

VILLAGE OF NORTH PALM BEACH GENERAL RETIREMENT FUND
Chapter 112.664, F.S. Compliance Report
In Connection with the October 1, 2014 Funding Actuarial Valuation Report
And the Plan's Financial Reporting for the Year Ending September 30, 2014



July 6, 2015

Board of Trustees
Village of North Palm Beach General Retirement Fund
North Palm Beach, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Village of North Palm Beach Retirement Fund to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Retirement Fund and those designated or approved by the Board. This report may be provided to parties other than the Fund only in its entirety and only with the permission of the Board.

The purpose of the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data or other information through September 30, 2014. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the Village concerning Retirement Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Village.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board as described in our October 1, 2014 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2014 actuarial valuation report. Please refer to the October 1, 2014 actuarial valuation report, dated May 5, 2015, for summaries and descriptions of this information.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future Plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided as a counterpart to the Chapter 112.664, Florida Statutes requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.

Melissa R. Algayer and Peter N. Strong are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1) F.S., the actuarial disclosures required under this section were 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, meet the requirements of Section 112.664(1), F.S. and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

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RESULTS

**Schedule of Changes in the Employers' Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,	<u>2014</u>
1. Total pension liability	
a. Service Cost	\$ 374,926
b. Interest	972,865
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(221,537)
g. Contribution Refunds	(42,137)
h. Net Change in Total Pension Liability	<u>1,084,117</u>
i. Total Pension Liability - Beginning	<u>12,728,438</u>
j. Total Pension Liability - Ending	<u>\$ 13,812,555</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 562,953
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	142,609
d. Net Investment Income	1,072,009
e. Benefit Payments	(221,537)
f. Contribution Refunds	(42,137)
g. Administrative Expense	(17,171)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>1,496,726</u>
j. Plan Fiduciary Net Position - Beginning	<u>10,433,153</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 11,929,879</u>
3. Net Pension Liability / (Asset)	1,882,676
Certain Key Assumptions	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	7.50%
Mortality Table	RP-2000 projected to 2010 using Scale AA

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,	<u>2014</u>
1. Total pension liability	
a. Service Cost	\$ 398,400
b. Interest	1,009,546
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(221,537)
g. Contribution Refunds	(42,137)
h. Net Change in Total Pension Liability	<u>1,144,272</u>
i. Total Pension Liability - Beginning	<u>13,194,045</u>
j. Total Pension Liability - Ending	<u><u>\$ 14,338,317</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 562,953
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	142,609
d. Net Investment Income	1,072,009
e. Benefit Payments	(221,537)
f. Contribution Refunds	(42,137)
g. Administrative Expense	(17,171)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>1,496,726</u>
j. Plan Fiduciary Net Position - Beginning	<u>10,433,153</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 11,929,879</u></u>
3. Net Pension Liability / (Asset)	2,408,438
Certain Key Assumptions	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	7.50%
Mortality Table	RP-2000 fully generational using Scale AA

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,	<u>2014</u>
1. Total pension liability	
a. Service Cost	\$ 633,791
b. Interest	997,691
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(221,537)
g. Contribution Refunds	(42,137)
h. Net Change in Total Pension Liability	<u>1,367,808</u>
i. Total Pension Liability - Beginning	<u>17,637,876</u>
j. Total Pension Liability - Ending	<u>\$ 19,005,684</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 562,953
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	142,609
d. Net Investment Income	1,072,009
e. Benefit Payments	(221,537)
f. Contribution Refunds	(42,137)
g. Administrative Expense	(17,171)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>1,496,726</u>
j. Plan Fiduciary Net Position - Beginning	<u>10,433,153</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 11,929,879</u>
3. Net Pension Liability / (Asset)	7,075,805
Certain Key Assumptions	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	5.50%
Mortality Table	RP-2000 fully generational using Scale AA

Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,	<u>2014</u>
1. Total pension liability	
a. Service Cost	\$ 264,023
b. Interest	976,719
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(221,537)
g. Contribution Refunds	(42,137)
h. Net Change in Total Pension Liability	<u>977,068</u>
i. Total Pension Liability - Beginning	<u>10,149,070</u>
j. Total Pension Liability - Ending	<u><u>\$ 11,126,138</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 562,953
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	142,609
d. Net Investment Income	1,072,009
e. Benefit Payments	(221,537)
f. Contribution Refunds	(42,137)
g. Administrative Expense	(17,171)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>1,496,726</u>
j. Plan Fiduciary Net Position - Beginning	<u>10,433,153</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 11,929,879</u></u>
3. Net Pension Liability / (Asset)	(803,741)
Certain Key Assumptions	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	9.50%
Mortality Table	RP-2000 fully generational using Scale AA

