Credited Service. The accrued benefit is frozen as of September 30, 2013.
Form of Benefit	10 Year Certain and Life Annuity (options are available).

Early Retirement (removed with Ordinance 2013-13)

Eligibility	Age 45 and the completion of 15 years of Credited Service or Age 50 and the completion of 10 years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year.
<u>Supplemental Benefit</u>	\$10.00 per month for each year of Credited Service, payable to age 65. Credited Service is frozen as of September 30, 2013 for determination of the Supplemental Benefit.
<u>Cost of Living Adjustment</u>	Service Retirees receive a 3% annual increase in benefits commencing on the October 1 following the receipt of 5 years of benefit payments.
<u>Vesting (Termination)</u>	Upon an employee's termination of employment for reason other than death, disability or retirement, he shall be entitled to the payment of the Vested Percentage of his or her accrued pension at the otherwise Early (reduced) or Normal Retirement Date. The applicable Vested Percentage is determined by the following table:

<u>Years of Service</u>	<u>Percentage</u> ¹
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

¹ Members are 100% vested in their frozen accrued benefit as of September 30, 2013.

Disability

Eligibility	
Service Incurred	Covered from Date of Employment.
Non-Service Incurred	10 years of Credited Service.

Benefit	3.5% of Average Final Compensation times Credited Service (but not less than 42% of Average Final Compensation for Service Incurred). Average Final Compensation and Credited Service for purposes of determining the applicable minimum Disability Benefit are frozen as of September 30, 2013.
Form of Benefit	Ten year Certain and Life Annuity (options are available)

Death Benefit

Vested or Eligible for Retirement	Monthly accrued benefit payable to designated beneficiary. The accrued benefit is frozen as of September 30, 2013.
Non-Vested	Refund of Member Contributions.

Board of Trustees

- a. Five Commission appointees, and
- b. Two Town Manager appointees

Deferred Retirement Option Plan (DROP)

Eligibility	Satisfaction of Normal Retirement requirements. New DROP participants are not permitted after September 30, 2013.
Participation	Not to exceed 36 months.
Rate of Return	At the Member's election: <ol style="list-style-type: none"> a. Actual net rate of investment return credited each fiscal quarter, or b. A fixed rate money market account.
Form of Distribution	Cash lump sum (options available) at termination of employment.

DISCLOSURE INFORMATION PER STATEMENT NO. 25 OF THE
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

The schedule provided below has been prepared in accordance with the requirements
of paragraph 37 of Statement No. 25 of the Governmental Accounting Standards Board.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/01/13	14,260,344	26,913,699	12,653,355	52.99%	N/A	N/A
10/01/12	12,743,682	27,693,570	14,949,888	46.02%	2,354,945	634.83%
10/01/11	11,899,137	27,164,254	15,265,117	43.80%	2,476,609	616.37%
10/01/10	11,770,977	26,130,298	14,359,321	45.05%	2,590,585	554.29%
10/01/09	11,039,177	25,024,616	13,985,439	44.11%	2,670,074	523.78%
10/01/08	10,542,260	22,967,953	12,425,693	45.90%	2,521,157	492.86%

The schedule provided below has been prepared in accordance with the requirements
of paragraph 38 of Statement No. 25 of the Governmental Accounting Standards Board.

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended September 30	Annual Required Contribution	Town Contribution	State Contribution	Percentage Contributed
2013	1,812,384	1,542,566	269,818	100.00%
2012	1,458,446	1,183,830	274,616	100.00%
2011	1,384,027	1,144,227	239,800	100.00%
2010	1,246,772	1,005,551	241,221	100.00%
2009	1,129,911	616,355	513,556 *	100.00%
2008	797,183	797,183	0 *	100.00%

* Chapter 175 revenue withheld for the fiscal year ending September 30, 2008, released in 2009.

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/13

Town and State	69.95%
Plan Members	10.00%

Actuarially Determined Contribution (Town and State)	1,812,384
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Contributions made	1,812,384
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Actuarial valuation date	10/1/2011
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Actuarial cost method	Entry Age Normal
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Amortization method	Level Percentage of Pay, Closed
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Remaining amortization period	26 Years as of 10/1/2011
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Asset valuation method	4 Year Smooth
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Actuarial assumptions:

Investment rate of return	8.0%
Projected salary increase*	6.0%
* Includes inflation at	3.0%
Post Retirement COLA (beginning 5 years after retirement)	3.0%

THREE YEAR TREND INFORMATION

Year Ending	Annual Pension Cost (APC)	Percentage of (APC) Contributed	Net Pension Obligation
9/30/13	1,814,561	99.9%	(54,676)
9/30/12	1,460,651	99.8%	(56,853)
9/30/11	1,388,679	99.7%	(59,058)

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>9/30/10</u>	<u>9/30/11</u>	<u>9/30/12</u>	<u>9/30/13</u>
Actuarially Determined				
Contribution (A)		1,384,027	1,458,446	1,812,384
Interest on NPO		(5,097)	(4,725)	(4,548)
Adjustment to (A)		9,749	6,930	6,725
		-----	-----	-----
Annual Pension Cost		1,388,679	1,460,651	1,814,561
Contributions Made		1,384,027	1,458,446	1,812,384
		-----	-----	-----
Increase in NPO		4,652	2,205	2,177
NPO Beginning of Year		(63,710)	(59,058)	(56,853)
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NPO End of Year	(63,710)	(59,058)	(56,853)	(54,676)