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions from the Plan's Latest Actuarial Valuation

FYE	Market Value of Assets (BOY)	Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	11,929,879	882,548	325,140	12,487,287
2016	12,487,287	918,242	488,111	12,917,419
2017	12,917,419	947,120	578,317	13,286,221
2018	13,286,221	972,658	634,897	13,623,982
2019	13,623,982	995,587	698,966	13,920,603
2020	13,920,603	1,014,314	792,840	14,142,077
2021	14,142,077	1,028,844	848,320	14,322,601
2022	14,322,601	1,040,991	885,439	14,478,153
2023	14,478,153	1,050,492	943,174	14,585,472
2024	14,585,472	1,057,263	977,253	14,665,482
2025	14,665,482	1,061,412	1,026,641	14,700,253
2026	14,700,253	1,062,311	1,072,213	14,690,351
2027	14,690,351	1,059,421	1,129,476	14,620,296
2028	14,620,296	1,053,147	1,156,673	14,516,770
2029	14,516,770	1,044,072	1,191,611	14,369,231
2030	14,369,231	1,031,903	1,221,050	14,180,084
2031	14,180,084	1,017,099	1,237,529	13,959,654
2032	13,959,654	999,049	1,278,010	13,680,693
2033	13,680,693	977,977	1,282,005	13,376,665
2034	13,376,665	954,832	1,291,142	13,040,355
2035	13,040,355	929,316	1,298,960	12,670,710
2036	12,670,710	901,962	1,289,099	12,283,573
2037	12,283,573	873,479	1,274,370	11,882,683
2038	11,882,683	844,376	1,248,667	11,478,392
2039	11,478,392	814,967	1,224,323	11,069,036
2040	11,069,036	785,355	1,195,263	10,659,128

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:**

N/A

Certain Key Assumptions

Valuation Investment return assumption

7.50%

Valuation Mortality Table

RP-2000 projected to 2010 using Scale AA

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	11,929,879	882,548	325,138	12,487,289
2016	12,487,289	918,236	488,277	12,917,249
2017	12,917,249	947,091	578,743	13,285,596
2018	13,285,596	972,582	635,670	13,622,508
2019	13,622,508	995,430	700,220	13,917,718
2020	13,917,718	1,014,027	794,729	14,137,016
2021	14,137,016	1,028,362	851,048	14,314,330
2022	14,314,330	1,040,228	889,234	14,465,324
2023	14,465,324	1,049,335	948,382	14,566,277
2024	14,566,277	1,055,549	984,577	14,637,249
2025	14,637,249	1,058,930	1,036,374	14,659,805
2026	14,659,805	1,058,810	1,084,676	14,633,939
2027	14,633,939	1,054,602	1,145,171	14,543,370
2028	14,543,370	1,046,647	1,176,141	14,413,876
2029	14,413,876	1,035,458	1,215,548	14,233,786
2030	14,233,786	1,020,652	1,250,194	14,004,243
2031	14,004,243	1,002,604	1,272,390	13,734,457
2032	13,734,457	980,608	1,319,367	13,395,698
2033	13,395,698	954,789	1,330,365	13,020,122
2034	13,020,122	925,990	1,347,180	12,598,931
2035	12,598,931	893,794	1,363,358	12,129,367
2036	12,129,367	858,618	1,362,266	11,625,719
2037	11,625,719	821,052	1,356,722	11,090,049
2038	11,090,049	781,491	1,340,325	10,531,215
2039	10,531,215	740,142	1,325,306	9,946,051
2040	9,946,051	696,999	1,305,456	9,337,595

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 41.42

Certain Key Assumptions

Valuation Investment return assumption 7.50%
Valuation Mortality Table RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	11,929,879	647,202	325,138	12,251,943
2016	12,251,943	660,429	488,277	12,424,095
2017	12,424,095	667,410	578,743	12,512,762
2018	12,512,762	670,721	635,670	12,547,813
2019	12,547,813	670,874	700,220	12,518,467
2020	12,518,467	666,661	794,729	12,390,398
2021	12,390,398	658,068	851,048	12,197,418
2022	12,197,418	646,404	889,234	11,954,589
2023	11,954,589	631,422	948,382	11,637,628
2024	11,637,628	612,994	984,577	11,266,045
2025	11,266,045	591,132	1,036,374	10,820,803
2026	10,820,803	565,316	1,084,676	10,301,443
2027	10,301,443	535,087	1,145,171	9,691,359
2028	9,691,359	500,681	1,176,141	9,015,899
2029	9,015,899	462,447	1,215,548	8,262,798
2030	8,262,798	420,074	1,250,194	7,432,677
2031	7,432,677	373,807	1,272,390	6,534,094
2032	6,534,094	323,093	1,319,367	5,537,819
2033	5,537,819	267,995	1,330,365	4,475,450
2034	4,475,450	209,102	1,347,180	3,337,372
2035	3,337,372	146,063	1,363,358	2,120,077
2036	2,120,077	79,142	1,362,266	836,953
2037	836,953	8,723	1,356,722	-
2038	-	-	1,340,325	-
2039	-	-	1,325,306	-
2040	-	-	1,305,456	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions: 22.58

Certain Key Assumptions

Valuation Investment return assumption 5.50%
Valuation Mortality Table RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)	Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	11,929,879	1,117,894	325,138	12,722,635
2016	12,722,635	1,185,457	488,277	13,419,816
2017	13,419,816	1,247,392	578,743	14,088,465
2018	14,088,465	1,308,210	635,670	14,761,005
2019	14,761,005	1,369,035	700,220	15,429,820
2020	15,429,820	1,428,083	794,729	16,063,174
2021	16,063,174	1,485,577	851,048	16,697,703
2022	16,697,703	1,544,043	889,234	17,352,512
2023	17,352,512	1,603,440	948,382	18,007,570
2024	18,007,570	1,663,952	984,577	18,686,945
2025	18,686,945	1,726,032	1,036,374	19,376,603
2026	19,376,603	1,789,255	1,084,676	20,081,182
2027	20,081,182	1,853,317	1,145,171	20,789,328
2028	20,789,328	1,919,119	1,176,141	21,532,306
2029	21,532,306	1,987,831	1,215,548	22,304,589
2030	22,304,589	2,059,552	1,250,194	23,113,947
2031	23,113,947	2,135,386	1,272,390	23,976,943
2032	23,976,943	2,215,140	1,319,367	24,872,716
2033	24,872,716	2,299,716	1,330,365	25,842,066
2034	25,842,066	2,391,005	1,347,180	26,885,892
2035	26,885,892	2,489,400	1,363,358	28,011,934
2036	28,011,934	2,596,426	1,362,266	29,246,094
2037	29,246,094	2,713,935	1,356,722	30,603,307
2038	30,603,307	2,843,649	1,340,325	32,106,630
2039	32,106,630	2,987,178	1,325,306	33,768,502
2040	33,768,502	3,145,999	1,305,456	35,609,045

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:**

N/A

Certain Key Assumptions

Valuation Investment return assumption

9.50%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

ACTUARIALLY DETERMINED CONTRIBUTION				
	Plan's Latest Actuarial Valuation	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions	112.664(1)(b) F.S. except 2% higher investment return assumption
A. Valuation Date	October 1, 2014	October 1, 2014	October 1, 2014	October 1, 2014
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2016	9/30/2016	9/30/2016	9/30/2016
C. Assumed Dates of Employer Contributions	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 174,703	\$ 215,237	\$ 486,515	\$ 0
E. Employer Normal Cost	244,013	263,994	450,022	28,817
F. Employer ADC if Paid on Valuation Date: D + E	418,716	479,231	936,537	28,817
G. Employer ADC Adjusted for Frequency of Payments	434,455	497,245	962,592	30,176
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	18.92 %	21.65 %	41.91 %	1.31 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	4.00 %	4.00 %	4.00 %	4.00 %
J. Covered Payroll for Contribution Year	2,388,514	2,388,514	2,388,514	2,388,514
K. Employer ADC for Contribution Year: H x J	451,907	517,113	1,001,026	31,290
L. Estimated Credit for State Revenue in Contribution Year	0	0	0	0
M. Net Employer ADC in Contribution Year	451,907	517,113	1,001,026	31,290
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	18.92 %	21.65 %	41.91 %	1.31 %
O. Expected Member Contributions	126,016	126,016	126,016	126,016
P. Total Contribution (including Members) in Contribution Year	577,923	643,129	1,127,042	157,306
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	24.20 %	26.93 %	47.19 %	6.59 %
R. Certain Key Assumptions				
Investment Return Assumption	7.50%	7.50%	5.50%	9.50%
Mortality Table	RP-2000 projected to 2010 using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA