January 26, 2015 – Regular Meeting

Minutes

CITY OF PORT ORANGE GENERAL EMPLOYEES RETIREMENT PLAN REGULAR MEETING MINUTES
January 26, 2015

ROLLCALL:
The regular meeting of the City of Port Orange General Employees Retirement Plan was called to order by Chairperson Donna Steinebach at 10:00 a.m. on January 26, 2015 in Council Chambers, City Hall 1000 City Center Circle, Port Orange, FL.

TRUSTEES PRESENT:
Chairperson Donna Steinebach, Vice-Chair Sonya Laney, Scott Stiltner, Linda Johnson, Donnie Franklin, and Kent Donahue

ABSENT AND EXCUSED:
One Vacancy on the Board

OTHERS PRESENT:
Pete Prior of Benefits USA; Inc

PARTICIPANT/PUBLIC PARTICIPATION:
There was no public participation at this meeting.

APPROVAL OF MINUTES
December 15, 2014 – Quarterly Meeting
Hearing and seeing no further discussion Member Stiltner moved to approve the minutes of December 15, 2014 Meeting amending the attendance record. Member Johnson seconded the motion and the motion passed.

FINANCIALS:
December 2014 – Dave Leonard
Chairperson Steinebach reviewed the financials with the Board. Chairperson Steinebach noted the market value of the Fund is $29,823,969.07, an increase of $840,755.06. Receipts for the month totaled $757,115.63 versus total disbursements of $837,290.96. Payments to retirees and other participants totaled $163,356.09. The balance as of December 31, 2014 was $1,026,940.51 in the Cash account. Chairperson Steinebach reported that the yield for the month is 0.11%. Member Donahue moved to approve the financial report. Member Johnson seconded the motion and the motion passed.

Member Stiltner asked Chairperson Steinebach if there is anything specific the Board would like him to provide to the City Council, as that is what is expected of him. Chairperson Steinebach said the best thing would be to provide the Council with the health of the Plan. Actuary Dave Leonard will provide the 2014 Actuary Valuation and that will provide him with more information to provide to the Council.

NEW BUSINESS:

Warren & DeAnn Bleich Pike – Early Retire Payment for Approval

Chairperson Steinebach reviewed the distribution forms with the Board, and pointed out that this is the final step for Mr. Warren Pike's early retirement. Member Laney moved to approve the distribution for Warren Pike and the distribution for DeAnn Pike as provided. Member Franklin seconded the motion and the motion passed.

Marceda Zurawski – Early Retire Payment for Approval

Member Laney moved to approve the distribution for Ms. Zurawski as presented. Member Franklin seconded the motion and the motion passes.

CONSENT AGENDA:

For Approval:

Warrant#99

Benefits USA, Inc. (Admin Fees 01/2015; INV #POG072)	$ 2,500.00
Southeastern Advisory (Investment Consulting Services: INV #1404)	$ 4,714.00
David G. Leonard, ASA (Actuarial Services: INV #15-003)	$ 3,825.00
ICC Capital Management (1st Qtr '15 Mgmt Fees; INV #57534158)	$ 9,616.34
James Moore (2014 Audit INV #528956)	$ 7,000.00
Integrity Fix Income Management (4th Qtr '14 Mgmt Fees; INV #1878)	$ 2,690.69

Member Laney moved to approve Warrant #99. Member Donahue seconded the motion and the motion passed.

DISTRIBUTIONS:

Voluntary Plan

For Approval:

Kathleen Chamberlain	Total Withdrawal	$ 83.02

Member Laney moved to approve the distribution for Kathleen Chamberlain. Member Donahue seconded the motion and the motion passed.

REPORTS:

Administrator

Mr. Prior reported that Benefit USA compiled the Fiscal Year 2015 Pension Verification Letter. Retiree Thomas Walsh was the only one did not reply; his pension was stopped on 1-1-2015 to remind him to contact our office or HR. Administrator did online research and found no any death report for him.

Mr. Prior reported Benefits USA is processing the election for the Board to fill two (2) Trustee positions on the General Employees Retirement Committee. It was brought to our attention that every member may not have access to a computer or email and they may have been inadvertently excluded. To those members who have voted or attempted to vote, the vote will be negated and they will need to vote again. Benefits USA will work with the Human Resource Department to finish processing the election.

Mr. Prior reported that James Moore did finish their on-site audit in Benefits USA in November, 2014. They will do their 2014 Audit presentation on next meeting.

NEXT MEETING DATE:
February 24, 2015 – Regular Meeting

ADJOURNMENT:
The meeting adjourned at 10:35 a.m.

Chairperson Steinebach

Date

October 1, 2014 Draft Valuation Report

Dave Leonard

DGL A.S.A., LLC
RETIREMENT. DEFINED.

City of Port Orange
General Employees Retirement Committee
Attn: Donna Steinebach, AICP, Chairman
Assistant to the City Manager
1000 City Center Circle
Port Orange, FL 32129

February 13, 2015

Re: City of Port Orange General Employees
Defined Benefit Retirement Plan
Our File No. FL113

Dear Donna:

We are pleased to enclose the Annual Valuation Report for the above plan as of October 1, 2014. Our report contains a review of the plan operations for the 2013-2014 plan year as well as a look forward for the 2014-2015 plan year.

The City's recommended contribution as produced by the valuation results is 12.7% of covered compensation. Any contribution from this level up to 13% is adequate for the current year's funding needs. Please see the General Comments section within the report for additional information concerning the current status of the plan's funding.

Individual certificates of participation have been prepared and delivered separately from this report.

We have enclosed three copies of the full annual report and have forwarded an electronic copy of the report to Benefits USA for distribution to the Committee members.

Please see the General Comments section inside the report for important commentary on the current status of the plan.

Finally, this Valuation Report was reviewed and approved by Lawrence Deustch, E.A., M.A.A.A., M.S.P.A.. A copy of Mr. Deustch's "peer review" of the 2014 Annual Valuation can be found following the Table of Contents page of the report.

If you have any questions or comments concerning this report, please feel free to give me a call at 386-206-8932.

Sincerely,

David G. Leonard, A.S.A.
Enrolled Actuary 14-03604

533 North Nova Road, Suite 207 • Ormond Beach, FL 32174
(386) 206-8932 • (386) 310-7947 fax

City of Port Orange General Employees Defined Benefit Retirement Plan

ACTUARIAL CERTIFICATION

The October 1, 2014 report has been prepared in accordance with generally accepted actuarial standards and procedures and conforms to the Guidelines for Professional Conduct of the American Academy of Actuaries.

The valuation is based on employee and plan financial data which were provided by the Plan Administrator, Plan Trustee, and various financial institutions. All information submitted to us has been reviewed for reasonableness and consistency, but has otherwise been accepted and relied upon without audit. The plan provisions and other material assumptions are disclosed in report in their respective sections.

To the best of our knowledge, the information supplied in this report is complete and accurate. There have been no events since the retirement date that we have not considered or changes in circumstances that would lead us to believe that the trends assumed as part of the valuation process will not continue.

Future actuarial measurements may differ significantly from the current measurement presented in this report due to such factors as the following: plan experience differing from that anticipated; 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.

I, David G. Leonard, A.S.A., E.A., am a member of the Society of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained here

D G Leonard

David G. Leonard, A.S.A.

Enrollment #14-03604

2/13/2015

Date

Larry Deutsch Enterprises
3266 Sol Vista
Fallbrook, California 92028

February 12, 2015

Donna Steinebach
Chairman of the General Employees Retirement Committee
1000 City Center Circle
Port Orange, Fl 32129

Re: Peer review of the City of Port Orange General Employees Defined Benefit Retirement Plan October 1, 2014 actuarial valuation.

Dear Mrs. Steinebach:

I am an Enrolled Actuary, a Member of the American Academy of Actuaries, and a Member of the American Society of Pension Professionals and Actuaries. I have been and Enrolled Actuary since 1981.

I have performed a peer review of the draft report and calculations of the City of Port Orange General Employees Defined Benefit Retirement Plan as of October 1, 2014.

Mr. Leonard and I discussed several of the assumptions and methods used in the valuation, in particular the absence of a turnover assumption, pre-retirement mortality assumption and disability assumption. After discussion, it was agreed that the application of these additional refinements would not materially change the results of the valuation. As explained in the applicable Actuarial Standards of Practice it would not be cost effective (and, therefore, not appropriate) to use the more refined assumptions, when they would not have a material difference on the results. We also discussed other assumptions and methods such as the early retirement assumptions, interest assumption and the method used to reflect various early retirement incentives provided by the plan. Again, we agreed that the assumptions and methods employed were reasonable for this valuation.

I performed various checks on the valuation results. My results were well within a reasonable tolerance (differing by less than ½ of 1%). Therefore, I have a reasonable believe that the results of the actuarial calculations are consistent with a proper calculation, based upon the data, method and assumptions specified in the report.

I feel comfortable stating that I believe that the report accurately portrays the funded status of the plan, and further that the valuation is consistent with applicable Actuarial Standards of Practice regarding selection of assumptions and methods for valuing pension liabilities.

Sincerely,

Lawrence Deutsch

ANNUAL VALUATION REPORT

FOR

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

AS OF OCTOBER 1, 2014

Prepared by:
David G. Leonard, A.S.A.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

TABLE OF CONTENTS

APPENDIX

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

I. HIGHLIGHTS

This section of the report summarizes the results of the October 1, 2014 actuarial valuation and provides a comparison with the results of the prior revised valuation. The development of these items for the current valuation is shown in the remaining sections of the report, along with a breakdown by employment division. The percentages in parenthesis express each amount as a percentage of covered payroll for the upcoming year, with no increase assumed for 2014-15.

		Current Valuation (10/1/14)		Prior Valuation (10/1/13)	
1. a.	Recommended Employer Contribution	$810,606	(15.7%)	$695,221	(12.7%)
b.	Minimum Employer Contribution	$335,679	(6.5%)	$208,134	(3.8%)
2.	Actual Contribution	-------		$702,741	(12.8%)
3.	Covered Payroll of Participants - Actual Proceeding Fiscal Year	$5,170,450		$5,495,483	
4.	Gross Normal Cost	$1,125,717	(21.8%)	$1,038,880	(18.9%)
5.	Assets at Market Value (DB only) (including accrued contributions)	$27,474,544		$25,412,531	
6.	Actuarial Value of Vested Accrued Benefits - valued at 7.5%				
a.	Active Participants	$9,395,660		$8,933,395	
b.	Retired / Disabled	16,579,486		15,240,762	
c.	Terminated Vested	771,521		748,358	
d.	Total Value of Vested Accrued Benefits	$26,746,667		$24,922,515	
e.	Value of Non-Vested Accrued Benefits for Active Participants	644,076		828,546	
f.	Assets in Excess of Vested Benefits (5 minus 6d)	$727,876		$490,017	
7.	Number of Participants				
a.	Active Participants	128		139	
b.	Deferred Retirements	3		3	
c.	Retired & Disabled Participants and Beneficiaries Receiving Payments	71		66	
d.	Terminated Vested Participants Not Yet Receiving Payments	23		20	
e.	Total	225		228	

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

II. GENERAL COMMENTS

The October 1, 2014 valuation was prepared on a group of 131 active members. This represents a decrease of eleven (11) active members from 2013. The continued decrease in the active plan population came about through six (6) retirements, and nine (9) other terminated members with and without vested status. There were four new member under the modified plan provisions.

The total membership decreased by only three, as the retiree and terminated populations both grew., however the shift in liabilities from active members to terminated and retired was significant. Active members represent 37% of the total accrued benefits of the plan, which is a 1% decrease from last year. The average age of active plan members has increased from 49 last year to almost 50 this year.

The recommended contribution level this year is 15.7% of expected compensation. This represents an increase of 3% of pay from the 2013-14 recommendation.

About half of one percent (0.5%) of the increase is from actuarial experience factors during the year, and the rest, 2.5% is from a change in the plan's post retirement mortality assumptions.

In October, 2014, the Society of Actuaries finalized a groundbreaking new mortality study that is certain to become the accepted standard for actuarial liability calculations in the pension field. It is groundbreaking in that the concept of a single mortality table for each gender has been replaced by an array of tables based on the participant's date of birth (and sex).

The concept, called "Generational Mortality", is an attempt to recognize that todays active participants will have longer lifespans once they retire than todays current retirees. The shorthand for the new tables is "RP-2014, with MP-2014 projections", or just "RP-2014" to keep it manageable.

This year's valuation has been prepared based on an interim projection table, called Scale BB, that attempts to mimic the results of RP-2014. We anticipate running the October 1, 2015 valuation on the RP-2014 tables. Because the methodology of the new tables is so revolutionary, our programmers are still completing and testing the changes to our software.

The actual RP-2014 calculations will probably produce another 3% increase to the contribution rate, all other actuarial factors being equal, however the delay in incorporating the new tables will give us a chance to gauge whether there truly is widespread acceptance of the tables as published.

The plan experience during the 2013-14 plan year was relatively neutral. The half percent increase in the recommended contribution level is due to the aging of the active group, and the effect that aging has on the prevalence of assumed early retirement benefits.

As time goes by, one of the biggest factors influencing future changes in the recommended contribution rate will be the utilization of the various early retirement features by the participants. A heavy usage of the 25 year guaranteed benefit could greatly increase the City's contribution obligation, however if most participants stay until age 65, the contribution rate could decrease.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

II. GENERAL COMMENTS (continued)

Looking quickly at the plan experience factors, the trust assets lead the way with a market value return of 10.4%.

The return on valuation assets was 8.15%, which produced actuarial gains of $162,105. While not a big factor in deceasing the required contribution, it is obviously better having a gain than a loss on the assumed rate of 7.5%. The gain helped lower the contribution by only 0.03% of salary, or about $16,500.

Another positive outcome is the deferral of $648,420 of trust income for future years' smoothing of market value fluctuations. This represents 2.4% of the fund tucked away for a rainy day.

During 2013-14, the average salary increase among the 128 continuing active participants was 3.0%. Against our 4% assumed increase percentage, this helped hold down the increase in the recommended contribution percentage.

Looking at the funded ratios on page 8, the GASB funding of accrued liabilities decreased slightly to 83.2%. due to the mortality improvements incorporated in the new actuarial assumptions. Despite those same increases, the present value of accrued benefits funding ratio increased from 98.7% to 100.4%.

The liabilities used for both of these ratios are based on the plan's funding interest rate of 7.5%.

For September 30, 2014, we are reporting to the auditors based on GAS-67. This is a plan based disclosure report, and serves as a companion to the GAS-68 reporting that the City will have to incorporate into its annual report for September 30, 2015.

The State of Florida, however, requires the City to prepare two sets of GAS-67 and GAS-68 disclosures for this year. The second set utilizes a reduced interest rate by 200 basis points.

The GAS-67 funded level at 7.5% is xx.x%, however the level at 5.5% is only xx.x%.

Note that the State's mandated reporting requires us to use a slightly older mortality table, known as Scale AA. This is different from our valuation report table, Scale BB. While we feel that Scale BB is more appropriate as we move forward for funding calculations (and the ultimate health of the plan), for GAS-67 purposes we have used the Scale AA results – both for the auditors financial statements and the required reports to the State of Florida.

Please note that the present values listed on the individual breakdown of participants' benefits on pages 25-31 are based on the Plan's actuarial equivalence rates, 8.0% interest and the 83GAM mortality tables, male and female specific.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

III. PLAN ASSETS

Beginning of Year 10/01/2013		End of Year 09/30/2014
$ 1,677,435.52	Cash	$ 705,404.83
0.00	Receivable Contributions	0.00
6,516,420.24	Fixed Income Securities	7,934,761.28
14,894,753.01	Equities - ICC Capital	14,129,621.24
2,493,449.30	Intl. Equity Mutual Fund	2,730,783.61
1,227,032.34	Principal Real Estate Trust	1,366,394.84
0.00	Florida Muni. Inv. Trust	2,066,387.07
36,906.79	Accrued Interest	43,322.94
11,735.40	Accrued Dividends	6,538.20
$ 26,857,732.60	TOTAL (Market Value)	$ 28,983,214.01

RECEIPTS

Employer Contribution	$ 702,740.50
Mandatory Employee Contributions	405,427.20
Voluntary Employee Contributions	49,146.07
Other Income - Includes Adjustments per Salem	(13,304.99)
Investment Earnings (incl. chg. accrued)	478,285.11
Realized Gains/(Losses)	2,044,413.64
TOTAL INCOME	$ 3,666,707.53

DISBURSEMENTS

Benefit Payments	$ 1,786,099.42
Investment Fees	137,266.90
Administrative Expenses	82,366.79
TOTAL EXPENSES	$ 2,005,733.11
NET INCOME	$ 1,660,974.42

CHANGE IN NET ASSETS

Unrealized appreciation (depreciation) in assets:	$ 464,506.99
Net Income:	1,660,974.42
Net increase (decrease) in net assets for the year:	2,125,481.41
Net assets at beginning of year:	$ 26,857,732.60
Net assets at end of year:	$ 28,983,214.01

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

III. PLAN ASSETS (Continued)

Asset Recap as of September 30, 2014:

	Cost Value	Market Value
Cash:	$705,404.83	$705,404.83
Bonds:		
Corporate & Finance	$2,400,789.96	$2,363,039.37
Govt. Sponsored Bond	230,358.90	230,850.70
CSM Mutual Funds	3,624,755.01	3,756,130.80
Mort. Backed Securities	1,463,021.83	1,451,892.31
Treasury	132,352.35	132,848.10
Total Bonds	$7,851,278.05	$7,934,761.28
Equities:	$11,633,371.50	$14,129,621.24
International Equity Fund:	$2,163,813.92	$2,730,783.61
Real Estate Trust Account	$1,200,000.00	$1,366,394.84
Florida Municipal Inv. Trust	$2,000,000.00	$2,066,387.07
Receivable Contributions	$0.00	$0.00
Accrued Dividends:	$6,538.20	$6,538.20
Accrued Interest:	$43,322.94	$43,322.94
Trust Totals	**$25,603,729.44**	**$28,983,214.01**

Assets Available for Defined Benefit Plan:

Total Market Value Assets (from above)	$28,983,214.01
Less: Defined Contribution Accts.	(96,037.76)
Voluntary Contrib. Accts.	(1,412,632.62)
Net Assets Available for Defined Benefit Plan:	**$27,474,543.63**

Breakdown of Distributions from Trust Account

Defined Benefit Payments	
- Monthly Benefits to Retirees and Beneficiaries	$1,555,273.44
- Refunds of Prior Roll-In accouts and EE Cons.	106,770.14
Total Payments From Defined Benefit Plan	1,662,043.58
Payments To MPP Retirees and Terminees	22,094.80
Distributions of Voluntary Accounts	101,961.04
Total Distributions for the September 30, 2014 P.Y.	$1,786,099.42

CITY OF PORT ORANGE GENERAL EMPLOYEES DBPP

III. PLAN ASSETS

Smoothed Valuation Asset Calculation - for 10/01/2014

	Beginning of Year	10/01/2013	10/01/2012
	End of Year	09/30/2014	09/30/2013
(1)	Actuarial Value of Assets - BOY	$25,413,508	$23,661,071
(2)	Contributions for year made in year *	1,108,168	1,395,930
(3)	Disbursements & non-investment exp. *	(1,739,978)	(1,417,037)
(4)	Assumed interest at valuation rate - 7.5%	1,882,320	1,773,789
(5)	Preliminary Value of Assets - EOY	$26,664,018	$25,413,753
(6)	Market Value of Assets - EOY *	27,474,544	25,412,531
(7)	Market Value less Preliminary Value	810,526	(1,221)
(8)	Adjustment - 20% of (7)	162,105	(244)
(9)	Actuarial Value of Assets, EOY, before accrued contributions (5) + (8)	26,826,123	25,413,508
(10)	Accrued contributions for year	0	0
(11)	80% of Market Value w/ (10)	21,979,635	20,330,025
(12)	120% of Market Value w/ (10)	32,969,452	30,495,038
(13)	**Actuarial Value of Assets, EOY, (9) + (10)** but not less than (11) or greater than (12)	**26,826,123**	**25,413,508**
(14)	Market Value of Assets	27,474,544	25,412,531
(15)	Current Cushion (Unrec. gains/(losses))	648,420	(977)
(16)	**Earnings on Valuation Assets**	**$2,044,425**	**$1,773,545**
(17)	**Valuation Yield**	**8.146%**	**7.499%**

* Excludes Voluntary & MP Plan market value, contributions and distributions. Includes EE Contributions.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IV. PLAN COSTS FOR THE PLAN YEAR TO END SEPTEMBER 30, 2015

(a) RECOMMENDED CONTRIBUTION

Based on the participants and salaries reported on the Employee Status Report in Section IX of this report, the following is a calculation of the plan's Recommended Contribution for the plan year to end September 30, 2015. The Aggregate Funding Method is being used for these calculations. The actuarial assumptions employed in the calculations are shown in Appendix B.

1. Present Value of Benefits:		
a. Active Participants	$20,562,308	
b. Retired	16,579,486	
c. Terminated Vested/Refunds Due	771,521	
Total Present Value of Benefits - 10/01/14		$37,913,315
2. Assets - October 1, 2014 (Smoothed Valuation Basis):		$26,826,123
3. Present Value of Future Normal Costs (1 minus 2):		$11,087,192
4. Present Value of Future Covered Payroll:		$50,923,787
5. Normal Cost Percentage (3 divided by 4):		21.77%
6. Covered Annual Payroll:		$5,170,450
7. Normal Cost (5 times 6):		$1,125,717
8. Expected Employee Contributions (7.5% of 6):		$387,784
9. Expected Administrative Expenses:		$45,000
10. Interest (3.75% on net Employer Cost):		$27,672
11. Net Employer Contribution (7 minus 8 plus 9 plus 10)		$810,606
Unadjusted Contribution percentage:		15.68%

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IV. PLAN COSTS FOR THE PLAN YEAR TO END SEPTEMBER 30, 2015

(a) RECOMMENDED CONTRIBUTION - OLD ASSUMPTIONS

Based on the participants and salaries reported on the Employee Status Report in Section IX of this report, the following is a calculation of the plan's Recommended Contribution for the plan year to end September 30, 2015. The Aggregate Funding Method is being used for these calculations. The actuarial assumptions employed in the calculations are shown in Appendix B, with the exception of the Mortality Table, which is the 2014 M/F Blended IRS tables.

1. Present Value of Benefits:		
a. Active Participants	$19,693,223	
b. Retired	16,230,249	
c. Terminated Vested/Refunds Due	752,108	
Total Present Value of Benefits - 10/01/14		$36,675,580
2. Assets - October 1, 2014 (Smoothed Valuation Basis):		$26,826,123
3. Present Value of Future Normal Costs (1 minus 2):		$9,849,457
4. Present Value of Future Covered Payroll:		$50,923,787
5. Normal Cost Percentage (3 divided by 4):		19.34%
6. Covered Annual Payroll:		$5,170,450
7. Normal Cost (5 times 6):		$1,000,046
8. Expected Employee Contributions (7.5% of 6):		$387,784
9. Expected Administrative Expenses:		$45,000
10. Interest (3.75% on net Employer Cost):		$22,960
11. Net Employer Contribution (7 minus 8 plus 9 plus 10)		$680,222
Unadjusted Contribution percentage:		13.16%

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IV. PLAN COSTS FOR THE PLAN YEAR TO END SEPTEMBER 30, 2015

(b) MINIMUM "REQUIRED" CONTRIBUTION

This page uses the same liabilities as page 6, however the assets and contribution requirements are adjusted for the theoretical "Credit Balance". In a private plan environment this would produce what we call the "Minimum Required Calculation", however that concept is not particularly valid for a public plan, espcially as the "new" GASB requirements hve removed the Actuarially Required Contribution (ARC) from the annual disclosures. The current funded level will be recorded on the City's balance sheet starting with the 2015 fiscal year end.

1.	Present Value of Benefits:		
	a. Active Participants	$20,562,308	
	b. Retired	16,579,486	
	c. Terminated Vested/Refunds Due	771,521	
	Total Present Value of Benefits - 10/01/14		$37,913,315
2.	Valuation Assets - 10/1/14 (Smoothed basis less credit balance):		$26,316,632
3.	Present Value of Future Normal Costs (1 minus 2):		$11,596,684
4.	Present Value of Future Covered Payroll:		$50,923,787
5.	Normal Cost Percentage (3 divided by 4):		22.77%
6.	Covered Annual Payroll:		$5,170,450
7.	Normal Cost (5 times 6):		$1,177,447
8.	Expected Employee Contributions (7.5% of 6):		$387,784
9.	Expected Administrative Expenses:		$45,000
10.	Interest (3.75% on net Employer Cost):		$29,612
11.	Employer Contribution (7 minus 8 plus 9 plus 10) - Maximum		$864,276
12.	Less Funding Standard Account Credit Balance with 3.75% Interest		$528,597
13.	Minimum Required Employer Contribution (11 less 12)		$335,679
	Adjusted minimum contribution percentage:		6.49%

Funding Standard Account for September 30, 2014:

a.	Prior FSA Credit Balance as of 10/01/2013:	$520,695
b.	Total Charges (Net Normal Cost plus Interest):	($777,153)
c.	Credits for Contributions plus interest:	$765,949
d.	FSA Credit Balance as of 9/30/2014:	$509,491

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

V. ANNUAL VALUATION - OCTOBER 1, 2014

GASB Statement 5 and FASB
Statement 35/36 Information

I. PENSION BENEFIT OBLIGATION (PBO) - GAS-67

a. Retirees/Benefic./Terminated	$17,141,430
b. Current Employees	
i. EE Contr. & Intr.	3,517,927
ii. ER Financed Vested	9,974,924
iii. ER Financed Non-Vested	1,072,916
c. TOTALS	31,707,197
d. ASSETS - Market Value	27,474,544
e. FUNDED RATIO (10/1/2014)	86.65%
f. FUNDED RATIO (10/1/2013)	84.41%

- 2013 value based on blended asset value and prior mortality

Note: Above calculations have been based on Entry Age Accrued Liability Per GAS-67.
- Based on 7.5% Interest - RP-2000 with Scale AA Mortality

II. PRESENT VALUE OF ACCRUED BENEFITS (PVAB) (FAS-35)

a. Retirees/Benefic./Terminated	$17,351,007
b. Current Employees	
i. EE Contr. & Intr.	3,517,927
ii. ER Financed Vested	5,877,733
iii. ER Financed Non-Vested*	644,076
c. TOTALS	27,390,744
d. ASSETS - Market Value	27,474,544
e. FUNDED RATIO (10/1/2014)	100.31%
f. FUNDED RATIO (10/1/2013)	98.69%

* Breakdown of Non-Vested PVAB:

- Basic Benefit	$133,918
- Supl. Benefit	694,628

- Based on 7.5% Interest - RP-2000 with Scale BB Mortality
- 2013 values based on prior mortality assumption.
- Note PVAB does not take into account potential ER Subsidies.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT PENSION PLAN

VI. CURRENT YEAR MEMBERSHIP SUMMARY

The total number of active plan participants as of the current valuation date is reconciled with the total number as of the prior valuation date as follows:

	Avg. Age	Ave. Svc.		
Number of Active Participants as of October 1, 2013:	49.8	13.5	135	- prior plan
	32.9	0.7	7	- new plan
	49.0	12.9	142	- total
Decreases:				
Non-Vested Terminations (includes new and terminated in current FY):			(4)	
Vested Terminations:			(5)	
Retirements:			(6)	
Deaths, Withdrawals:			0	
Total Increases/(Decreases):			(15)	
New Entrants during 2013-14:			4	
Net Change:			(11)	
	Avg. Age	Ave. Svc.		
Number of Active* Participants as of October 1, 2014:	50.3	14.6	124	- prior plan
	41.7	1.3	7	- new plan
	49.9	13.8	131	- total
Also as of October 1, 2014:				
Total Vested Terminated (includes 11 refunds only due):			23	
Total Retired**:			71	
TOTAL PARTICIPANTS:			225	

* Active participants include 3 members beyond their Normal Retirement Dates.

** Retired participants include disabled and beneficiaries of deceased participants.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

VII. HISTORICAL INFORMATION

Plan Year Beginning	Participants Act.	- Ret	- Tm.	Compensation*	Present Val. of Projected Benefits	Market Val. Assets+	Recommended Employer Contribution	(**)	Actual Contribution
10/01/2003	182	0	0	6,246,033	22,424,281	8,394,944	686,325	(10.99%)	752,491
10/01/2005	195	5	5	6,722,083	27,602,490	12,390,180	871,798	(12.97%)	932,513
10/01/2006	198	8	11	7,151,729	29,389,441	14,074,164	944,216	(13.20%)	1,023,333
10/01/2007	192	17	15	7,417,659	32,839,507	16,989,913	1,058,002	(14.26%)	1,009,205
10/01/2008	187	30	14	7,275,289	36,406,576	15,617,889	1,291,191	(17.75%)	1,199,567
10/01/2009	186	32	16	7,599,335	36,178,600	16,608,447	1,021,870	(13.45%)	1,005,433
10/01/2010	184	39	12	7,320,768	35,183,356	18,666,356	782,046	(10.68%)	992,875
10/01/2011	171	50	13	6,768,699	35,015,658	18,446,045	779,345	(11.51%)	912,160
10/01/2012	166	51	15	6,507,751	35,596,456	21,929,057	753,666	(11.58%)	936,378
10/01/2013	142	66	20	5,495,483	35,975,969	25,412,531	695,221	(12.65%)	702,741
10/01/2014	131	71	23	5,170,450	37,913,315	27,474,544	810,606	(15.68%)	-----

NOTE: VALUES PRIOR TO 10/01/2005 WERE PREPARED BY PRIOR ACTUARY

* Compensation shown is actual for the fiscal year preceeding the valuation date for active members only (beg. with 10/1/05 - previously projected compensation was used) New members have annualized salary included for accurate benefit and cost projections.

\+ Assets are Defined Benefit Plan only, and are not reduced by the Credit Balance.

** Figures in parenthesis are Recommended Contribution as a percentage of prior year's compensation.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IX. RETIREMENT STATUS

A. ACTIVE PARTICIPANTS ELIGIBLE TO RETIRE WITHIN THE NEXT FIVE YEARS

	Name	Normal Retire. Date*	Early Retire. Date*	Projected Benefit	Accrued Benefit
	- Eligible for Normal Retirement within 5 years.			*(benefits do not include Supplemental)*	
+	Recardo Wilker	10/01/2014	10/01/2014	2,413.30	2,413.30
	Betty Ceribelli	10/01/2014	10/01/2014	1,033.81	1,033.81
	Lee Miller	10/01/2014	10/01/2014	500.20	500.20
+	Richard Towey	04/01/2015	10/01/2014	3,210.24	3,140.61
+	Thomas Troutman	10/01/2015	10/01/2014	3,060.05	2,921.11
+	Christopher Kucera	11/01/2015	10/01/2014	2,746.01	2,630.71
	Daniel Hill	12/01/2015	10/01/2014	2,090.55	1,962.30
	Deborah Faircloth	07/01/2016	10/01/2014	1,442.10	1,287.10
	Kath. Chamberlain	09/01/2016	10/01/2014	1,053.00	941.97
	Roger Kishmaul	03/01/2017	03/01/2017	404.23	300.69
+	Bruce Beckman	04/01/2017	10/01/2014	3,517.22	3,231.88
	Barbara Reed	01/01/2018	10/01/2014	734.96	562.48
	Marceda Zurawski	02/01/2018	10/01/2014	2,189.77	1,872.56
	Michael Scharf	08/01/2018	10/01/2014	1,582.92	1,286.12
	Harold Michaels	09/01/2018	10/01/2014	825.27	547.26
	Joseph Bizub	04/01/2019	12/01/2015	704.80	447.63
	Linda Johnson	09/01/2019	10/01/2014	1,769.88	1,280.25
	- Eligible for Immediate Early Retirement with 25 years of service (under age 60)				
+	Robert Solana	12/01/2020	10/01/2014	3,182.38	2,622.17
+	Mary Parker	03/01/2021	10/01/2014	2,371.35	1,880.42
+	Robert Matassa	03/01/2021	10/01/2014	2,444.60	1,901.82
+	Deborah Culpepper	08/01/2021	10/01/2014	2,909.80	2,261.23
+	Fred Griffith	01/01/2023	10/01/2014	6,162.10	4,642.04
+	Billy Barnes	04/01/2023	10/01/2014	3,836.92	2,988.32
+	Joaquin De Sousa	04/01/2023	10/01/2014	3,221.74	2,398.39
+	Paul Riley	04/01/2023	10/01/2014	4,156.38	3,022.58
+	Kenneth Wolf	07/01/2023	10/01/2014	4,284.21	3,405.95

* Note 10/1/14 date indicates eligible for immediate Normal or Early Retirement
\+ Has already attained 25 years of service.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IX. RETIREMENT STATUS (Con't)

A. ACTIVE PARTICIPANTS ELIGIBLE TO RETIRE WITHIN THE NEXT FIVE YEARS

- Eligible for Early Retirement with 25 years of service within 2 years.

* Robert Lavender	Mitchell Thomas
+ Paul Lockaby	+ Nancy Zuber
Donna Steinebach	

+ Has already attained 25 years of service.
* Currently eligible for Early Retirement with less than 25 years of service..

- Others Eligible for Immediate Early Retirement (less than 25 yrs, no supplemental benefit)

Rigoberto Camacho	Iwona Kalisiak	Peggy Munroe
Jeffery Dyer	Pok-Yen Leong	Paul Solerno
William Geno	Michael Madorma	Thomas Zuber
Debbie Grabowski	Carmen Miller	

B. TERMINATED/INACTIVE with REFUNDS of CONTRIBUTIONS DUE

Name	Termination Date	Refund Due
Amado Cotto	02/26/2014	$517.42
Eleanor Coyne	11/05/2004	778.37
Joshua Eddy	contrib. in error	88.02
Stephen Edwards	09/22/2011	20.45
William Farley	10/14/2004	858.50
David Ferguson	05/11/2007	2,442.25
Charles Garay	07/12/2013	997.44
Michael Leissler	07/14/2014	2,558.15
Lee McFarland	08/28/2008	58.85
Chase Routte	07/18/2014	4,161.80
Jeffrey Starr	11/05/2004	556.24
Totals		$13,037.49
Additional second payments due:		556.00
Grand Total:		$13,593.49

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IX. RETIREMENT STATUS (Cont.)

C. Terminated Participants Eligible For Future Benefits

	Name	Termination Date	Normal Retirement Date	Monthly Benefit at NRD	Present Value * of Benefits (October 1, 2014)	
	J. Dombrowski	01/02/2013	07/01/2029	$121.38	$12,979	++
	D. Foster	06/14/2013	09/01/2035	908.31	43,730	++
	R. Jacquish	02/17/2006	02/01/2029	476.78	22,262	
	M. Kronenberg	06/08/2007	12/01/2026	976.10	52,387	
	W. McCord	10/04/2013	10/01/2027	117.65	22,155	++
	K. Mouyard	04/05/2006	10/01/2026	189.53	13,195	++
	W. Pike	02/15/2012	05/01/2024	5,273.48	313,491	
	R. Smith	03/08/2013	01/01/2028	2,788.24	134,417	
	M. Stefanik	09/29/2008	12/01/2015	56.05	7,391	++
+	D. Thames	10/23/2013	10/01/2014	739.43	104,710	
	S. Wilson	07/06/2012	08/01/2015	187.88	20,543	
	F. Yacek	09/30/2013	10/01/2020	94.01	10,667	++
					$757,928	

+ *Eligible for immediate early retirement as shown.*

D. Retired and Disabled Participants Receiving Monthly Benefits

Retired/ Deceased Name	Age	Actual Retirement Date	Option Chosen	Monthly Pension	Present Value* of Benefits (October 1, 2014)
Eliz. Barnhart	59	01/01/2013	Life	$3,758.64	$513,665
William Blackey	65	08/01/2011	J & 100%	492.27	70,126
Thomas Bliven	71	10/01/2011	10 Yr. Only	1,184.26	78,815
Janet Bowey	72	03/01/2011	Life	169.24	18,227
Robert Breaks	72	07/01/2008	Life	708.87	70,784
Anna Cady	60	01/01/2011	10 C&L	2,808.30	381,823
James Conforti	71	04/01/2014	J & 100%	611.91	79,916
Walter Cooper	66	09/01/2013	Life	1,453.46	169,847
Robert Day	63	11/01/2012	J & 100%	2,633.89	373,175
Dennis Dearborn	71	07/01/2008	Life	1,409.73	145,083

Note: Monthly Amounts include Supplemental Retirement Benefits where applicable.
The Supplemental benefits are Life Only (thus not subject to selected option shown).

* Using RP-2000 Mortality with Scale BB proj. and 7.5% interest.
++ Value shown is eligible refund, as this is more than actuarial value of benefit.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IX. RETIREMENT STATUS (Cont.)

D. Retired and Disabled Participants Receiving Monthly Benefits (continued)

Name	Age	Actual Retirement Date	Option Chosen	Monthly Pension	Present Value* of Benefits (October 1, 2014)
Ellis, benef. of Ruben	75	10/01/2006	10 C&L	$893.52	$88,548
Cindy Findley (ben)	55	11/01/2004	Life	423.80	59,331
James Foster	71	04/01/2011	Life	4,032.48	415,006
James Franklin	63	07/01/2013	J & 50%	3,805.31	512,089
Frank Fuhrman	68	05/01/2013	Life	3,320.02	394,980
Sandra Grimm	76	01/01/2004	10 C&L	1,428.58	113,526
Rebecca Groom	64	10/01/2010	J & 100%	2,457.09	339,258
William Groom	66	01/01/2008	J & 100%	2,253.96	306,203
Stella Gurnee	60	08/01/2014	J & 75%	1,321.01	189,972
Hacker (ben. Vail.)	42	11/01/2010	Life	395.50	61,722
Elizabeth Hammons	68	02/01/2013	Life	1,596.60	188,295
K. Hopkins-Peace	60	09/01/2013	10 C&L	1,586.62	217,338
Steven Huntt	64	10/01/2010	J & 100%	2,793.36	396,022
Margaret Kelley	80	07/01/2007	Life	832.60	69,300
Shirley Kelly	67	10/01/2010	Life	3,469.66	417,593
Kathryn Kincaid	76	10/01/2008	10 C&L	1,377.13	134,052
Frank Klimek	76	05/01/2004	10 C&L	1,802.47	156,792
Mike Koch	61	03/01/2013	J & 50%	3,530.36	494,583
Chris. Kosuta	56	11/01/2013	J & 50%	1,851.28	264,787
Glenda Leftwich	69	01/01/2011	10 C&L	1,033.35	121,027
Steven Levine	56	06/01/2013	J & 100%	2,579.16	391,659
Ray Mac Duffie	68	09/01/2011	Life	625.21	69,762
Roger May (bene)	61	03/01/2011	Life	775.98	99,532
Dennis McCurry	60	07/01/2011	Life	2,517.57	328,548
John McNulty	71	07/01/2008	J & 50%	980.89	108,577
Edward McPadden	84	06/01/2009	Life	475.98	28,567
Nan Milhollen	64	10/01/2008	10 C&L	3,050.53	390,145
Wm. Monning (ben.)	74	10/01/2007	Life	1,445.22	131,075
G. Norris (bene.)	73	09/01/2008	Life	2,155.45	225,411
William Oddie	66	04/01/2014	Life	2,726.69	319,566

Note: Monthly Amounts include Supplemental Retirement Benefits where applicable.
The Supplemental benefits are Life Only (thus not subject to selected option shown).

* Using RP-2000 Mortality with Scale BB proj. and 7.5% interest.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IX. RETIREMENT STATUS (Cont.)

D. Retired and Disabled Participants Receiving Monthly Benefits (continued)

Name	Age	Actual Retirement Date	Option Chosen	Monthly Pension	Present Value* of Benefits (October 1, 2014)
Roberta Palmer	70	10/01/2010	Life	$3,673.00	$415,481
Ken Parker	68	10/01/2012	J & 100%	5,508.77	698,879
Janice Parsons	63	10/01/2011	J & 100%	3,909.02	550,849
Michael Peace	56	03/01/2013	J & 50%	3,140.90	436,704
Wilford Potts	75	10/01/2008	Life	1,040.28	93,912
Rosemary Redfield	64	01/01/2013	10 C&L	593.38	76,862
Veronica Roberts	68	02/01/2007	Life	1,015.38	119,749
Steve Rorem	65	08/01/2014	Life	1,648.52	196,734
Schulz, Shari (bene.)	58	02/01/2006	Life	739.04	98,975
Henrica Sheffield	64	11/01/2013	Life	2,288.10	290,806
John Shelley	57	03/01/2013	J & 75%	4,595.68	673,471
Linda Sheridan	61	07/01/2008	10 C&L	2,173.28	290,144
Thomas Sheward	62	10/01/2008	10 C&L	2,202.38	279,202
Terry Shroyer	64	12/01/2005	J & 100%	1,203.68	163,263
Thomas Simmons	67	10/01/2010	Life	2,507.28	286,513
Richard Skeens (ben)	62	07/01/2008	Life	1,763.20	214,618
Glenn Smith	63	02/01/2007	10 C&L	1,906.95	236,806
Margaret Sneddon	71	10/01/2007	10 C&L	1,904.74	210,906
Donald Stuhr	68	06/01/2013	J & 100%	1,249.53	164,112
Robert Sutton	68	05/01/2013	Life	596.47	66,556
Shirley Treon	57	02/01/2013	Life	2,416.28	338,112
Larry Turner	64	07/01/2008	Life	1,463.71	178,164
Wayne Van Arsdale	67	02/01/2010	Life	491.09	54,977
Glen Walker	68	10/01/2007	10 C&L	3,477.10	390,150
Russell Walker	63	05/01/2014	J & 100%	518.96	73,817
Dorothy Whitmarsh	70	06/01/2005	J&50%S	1,415.50	168,678
Judith Wilson	70	03/01/2010	Life	2,506.31	282,774
Steven Wolf	58	08/01/2011	Life	2,679.15	358,803
Disabled					
J. Briguglio (ben.)	x	09/01/2006	10 Yr. Only	$399.90	$11,575
Brian Cover	63	02/01/2007	10 C&L	756.57	93,968
Gerald Taylor	69	08/01/2004	10 C&L	1,187.68	129,199
Totals				$133,739.78	$16,579,486

Note: Monthly Amounts include Supplemental Retirement Benefits where applicable.
The Supplemental benefits are Life Only (thus not subject to selected option shown).

* Using RP-2000 Mortality with Scale BB proj. and 7.5% interest.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

APPENDIX A

PENSION TRUST SUMMARY

PLAN SPONSOR:	CITY OF PORT ORANGE
TRUSTEE(S):	SALEM TRUST
EFFECTIVE DATE:	OCTOBER 1, 2003 (Restated as Defined Benefit)
ANNIVERSARY DATE:	OCTOBER 1 OF EACH YEAR

DEFINITIONS

Compensation: Basic annual income excluding overtime, commissions and bonuses, but including all tax deferred or tax exempt items of compensation.

The normal retirement benefit shall be determined based on average compensation over the highest five consecutive years within the final ten years prior to retirement or termination. ("Modified" benefit participants are averaged over the highest consecutive eight years – see below regarding who is a Modified benefit participant.)

Accrued Benefit: The normal retirement benefit based on completed years of Credited Service at the time of the calculation.

Credited Service: Service as measured in full years and completed months from date of employment to date of retirement or termination.

Retirement Dates:

Normal: A participant shall retire on the first day of the month coinciding with or next following his 65th birthday or 10th year of service, whichever is later.

Early: A participant who has attained age 55 and completed 10 years of credited service may elect to retire before his normal retirement date.

Disability: Any participant who becomes totally and permanently disabled shall be entitled to monthly payments.

Eligibility: An employee who is not age 60 as of his Date of Employment shall be eligible to participate in the plan on that date. Effective 10/01/2010, new non-union (civil service) employees are not eligible to participate in this plan. New Participants after January 1, 2012 will earn benefits under new "Modified" provisions, which are specified below.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

PENSION TRUST SUMMARY (Continued)

Normal: Retirement Benefit:	Upon retirement, a participant shall be entitled to a monthly pension equal to 2.00% (2.12% for years up to 9/30/09) of his average monthly compensation for each year of Credited Service at his normal retirement date. The Normal Form of benefit is Life Only.
Modified Normal: Retirement Benefit:	Upon retirement, a participant shall be entitled to a monthly pension equal to 1.60% of his average monthly compensation for each year of Credited Service at his normal retirement date. The Normal Form of benefit is Life Only.
Supplemental Retirement Benefit:	Upon retirement at Normal Retirement date or later, or Early Retirement with 25 years of Service, a Participant will be eligible for a Supplemental benefit equal to $16 per year of Service completed prior to September 30, 2009.
Early Retirement Benefit:	Upon retirement at his early retirement date, a participant shall receive his accrued benefit reduced 1/4 of 1% for each month by which his commencement of benefits precedes his normal retirement date. A Participant with 25 or 30 years of Service at his Early Retirement is guaranteed a monthly benefit equal to an unreduced benefit based on their 25 years of service (or 30 year, if applicable) benefit credits. This benefit is in addition to his Supplemental Retirement Benefit, which is subject to the standard Early Retirement reduction factors.
Modified Early: Retirement Benefit:	In addition to the standard early retirement reductions listed above, a Participant with 33 or more years of Service at his Early Retirement is entitled to receive his accrued benefit unreduced for Early Retirement. The 25 and 30 year guaranteed benefits do not apply in the case of the Modified benefit structure.
Disability Benefits:	Different disability benefit levels are provided based on years of service and whether the disability was suffered in the line of duty.
Deferred Retirement Benefit:	A participant who remains in the employment of the City after his normal retirement date shall receive the greater of the normal retirement benefit actuarially increased to his date of retirement, or the benefit based on the normal retirement benefit formula reflecting final average annual salary and service at actual retirement date.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

PENSION TRUST SUMMARY (Continued)

Death Benefits:	Prior to Retirement: The named beneficiary of a deceased participant will receive a monthly annuity payable for life with 10 years certain. The amount will be determined based on the participant's actuarial present value of his accrued benefit, with a minimum of 2 times his salary and a maximum of 100 times his anticipated normal retirement benefit.
Employee Contrib.:	Employees are required to contribute 7.5% of basic salary (eff. 10/5/09)
Vesting:	A participant shall have a right to his accrued benefit as follows:

Years of Serv.	Vesting	Years of Serv.	Vesting
Less than 5 yrs.	0%	8 years	70%
5 years	25%	9 years	85%
6 years	40%	10 years	100%
7 years	55%		

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

EMPLOYEE STATUS REPORT
FOR PLAN YEAR BEGINNING OCTOBER 1, 2014

NAME	SEX	ATT AGE	YRS TO RETIRE	ANNUAL SALARY	DATES BIRTH	DATES EMPLOY	DATES PARTIC	DATES RETIRE	STATUS
ALLMAN, J SCOTT	M	49	16	$54,064	05/27/65	01/07/85	10/01/03	06/01/2030	ACTIVE
BALDWIN, ANDREW	M	50	15	$28,879	07/11/64	09/24/07	09/24/07	08/01/2029	ACTIVE
BARNES, BILLY	M	57	9	$58,224	03/02/58	12/23/81	10/01/03	04/01/2023	ACTIVE
BECKMAN, BRUCE	M	63	3	$57,574	03/30/52	08/31/81	10/01/03	04/01/2017	ACTIVE
BIZUB, JOSEPH	M	61	5	$31,178	03/29/54	11/28/05	11/28/05	04/01/2019	ACTIVE
BONIN, AMANDA	F	28	37	$34,804	04/13/86	08/22/06	08/22/06	05/01/2051	ACTIVE
BRAYMAN, KYLE	M	33	32	$30,930	06/05/81	01/16/06	01/16/06	07/01/2046	ACTIVE
BROWN, DOUGLAS	M	57	8	$27,051	06/14/57	05/22/06	05/22/06	07/01/2022	ACTIVE
BRYANT, ROBERT	M	40	25	$29,885	06/07/74	09/13/04	09/13/04	07/01/2039	ACTIVE
CAMACHO, RIGOBERTO	M	56	10	$40,040	03/05/59	07/13/92	10/01/03	04/01/2024	ACTIVE
CAMPBELL, CATHERINE	F	54	11	$30,661	08/06/60	03/10/03	10/01/03	09/01/2025	ACTIVE
CARRIZALES, HEATHER	F	38	27	$40,621	11/01/76	02/04/08	02/04/08	12/01/2041	ACTIVE
CERIBELLI, BETTY	F	70	0	$59,058	09/25/44	03/15/04	03/15/04	04/01/2014	ACTIVE
CHAMBERLAIN, K.	F	63	2	$33,700	08/18/51	06/08/98	10/01/03	09/01/2016	ACTIVE
CLOER, CHARLES	M	46	19	$28,238	02/11/69	05/09/11	05/09/11	03/01/2034	ACTIVE
COCKCROFT, KYNAH	F	52	13	$46,196	11/29/62	12/02/91	10/01/03	12/01/2027	ACTIVE
CONLEY, DENNIS	M	48	17	$22,152	01/31/67	10/03/11	10/03/11	02/01/2032	ACTIVE
CROMIE, MICHAEL	M	47	18	$41,006	05/21/67	05/15/00	10/01/03	06/01/2032	ACTIVE
CULPEPPER, DEBORAH	F	58	7	$51,068	07/08/56	07/11/88	10/01/03	08/01/2021	ACTIVE
DE SOUSA, JOAQUIN	M	57	9	$52,873	03/05/58	11/30/87	10/01/03	04/01/2023	ACTIVE
DESAULNIERS, CHRIS	M	44	21	$28,519	04/30/70	11/11/02	10/01/03	05/01/2035	ACTIVE
DESSOYE, DERRICK	M	34	31	$30,430	01/04/81	03/31/03	10/01/03	02/01/2046	ACTIVE
DIXON, TRAVIS	M	40	25	$38,500	01/11/75	12/04/00	10/01/03	02/01/2040	ACTIVE
DONAHUE, KENT	M	48	18	$61,838	03/06/67	04/27/98	10/01/03	04/01/2032	ACTIVE
DOUD, MARK	M	50	15	$34,465	06/24/64	03/09/98	10/01/03	07/01/2029	ACTIVE
DRIVER, STEPHEN	M	51	14	$48,732	06/29/63	01/01/89	10/01/03	07/01/2028	ACTIVE
DYER, JEFFERY	M	59	6	$32,105	05/31/55	06/04/01	10/01/03	06/01/2020	ACTIVE
EISENMAN, SHAWN	M	41	24	$25,833	11/10/73	09/20/10	09/20/10	12/01/2038	ACTIVE
FAIRCLOTH, DEBORAH	F	63	2	$46,849	06/06/51	05/18/98	10/01/03	07/01/2016	ACTIVE
FERGUSON, BRUCE	M	51	14	$52,260	08/07/63	05/22/89	10/01/03	09/01/2028	ACTIVE

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

EMPLOYEE STATUS REPORT
FOR PLAN YEAR BEGINNING OCTOBER 1, 2014

NAME	SEX	ATT AGE	YRS TO RETIRE	ANNUAL SALARY	BIRTH	EMPLOY	PARTIC	RETIRE	STATUS
FERRARA-DALY, LISA	F	45	20	$32,083	09/19/69	08/20/01	10/01/03	10/01/2034	ACTIVE
FERREIRA, PETER	M	30	35	$37,648	07/18/84	01/01/07	12/31/06	08/01/2049	ACTIVE
FRANKLIN, DONALD	M	32	33	$50,523	06/12/82	12/28/09	12/28/09	07/01/2047	ACTIVE
FRAZIER, ROBERT	M	54	11	$28,103	07/15/60	05/15/06	05/15/06	08/01/2025	ACTIVE
GAINES, DENNIS	M	52	14	$28,163	03/08/63	10/20/08	10/20/08	04/01/2028	ACTIVE
GENO, WILLIAM	M	55	10	$40,786	07/29/59	10/06/97	10/01/03	08/01/2024	ACTIVE
GLOR, CHAPMAN	F	53	12	$64,043	12/27/61	08/03/87	10/01/03	01/01/2027	ACTIVE
GRABOWSKI, DEBBIE	F	59	6	$46,252	01/17/56	09/21/92	10/01/03	02/01/2021	ACTIVE
GRASSO, DARREN	M	48	17	$31,724	05/12/66	01/17/05	01/17/05	06/01/2031	ACTIVE
GREEN, CHRISTOPHER	M	46	19	$37,220	02/28/69	02/17/97	10/01/03	03/01/2034	ACTIVE
GREEN, JOHNNIE	M	56	9	$53,792	09/24/58	04/10/06	04/10/06	10/01/2023	ACTIVE
GRIFFITH, FRED	M	57	8	$100,360	12/02/57	05/25/87	10/01/03	01/01/2023	ACTIVE
GUENTHER, JEFFREY	M	54	11	$39,319	02/26/61	11/21/94	10/01/03	03/01/2026	ACTIVE
GUNNLAUGSSON, JULIE	F	54	11	$26,585	08/20/60	10/24/05	10/24/05	09/01/2025	ACTIVE
HALL, JOHN	M	49	16	$45,147	11/12/65	10/04/93	10/01/03	12/01/2030	ACTIVE
HEIL, ANDREW	M	37	28	$43,268	09/09/77	03/09/98	10/01/03	10/01/2042	ACTIVE
HENDRIETH, IZELL	M	57	8	$20,407	07/21/57	08/25/08	08/25/08	08/01/2022	ACTIVE
HICKS, MELISSA	F	31	34	$39,582	11/19/83	01/10/05	01/10/05	12/01/2048	ACTIVE
HILL, DANIEL	M	64	1	$52,431	11/11/50	10/28/91	10/01/03	12/01/2015	ACTIVE
HOOD, LEWIS	M	52	13	$33,700	07/15/62	08/23/99	10/01/03	08/01/2027	ACTIVE
HUPF, DEBORAH	F	57	8	$19,645	07/28/57	10/04/04	10/04/04	08/01/2022	ACTIVE
JOHNSON, LINDA	F	60	5	$54,579	08/28/54	09/01/00	10/01/03	09/01/2019	ACTIVE
JOSEPH, DENA	F	46	19	$44,850	02/14/69	11/27/95	10/01/03	03/01/2034	ACTIVE
JOWERS, JEFFREY	M	44	21	$25,519	05/26/70	09/10/07	09/10/07	06/01/2035	ACTIVE
KALISIAK, IWONA	F	56	9	$27,248	11/13/58	08/09/04	08/09/04	12/01/2023	ACTIVE
KING, BRIDGETTE	F	37	28	$46,470	12/17/77	01/07/08	01/07/08	01/01/2043	ACTIVE
KINGSBURY, COREY	M	39	26	$39,436	06/06/75	06/07/10	06/07/10	07/01/2040	ACTIVE
KOSKO, MARK	M	46	19	$31,990	01/22/69	06/18/01	10/01/03	02/01/2034	ACTIVE
KUCERA, CHRISTOPHER	M	64	1	$53,623	10/14/50	08/19/85	10/01/03	11/01/2015	ACTIVE
KUSHMAUL, ROGER	M	63	2	$24,384	10/07/51	03/01/07	02/28/07	03/01/2017	ACTIVE

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

EMPLOYEE STATUS REPORT
FOR PLAN YEAR BEGINNING OCTOBER 1, 2014

NAME	SEX	ATT AGE	YRS TO RETIRE	ANNUAL SALARY	BIRTH	EMPLOY	PARTIC	RETIRE	STATUS
LANGDON, RICHARD	M	40	25	$31,078	09/25/74	03/21/11	03/21/11	10/01/2039	ACTIVE
LANNI, DEBORAH	F	56	9	$27,498	02/10/59	12/18/06	12/18/06	03/01/2024	ACTIVE
LAVENDER, ROBERT	M	58	7	$52,358	11/10/56	07/18/90	10/01/03	12/01/2021	ACTIVE
LE CLAIR, ROBERT	M	58	7	$26,158	10/10/56	09/17/07	09/17/07	11/01/2021	ACTIVE
LEE, LIT	M	44	21	$26,249	12/13/70	12/20/04	12/20/04	01/01/2036	ACTIVE
LENARCIC, ANDREW	M	39	26	$25,506	02/14/76	01/08/07	01/08/07	03/01/2041	ACTIVE
LEONG, POK-YEN	F	57	8	$31,661	01/11/58	08/07/00	10/01/03	02/01/2023	ACTIVE
LEUZINGER, KERRY	M	53	12	$80,912	08/01/61	10/27/03	10/27/03	09/01/2026	ACTIVE
LOCKABY, PAUL	M	54	11	$41,106	07/30/60	12/16/85	10/01/03	08/01/2025	ACTIVE
LONDON, TRACY	F	41	24	$34,502	04/12/73	03/31/03	10/01/03	05/01/2038	ACTIVE
LOVALLO, SUSAN	F	45	20	$88,337	10/24/69	01/13/03	10/01/03	11/01/2034	ACTIVE
MACKEY, JOHN	M	54	11	$27,471	11/12/60	08/22/11	08/22/11	12/01/2025	ACTIVE
MADORMA, MICHAEL	M	55	10	$33,779	09/20/59	05/20/02	10/01/03	10/01/2024	ACTIVE
MATASSA, ROBERT	M	59	6	$44,969	02/29/56	09/11/89	10/01/03	03/01/2021	ACTIVE
MATTER, BRETT	M	35	31	$33,446	03/13/80	04/24/00	10/01/03	04/01/2045	ACTIVE
MC DONALD, HEATHER	F	44	21	$29,078	06/17/70	09/28/08	09/28/08	07/01/2035	ACTIVE
MEADOWS, RICHARD	M	51	14	$34,195	07/26/63	07/10/06	07/10/06	08/01/2028	ACTIVE
MICHAELS, HAROLD	M	61	4	$40,620	08/19/53	07/31/06	07/31/06	09/01/2018	ACTIVE
MILLER, CARMEN	F	59	6	$41,054	04/04/55	08/03/98	10/01/03	05/01/2020	ACTIVE
MILLER, LEE	M	68	0	$29,602	09/10/46	07/19/04	07/19/04	08/01/2014	ACTIVE
MUNROE, PEGGY	F	55	10	$33,488	08/20/59	05/10/99	10/01/03	09/01/2024	ACTIVE
PALLANTE, LISA	F	52	13	$53,124	10/10/62	07/07/08	07/07/08	11/01/2027	ACTIVE
PARKER, MARY	F	59	6	$40,243	02/18/56	02/09/87	10/01/03	03/01/2021	ACTIVE
PISKURA, JAMES	M	57	8	$23,168	07/10/57	11/30/09	11/30/09	08/01/2022	ACTIVE
REED, BARBARA	F	62	3	$29,099	12/30/52	02/10/03	10/01/03	01/01/2018	ACTIVE
REED, BRENT	M	43	22	$30,596	12/06/71	01/10/05	01/10/05	01/01/2037	ACTIVE
RILEY, PAUL	M	57	9	$53,206	03/10/58	08/03/81	10/01/03	04/01/2023	ACTIVE
RIVERA, CYNTHIA	F	46	19	$33,550	05/19/68	06/30/05	06/30/05	06/01/2033	ACTIVE
ROWLES, COMMODORE	M	52	13	$25,500	08/30/62	04/26/10	04/26/10	09/01/2027	ACTIVE
ROWLEY, JANOS	M	33	32	$22,809	07/16/81	11/14/11	11/14/11	08/01/2046	ACTIVE

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

EMPLOYEE STATUS REPORT
FOR PLAN YEAR BEGINNING OCTOBER 1, 2014

NAME	SEX	ATT AGE	YRS TO RETIRE	ANNUAL SALARY	DATES BIRTH	DATES EMPLOY	DATES PARTIC	DATES RETIRE	STATUS
RUBIN, HEATHER	F	42	23	$28,842	11/04/72	05/02/05	05/02/05	12/01/2037	ACTIVE
SALERNO, PAUL	M	57	8	$59,342	06/26/57	05/08/95	10/01/03	07/01/2022	ACTIVE
SCHARF, MICHAEL	M	61	4	$39,821	07/27/53	07/17/95	10/01/03	08/01/2018	ACTIVE
SICOWITZ, CHARLES	M	29	37	$26,639	03/06/86	07/26/11	07/26/11	04/01/2051	ACTIVE
SISK, JENNIFER	F	41	24	$37,668	08/20/73	12/04/06	12/04/06	09/01/2038	ACTIVE
SITES, CARL	M	53	13	$27,372	03/10/62	01/07/08	01/07/08	04/01/2027	ACTIVE
SMIDDY, MICHAEL	M	54	11	$22,854	07/28/60	03/14/11	03/14/11	08/01/2025	ACTIVE
SMITH, MICHAEL	M	36	29	$26,811	01/21/79	11/15/04	11/15/04	02/01/2044	ACTIVE
SMITH, RICHARD	M	58	8	$33,334	03/25/57	07/10/06	07/10/06	04/01/2022	ACTIVE
SOLANA, ROBERT	M	59	6	$49,524	11/05/55	10/31/83	10/01/03	12/01/2020	ACTIVE
SOLANA-GORZKI, S.	F	38	27	$28,793	10/02/76	10/04/04	10/04/04	11/01/2041	ACTIVE
STEINEBACH, DONNA	F	54	11	$115,356	06/13/60	07/16/90	10/01/03	07/01/2025	ACTIVE
TALIAFERRO, TROY	M	38	27	$31,635	07/23/76	08/03/05	08/03/05	08/01/2041	ACTIVE
THOMAS, BROCK	M	28	37	$26,453	01/21/87	06/26/06	06/26/06	02/01/2052	ACTIVE
THOMAS, MITCHELL	M	53	12	$54,599	09/03/61	05/07/90	10/01/03	10/01/2026	ACTIVE
TISCHLER, ALLAN	M	50	15	$68,176	09/21/64	04/12/04	04/12/04	10/01/2029	ACTIVE
TOWEY, RICHARD	M	65	1	$49,905	03/23/50	09/23/77	10/01/03	04/01/2015	ACTIVE
TRAINOR, DEBORAH	F	52	13	$42,723	08/09/62	07/17/06	07/17/06	09/01/2027	ACTIVE
TROUTMAN, THOMAS	M	64	1	$67,267	09/05/50	01/01/89	10/01/03	10/01/2015	ACTIVE
VANTHOFF, DAVID	M	54	12	$33,374	03/06/61	01/16/06	01/16/06	04/01/2026	ACTIVE
WESTBERRY-MILLER, C.	F	24	41	$29,972	11/18/90	05/16/11	05/16/11	12/01/2055	ACTIVE
WHELDON, MICHAEL	M	47	18	$34,153	07/17/67	02/08/99	10/01/03	08/01/2032	ACTIVE
WIEDEL, CHERYL	F	50	15	$42,905	11/07/64	08/17/98	10/01/03	12/01/2029	ACTIVE
WIGGINS, JULIA	F	45	20	$59,446	07/14/69	01/30/89	10/01/03	08/01/2034	ACTIVE
WIGGINS, ROBERT	M	49	16	$28,634	01/21/66	05/17/04	05/17/04	02/01/2031	ACTIVE
WILKER, RECARDO	M	67	0	$39,216	02/01/48	08/09/82	10/01/03	03/01/2013	ACTIVE
WILLIAMS, DERRICK	M	51	14	$41,600	10/25/63	09/11/89	10/01/03	11/01/2028	ACTIVE
WILSON, ADAM	M	38	27	$27,939	09/07/76	03/28/05	03/28/05	10/01/2041	ACTIVE
WILSON, RICK	M	51	14	$74,981	10/23/63	01/25/88	10/01/03	11/01/2028	ACTIVE
WOLF, KENNETH	M	56	9	$53,227	06/05/58	01/27/77	10/01/03	07/01/2023	ACTIVE

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

EMPLOYEE STATUS REPORT
FOR PLAN YEAR BEGINNING OCTOBER 1, 2014

NAME	SEX	ATT AGE	YRS TO RETIRE	ANNUAL SALARY	DATES BIRTH	DATES EMPLOY	DATES PARTIC	DATES RETIRE	STATUS
YOUNG, LORI	F	52	13	$41,384	12/25/62	05/12/97	10/01/03	01/01/2028	ACTIVE
ZUBER, NANCY	F	54	11	$53,572	02/23/61	01/19/87	10/01/03	03/01/2026	ACTIVE
ZUBER, THOMAS	M	59	6	$29,328	11/14/55	10/27/03	10/27/03	12/01/2020	ACTIVE
ZURAWSKI, MARCEDA	F	62	3	$48,631	01/05/53	11/25/91	10/01/03	02/01/2018	ACTIVE

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

BENEFIT STATUS REPORT
FOR PLAN YEAR BEGINNING OCTOBER 1, 2014

				MONTHLY	MONTHLY	ACCRUED	------- VESTED ------		
PARTICIPANT	SEX	AA	RA	COMP.	BENEFIT	BENEFIT	PCT	BENEFIT	PRES. VAL.
ALLMAN, J SCOTT	M	49	65	4505	4218.23	2,721.72	100	2721.72	84,626
BALDWIN, ANDREW	M	50	65	2407	1052.68	307.88	55	169.33	5,633
BARNES, BILLY	M	57	65	4852	4156.38	3,022.58	100	3022.58	163,992
BECKMAN, BRUCE	M	63	65	4798	3517.22	3,231.88	100	3231.88	276,647
BIZUB, JOSEPH	M	61	65	2598	704.80	447.63	70	313.34	23,000
BONIN, AMANDA	F	28	65	2900	2596.88	444.30	70	311.01	2,207
BRAYMAN, KYLE	M	33	65	2578	2090.53	423.56	70	296.49	2,686
BROWN, DOUGLAS	M	57	65	2254	730.40	372.46	70	260.72	14,949
BRYANT, ROBERT	M	40	65	2490	1741.63	496.20	100	496.20	7,700
CAMACHO, RIGOBERTO	M	56	65	3337	2176.41	1,499.69	100	1499.69	75,293
CAMPBELL, CATHERINE	F	54	65	2555	1161.23	546.96	100	546.96	28,024
CARRIZALES, HEATHER	F	38	65	3385	2285.73	425.58	40	170.23	2,500
CERIBELLI, BETTY	F	70	69	4922	1033.81	1,033.81	100	1033.81	109,615
CHAMBERLAIN, K.	F	63	65	2808	1053.00	941.97	100	941.97	96,236
CLOER, CHARLES	M	46	65	2353	1070.70	160.81	0	0.00	0
COCKCROFT, KYNAH	F	52	65	3850	2847.40	1,775.15	100	1775.15	76,126
CONLEY, DENNIS	M	48	65	1846	747.63	105.51	0	0.00	0
CROMIE, MICHAEL	M	47	65	3417	2225.31	932.25	100	932.25	24,882
CULPEPPER, DEBORAH	F	58	65	4256	2909.80	2,261.23	100	2261.23	158,567
DE SOUSA, JOAQUIN	M	57	65	4406	3221.74	2,398.39	100	2398.39	130,045
DESAULNIERS, CHRIS	M	44	65	2377	1560.32	550.24	100	550.24	11,711
DESSOYE, DERRICK	M	34	65	2536	2187.95	584.31	100	584.31	5,467
DIXON, TRAVIS	M	40	65	3208	2541.59	888.27	100	888.27	13,169
DONAHUE, KENT	M	48	65	5153	3557.60	1,705.95	100	1705.95	46,263
DOUD, MARK	M	50	65	2872	1834.73	958.40	100	958.40	31,997
DRIVER, STEPHEN	M	51	65	4061	3302.13	2,131.50	100	2131.50	76,777
DYER, JEFFERY	M	59	65	2675	1038.71	711.25	100	711.25	47,705
EISENMAN, SHAWN	M	41	65	2153	1209.16	163.49	0	0.00	0
FAIRCLOTH, DEBORAH	F	63	65	3904	1442.10	1,287.10	100	1287.10	133,525
FERGUSON, BRUCE	M	51	65	4355	3517.73	2,234.87	100	2234.87	79,837

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

BENEFIT STATUS REPORT
FOR PLAN YEAR BEGINNING OCTOBER 1, 2014

PARTICIPANT	SEX	AA	RA	MONTHLY COMP.	MONTHLY BENEFIT	ACCRUED BENEFIT	VESTED PCT	VESTED BENEFIT	VESTED PRES. VAL.
FERRARA-DALY, LISA	F	45	65	2674	1790.55	702.03	100	702.03	17,830
FERREIRA, PETER	M	30	65	3137	2676.77	457.58	55	251.67	1,794
FRANKLIN, DONALD	M	32	65	4210	3150.68	339.71	0	0.00	0
FRAZIER, ROBERT	M	54	65	2342	907.12	387.57	70	271.30	12,267
GAINES, DENNIS	M	52	65	2347	910.06	269.50	25	67.38	2,485
GENO, WILLIAM	M	55	65	3399	1867.01	1,156.98	100	1156.98	56,335
GLOR, CHAPMAN	F	53	65	5337	4339.82	2,935.43	100	2935.43	135,141
GRABOWSKI, DEBBIE	F	59	65	3854	2256.34	1,716.35	100	1716.35	124,847
GRASSO, DARREN	M	48	65	2644	1402.74	496.03	85	421.63	12,176
GREEN, CHRISTOPHER	M	46	65	3102	2342.08	1,089.73	100	1089.73	25,383
GREEN, JOHNNIE	M	56	65	4483	1579.87	749.42	70	524.59	27,264
GRIFFITH, FRED	M	57	65	8363	6162.10	4,642.04	100	4642.04	256,749
GUENTHER, JEFFREY	M	54	65	3277	2106.21	1,315.89	100	1315.89	56,757
GUNNLAUGSSON, JULIE	F	54	65	2215	885.53	392.64	70	274.85	14,041
HALL, JOHN	M	49	65	3762	2862.25	1,599.03	100	1599.03	47,990
HEIL, ANDREW	M	37	65	3606	3258.87	1,177.49	100	1177.49	14,224
HENDRIETH, IZELL	M	57	65	1701	472.72	202.24	40	80.90	4,602
HICKS, MELISSA	F	31	65	3299	2910.19	628.79	85	534.47	4,563
HILL, DANIEL	M	64	65	4369	2090.55	1,962.30	100	1962.30	186,856
HOOD, LEWIS	M	52	65	2808	1597.30	851.77	100	851.77	33,019
HUPF, DEBORAH	F	57	65	1637	590.84	330.14	85	280.62	18,145
JOHNSON, LINDA	F	60	65	4548	1769.88	1,280.25	100	1280.25	103,616
JOSEPH, DENA	F	46	65	3738	2915.00	1,426.15	100	1426.15	37,924
JOWERS, JEFFREY	M	44	65	2127	1181.82	284.95	55	156.72	3,317
KALISIAK, IWONA	F	56	65	2271	888.06	456.65	100	456.65	26,731
KING, BRIDGETTE	F	37	65	3873	2712.07	508.43	40	203.37	2,738
KINGSBURY, COREY	M	39	65	3286	1966.36	270.46	0	0.00	0
KOSKO, MARK	M	46	65	2666	1763.65	709.94	100	709.94	16,664
KUCERA, CHRISTOPHER	M	64	65	4469	2746.01	2,630.71	100	2630.71	251,960
KUSHMAUL, ROGER	M	63	65	2032	404.23	300.69	55	165.38	14,253

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

BENEFIT STATUS REPORT
FOR PLAN YEAR BEGINNING OCTOBER 1, 2014

PARTICIPANT	SEX	AA	RA	MONTHLY COMP.	MONTHLY BENEFIT	ACCRUED BENEFIT	VESTED PCT	VESTED BENEFIT	VESTED PRES. VAL.
LANGDON, RICHARD	M	40	65	2590	1476.22	156.84	0	0.00	0
LANNI, DEBORAH	F	56	65	2292	790.50	351.40	55	193.27	11,105
LAVENDER, ROBERT	M	58	65	4363	2827.33	2,143.26	100	2143.26	128,637
LE CLAIR, ROBERT	M	58	65	2180	615.59	292.96	55	161.13	9,733
LEE, LIT	M	44	65	2187	1365.05	425.55	85	361.72	7,340
LENARCIC, ANDREW	M	39	65	2126	1455.74	313.12	55	172.22	2,347
LEONG, POK-YEN	F	57	65	2638	1211.67	747.33	100	747.33	46,663
LEUZINGER, KERRY	M	53	65	6743	3115.79	1,471.36	100	1471.36	61,384
LOCKABY, PAUL	M	54	65	3426	2809.51	1,930.72	100	1930.72	87,028
LONDON, TRACY	F	41	65	2875	2035.09	661.77	100	661.77	12,775
LOVALLO, SUSAN	F	45	65	7361	4733.42	1,719.70	100	1719.70	43,353
MACKEY, JOHN	M	54	65	2289	648.64	128.10	0	0.00	0
MADORMA, MICHAEL	M	55	65	2815	1282.11	697.14	100	697.14	33,575
MATASSA, ROBERT	M	59	65	3747	2444.60	1,901.82	100	1901.82	120,479
MATTER, BRETT	M	35	65	2787	2530.69	786.11	100	786.11	7,827
MC DONALD, HEATHER	F	44	65	2423	1295.30	257.99	40	103.20	2,475
MEADOWS, RICHARD	M	51	65	2850	1264.65	461.43	70	323.00	11,568
MICHAELS, HAROLD	M	61	65	3385	825.27	547.26	70	383.08	29,471
MILLER, CARMEN	F	59	65	3421	1528.03	1,114.63	100	1114.63	86,127
MILLER, LEE	M	68	68	2467	500.20	500.20	100	500.20	48,014
MUNROE, PEGGY	F	55	65	2791	1443.89	862.53	100	862.53	47,589
PALLANTE, LISA	F	52	65	4427	1710.62	531.22	40	212.49	9,207
PARKER, MARY	F	59	65	3354	2371.35	1,880.42	100	1880.42	135,878
PISKURA, JAMES	M	57	65	1931	485.89	174.25	0	0.00	0
REED, BARBARA	F	62	65	2425	734.96	562.48	100	562.48	51,733
REED, BRENT	M	43	65	2550	1637.61	491.72	85	417.96	7,864
RILEY, PAUL	M	57	65	4434	3836.92	2,988.32	100	2988.32	161,865
RIVERA, CYNTHIA	F	46	65	2796	1570.63	505.79	85	429.92	12,099
ROWLES, COMMODORE	M	52	65	2125	736.69	171.34	0	0.00	0
ROWLEY, JANOS	M	33	65	1901	1317.87	104.40	0	0.00	0

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

BENEFIT STATUS REPORT
FOR PLAN YEAR BEGINNING OCTOBER 1, 2014

PARTICIPANT	SEX	AA	RA	MONTHLY COMP.	MONTHLY BENEFIT	ACCRUED BENEFIT	VESTED PCT	VESTED BENEFIT	VESTED PRES. VAL.
RUBIN, HEATHER	F	42	65	2404	1574.81	446.34	85	379.39	7,575
SALERNO, PAUL	M	57	65	4945	2763.71	1,795.66	100	1795.66	102,702
SCHARF, MICHAEL	M	61	65	3318	1582.92	1,286.12	100	1286.12	99,416
SICOWITZ, CHARLES	M	29	65	2220	1757.49	130.15	0	0.00	0
SISK, JENNIFER	F	41	65	3139	1998.44	481.09	55	264.60	4,970
SITES, CARL	M	53	65	2281	878.97	289.96	40	115.98	4,618
SMIDDY, MICHAEL	M	54	65	1905	545.98	129.63	0	0.00	0
SMITH, MICHAEL	M	36	65	2234	1763.14	396.85	85	337.32	3,669
SMITH, RICHARD	M	58	65	2778	880.96	449.46	70	314.62	18,348
SOLANA, ROBERT	M	59	65	4127	3182.38	2,622.17	100	2622.17	170,147
SOLANA-GORZKI, S.	F	38	65	2399	1785.77	474.98	85	403.73	5,966
STEINEBACH, DONNA	F	54	65	9613	6918.20	4,711.72	100	4711.72	244,168
TALIAFERRO, TROY	M	38	65	2636	1906.63	457.10	85	388.54	5,120
THOMAS, BROCK	M	28	65	2204	2014.68	369.48	70	258.64	1,520
THOMAS, MITCHELL	M	53	65	4550	3404.29	2,244.11	100	2244.11	92,985
TISCHLER, ALLAN	M	50	65	5681	2924.94	1,151.63	100	1151.63	37,739
TOWEY, RICHARD	M	65	65	4159	3210.24	3,140.61	100	3140.61	314,023
TRAINOR, DEBORAH	F	52	65	3560	1508.84	575.94	70	403.16	17,698
TROUTMAN, THOMAS	M	64	65	5606	3060.05	2,921.11	100	2921.11	282,098
VANTHOFF, DAVID	M	54	65	2781	1129.37	477.71	70	334.40	14,391
WESTBERRY-MILLER, C.	F	24	65	2498	2222.98	154.34	0	0.00	0
WHELDON, MICHAEL	M	47	65	2846	1938.31	913.32	100	913.32	24,086
WIEDEL, CHERYL	F	50	65	3575	2276.24	1,122.30	100	1122.30	41,451
WIGGINS, JULIA	F	45	65	4954	4622.62	2,580.49	100	2580.49	66,454
WIGGINS, ROBERT	M	49	65	2386	1287.92	494.11	100	494.11	14,613
WILKER, RECARDO	M	67	65	3268	2413.30	2,413.30	100	2413.30	237,976
WILLIAMS, DERRICK	M	51	65	3467	2792.98	1,705.49	100	1705.49	59,925
WILSON, ADAM	M	38	65	2328	1708.36	426.13	85	362.21	4,728
WILSON, RICK	M	51	65	6248	5244.55	3,097.58	100	3097.58	108,884
WOLF, KENNETH	M	56	65	4436	4284.21	3,405.95	100	3405.95	181,158

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

BENEFIT STATUS REPORT
FOR PLAN YEAR BEGINNING OCTOBER 1, 2014

PARTICIPANT	SEX	AA	RA	MONTHLY COMP.	MONTHLY BENEFIT	ACCRUED BENEFIT	------- VESTED ------ PCT	BENEFIT	PRES. VAL.
YOUNG, LORI	F	52	65	3449	2160.50	1,213.47	100	1213.47	51,749
ZUBER, NANCY	F	54	65	4464	3611.10	2,507.47	100	2507.47	123,187
ZUBER, THOMAS	M	59	65	2444	848.31	539.91	100	539.91	34,968
ZURAWSKI, MARCEDA	F	62	65	4053	2189.77	1,872.56	100	1872.56	172,011

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

EMPLOYEE STATUS REPORT
FOR PLAN YEAR BEGINNING OCTOBER 1, 2014

		ATT	YRS TO	ANNUAL	DATES				
NAME	SEX	AGE	RETIRE	SALARY	BIRTH	EMPLOY	PARTIC	RETIRE	STATUS
DILLON, JAMES	M	55	10	$23,224	04/02/59	09/03/12	09/03/12	05/01/2024	ACTIVE
FINDLEY, DAVID	M	36	29	$25,437	06/09/78	02/27/12	02/27/12	07/01/2043	ACTIVE
MAYE, SHANE R.	M	19	46	$19,686	07/16/95	03/24/14	03/24/14	08/01/2060	NEW PAR
MCGEACHY, MICHAEL	M	55	10	$19,119	06/11/59	05/12/14	05/12/14	07/01/2024	NEW PAR
OWEN, SHAWN	M	38	27	$23,628	12/27/76	07/15/13	07/15/13	01/01/2042	ACTIVE
PETILLO, PETER	M	49	16	$16,135	04/19/65	03/10/14	03/10/14	05/01/2030	NEW PAR
REPYNECK, ERIK	M	40	25	$26,707	01/09/75	06/03/13	06/03/13	02/01/2040	ACTIVE

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

BENEFIT STATUS REPORT
FOR PLAN YEAR BEGINNING OCTOBER 1, 2014

PARTICIPANT	SEX	AA	RA	MONTHLY COMP.	MONTHLY BENEFIT	ACCRUED BENEFIT	VESTED PCT	VESTED BENEFIT	VESTED PRES. VAL.
DILLON, JAMES	M	55	65	1935	356.11	59.72	0	0.00	0
FINDLEY, DAVID	M	36	65	2120	1059.90	85.28	0	0.00	0
MAYE, SHANE R.	M	19	65	1641	1213.99	13.12	0	0.00	0
MCGEACHY, MICHAEL	M	55	65	1593	254.93	8.50	0	0.00	0
OWEN, SHAWN	M	38	65	1969	895.27	33.46	0	0.00	0
PETILLO, PETER	M	49	65	1345	346.01	10.76	0	0.00	0
REPYNECK, ERIK	M	40	65	2226	946.64	39.25	0	0.00	0

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

APPENDIX E.

SUPPLEMENTAL INFORMATION – October 1, 2014

The State of Florida requires municipalities to report certain items in their defined benefit plan Annual Valuation Reports that are not contained in our "normal" annual report format. This supplement is designed to either direct users to the sections of the current annual report that satisfy various requirements, or present additional schedules/information to ensure that the Plan is in compliance with the Florida State Statutes.

TABLE OF CONTENTS

1. Statement of adequacy of employer and employee contribution rates - Attached
2. A plan to amortize unfunded liabilities - Attached
3. A description and explanation of actuarial assumptions – See Appendix B
4. A schedule illustrating the amortization of unfunded liabilities – Attached
5. GAS-67 Disclosure Information for September 30, 2014 using 7.5% and 5.5% discount rates. The information at 7.5% is attached as provided to the auditors. The information at 5.5% is presented in an abbreviated format (due to redundancies), and it also includes information on the Trust Adequacy assuming only current assets are available.
6. A Statement by the enrolled actuary: Attached

The following supplemental were recommended to us by an independent actuary hired by the State of Florida to review our valuation reports. These items are either enclosed or referenced:

7. Comparison of actual to expected salary increases over the preceding 3 year period.
8. Comparison of actual to expected investment returns over the preceding 3 year period.
9. Reconciliation of the present value of present value of accrued benefits over the prior period.
10. Breakout of the present value of future benefits by decrement for active participants.
11. Summary of prior required or actual contributions made by either employer or employees.
12. Summary of membership demographics and the related financial statistics – this is included in the Financial Audit Information provided to James Moore & Co., which is attached in its entirety.
13. Age and service table(s) provided for active participants.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

APPENDIX E. – Items 1,2,4,6

I, David G. Leonard, enrolled actuary, do hereby confirm that the attached Actuarial Valuation Report for the City of Port Orange General Employees Defined Benefit Retirement Plan as of October 1, 2014 is complete and accurate, and in my opinion the techniques and assumptions used are reasonable and meet the requirements and intent of this act.

Note that the funding method utilized does not separately amortize unfunded liabilities, as these are not directly recognized. However the Normal Cost generated implicitly includes a component to fund prior liabilities that are not currently funded. (Item #2)

Therefore we cannot include a schedule illustrating the amortization of unfunded liabilities, however the progress towards their funding is included with the GAS-25/27/67 audit data which is attached (Item #4).

Additionally, there were no events not taken into account nor were there any trends not assumed to continue that were not included in the calculations that make up this report. (Reg. 1.003(4)(g)).

In my opinion, the employer and employee contribution rates are adequate to meet the levels of employee benefits that are provided in the retirement system. In the event the current rates do not appear to be adequate on a long term basis, the plan sponsor has made a commitment to fund the plan per actuarially derived contribution calculations as will be produced in future valuations. (Item #1)

We have not calculated a contribution necessary to fund the plan based on the GAS-67 financial statements, as the GASB has specifically stated that this is not the intended purpose of GAS-67 or GAS-68.

We have determined, however, that using current valuation techniques and a 5.5% discount rate would produce an increase in the recommended contribution rate from 15.6% of compensation to 32.6% of compensation, or $1,685,567 for the fiscal year to end September 30, 2015.

The attached GAS-25/27/67 statements present the funded position of the plan on both a market asset value and actuarial valuation asset value basis. (Item #1)

David G. Leonard, A.S.A.
Enrolled Actuary 14-03604

2/13/15

CITY OF PORT ORANGE GENERAL EMPLOYEES DB RETIREMENT PLAN

Notes to the Financial Statements - Alternate Calculations at 5.5% for State of Florida Disclosures

For the Year Ended September 30, 2014 Supplement #5

Net Pension Liability of the Town

The components of the net pension liability of the City at September 30, 2014, were as follows:

Total pension liability:	$39,143,770
Plans' fiduciary net position:	(27,474,543)
City's net pension liability:	$11,669,227
Plan fiduciary net position as a percentage of the total pension liability	70.19%

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of October 1, 2014 using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.25%	
Salary Increases	4.0%	average, including inflation.
Investment Rate of return	5.5%	net of pension plan invest. expense, including inflation.

Discount Rate - The discount rate used to measure the total pension liabiltity was 5.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions was made at the current rates and the Trust was found to be solvent for all future periods. Thus, the liabilities have been valued at the full assumed discount rate.

In making the above determination, the City's assumed contribution for years beginning October 1, 2014 was 32.6% of compensation ($1,685,567 this year) with future years adjusted for amortization of unfunded liabilities in a declining active salary environment.

Mortality rates were based on the RP-2000 Male and Female IRS Post Retirement Mortality Tables, with projection on a generational basis by Scale AA.

112.664(c) Information indicating number of years and months the current market value of assets will sustain projected benefit payments:

At 7.5% trust yield: 20 yr., 3 mo. (1/ 1/2035)
At 5.5% trust yield: 16 yr., 5 mo. (3/1/2031)

Please note that these results assume no future City or Employee contributions. We are of the opinion that they provide virtually no useful information since they rely on an assumption that is unrealistic and does not represent the actuary's best expectation of future plan experience.

CITY OF PORT ORANGE GENERAL EMPLOYEES DB RETIREMENT PLAN

RUN AT ASSUMED DISCOUNT RATE LESS 200 BASIS POINTS FOR STATE OF FLORIDA (5.5%)

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

fiscal years ending 9/30:	2014	2013
Total Pension Liability	30,108,131	
Service Cost	632,402	
Interest	2,258,110	
Change in Benefit Terms	0	
Diff. between expected/actual exper.	(20,332)	
Changes of Assumptions	7,827,503	
Benefit Payments, incl. refunds	(1,662,044)	
Net Change in total pension liability	9,035,639	
Total Pension Liability - beginning	30,108,131	
Total Pension Liability - ending (a)	39,143,770	30,108,131
Plan Fiduciary Net Position		
Contributions - employer	702,741	936,378
Contributions - member	405,427	459,552
Net investment income (incl. invest expenses)	2,694,117	3,504,861
Benefit Payments, incl. refunds	(1,662,044)	(1,347,053)
Investment/Administrative Expenses	(78,229)	(70,264)
Other	0	0
Net change in plan fiduciary net position position	2,062,012	3,483,474
Plan Fiduciary Net Position - beginning	25,412,531	21,929,057
Plan Fiduciary Net Position - ending (b)	27,474,543	25,412,531
City's net pension liability - ending (a) - (b) = (c)	11,669,227	4,695,600
Plan fiduciary net position as a % of the total pension liability.	70.19%	84.40%
Covered employee payroll	5,170,450	5,495,483
City's net pension liability as a % of covered employees payroll.	225.69%	85.44%

Prior Period Adjustment - Transition from GAS-27 to GAS 68 (Effective October 1, 2014)

GAS-27 Net Pension (Asset) Liability (d)	($591,967)
Prior Period Adjustment as of October 1, 2014 to recognize transition to GAS-68 (c) - (d)	$12,261,194

01/13/2015

CITY OF PORT ORANGE GENERAL EMPLOYEES DB RETIREMENT PLAN

October 1, 2014 Valuation Report - Supplemental Information for the State of Florida

Display 2 - Comparison of Actuarial Assumptions and Actual Results. Supplemental Report Schedules #7 and #8

Actuarial Valuation Date	Assumed Interest (A)	Actual Yield Earned (B)	Valuation Yield (C)	Appx. Actuarial Gain/(Loss)	Salary Inc. Assumed (D)	Actual Sal. Incr. (E)	Appx. Actuarial Gain/(Loss)
October 1	*(prior year)*	*(prior year)*	*(prior year)*		*(prior year)*	*(prior year)*	
2004	8.0%	8.9%	8.9%	$193,455	6.0%	12.3%	($589,382)
2005	8.0%	9.1%	9.1%	228,904	6.0%	4.4%	180,679
2006	8.0%	6.8%	6.8%	(180,712)	6.0%	5.0%	138,332
2007	8.0%	12.8%	12.8%	785,653	6.0%	8.8%	(414,434)
2008	8.0%	-12.0%	-12.0%	(3,507,566)	6.0%	3.2%	522,827
2009	8.0%	0.6%	2.9%	(1,023,442)	6.0%	6.1%	(18,747)
2010	7.5%	6.6%	3.9%	(782,986)	4.0%	-0.9%	1,002,958
2011	7.5%	-3.6%	0.5%	(1,526,359)	4.0%	0.5%	631,165
2012	7.5%	16.9%	5.6%	(433,004)	4.0%	1.4%	335,925
2013	7.5%	15.6%	7.5%	(244)	4.0%	2.7%	164,574
2014	7.5%	10.9%	8.1%	162,105	4.0%	3.0%	123,803

Other pertinent actuarial assumptions used include:

- Preretirement Turnover - None is assumed. Normally, very few employees terminate prior to being eligible for benefits. Because of steep employee contribution rate, a Turnover assumption would have little effect on costs.

- Post Retirement Mortality - RP-2000 with Scale BB generational mortality projection (Scale AA is used for State and GASB reporting in 2014). We anticipate a full changeover to RP-2014 with MP-2014 two dimensional projection for 2015. This should increase liabilities by about 3% over Scale BB and 5% over Scale AA.

- Early Retirement Rates - We assume a portion of the eligible population will retire starting at age 55 and each age beyond.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

Rollforward of Present Value of Accrued Benefits -

Supplemental Schedule 9	For the years ended 09/30 2014	2013
Actuarial Present Value of Accumulated Plan Benefits at Beginning of Year	$25,751,061	$23,064,327
Increase (Decrease) During the Year Attributable to:		
Benefits Accumulated, Actuarial Experience (includes ER subsidies)	766,481	2,359,528
Increase in Interest Due to Decrease in the Discount Period	1,862,770	1,674,259
Benefits Paid	(1,662,044)	(1,347,053)
Changes in Plan Provisions	0	0
Plan Assumption Changes	672,475	0
Actuarial Present Value of Accumulated Plan Benefits at End of Year	$27,390,744	$25,751,061
Distribution of Actuarial Value of Accumulated Plan Benefits:		
Vested Accumulated Plan Benefits:		
Retired Participants in Pay Status	$16,579,486	$15,240,762
Terminated Members with Vested Rights	771,521	748,358
Active Members - Employer Funded	5,877,733	5,637,644
Active Members - Employee Funded	3,517,927	3,295,751
Subtotal - Vested Accum. Plan Benefits	$26,746,667	$24,922,515
Non-vested Accumulated Plan Benefits Active Members	644,076	828,546
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS:	$27,390,744	$25,751,061

Note: Post Retirement Mortality - RP-2000 Proj. Scale BB (gen.) (M/F)
Interest Rates: 7.5%
PVAB does not take into account potential ER Subsidies until realized but does include Supplemental Benefits.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

Breakout of Present Value Future Benefits (PVB) by
Decrement for Active Plan Participants - Supplemental Rpt. Sch. #10

October 1, 2014 Valuation Report

Present Value of Future Benefits:

Basic Benefits	$19,018,587
Supplemental Benefits	1,543,721
Total	$20,562,308

Decrements Included in Cost Calculations:

Pre-retirement Mortality:	$0
Pre-retirement Turnover:	0
Early Retirement Rates:	(149,834)
Total Change from removing decrements:	($149,834)

Present Value of Future Benefits with no decrements:

Basic Benefits	$19,202,420
Supplemental Benefits	1,210,054
Total	$20,412,474

Note: Basic Benefits PVB increases with no decrements due to increased service and salary levels at NRD. Supplemental Benefits are frozen and thus removing early retirement assumption simply defers payment and removes ER subsidy.

PVFSAL increases by approximately 8.0% with Early Retirement Rates removed.

CITY OF PORT ORANGE GENERAL EMPLOYEES DB RETIREMENT PLAN

October 1, 2014 Valuation Report - Supplemental Information for the State of Florida

Display 4 - History of Employee Contributions
History of Employer Contributions
Schedule of Annual Required Contribution
Contributions as a percentage of payroll

Supplemental Report Schedule #11

Year Ended September 30	Covered Payroll (*)	Actual Employer Contribution	ER % of Payroll	Annual Required Contribution	ARC as Percentage of Payroll	Percentage of ARC Contributed	Employee Contribution	EE % of Payroll
2005	6,789,137	875,455	12.9%	866,398	12.8%	101.0%	346,439	5.1%
2006	7,151,729	932,513	13.0%	871,798	12.2%	107.0%	362,757	5.1%
2007	7,417,659	1,023,333	13.8%	944,216	12.7%	108.4%	426,504	5.7%
2008	7,275,289	1,009,205	13.9%	929,916	12.8%	108.5%	451,079	6.2%
2009	7,599,335	1,199,567	15.8%	1,291,191	17.0%	92.9%	456,957	6.0%
2010	7,320,768	1,005,433	13.7%	1,021,870	14.0%	98.4%	563,787	7.7%
2011	6,768,699	992,875	14.7%	782,046	11.6%	127.0%	534,679	7.9%
2012	6,507,751	912,160	14.0%	779,345	12.0%	117.0%	507,532	7.8%
2013	5,495,483	936,378	17.0%	753,666	13.7%	124.2%	459,552	8.4%
2014	5,170,450	702,741	13.6%	695,221	13.4%	101.1%	405,427	7.8%

* Covered payroll for 2004 and 2005 is based on projected payroll.
Actual payroll was not used until 9/30/2006.
Covered payroll shown excludes members who terminated or retired during the year, and also includes full annual compensation for new members.
There were 14 terminated and 15 retired members in FYE 2013, and 4 new members.
The actual covered compensation for the year was approximately $5,405,700, which yields a City contribution of 13.0% of compensation (and 7.5% for employee contributions).

Annual Required Contribution is an amount defined by GASB using the actuary's Annual Valuation methods and assumptions.

CITY OF PORT ORANGE
GENERAL EMPLOYEES
PENSION PLAN

Schedule of Active
Participant Data

Supplemental Schedule #13

As of October 1, 2014

Attained Age	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	1	1	0	0	0	0	0	0	0	0
25 to 29	0	1	2	0	0	0	0	0	0	0
30 to 34	0	2	3	2	0	0	0	0	0	0
35 to 39	0	4	7	1	1	0	0	0	0	0
40 to 44	0	2	6	4	0	0	0	0	0	0
45 to 49	1	2	2	4	5	1	2	0	0	0
50 to 54	0	3	9	3	4	3	7	0	0	0
55 to 59	1	2	7	5	4	3	5	3	1	0
60 to 64	0	0	3	2	3	2	2	1	1	0
65 to 69	0	0	0	1	0	0	0	1	0	0
70 & Up	0	0	0	1	0	0	0	0	0	0

Includes all active participants regardless of benefit structure.

DGL A.S.A., LLC

RETIREMENT. DEFINED.

James Moore & Co.
121 Executive Circle
Daytona Beach, FL 32114

February 13, 2015

Re: City of Port Orange General Employees
Defined Benefit Pension Plan
Our File No. FL-113

To Whom It May Concern:

In response to interim Finance Director Tracy Reihms' request for information for your regular audit, we have enclosed the following information pursuant to Statement 5 for the Plan Year ended September 30, 2014.

The disclosure information attached includes GAS-25/27 information as well as the initial GAS-67 disclosures. The GAS-25/27 disclosures are presented first, in the traditional format as follows.

A. General Plan Information

1. Types of employees covered and current membership (as of 9/30/14):

a.	Retirees and Beneficiaries currently receiving benefits -	71
	Terminated members entitled to future monthly benefits -	12
	Terminated members entitled to refunds of employee contributions -	11
b.	Active Members with 100% vesting -	72
	Active Members with partial vesting -	39
	Active Members with 0% vesting -	20

Total Plan Membership – Active, 131, other - 94

Note – all active members are 100% vested to their mandatory contribution and interest account.

2. Current year covered payroll - $5,170,450 (this is the payroll of currently active members over the period from 10/1/13 through 9/30/14, adjusted for annualization for members without a full 12 months of service as of 9/30/14)

B. Participant Data – none-requested.

C. Items relating to APV of CPB (Pension Benefit Obligation)

1. Date of the most recent actuarial valuation in which APV of CPB was calculated – 10/1/14. There have been no subsequent actuarial updates.
2. Rate of return of investments – 7.5% - effective October 1, 2009.
   Projected salary increases due to (a) inflation – 2.25% (b) merit/seniority – 1.75%.
3. APV of CPB – $31,707,207, calculated using Entry Age Normal method.

D. Plan assets: see attached Statement of Fiduciary Net Position as prepared with the GAS-67 disclosures..

E. With respect to contributions required and contributions made:

1. The Employer consistently contributes a percentage of covered payroll recommended by the actuary as necessary to properly fund plan benefits.

2. The most recent actuarial valuation in which the required contribution was calculated – 10/1/14. This report is in the final stages of production and will be forwarded to you upon its completion.

3. Contribution requirements are calculated using the Aggregate Funding method. This method does not produce a specific unfunded actuarial accrued liability. Such liabilities are funded over a level period equal to the weighted future working lifetime of current active members.

4. The assumptions are the same as those used to compute the APV of CPB, with the exception of the Post-Retirement Mortality Table. For the funding calculations, effective October 1, 2014 we are using Scale BB to project future mortality improvements instead of scale AA..

5. Cost calculations – The funding method does not separate between Normal Cost and Amortization of Unfunded AAL. The following are the recommended actuarial employer contributions using the plan's funding method:

   For October 1, 2013 to September 30 , 2014: $695,221

   For October 1, 2014 to September 30 , 2015: $810,606

6. For the fiscal year ended September 30, 2014, the following contributions were actually made:

Contributing Government Employer:	$702,741
Employees mandatory contributions:	405,427

   (7.5% of covered compensation.)

7. Changes in assumptions, benefit provisions, actuarial funding method, or other significant factors from the prior year. Previously the RP-2000 table with a static projection via Scale AA was used. For financial disclosure purposes we have projected future increases generatioinally using Scale AA. For funding, Scale BB was used.

F. There have been no significant events subsequent to the measurement dates listed above that could materially affect the information described in A to E.

G. Has all of the above information determined in accordance with GASB Statement 5? Yes.

H. No relationship exists with the City of Port Orange which might impair, or appear to impair the objectivity of our work.

I. We have not been notified of a decision to partially or fully terminate the plan.

J. Other information we consider necessary – please see attached GAS-25/27 and GAS-67 disclosures.

CERTIFICATION

This disclosure report has been prepared in accordance with generally accepted actuarial standards and procedures and conforms to the Guidelines for Professional Conduct of the American Academy of Actuaries. It is based on the employee data submitted to the actuary by the plan sponsor and the retirement plan provisions outlined herein.

I, David G. Leonard, A.S.A., E.A., am a member of the Society of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained here.

Please let me know if you have any questions or need any further information. I can be reached at (386) 206-8932.

Sincerely,

David G. Leonard, A.S.A.
Account Executive

Attached:

cc: Donna Steinebach (Chairman, Port Orange GE Pension Committee)

City of Port Orange General Employees DB Retirement Plan

GAS-67 and GAS 27 Disclosure Information

GAS 25 and 67 Transition information

The plan is required to adopt Statement 67 for the fiscal year ending September 30, 2014. Because Statement 27 (which still is in place for September 30, 2014) is dependent on the information generated by Statement 25, we have prepared both Statement 25 and Statement 67 information for this year.

Notes to the Financial Statements – We have prepared notes based on a format suggested to us by auditors for another client. This format is designed as a 2014 transition statement, as it includes both GAS 27 and GAS 67 information.

Several sections on this disclosure require mostly standard text that would normally be provided by the auditors, trustees or the City. We have completed these sections to the best of our ability, including incorporating information from the plan's financial advisors.

Please let us know if there are any changes or additions to this format that you will require.

Statement of Fiuduciary Net Position – this has been added in the format recommended by GAS-67.

Schedule of Changes in the City's Net Pension Liability and Related Ratios – this schedule is included in the format suggested by the GASB in Statement 67.

Schedule of City contributions has not been provided with the GAS-67 information, however this historical information can be found in the GAS-25/27 disclosures also provided.

The Schedule of Investment Returns has not been provided as prior year results are not available based on the methods recommended by the GASB.

We have created a similar schedule at the request of the City and State, which is included in the Supplemental Information portion of the Annual Valuation report.

Items for GAS25 and GAS 27 for September 30, 2014 - City of Port Orange General Employees Defined Benefit Pension Plan

D. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability(AAL) (B)	(Over)/Under Funded AAL (UAAL) (B-A)	Funded Ratio (A)/(B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/(C)]
October 1	*	**				
2004	10,253,998	*11,923,249*	1,669,251	86.0%	6,789,137	24.59%
2005	12,390,180	*14,700,208*	2,310,028	84.3%	7,254,610	31.84%
2006	14,074,164	*16,215,982*	2,141,818	86.8%	7,151,729	29.95%
2007	16,989,913	21,538,649	4,548,736	78.9%	7,417,659	61.32%
2008	15,617,889	24,383,150	8,765,261	64.1%	7,275,289	120.48%
2009	19,930,138	26,546,623	6,616,485	75.1%	7,599,335	87.07%
2010	21,604,688	26,605,398	5,000,710	81.2%	7,320,768	68.31%
2011	22,135,254	27,530,406	5,395,152	80.4%	6,768,699	79.71%
2012	23,661,071	28,519,144	4,858,073	83.0%	6,507,751	74.65%
2013	25,413,508	30,108,131	4,694,623	84.4%	5,495,483	85.43%
2014	26,826,123	31,707,207	4,881,084	84.6%	5,170,450	94.40%

* Actuarial Value of Assets starting on October 1, 2009 use blended values.
Market value - 9/30/13 = $25,412,531 Funded Ratio using market value = 84.4%

** Liabilities in italics were calculated using Projected Unit Credit method and are not comparable to the 2007 liability calculated using Entry Age Normal, per GAS-50. Plan provisions and actuarial assumptions were revised in 2009.

Covered payroll since October 1, 2006 is actual compensation for prior plan year, annualized for new hires. Previously projected compensation was used.

Data as of October 1 valuation data can be considered equivalent to September 30 fiscal year end.

E. Schedule of Employer Contributions

Year Ended	Actual Contribution	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
September 30						
2004	752,491	752,491	100.0%	752,491	100.0%	0
2005	875,455	866,398	101.0%	866,398	101.0%	9,057
2006	932,513	871,798	107.0%	871,991	106.9%	69,579
2007	1,023,333	944,216	108.4%	945,769	108.2%	147,143
2008	1,009,205	929,916	108.5%	933,199	108.1%	223,149
2009	1,199,567	1,291,191	92.9%	1,295,852	92.6%	126,864
2010	1,005,433	1,021,870	98.4%	1,025,853	98.0%	106,443
2011	992,875	782,046	127.0%	785,390	126.4%	313,928
2012	912,160	779,345	117.0%	789,077	115.6%	437,011
2013	936,378	753,666	124.2%	768,373	121.9%	605,016
2014	702,741	695,221	101.1%	715,790	98.2%	591,967

Items for GAS25 and GAS 27 for September 30, 2014 - City of Port Orange General Employees Defined Benefit Pension Plan

F. Actuarial Assumptions

Actuarial Valuation Date	October 1, 2014	
Actuarial Cost Method	Aggregate	
Amortization Method	Level Dollar	
Remain. Amort. Periods	n/a - weighted remaining working lifetime in normal cost	
Asset Valuation Method	Smoothed 5 year Valuation assets	
Actuarial Assumptions		Prior Assumptions (through 10/1/2008)
Investment Rate of Return	7.5%	8%
Projected Salary Increases	4%	6%
Cost of Living Adjustments	n/a	n/a
Post Retirement Mortality	Changed in 2014 from RP-2000 with Static projection of Scale AA to Generational projection of Scale AA	

G. Annual pension cost and net pension asset for the current year were as follows:

Annual required contribution	$695,221
Interest on net pension asset	(45,376)
Adjustment to ARC	65,946
Annual pension cost	$715,790
Contributions made	702,741
Increase in net pension asset	($13,049)
Net pension asset - September 30, 2013	605,016
Net pension asset - September 30, 2014	$591,967

Notes to Financial Disclosures Per GAS-67

1. Plan Description

   Plan Administration

   The City administers three single-employer defined benefit pension plans. This section refers solely to the City of Port Orange General Employees' Defined Benefit Retirement Plan, which provides pensions for most permanent full-time, non-uniformed, non-teacher employees of the City. The Plan was established under the authority of the City Council.

   Management of the plan is vested in the Pension Committee, which consists of several employees or individuals appointed by the City Council.

   Plan membership

   At October 1, 2014, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	71
Inactive plan members entitled to but not yet receiving benefits	23
Active plan members (There are 108 active members who are partially or fully vested)	128
Total	225

2. Benefit Provisions.

   City of Port Orange General Employees' Defined Benefit Retirement Plan

   The plan provides retirement, disability, and death benefits to eligible non-uniformed, non-teacher employees of the City of Port Orange. The plan was closed to new non-union members as of January 1, 2012. Certain union employees may elect to participate in the plan at a modified rate of accrual. Please see the attached benefit provisions from the annual valuation report.

3. Contributions.

   City of Port Orange General Employees' Defined Benefit Retirement Plan

   Section 1.3 of the Pension Plan provides members will contribute 7.5% of their annual compensation.

   The City is required to contribute the amount determined by the actuary, considering the member contributions.

   For the year ended September 30, 2014, the average active member contribution rate was 7.5% of annual base compensation, and the City's average contribution rate was approximately 12.7% of annual payroll.

4. Investments

Investment policy. The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee by a majority vote of its members. It is the policy of the City's Pension Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Committee's adopted asset allocation policy as of September 30, 2014:

Asset Class	Target Allocation
Domestic Equity	55%
International Equity	10%
US Direct Real Estate	5%
Domestic Fixed Income	30%
Total	100%

5. Concentrations.

There were no investments in any one organization that represents 5% or more of the pension plans net position.

6. Rate of return.

For the year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

7. Net Pension Liability

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

Total pension liability	$ 31,707,207
Plan Fiduciary net position	(27,474,543)
Net Pension Liability	4,232,664
Plan fiduciary net position as percentage of the total pension liability	86.65%

8. Actuarial assumptions.

The total pension liability was determined by an actuarial valuation as of October 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

GASB 27

Actuarial cost method	Entry Age Normal
Asset valuation method	Five Year Smoothed Market Value
Amortization method	Included in Normal Cost
Inflation	2.25%
Salary increase	4.0%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment, expense including inflation
Mortality rates	Based on the RP-2000 post-retirement pension mortality, projected generationally using Scale AA (previously 13-M/F Pos.)

The actuarial accrued liability is determined under the Entry Age Normal method. The Annual Pension Cost was calculated using the Aggregate method, which amortizes gains and losses as part of the Normal Cost, over the weighted future working lifetime of active members.

GASB 67

Actuarial cost method	Entry age
Asset valuation method	Fair value
Amortization method	Level dollar
Inflation	2.25%
Salary increase	4.0%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment, expense including inflation
Mortality rates	Based on the RP-2000 post-retirement pension mortality, projected generationally using Scale AA (previously 13-M/F Pos.)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	4.25%
International Equity	4.50%
Money Market	0.01%
U.S Direct Real Estate	3.75%
Corporate/US Govt. Bonds	1.75%

Note: While the weighted composite average return does not add up to 7.50%, the recent history of the trust in exceeding the assumed rate, along with prevailing practice among similar public pension systems, has lead us to continue to assume the current rate. The long term expected rates shown above were provided by Southeastern Advisory Services using JP Morgan's 2015 capital markets assumptions. They are presented net of expected inflation (2.25%).

9. Discount rate.

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Net Pension Liability	$7,614,682	$4,232,664	$1,194,852

11. Funded Status and Funding Progress

The funded status of the plan as of October 1, 2014 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL / MARKET VALUE OF ASSETS	(B) ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE NORMAL	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
GAS 27 (ACTUARIAL VALUE OF ASSETS)						
Oct. 1, 2014	$ 26,826,123	$ 31,707,207	$ (4,881,084)	84.6%	$ 5,170,450	(94.4)%
GAS 67 (MARKET VALUE OF ASSETS)						
Oct. 1, 2014	$ 27,454,543	$ 31,707,207	$ (4,232,664)	86.7%	$ 5,170,450	(81.9)%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress ("RSI-1") immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

12. ***Annual Pension Cost and Net Pension Asset ("NPA")***

The changes in the NPA were as follows (GAS-27):

Annual required contribution.....................	$	702,741
Interest on net pension obligation		(45,376)
Adjustment to annual required contribution		65,946
Annual pension cost.................................		715,790
Contributions made		702,741
Increase (decrease) in net pension asset...		(13,049)
Net pension asset - October 1, 2013.........		605,016
Net pension asset (obligation) - September 30, 2014	$	591,967

The net pension asset was determined in accordance with GASB Statement No. 27.

13. ***Three Year Trend Information***

YEAR ENDING SEPTEMBER 30	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED	NET PENSION ASSET (Obligation)
2014	$ 715,790	98.2%	$ 591,967
2013	768,373	121.9%	605,016
2012	789,077	115.6%	437,011

CITY OF PORT ORANGE GENERAL EMPLOYEES DB RETIREMENT PLAN

7.50%

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

fiscal years ending 9/30:	2014	2013
Total Pension Liability	30,108,131	
Service Cost	632,402	
Interest	2,258,110	
Change in Benefit Terms	0	
Diff. between expected/actual exper.	(20,332)	
Changes of Assumptions	390,940	
Benefit Payments, incl. refunds	(1,662,044)	
Net Change in total pension liability	1,599,076	
Total Pension Liability - beginning	30,108,131	
Total Pension Liability - ending (a)	31,707,207	30,108,131
Plan Fiduciary Net Position		
Contributions - employer	702,741	936,378
Contributions - member	405,427	459,552
Net investment income (incl. invest expenses)	2,694,117	3,504,861
Benefit Payments, incl. refunds	(1,662,044)	(1,347,053)
Investment/Administrative Expenses	(78,229)	(70,264)
Other	0	0
Net change in plan fiduciary net position position	2,062,012	3,483,474
Plan Fiduciary Net Position - beginning	25,412,531	21,929,057
Plan Fiduciary Net Position - ending (b)	27,474,543	25,412,531
City's net pension liability - ending (a) - (b) = (c)	4,232,664	4,695,600
Plan fiduciary net position as a % of the total pension liability.	86.65%	84.40%
Covered employee payroll	5,170,450	5,495,483
City's net pension liability as a % of covered employees payroll.	81.86%	85.44%

Prior Period Adjustment - Transition from GAS-27 to GAS 68 (Effective October 1, 2014)

GAS-27 Net Pension (Asset) Liability (d)	($591,967)
Prior Period Adjustment as of October 1, 2014 to recognize transition to GAS-68 (c) - (d)	$4,824,631

02/09/2015

CITY OF PORT ORANGE GENERAL EMPLOYEES DB RETIREMENT PLAN

Statement of Fiduciary Net Position
September 30, 2014

		2014
Assets		
Cash and deposits	$	705,405
Receivables:		
Employee Contributions		0
Due from Broker		0
Accrued Income (included in investments)		49,861
Other - Prepaid benefits		0
Total Receivables		49,861
Investments		
Fixed Income: Mutual Funds		3,756,131
Fixed Income: Corporate/Finance/Mortgage Backed		3,814,932
Fixed Income: Govt. and Treasury		363,699
Equities		14,129,621
International Equity Mutual Fund		2,730,784
Real Estate Trust Account		1,366,395
Florida Municipal Investment Trust		2,066,387
Total Investments	$	28,227,948
Total Assets	$	28,983,214
Liabilities		
Payables:		
Investment Fees		0
Defined Contribution Plan / Voluntary Accounts		1,508,670
Total liabilites		1,508,670
Net Position Restricted for Pensions	$	27,474,544

01/12/2015

CITY OF PORT ORANGE GENERAL EMPLOYEES DB RETIREMENT PLAN

Statement of Changes in Fiduciary Net Position
in the year ended June 30, 2014

		2014
Additions		
Contributions:		
Employer	$	702,741
Member		405,427
Total contributions	$	1,108,168
Investment Income:		
Net Appreciation of fair value	$	2,370,232
Interest and dividends		454,255
Less investment expense		(130,370)
Net income from investing	$	2,694,117
Total Additions:	$	3,802,284
Deductions		
Benefit Payments (includes refunds)	$	1,662,044
Administrative expense		78,229
Other		0
Total deductions	$	1,740,272
Net increase in position	$	2,062,012
Beginning of Year	$	25,412,531
End of Year	$	27,474,543

01/12/2015

Financials

January 2015 - Dave Leonard

City of Port Orange
General Employees Defined Benefit Retirement Plan

2014/2015 Cost and Market Summary - as of JANUARY 31, 2015

Date	Cost Value Including Cash*	Market Value Including Cash*	Market value over Cost value
10/01/2014	25,603,729.44	28,983,214.01	$3,379,484.57
10/31/2014	26,790,954.02	29,543,925.34	$2,752,971.32
11/30/2014	26,726,264.98	29,844,166.10	$3,117,901.12
12/31/2014	26,738,289.17	29,823,969.07	$3,085,679.90
01/31/2015	26,736,923.24	29,418,412.47	$2,681,489.23
02/28/2015			
03/31/2015			
04/30/2015			
05/31/2015			
06/30/2015			
07/31/2015			
08/31/2015			
09/30/2015			

Change in Market Value of Plan Assets (as of January 31, 2015):

Increase from 10/01/14	$435,198.46	- annual
Increase from 1/01/15	(404,190.67)	- monthly

* Includes all accrued interest and dividends.

Cash Accounts - Per Salem Trust

Balance as of January 1, 2015			**$1,026,940.51**
Receipts:			
City Contribution		$52,445.88	
Mandatory EE Contributions		30,971.90	
Voluntary EE Contributions		3,386.74	
Sale-Securities (Cost Value)		1,111,216.78	
Gain (Loss) Sale of Securities		58,915.66	
Dividends		13,720.28	
Interest & Mutual Fund Reinv.		12,938.72	
Other - litigation settlement (Dell)		0.00	
Total Receipts			$1,283,595.96
Disbursements:			
Securities Purchased - Equity (incl. Unit Trusts)		($699,977.92)	
Securities Purchased - US Govt. Oblig.		(234,396.68)	
Securities Purchased - Mortgage Backed Sec.		0.00	
Securities Purchased - Collaterialized Mtg.		0.00	
Securities Purchased - Municipal		0.00	
Securities Purchased - Corp. & Foreign Bond		(165,547.95)	
Payments to Retirees *- See page 3 for a listing of all monthly payments.*		($136,060.30)	
Payments to other Participants		$-0.00	
	$0.00		
	0.00		
	0.00		
	0.00		
	0.00		
	0.00		
Expenses		($37,961.37)	
Admin/Actuarial Fees	$13,325.00		
Investment/Monitor Fees	17,021.03		
Custodian Fees/ Commissions	7,615.34		
Legal Fees	0.00		
Misc -	0.00		
Total Disbursements			(1,273,944.22)
Balance as of January 31, 2015			**$1,036,592.25**

See pg. 5 for breakdown of cash holdings by account.

Monthly Benefit Payments to Retired, Deceased and Disabled Participants - January, 2015

Barnhart, Betty	$3,758.64	McNulty, John	$980.89
Blackey, William	492.27	Milholen, Ellen	3,050.53
Bliven, Thomas	1,184.26	Monning, Linda (benef.)	1,445.22
Bowey, Janet	169.24	Norris, Annie (benef.)	2,155.45
Breaks, Robert	708.87	Oddie, William	2726.69
Cady, Anna	2,808.30	Palmer, Roberta	3,673.00
*Chamberlain, Kathleen**	1,607.50	Parker, Kenneth	5,508.77
Conforti, James	611.91	Parsons, Janice	3,909.02
Cooper, Michael	1,453.46	Peace, Michael	3,140.90
Cover, Brian	756.57	Potts, Wilford J.	1,040.28
Day, Robert	2,633.89	Redfield, Rosemary	593.38
Dearborn, Dennis	1,409.73	Roberts, Veronica	1,015.38
Ellis, Alberta	893.52	Rorem, Steve	1,648.52
Findley, Cindy	423.80	Schulz, William (benef.)	739.04
Foster, James	4,032.48	Sheffield, Henrica	2,288.10
Franklin, James	3,805.31	Shelley, John	4,595.68
Fuhrman, Frank	3,320.02	Sheridan, Linda	2,173.28
Grimm, Sandra	1,428.58	Sheward, Thomas	2,202.38
Groom, Rebecca	2,457.09	Shroyer, Terry	1,203.68
Groom, William	2,253.96	Simmons, Thomas	2,507.28
Gurnee, Stella	1,321.01	Skeens, Sandra (benef.)	1,763.20
Hacker, Lea Ann	395.50	Smith, Glenn	1,906.95
Hammons, Elizabeth	1,596.60	Sneddon, Margaret	1,904.74
Hopkins-Peace, Krystal	1,586.62	Stuhr, Donald	1,249.53
Huntt, Steven	2,793.36	Sutton, Robert	596.47
Kelly, Margaret	832.60	Taylor, Gerald	1,187.68
Kelly, Shirley	3,469.66	Termini, Jimmy (MPP)	867.00
Kincaid, Kathyrn	1,377.13	Treon, Shirley	2,416.28
Klimek, Frank	1,802.47	Turner, Larry	1,463.71
Koch, Michael	3,530.36	Van Arsdale, Wayne	491.09
Kosuta, Christopher	1,851.28	Walker, Glenn	3,477.10
Leftwich, Glenda	1,033.35	Walker, Russell	518.96
Levine, Steven	2,579.16	Walsh, Thomas (MPP)	322.00
MacDuffie, Ray	625.21	Whitmarsh, Dorothy	1,415.50
May, Roger (ben Randall M.)	775.98	Wilson, Judith K.	2,506.31
McCurry, Dennis	2,517.57	Wolf, Steven	2,679.15
		Zdzinicki, Robert	399.90

Total Payments
for Monthly Benefits: $136,060.30

Total in Pay Status: 73
(includes 2 MPP participants)

* *New retiree this month. (received 2 payments of $803.75)*

Cash Account Reconciliation - continued

Securities Sold - January 2015

	Gain and Loss Summary	Cost Value	Proceeds	Gain(Loss)
ICC	Aecom Tech 1,880 sh	$71,715.98	$54,204.46	($17,511.52)
	Bank NY Mellon 3,055 sh	67,853.20	121,352.37	53,499.17
	Bemis Inc. 1,300 sh	48,380.93	57,839.88	9,458.95
	ITC Holdings 1,400 sh	52,269.98	58,269.37	5,999.39
	State Street Co. 900 sh	48,317.88	65,677.39	17,359.51
		0.00	0.00	0.00
BOST	Colgate 1,706 sh	114,026.14	112,298.26	(1,727.88)
	EMC Corp. 1,050 sh	25,861.50	29,725.62	3,864.12
	Flour Corp. 1,182 sh	78,876.63	64,998.76	(13,877.87)
	Precision Castparts 43 sh.	9,481.45	9,692.81	211.36
	Sandisk Corp. 1,060 sh	100,340.28	83,731.59	(16,608.69)
	Viacom Inc. 1,025 sh	74,555.73	68,687.57	(5,868.16)
		0.00	0.00	0.00
Integrity	US Treas. 3.125%, 8/44 115k	114,216.41	131,071.88	16,855.47
	US Treas. 3.0%, 11/44 50k	49,843.75	55,519.92	5,676.17
	FNMA 3.5%, 8/26, 1.6262k	1,712.59	1,626.20	(86.39)
	FNMA 3.0%, 10/21, 1.32533k	1,381.24	1,325.33	(55.91)
	FNMA 4.5%, 8/30, 1.8087k	1,969.22	1,808.70	(160.52)
	FNMA 3.0%, 9/22, 9.74298k	10,327.56	9,742.98	(584.58)
	FNMA 3.5%, 8/25, 6.33158k	6,698.61	6,331.58	(367.03)
	GNMA 3.0%, 11/26, 96269.7407u	1,460.43	1,401.10	(59.33)
	GNMA 4.5%, 10/24, 2.92002k	3,164.57	2,920.02	(244.55)
	Avondale MI Sch. 1.75%, 5/17 50k	50,365.50	50,500.00	134.50
	COL St Dept, 1.689%, 9/16,20k	20,038.40	20,182.00	143.60
	Domin. Res. Inc. 1.95%, 8.16, 55k	55,674.85	55,698.50	23.65
	FMC Corp. 4.1%, 2.24, 55k	55,441.50	58,944.05	3,502.55
	Gold. Sachs. 5.95%, 1/18, 20k	22,508.60	22,303.20	(205.40)
	St. Jude Med. 2.5%, 1/16, 15k	15,297.45	15,232.50	(64.95)
	Williams Co.	9,436.40	9,046.40	(390.00)
		0.00	0.00	0.00
Mut FD.	none	0.00	0.00	0.00
CS McKee -	None	0.00	0.00	0.00
	Total Sales for Month	$1,111,216.78	$1,170,132.44	$58,915.66

MM sold for cash:	$581,587.82
Less CSM	0.00
Total Assets Disposed of: (per Salem)	$1,751,720.26

Securities Purchased

See attached pages from the various Salem Trust Reports.

Cash Account Reconciliation - continued

Cash Account Recap	beg. of month January 1, 2015	end of month Jan. 31, 2015
Cash - Receipt/Disbursement Acct.	$271,911.28	$124,964.92
Cash - ICC Equity Acct.	430,695.16	569,000.46
- Cash due from/(to) Broker (ICC)	0.00	57,839.88
Cash - Boston Company Acct.	320,464.10	233,376.70
- Cash due from/(to) Broker (Bos.)	0.00	(69,330.68)
Cash - Mutual Fund Acct.	20.29	20.29
Cash - CS McKee Acct.	0.33	0.33
Cash - Integrity Fixed Acct.	84,024.68	120,720.35
- Cash due from/(to) Broker (Integ).	0.00	0.00
Total Cash	$1,107,115.84	$1,036,592.25

Asset Recap as of January 31, 2015

		Cost Value	*Market Value*
CASH	All accounts combined	$1,036,592.25	$1,036,592.25
BONDS	US Government Obligations	$269,638.67	$279,451.80
	Mortgage Backed Securities	1,272,467.13	1,274,189.18
	Collateralized Mtg. Obligations	72,536.09	74,409.78
	Municipal Obligations	209,880.20	211,896.15
	Corp. & Foreign Bonds	2,381,947.97	2,395,896.87
	Total Fixed Income (Integrity)	$4,206,470.06	$4,235,843.78
EQUITIES		$12,410,597.49	$13,865,291.40
INT'L EQUITY MUTUAL FUNDS		$2,207,999.48	$2,719,632.16
REAL ESTATE TRUST ACCOUNT (Prin.)		$1,200,000.00	$1,428,018.38
C.S. McKEE FIXED INCOME MUT. FUND		$3,624,755.01	$3,892,429.21
FLORIDA MUNI. INVEST. TRUST		$2,000,000.00	$2,190,096.34
TOTALS BEFORE ACCRUALS		$26,686,414.29	$29,367,903.52
	Accrued Dividends	9,020.40	9,020.40
	Accrued Interest	41,488.55	41,488.55
	Other Accrual - Mut. Fund Acct.	0.00	0.00
TOTAL Acct. VALUE as of Jan. 31, 2015		**$26,736,923.24**	**$29,418,412.47**
	Receipt/Disb Acct.	*$124,964.92*	*$124,964.92*
	ICC Account	*6,377,642.58*	*7,466,123.08*
	Boston Company	*6,832,861.67*	*7,199,075.08*
	Mutual Fund Account - Int.	*2,208,019.77*	*2,719,652.45*
	Principal Real Estate Acct.	*1,200,000.00*	*1,428,018.38*
	CSM Account	*3,624,755.34*	*3,892,429.54*
	Florida Municipal Invst. Trust	*2,000,000.00*	*2,190,096.34*
	Integrity Financial Acct.	*4,368,678.96*	*4,398,052.68*
	Total Account Check	*$26,736,923.24*	*$29,418,412.47*

Cost and Market Value Reconciliation as of January 31, 2015

	Cost Value	*Market Value*
Values as of January 1, 2015	$26,738,289.17	$29,823,969.07
Contributions	86,804.52	86,804.52
Income Receipts	85,574.66	85,574.66
Change in Accruals	276.57	276.57
Benefit Payments	(136,060.30)	(136,060.30)
Admin. and Invest. Expenses	(37,961.37)	(37,961.37)
Unrealized Gain / (Loss)	0.00	(404,190.67)
Adjust to Balance*	(0.01)	(0.01)
Values as of Jan. 31, 2015	**$26,736,923.24**	**$29,418,412.47**
Yield for the month (net of admin and invest. expenses)	0.18%	-1.20%

City of Port Orange
General Employees Defined Benefit Retirement Plan

Monthly, Quarterly and Year-to-date Review of Investment Performance - 1/31/2015

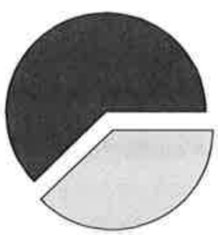
	Fiscal Year	2nd Quarter	Current Month
Start	10/01/2014	01/01/2015	
End	09/30/2015	03/31/2015	January, 2015
Market Value - Start	$28,983,214.01	29,823,969.07	29,823,969.07
Contributions			
- City	235,445.61	52,445.88	52,445.88
- Mandatory 7.5%	138,948.59	30,971.90	30,971.90
- Voluntary EE	15,404.18	3,386.74	3,386.74
Other Income	355.44	0.00	0.00
Interest	61,712.50	12,938.72	12,938.72
Dividends	116,777.98	13,720.28	13,720.28
Realized Gains/(Losses)	1,231,017.78	58,915.65	58,915.65
Increase/(Decrease) in Unrealized Appreciation	(697,995.34)	(404,190.67)	(404,190.67)
Prior Accrued Interest	(49,861.14)	(50,232.38)	(50,232.38)
Current Accrued Interest	50,508.95	50,508.95	50,508.95
Payments to Participants	(592,989.32)	(136,060.30)	(136,060.30)
Administrative Expenses	(26,182.54)	(13,325.00)	(13,325.00)
Investment Expenses	(47,944.23)	(24,636.37)	(24,636.37)
Market Value - End	$29,418,412.47	$29,418,412.47	$29,418,412.47
Yield per 2i/(a+b-i)	2.2104%	-1.1957%	-1.1957%
i	*638,389.40*	*(356,300.82)*	*(356,300.82)*
2i	*1,276,778.80*	*(712,601.64)*	*(712,601.64)*
a+b-i	*57,763,237.08*	*59,598,682.36*	*59,598,682.36*

Contributions for period:	389,798.38	86,804.52	86,804.52
Bens/Exp. for period:	(667,116.09)	(174,021.67)	(174,021.67)
Net Cash Flow before income: (Vol. cons/ benefits included)	(277,317.71)	(87,217.15)	(87,217.15)

Statement Period	01/01/2015 through 01/31/2015
Account Number	3040030917
	SALEM TRUST COMPANY AS CUSTODIAN FOR THE CITY OF PORT ORANGE GENERAL EMPLOYEES RETIREMENT SYSTEM ICC - DOMESTIC EQUITY

Schedule Of Purchases

Purchase Allocation



62.1%	COMMON STOCK	290,012.95
37.9%	SHORT TERM INVESTMENTS	176,995.42
100.0%	Total	467,008.37

Purchase Schedule

TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
		SHORT TERM INVESTMENTS		
		CUSIP # 38141W356 GOLDMAN SACHS FIN SQ PRIME OBLIGATION - ADM		
		TOTAL ACTIVITY FROM 01/01/2015 TO 01/31/2015		
		PURCHASED 176,995.42 GOLDMAN SACHS FIN SQ PRIME OBLIGATION - ADM ON 01/31/2015 AT 1.00	176,995.42	176,995.42
		TOTAL	176,995.42	176,995.42
		TOTAL SHORT TERM INVESTMENTS	176,995.42	176,995.42

Statement Period 01/01/2015 through 01/31/2015
Account Number 3040030917
SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
CITY OF PORT ORANGE GENERAL
EMPLOYEES RETIREMENT SYSTEM
ICC - DOMESTIC EQUITY

Schedule Of Purchases

TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
COMMON STOCK				
		CUSIP # 69331C108 PG & E CORP		
01/14/2015	01/20/2015	PURCHASED 1,300 SHS PG & E CORP ON 01/14/2015 AT 56.8324 THRU BROADCORT CAP CORT COMMISSIONS PAID 52.00	1,300	73,934.12
TOTAL			1,300	73,934.12
		CUSIP # 744573106 PUBLIC SVC ENTERPRISE GROUP INC		
01/13/2015	01/16/2015	PURCHASED 1,800 SHS PUBLIC SVC ENTERPRISE GROUP INC ON 01/13/2015 AT 41.9018 THRU KNIGHT DIRECT LLC COMMISSIONS PAID 18.00	1,800	75,441.24
TOTAL			1,800	75,441.24
		CUSIP # 896522109 TRINITY INDUSTRIES INC		
01/06/2015	01/09/2015	PURCHASED 1,100 SHS TRINITY INDUSTRIES INC ON 01/06/2015 AT 26.0929 THRU INSTINET COMMISSIONS PAID 55.00	1,100	28,757.19
TOTAL			1,100	28,757.19
		CUSIP # 913017109 UNITED TECHNOLOGIES CORP		
01/06/2015	01/09/2015	PURCHASED 1,000 SHS UNITED TECHNOLOGIES CORP ON 01/06/2015 AT 111.8604 THRU CANTOR FITZGERALD COMPANY COMMISSIONS PAID 20.00	1,000	111,880.40
TOTAL			1,000	111,880.40
TOTAL COMMON STOCK			5,200	290,012.95

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SALEM TRUST
COMPANY

ACCOUNT STATEMENT-508

Statement Period 01/01/2015 through 01/31/2015
Account Number 3040030917
SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
CITY OF PORT ORANGE GENERAL
EMPLOYEES RETIREMENT SYSTEM
ICC - DOMESTIC EQUITY

Schedule Of Purchases

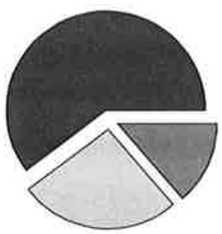
TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
TOTAL PURCHASES				467,008.37

SALEM TRUST COMPANY

Statement Period	01/01/2015 through 01/31/2015
Account Number	3040001020
	SALEM TRUST COMPANY AS CUSTODIAN FOR THE CITY OF PORT ORANGE GENERAL EMPLOYEES RETIREMENT SYSTEM BOSTON COMPANY

Schedule Of Purchases

Purchase Allocation



60.3%	COMMON STOCK	334,873.16
26.2%	SHORT TERM INVESTMENTS	145,817.28
13.5%	UNIT INVESTMENT TRUSTS	75,091.81
100.0%	Total	555,782.25

Purchase Schedule

TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
		SHORT TERM INVESTMENTS		
		CUSIP # 38141W315 GOLDMAN SACHS TREASURY OBLIGATIONS FUND-ADM		
		TOTAL ACTIVITY FROM 01/01/2015 TO 01/31/2015		
		PURCHASED 145,817.28 GOLDMAN SACHS TREASURY OBLIGATIONS FUND-ADM ON 01/31/2015 AT 1.00	145,817.28	145,817.28
		TOTAL	145,817.28	145,817.28
		TOTAL SHORT TERM INVESTMENTS	145,817.28	145,817.28

Statement Period 01/01/2015 through 01/31/2015
Account Number 3040001020
SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
CITY OF PORT ORANGE GENERAL
EMPLOYEES RETIREMENT SYSTEM
BOSTON COMPANY

Schedule Of Purchases

TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
COMMON STOCK				
		CUSIP # 124857202 CBS CORP CORPORATION CLASS B		
01/26/2015	01/29/2015	PURCHASED 77 SHS CBS CORP CORPORATION CLASS B ON 01/26/2015 AT 56.61 THRU LIQUIDNET INC COMMISSIONS PAID 1.16	77	4,360.13
01/26/2015	01/29/2015	PURCHASED 9 SHS CBS CORP CORPORATION CLASS B ON 01/26/2015 AT 56.0423 THRU BEAR STEARNS AND CO COMMISSIONS PAID 0.08	9	504.46
01/26/2015	01/29/2015	PURCHASED 58 SHS CBS CORP CORPORATION CLASS B ON 01/26/2015 AT 56.1948 THRU FIDELITY CAPITAL M COMMISSIONS PAID 0.49	58	3,259.79
01/26/2015	01/29/2015	PURCHASED 14 SHS CBS CORP CORPORATION CLASS B ON 01/26/2015 AT 56.2028 THRU BT ALEX BROWN INC COMMISSIONS PAID 0.12	14	786.96
01/26/2015	01/29/2015	PURCHASED 19 SHS CBS CORP CORPORATION CLASS B ON 01/26/2015 AT 55.725 THRU INVESTMENT TECHNOL COMMISSIONS PAID 0.29	19	1,059.07
01/26/2015	01/29/2015	PURCHASED 4 SHS CBS CORP CORPORATION CLASS B ON 01/26/2015 AT 56.366 THRU INVESTMENT TECHNOL COMMISSIONS PAID 0.03	4	225.49
01/26/2015	01/29/2015	PURCHASED 32 SHS CBS CORP CORPORATION CLASS B ON 01/26/2015 AT 55.9753 THRU MERRILL LYNCH, PIERCE, FENNER COMMISSIONS PAID 0.27	32	1,791.48

Statement Period 01/01/2015 through 01/31/2015
Account Number 3040001020
SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
CITY OF PORT ORANGE GENERAL
EMPLOYEES RETIREMENT SYSTEM
BOSTON COMPANY

Schedule Of Purchases

TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
01/26/2015	01/29/2015	PURCHASED 241 SHS CBS CORP CORPORATION CLASS B ON 01/26/2015 AT 56.9418 THRU BT ALEX BROWN INC COMMISSIONS PAID 9.64	241	13,732.61
01/26/2015	01/29/2015	PURCHASED 159 SHS CBS CORP CORPORATION CLASS B ON 01/26/2015 AT 56.6755 THRU JEFFRIES AND COMPANY INC. COMMISSIONS PAID 1.35	159	9,012.75
01/26/2015	01/29/2015	PURCHASED 12 SHS CBS CORP CORPORATION CLASS B ON 01/26/2015 AT 56.34 THRU FIRST BOSTON, NY COMMISSIONS PAID 0.10	12	676.18
01/27/2015	01/30/2015	PURCHASED 468 SHS CBS CORP CORPORATION CLASS B ON 01/27/2015 AT 56.7364 THRU BT ALEX BROWN INC COMMISSIONS PAID 18.72	468	26,571.36
01/28/2015	02/02/2015	PURCHASED 171 SHS CBS CORP CORPORATION CLASS B ON 01/28/2015 AT 57.2164 THRU BT ALEX BROWN INC COMMISSIONS PAID 6.84	171	9,790.84
TOTAL			1,264	71,771.12
CUSIP # 19122T109 COCA-COLA ENTERPRISES INC				
01/26/2015	01/29/2015	PURCHASED 197 SHS COCA-COLA ENTERPRISES INC ON 01/26/2015 AT 43.224 THRU HARRIS NESBITT CORP COMMISSIONS PAID 7.88	197	8,523.01
TOTAL			197	8,523.01

Statement Period 01/01/2015 through 01/31/2015
Account Number 3040001020
SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
CITY OF PORT ORANGE GENERAL
EMPLOYEES RETIREMENT SYSTEM
BOSTON COMPANY

Schedule Of Purchases

TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
		CUSIP # 205887102 CONAGRA FOODS INC		
01/26/2015	01/29/2015	PURCHASED 228 SHS CONAGRA FOODS INC ON 01/26/2015 AT 36.8602 THRU BARCLAYS CAPITAL L COMMISSIONS PAID 9.12	228	8,413.25
01/26/2015	01/29/2015	PURCHASED 76 SHS CONAGRA FOODS INC ON 01/26/2015 AT 36.864 THRU BARCLAYS CAPITAL L COMMISSIONS PAID 3.04	76	2,804.70
01/26/2015	01/29/2015	PURCHASED 42 SHS CONAGRA FOODS INC ON 01/26/2015 AT 36.885 THRU INVESTMENT TECHNOL COMMISSIONS PAID 0.63	42	1,549.80
01/27/2015	01/30/2015	PURCHASED 155 SHS CONAGRA FOODS INC ON 01/27/2015 AT 36.6063 THRU BARCLAYS CAPITAL L COMMISSIONS PAID 6.20	155	5,680.18
01/27/2015	01/30/2015	PURCHASED 148 SHS CONAGRA FOODS INC ON 01/27/2015 AT 36.6505 THRU BARCLAYS CAPITAL L COMMISSIONS PAID 5.92	148	5,430.19
01/28/2015	02/02/2015	PURCHASED 885 SHS CONAGRA FOODS INC ON 01/28/2015 AT 36.5779 THRU BARCLAYS CAPITAL L COMMISSIONS PAID 35.40	885	32,406.84
01/29/2015	02/03/2015	PURCHASED 472 SHS CONAGRA FOODS INC ON 01/29/2015 AT 36.2641 THRU BARCLAYS CAPITAL L COMMISSIONS PAID 18.88	472	17,135.54
01/30/2015	02/04/2015	PURCHASED 413 SHS CONAGRA FOODS INC ON 01/30/2015 AT 35.8014 THRU BARCLAYS CAPITAL L COMMISSIONS PAID 16.52	413	14,802.50
	TOTAL		2,419	88,223.00

Statement Period 01/01/2015 through 01/31/2015
Account Number 3040001020
SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
CITY OF PORT ORANGE GENERAL
EMPLOYEES RETIREMENT SYSTEM
BOSTON COMPANY

Schedule Of Purchases

TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
		CUSIP # 609207105 MONDELEZ INTERNATIONAL INC		
01/26/2015	01/29/2015	PURCHASED 205 SHS MONDELEZ INTERNATIONAL INC ON 01/26/2015 AT 36.7451 THRU UBS SECURITIES LLC COMMISSIONS PAID 8.20	205	7,540.95
	TOTAL		205	7,540.95
		CUSIP # 68389X105 ORACLE CORPORATION		
01/20/2015	01/23/2015	PURCHASED 1,048 SHS ORACLE CORPORATION ON 01/20/2015 AT 43.7781 THRU BARCLAYS CAPITAL L COMMISSIONS PAID 41.92	1,048	45,921.37
01/20/2015	01/23/2015	PURCHASED 404 SHS ORACLE CORPORATION ON 01/20/2015 AT 43.4008 THRU JEFFRIES AND COMPANY INC. COMMISSIONS PAID 4.04	404	17,537.96
01/20/2015	01/23/2015	PURCHASED 228 SHS ORACLE CORPORATION ON 01/20/2015 AT 43.3574 THRU SANFORD BERNSTEIN AND COMPANY COMMISSIONS PAID 1.94	228	9,887.43
	TOTAL		1,680	73,346.76
		CUSIP # 713448108 PEPSICO INC		
01/26/2015	01/29/2015	PURCHASED 72 SHS PEPSICO INC ON 01/26/2015 AT 98.7358 THRU MISCHLER FINANCIAL COMMISSIONS PAID 1.08	72	7,110.06
	TOTAL		72	7,110.06

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SALEM TRUST
COMPANY

ACCOUNT STATEMENT-508

Statement Period 01/01/2015 through 01/31/2015
Account Number 3040001020
SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
CITY OF PORT ORANGE GENERAL
EMPLOYEES RETIREMENT SYSTEM
BOSTON COMPANY

Schedule Of Purchases

TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
		CUSIP # 913017109 UNITED TECHNOLOGIES CORP		
01/12/2015	01/15/2015	PURCHASED 130 SHS UNITED TECHNOLOGIES CORP ON 01/12/2015 AT 113.9838 THRU MORGAN STANLEY DEAN WITTER COMMISSIONS PAID 5.20	130	14,823.09
01/12/2015	01/15/2015	PURCHASED 325 SHS UNITED TECHNOLOGIES CORP ON 01/12/2015 AT 114.3212 THRU BT ALEX BROWN INC COMMISSIONS PAID 13.00	325	37,167.39
01/12/2015	01/15/2015	PURCHASED 7 SHS UNITED TECHNOLOGIES CORP ON 01/12/2015 AT 113.9838 THRU BEAR STEARNS AND CO COMMISSIONS PAID 0.06	7	797.95
01/13/2015	01/16/2015	PURCHASED 220 SHS UNITED TECHNOLOGIES CORP ON 01/13/2015 AT 116.1865 THRU BT ALEX BROWN INC COMMISSIONS PAID 8.80	220	25,569.83
		TOTAL	682	78,358.26
TOTAL COMMON STOCK			6,519	334,873.16
UNIT INVESTMENT TRUSTS				
		CUSIP # 03027X100 AMERICAN TOWER CORP INVESTMENT TRUST		
01/26/2015	01/29/2015	PURCHASED 460 SHS AMERICAN TOWER CORP INVESTMENT TRUST ON 01/26/2015 AT 100.6652 THRU SMITH BARNEY INC COMMISSIONS PAID 18.40	460	46,324.39
01/26/2015	01/29/2015	PURCHASED 158 SHS AMERICAN TOWER CORP INVESTMENT TRUST ON 01/26/2015 AT 101.6865 THRU BEAR STEARNS AND CO COMMISSIONS PAID 6.32	158	16,072.79

Statement Period	01/01/2015 through 01/31/2015
Account Number	3040001020
	SALEM TRUST COMPANY AS CUSTODIAN FOR THE CITY OF PORT ORANGE GENERAL EMPLOYEES RETIREMENT SYSTEM BOSTON COMPANY

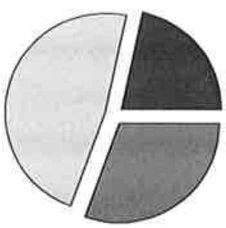
Schedule Of Purchases

TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
01/27/2015	01/30/2015	PURCHASED 126 SHS AMERICAN TOWER CORP INVESTMENT TRUST ON 01/27/2015 AT 100.711 THRU BEAR STEARNS AND CO COMMISSIONS PAID 5.04	126	12,694.63
TOTAL			744	75,091.81
TOTAL UNIT INVESTMENT TRUSTS			744	75,091.81
TOTAL PURCHASES				555,782.25

Statement Period 01/01/2015 through 01/31/2015
Account Number 3040069421
SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
CITY OF PORT ORANGE GENERAL
EMPLOYEES RETIREMENT SYSTEM
INTEGRITY FIXED INCOME

Schedule Of Purchases

Purchase Allocation



21.6%	CORPORATE BONDS	165,547.95
47.8%	SHORT TERM INVESTMENTS	366,634.90
30.6%	U S GOVERNMENT OBLIGATIONS	234,396.68
100.0%	Total	766,579.53

Purchase Schedule

TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
SHORT TERM INVESTMENTS				
		CUSIP # 38141W315 GOLDMAN SACHS TREASURY OBLIGATIONS FUND-ADM		
		TOTAL ACTIVITY FROM 01/01/2015 TO 01/31/2015		
		PURCHASED 366,634.9 GOLDMAN SACHS TREASURY OBLIGATIONS FUND-ADM ON 01/31/2015 AT 1.00	366,634.9	366,634.90
		TOTAL	366,634.9	366,634.90
TOTAL SHORT TERM INVESTMENTS			366,634.9	366,634.90

Statement Period 01/01/2015 through 01/31/2015
Account Number 3040069421
SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
CITY OF PORT ORANGE GENERAL
EMPLOYEES RETIREMENT SYSTEM
INTEGRITY FIXED INCOME

Schedule Of Purchases

TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
U S GOVERNMENT OBLIGATIONS				
		CUSIP # 912810RH3 US TREASURY N/B 3.125% 08/15/2044		
01/14/2015	01/16/2015	PURCHASED 120,000 UNITS US TREASURY N/B 3.125% 08/15/2044 ON 01/14/2015 AT 113.9219 THRU BANC/AMERICA SECS	120,000	136,706.25
TOTAL			120,000	136,706.25
		CUSIP # 912828G38 UNITED STATES TREASURY N/B 2.25% 11/15/2024		
01/22/2015	01/27/2015	PURCHASED 95,000 UNITS UNITED STATES TREASURY N/B 2.25% 11/15/2024 ON 01/22/2015 AT 102.832 THRU BANC/AMERICA SECS	95,000	97,690.43
TOTAL			95,000	97,690.43
TOTAL U S GOVERNMENT OBLIGATIONS			215,000	234,396.68
CORPORATE BONDS				
		CUSIP # 25746UBN8 DOMINION RESOURCES INC NON CALLABLE DTD 08/15/2011 1.95% 08/15/2016		
01/06/2015	01/09/2015	PURCHASED 55,000 UNITS DOMINION RESOURCES INC NON CALLABLE DTD 08/15/2011 1.95% 08/15/2016 ON 01/06/2015 AT 101.227 THRU MERRILL LYNCH CLEARING CORP	55,000	55,674.85
TOTAL			55,000	55,674.85

ST
SALEM TRUST
COMPANY

ACCOUNT STATEMENT-508

Statement Period 01/01/2015 through 01/31/2015
Account Number 3040069421
SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
CITY OF PORT ORANGE GENERAL
EMPLOYEES RETIREMENT SYSTEM
INTEGRITY FIXED INCOME

Schedule Of Purchases

TRADE DATE	SETTLMT DATE	DESCRIPTION	UNITS	COST
		CUSIP # 637432CT0 NATIONAL RURAL UTILITIES MEDIUM TERM NOTE NON CALLABLE DTD 03/07/2002 8% 03/01/2032		
01/05/2015	01/08/2015	PURCHASED 15,000 UNITS NATIONAL RURAL UTILITIES MEDIUM TERM NOTE NON CALLABLE DTD 03/07/2002 8% 03/01/2032 ON 01/05/2015 AT 149.237 THRU MORGAN STANLEY DEAN WITTER	15,000	22,385.55
01/05/2015	01/08/2015	PURCHASED 15,000 UNITS NATIONAL RURAL UTILITIES MEDIUM TERM NOTE NON CALLABLE DTD 03/07/2002 8% 03/01/2032 ON 01/05/2015 AT 148.947 THRU 66767	15,000	22,342.05
	TOTAL		30,000	44,727.60
		CUSIP # 891027AF1 TORCHMARK CORP 7.875% 05/15/2023		
01/13/2015	01/16/2015	PURCHASED 50,000 UNITS TORCHMARK CORP 7.875% 05/15/2023 ON 01/13/2015 AT 130.291 THRU STIFEL NICOLAUS AND COMPANY	50,000	65,145.50
	TOTAL		50,000	65,145.50
TOTAL CORPORATE BONDS			135,000	165,547.95
TOTAL PURCHASES				766,579.53

New Business

Presentation of 2014 Draft Audit Report
James Moore

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN
TABLE OF CONTENTS
SEPTEMBER 30, 2014

DRAFT

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,
City of Port Orange General Employees Defined Benefit Retirement Plan:

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Port Orange General Employees Defined Benefit Retirement Plan (the Plan), which comprise the statement of fiduciary net position as of September 30, 2014, the statement of changes in fiduciary net position for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Plan's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net position of the City of Port Orange General Employees Defined Benefit Retirement Plan as of September 30, 2014, and the changes in plan net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of the Plan's management and independent actuary regarding the methods of measurement and presentation of the required supplementary information. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2015, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Daytona Beach, Florida
February 24, 2015

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

ASSETS	
Cash and cash equivalents with trustee	$ 799,289
Interest and dividends receivable	49,861
Investments, at fair value	
U.S. Treasury obligations	132,848
Government agency obligations	1,358,008
Corporate and municipal debt obligations	2,593,890
Corporate equity securities	14,129,621
Mutual funds	8,553,302
Real estate	1,366,395
Total investments	28,134,064
Total assets	28,983,214
NET POSITION RESTRICTED FOR PENSIONS	$ 28,983,214

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The accompanying notes to financial statements are an integral part of this statement.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

Additions	
Contributions:	
Employer	$ 702,741
Plan members	454,573
Total contributions	1,157,314
Investment income:	
Net appreciation (depreciation) in fair value of investments	2,508,921
Interest and dividends	462,527
Total investment income	2,971,448
Less: investment expense	(137,267)
Net investment income	2,834,181
Total additions	3,991,495
Deductions	
Benefit payments	
Recurring payments	1,577,368
Refunds	208,731
Administrative expenses	82,367
Total deductions	1,868,466
Change in net position	2,123,029
Net position restricted for pensions, beginning of year	26,860,185
Net position restricted for pensions, end of year	$ 28,983,214

The accompanying notes to financial statements are an integral part of this statement.

(1) Summary of Significant Accounting Policies:

The following is a summary of the more significant accounting policies and practices of the City of Port Orange General Employees Defined Benefit Retirement Plan (the Plan), which affects significant elements in the accompanying financial statements:

(a) **Plan description**—The Plan is a single-employer, defined benefit plan (also including a defined contribution component) covering the general employees of the City of Port Orange, Florida (the City). Eligible employees of the Plan consist of full-time general employees of the City. The Plan is governed by a Board of Trustees (the Board), made up of seven individuals, including: the City Manager or appointee, the City's finance director, three active participants in the Plan, one member of the City Council, and one citizen of the City.

The General Employee Plan originated as a defined contribution plan on April 1, 1979. However, on October 1, 2003, pursuant to City Ordinance No. 2003-27, the defined contribution plan was terminated and converted into a defined benefit plan. On September 28, 2010, continued access to this plan by new employees was limited. Under the provisions of Ordinance No. 2010-29, the General Employee Plan was closed to new members effective September 30, 2010. General employees hired on or after October 1, 2010 may participate in the ICMA-RC Money Purchase Plan and Trust for general employees (401A Defined Contribution Plan). Members participating in a bargaining unit will continue to have access to the General Employee Plan unless this option is removed through future collective bargaining processes.

Funds are accumulated from employee contributions, City contributions and investment earnings from accumulated funds. All benefits and refunds of the Plan are recognized when due and payable in accordance with the terms of the plan. City Ordinance No. 2003-27 provides the authority under which the City establishes or amends Plan policies, procedures and/or benefits. The investments of the Plan are administered, managed and operated by the board of trustees using the services of the City staff, consultants and financial institutions. All investment management expenses and other administrative costs are financed by the Plan.

(b) **Pension benefits**—Employees have a stepped vesting program that requires a minimum of 5 years of service to earn a 25% vested benefit. Vesting percentages are increased at a rate of 15% per year for each successive year and are not achieved in full (100%) until after ten years of credited service.

Upon retirement, participants are entitled to a Normal Retirement Benefit equal to 2.00% (2.12% for years up to September 30, 2009) of their average monthly compensation for each year of credited service at their normal retirement date.

The normal form of benefit is life only. Upon retirement at normal retirement date or later, or early retirement with 25 years of service, participants will be eligible for a supplemental benefit equal to $16 per year of service completed prior to September 30, 2009. Early retirement benefits are available, but are reduced ¼ of 1% for each month by which their commencement of benefits precedes the normal retirement date.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(1) **Summary of Significant Accounting Policies:** (Continued)

Effective October 1, 2010, new non-union (civil service) employees are not eligible to participate in this plan. New participants after January 1, 2012, will earn benefits under new provisions as follows: Upon retirement, a participant shall be entitled to a monthly pension retirement benefit equal to 1.60% of the participant's average monthly compensation for each year of credited service at particpant's normal retirement date. The normal form of benefit is life only.

Pursuant to Section 54-148, the Plan also contains a voluntary defined contribution component. Under this plan, employees may contribute up to 10% of their base salary. Accumulated contributions plus related earnings under this plan may be accessed by employees one time per fiscal year, or as needed under certain emergency situations. Accumulated benefits under this plan at September 30, 2014, are $96,038 for retirees, payable over the time period selected by them, not to exceed 20 years. The voluntary account balances of current employees total $1,412,633, all payable over the same time period. The total voluntary account balance asset, at market value, is $1,508,671 and is contained in the assets as presented in the General Employee Plan.

(c) **Disability benefits**—The Plan pays out disability benefits to employees with varying levels of benefits for those with disabilities. Disability benefits are paid out on a multi-tier approach based on years of services and whether the disability resulted from events occurring while in the line of duty or not in the line of duty.

(d) **Death benefits**—In the event of an employee's death, the survivor portion of the annuity, actuarially-reduced to reflect payment prior to the employee's normal retirement date, is payable to the employee's spouse, or other designated financial dependent, in accordance with the Plan document.

(e) **Deferred retirement option program**—The Plan offers a deferred retirement option program (DROP) for participants who were employed by the city on March 1, 2007 and who met the requirements for DROP on or after that date. Participants who enter the DROP program may participate until separating from City employment, not to exceed five years from entering the DROP program. While in the DROP program, employees no longer contribute to the Plan or accrue benefits, but instead earn monthly retirement benefits which are accumulated in a DROP account and paid out in a lump sum upon separation from employment with the City.

(f) **Plan membership**— Membership of the Plan consisted of the following at September 30, 2014, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	71
Terminated vested participants	23
Active participants	124
Active participants ("Modified")	7
Total	225

(g) **Basis of accounting**—The Plan's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and accounted for in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 67, *Financial Reporting for Pension Plans*. Contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefit payments are recognized when due and payable to the Plan participants in accordance with the terms of the Plan.

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits and changes therein at the date of the financial statements. Actual results could differ from those estimates.

(i) **Investment policy**—The investments of the Plan are governed by investment guidelines adopted by the Board of Trustees for the Plan. Authorized investments of the Plan include the following investments:

a. Investment products and funds provide through insurance companies, including, but not limited to, annuity and life insurance contracts of life insurance companies in amounts sufficient to provide, in whole or in part, the benefits to which all of the members in the fund shall be entitled under the provisions of this system and pay the initial and subsequent premium thereon.

b. Time or savings accounts of a national bank, a state bank or a savings/building and loan association insured by the Federal Deposit Insurance Corporation.

c. Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States.

d. Open-end non-commission bank or insurance company real estate funds with ability to liquidate every three (3) months.

e. Foreign securities.

f. Bonds, stocks, commingled or mutual funds.

g. State Board of Administration and the investment vehicles it utilizes.

h. Any other investment which the Board of Trustees deems to be prudent.

(j) **Investment valuation and income recognition**—Investments are stated at fair value based on quoted market prices. Purchases and sales of securities are reflected on a trade-date basis. Changes in the current value of investments and gains and losses on disposal of investments are reported in the statements of changes in fiduciary net position as the net appreciation or depreciation in current value of investments. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

(k) **Risk and uncertainties**—The Plan utilizes various investment securities including U.S. government securities, corporate debt instruments, mutual funds, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

(l) **Expenses**—Administrative expenses of the Plan are paid for directly by the Plan.

(2) **Investments:**

The following chart shows the Plan's cash and investment accounts by investment portfolios and their respective maturities (in years) at September 30, 2014:

	Fair Value	Weighted Average Maturity (years)	Credit Rating Range (S&P)
Money Market Funds	$ 799,289	N/A	NR
U.S. Treasury Obligations	132,848	29.5	AAA
U.S. Agency Obligations	1,358,008	2.9	AAA
Corporate & Municipal Debt	2,593,890	8.5	AA to B-
Common Stock	14,129,621	N/A	NR
Mutual Funds	8,553,302	N/A	NR
Real Estate Pooled Separate Account	1,366,395	N/A	NR
Total Portfolio	$ 28,933,353		

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The established performance objectives of the Pension Plans require investment maturities to provide sufficient liquidity to pay obligations as they become due. At September 30, 2014, the weighted average maturity in years for each investment type is included in the preceding table.

Credit Risk: Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Plan utilizes portfolio diversification in order to limit investments to the highest-rated securities as rated by nationally recognized rating agencies. The ratings of the investments held at year end are shown above. All are rated within the investment policy guidelines. All are rated within the investment policy guidelines at September 30, 2014.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed fifteen (15) percent of the outstanding stock of that company, nor shall the aggregate of its investments at market in common stock, capital stock and convertible securities exceed seventy-five (75) percent of the fund's total assets. Target allocations in investment types include domestic equity (55 percent), international equity (10 percent), United States direct real estate (5 percent) and domestic fixed income (30)%. At September 30, 2014, the investment portfolios met the single issuer limitations.

Custodial Credit Risk: Custodial credit risk is the risk that the City may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan investment policy allows for up to twenty-five (25) percent of its investments in common stock, capital stock and convertible securities at market value in foreign securities. At September 30, 2014, the investment portfolios met the foreign securities limitations.

The annual money-weighted rate of return on Plan investments, net of expenses, was 10.87% for the year ended September 30, 2014. This percentage is a measure of investment performance, net of expenses, as adjusted for changes in amounts contributed and invested.

(3) Funding Policy:

Plan participants are required to contribute 7.5% of their base salary to the Plan, which accounted for $454,573 of total contributions to the Plan for the year ended September 30, 2014.

The aggregate funding method is utilized to calculate the City's contribution requirements, as calculated by an independent actuary. For the year ended September 30, 2014, the City contributed $702,741 to the Plan.

(4) Net Pension Liability:

The net pension liability is the Plan's total pension liability offset by the Plan's fiduciary net position. The components of the net pension liability and the net pension liability as a percentage of the total pension liability were the following at September 30, 2014:

Total pension liability	$ 31,707,207
Fiduciary net position (excluding $1,508,671 voluntary contributions account balance)	27,474,543
Net pension liability	$ 4,232,664
Fiduciary net position as a percentage of the total pension liability	86.65%

Significant actuarial methods and assumptions of the Plan are presented in the following table:

Interest rate	7.5%
Pay increase	4.0% annually
Cost of living adjustment	2.0% annually
Measurement date	September 30, 2014
Valuation date	October 1, 2014
Mortality table	RP-2000 Mortality Table, Scale AA

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

Investment Type	Long-term Expected Real Rate of Return
Domestic Equity	4.25%
International Equity	4.50%
U.S. Direct Real Estate	3.75%
Domestic Fixed Income	1.75%

Note: While the weighted composite average return does not add up to the 7.50% return used as the discount rate, the recent history of the trust in exceeding the assumed rate, along with prevailing practice among similar public pension systems, has lead management to continue to assume the current rate. The long-term expected rates shown above were provided by Southeastern Advisory Services using JP Morgan's 2015 capital markets assumptions. They are presented net of expected inflation (2.25%).

(4) **Net Pension Liability:** (Continued)

The discount rate used to measure the total pension liability for each pension plan was 7.50%. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that City contributions will be made as rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table provides the sensitivity of the net pension liability to changes in the discount rate as of September 30, 2014. In particular, the table presents the plan's net pension liability, if it were calculated using a single discount rate that is one-percentage-point lower (6.5%) or one percentage- point higher (8.5%) than the single discount rate:

	1% Decrease: 6.5%	Current Rate: 7.5%	1% Increase: 8.5%
Net pension liability	$7,614,682	$4,232,664	$1,194,852

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
(Unaudited)

Fiscal year ending September 30,	**2014**
Total Pension Liability	
Service cost	$ 632,402
Interest	2,258,110
Difference between actual and expected experience	(20,332)
Assumption changes	390,940
Benefit payments	(1,537,989)
Refunds	(124,055)
Net Change in Total Pension Liability	1,599,076
Total Pension Liability - Beginning	30,108,131
Total Pension Liability - Ending (a)	$ 31,707,207
Plan Fiducary Net Position	
Contributions - employer	$ 702,741
Contributions - member	405,427
Net investment income	2,694,117
Benefit payments	(1,537,989)
Refunds	(124,055)
Administrative expense	(78,229)
Net change in Plan Fiduciary Net Position	2,062,012
Plan Fiduciary Net Position - Beginning	25,412,531
Plan Fiduciary Net Position - Ending (b)	$ 27,474,543
Net Pension Liability - Ending (a) - (b)	$ 4,232,664
Plan Fiduciary Net Position as a percentage of Total Pension Liability	86.65%
Covered employee payroll	$ 5,170,450
Net Pension Liability as a Percentage of Covered Payroll	81.86%

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ACTUARIALLY DETERMINED CONTRIBUTIONS
(Unaudited)

Year Ending September 30,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2014	$ 702,741	$ 702,741	$ -	$ 5,170,450	13.59%

Notes to Schedule:

Valuation date	October 1, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Asset valuation method	Fair value
Contribution Requirements	Level dollar
Actuarial Assumptions	
Inflation	2.25%
Salary increase	4.00% average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense including inflation
Mortality rates	Based on the RP-2000 post retirement pension mortality, projected generationally using Scale AA (previously 13-M/F Pos.)

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN
(Unaudited)

Year Ending September 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2014	10.87%

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees,
City of Port Orange General Employees Defined Benefit Retirement Plan:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of City of Port Orange General Employees Defined Benefit Retirement Plan (the Plan), which comprise the statement of fiduciary net position as of September 30, 2014, the statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated February 24, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the following paragraphs, that we consider to be significant deficiencies.

2014-001 – Preparation of Financial Statements

The Plan's internal control system should allow the Plan to prepare financial statements in accordance with generally accepted accounting principles (GAAP). The Plan's staff does not have the required knowledge and expertise to prepare the financial statements and all related note disclosures. Due to the nature and size of the Plan, it may not be practical or possible to perform these functions internally. Therefore, management may wish to acknowledge and accept this deficiency or develop compensating controls such as engaging the services of other CPAs to draft the financial statements and related disclosures or to review a draft of the financial statements and related disclosures.

2014-002 – Document Retention and Personnel Files

Since the inception of the Plan, there have been transitions of both Actuary and Third Party Administrator. At the time of the transitions, many of the personnel files may not have been transferred to the new companies. As a result, some of the personnel files for the samples selected for benefit payment testing could not be provided. Even though these employees are no longer active, the Plan is required to maintain personnel files for them. The lack of these documents could lead to various critical plan matters (eligibility, participation, allocation, contribution amount, etc.) being unsupported and open to dispute in the future. We recommend steps be taken to attempt to locate all misplaced personnel files and store them in one central location, as well as the establishment of a clear policy related to document retention moving forward.

2014-003 Creation and Maintenance of Policy Manual

During our audit and obtaining an understanding of internal control, we noted the Plan has an extensive amount of policies and procedures and involvement by a variety of parties, including the Board, the third-party-administrator, the actuary, and City employees. We recommend a formal policy/procedure manual be created to summarize the policies and procedures in place and that such manual be reviewed on no less than an annual basis to update for any changes in processes, controls, personnel, etc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daytona Beach, Florida
February 24, 2015

New Business

Salem Trust SSAE 16 and 2/17 Letter

SALEM TRUST

COMPANY

February 17, 2015

Salem Trust Company's 2013-2014 transition to a new operating system was a decision that we needed to make, although it led to unforeseen complications. But in the end we prevailed and overcame the challenges and the new operating system is now serving Salem Trust clients well.

Our attention now focuses on the last remaining conversion issue, the distribution of the SSAE 16 report for the period immediately following the conversion of June 1, 2013, to June 30, 2014. During the transition, many statements were late and some trades may have been delayed, but ultimately never with unresolved consequences to the client. The difficulties we experienced resulted in a redesign of our procedures and controls. Salem Trust's operating effectiveness, as a result, has been greatly enhanced.

I have stated in prior communications that the vast majority of Salem Trust's clients' have now gone through fiscal year-end audits for the period of time during which Salem Trust's conversion occurred. We are pleased to be able to report that fiduciary and safekeeping functions of Salem Trust were not compromised. The benefit payments were sent out on time; trades were always processed; no assets were lost or comingled with those of another; and dividend and interest income was always collected.

The annual service organization audit we undergo, the SSAE16, focused on our internal processes and controls in place during the time of the 2013-2014 conversion. Those processes and controls have been improved in response to our conversion and are more effective than those in existence during the period June 1, 2013 thru June 30, 2014.

We would like to take a moment and share portions of the adverse opinion from our transition-era audit, and explain our point of view in response. I welcome the opportunity of answering any further questions that you may have.

Regards,

Brad Rinsem

Bradley K. Rinsem, President & Chief Executive Officer

DEERFIELD BEACH TAMPA

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www.salemtrust.com

SALEM TRUST
COMPANY

SALEM TRUST'S RESPONSE TO THE SSAE 16 AUDIT FOR THE PERIOD OF JUNE 1, 2013 TO JUNE 30, 2014

SSAE 16 in General

Salem Trust's response: It was discovered early in the conversion process that incomplete data interfaces delayed the posting of marketable security trade settlements. The consequence of the delayed postings was magnified by failed trades from investment managers who did not follow revised trading instructions. These trading instructions were provided several times before the conversion. Direct intervention with investment managers occurred immediately during, and frequently after, conversion.

The daily journals, which support the rapid pace for reconciling trades and accompanying income postings, were not appropriately archived and, as the report notes, created a document void for the validation of control processes. The consequence is that the audit tests could not always specifically identify the source document that was used.

The absence of appropriately archived documentation to test controls lies at the heart of the auditor's opinion. No attempt was made to present an artificial operating design and exaggerated controls. As management notes, we have identified and acknowledge certain deficiencies in our system description, system design, and operational effectiveness of the system. Improvements have already been implemented.

SSAE 16: The accompanying description of the USFAS system for affiliate fiduciary and investment support services does not include the controls that are in place to monitor and periodically reconcile trust cash.

Salem Trust's response: We did not specifically include cash controls within the description because other parts of the description prompted tests of cash, such as the tracing of wire activity during the trade and settlement process and the testing of wires/checks during the disbursement process. Controls are in place to monitor and periodically reconcile trust cash.

Salem Trust's reconciled cash positions for our clients were, and still are, in balance with our service providers. Reports related to actions for the reconciling of cash positions are being retained so that testing to the source documents can be performed for the next period. Management will also include a section in the USFAS system for affiliate fiduciary and investment support services description for cash controls that will be used in the next test.

SALEM TRUST
COMPANY

SSAE 16: **The description also does not include the controls that are in place to perform and determine the accuracy of maintenance changes to client accounts to include changes to investment discretion, investment objective, client addresses, client phone numbers, and disbursement amount or frequency.**

Salem Trust's response: Without written direction, Salem Trust does not perform maintenance changes to client accounts affecting addresses, phone numbers, and disbursement amount or frequency.

The testing for the next period will include a review of these source documents that are used in the normal course of facilitating the written requests from our clients.

Salem Trust does not operate with investment discretion nor does it operate in a capacity that would affect the investment objective of our clients.

SSAE 16: **USFAS states that it has controls in place to compare trades on the AddVantage system against trade information from USB. USFAS also states that it has controls in place to reconcile trade settlements with USB on a daily basis in order to make a net settlement. USFAS further states that it has controls in place to reconcile the asset positions between USB and SunGard on a daily basis and between Fidelity and SunGard on a semi-monthly basis with a review being conducted by supervisory personnel on a monthly and semi-monthly basis, respectively.**

Salem Trust's response: Salem Trust client statements show correct and accurate trade data and asset positions, including cash. This has been documented by the reconciliation of investment managers, investment consultants and the auditors of our clients. The recent number of monthly failed trades has been modest and, even then, reconciled so that client and stakeholder statements are accurate.

SSAE 16: **(1) It was identified that the design of the controls are not sufficient to retain documentation to support the performance of the stated controls and (2) additionally, it was identified that evidence of review of the asset position reconciliations was not formally and consistently documented.**

Salem Trust's response: The core element of the SSAE 16 audit is the presence of retained documentation that supports the ability to test an operating task. The daily reports to reconcile trade settlements and asset positions are now being archived to provide documented support of these activities.

SSAE 16: **(1) USFAS states in its description that it has controls in place to reconcile income amounts posted with the amounts actually received from USB on a daily basis. USFAS also states in its description that it has controls in place to review and resolve unprocessed income maps and (2) it was identified that the design of the controls are not sufficient to retain documentation to support the performance of the stated controls.**

Salem Trust's response: Our clients' income has been factually documented by the reconciliations of investment managers, investment consultants and auditors. Income is not missing or misplaced. We remain in balance with our service providers and positions held by our clients.

Documentation is now being retained to provide documented support that these actions are being performed.

SSAE 16: **USFAS states in its description that it has controls in place to set up and perform distributions based on client requests or the terms of the governing instrument. However, instances were identified where supporting documentation for distribution could not be provided, client direction for disbursements could not be provided, and client direction provided was not from an individual authorized to transact for the client account.**

Salem Trust's response: The appendix will show this finding was not related to any clients of Salem Trust. All distributions from Salem Trust client accounts are made after receiving written signed direction from authorized entities.

Appendix A details the findings of the SSAE 16 audit

The conditions which led to many of the testing deficiencies go back 18 months to the consequences of the conversion. The majority of the test results show "No exceptions were identified"; several were not associated to the processes and procedures in effect at Salem Trust; and the "Management Response" to the test results confirm that solutions have been identified and implemented to rectify the absence of sufficient documentation and other items.

USFAS
USF AFFILIATE SERVICES
INCORPORATED

December 31, 2014

Re: Bridge Letter for USFAS's SSAE16 (Report on Description of USFAS' System and the Suitability of the Design and Operating Effectiveness of Controls)

Dear Report Recipient:

Crowe Horwath LLP performed an independent examination related to the fiduciary and investment support services of USF Affiliate Services, Inc. ("USFAS") made on behalf of two of its affiliate trust companies, GreatBanc Trust Company and Salem Trust Company, as well as certain services received from another affiliate, specifically, investment advisory services from Pennant Management, Inc., in accordance with the Statement on Standards for Attestation Engagement No. 16 ("SSAE 16 Report"). The SSAE 16 Report addressed the period from June 1, 2013 through June 30, 2014. For the period from July 1, 2014 to December 31, 2014, we make the following representations which are true to the best of our knowledge and belief.

USFAS management is responsible for the design and implementation of internal control procedures. We believe that the description of controls in the SSAE 16 Report is accurate but needs to be expanded to include a description of our cash processing and account maintenance procedures.

USFAS, as a normal part of its operations, continues to update and enhance its services and technology. Improvements have been made to the control environment since the end of the prior control period. USFAS has cash processing and account maintenance procedures which will be incorporated into management's description of controls in next year's SSAE 16 Report.

Please note that the controls for USFAS are designed with certain responsibilities required of the report users. (See the client control considerations noted in the most recent SSAE 16 Report.)

If you have any questions, feel free to directly contact our office at the number listed below.

Sincerely,

Matthew J. Bowman
Senior Vice President

USFAS
USF AFFILIATE SERVICES
INCORPORATED

REPORT ON A DESCRIPTION OF A SERVICE ORGANIZATION'S SYSTEM AND THE SUITABILITY OF THE DESIGN AND OPERATING EFFECTIVENESS OF CONTROLS

Related to USF Affiliate Services, Inc. Affiliate Fiduciary and Investment Support Services

Under the AICPA,
Statement on Standards for Attestation Engagements, No. 16 (SSAE No. 16)
Reporting on Controls at a Service Organization (SOC 1, Type 2)

For the period June 1, 2013 to June 30, 2014

Crowe Horwath.

http://www.crowehorwath.com

USFAS
USF AFFILIATE SERVICES
INCORPORATED

REPORT ON A DESCRIPTION OF A SERVICE ORGANIZATION'S SYSTEM AND THE SUITABILITY OF THE DESIGN AND OPERATING EFFECTIVENESS OF CONTROLS (SSAE No. 16, SOC 1, Type 2)

Related to USF Affiliate Services, Inc.
Affiliate Fiduciary and
Investment Support Services

For the period June 1, 2013 to June 30, 2014

Table of Contents

INDEPENDENT SERVICE AUDITOR'S REPORT

USF Affiliate Services, Inc.
Lisle, Illinois

Scope
We have examined USF Affiliate Services, Inc. ("USFAS") description of its system for affiliate fiduciary and investment support services (system) throughout the period June 1, 2013 to June 30, 2014 (description), and the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the description. The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls contemplated in the design of USFAS's controls are suitably designed and operating effectively, along with related controls at the service organization. We have not evaluated the suitability of the design and operating effectiveness of such complementary user entity controls.

USFAS uses SunGard AddVantage system provided by SunGard Business Systems, LLC to perform accounting and data processing functions. USFAS also uses various depositories, sub-custodians, pricing, and participant recordkeeping subservice organizations as described in Appendix C. The description includes only the controls and related control objectives of USFAS and excludes the control objectives and related controls of SunGard Business Systems, LLC and those subservice organizations indicated in Appendix C. Our examination did not extend to controls of SunGard Business Systems, LLC or the other subservice providers.

Service Organization's Responsibilities
Beginning on page 4, USFAS has provided an assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. USFAS is responsible for preparing the description and the assertion, including the completeness, accuracy, and method of presentation of the description and the assertion; providing the services covered by the description; specifying the control objectives and stating them in the description; identifying the risks that threaten the achievement of the control objectives; selecting the criteria; and designing, implementing, and documenting controls to achieve the related control objectives stated in the description.

Service Auditor's Responsibilities.
Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination. We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period June 1, 2013 to June 30, 2014.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of the service organization's controls to achieve the related control objectives stated in the description involves performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of those controls to achieve the related control objectives stated in the description. Our procedures included assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.

Our procedures also included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in the description were achieved. An examination engagement of this type also includes evaluating the overall presentation of the description and the suitability of the control objectives stated therein, and the suitability of the criteria specified by the service organization and in management's assertion beginning on page 4. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Inherent Limitations

Because of their nature, controls at a service organization may not prevent, or detect and correct, all errors or omissions in processing or reporting transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become inadequate or fail.

Basis for Adverse Opinion

The accompanying description of the USFAS system for affiliate fiduciary and investment support services does not include the controls that are in place to monitor and periodically reconcile trust cash. The description also does not include the controls that are in place to perform and determine the accuracy of maintenance changes to client accounts to include changes to investment discretion, investment objective, client addresses, client phone numbers, and disbursement amount or frequency. We believe that such information about the process for reconciling trust cash, as well as performing client maintenance changes should be included in management's description of its system because it is an integral part of the system and relevant to user entities.

USFAS states in its description on page 13 that it has controls in place to compare trades on the AddVantage system against trade information from USB. USFAS also states that it has controls in place to reconcile trade settlements with USB on a daily basis in order to make a net settlement. USFAS further states that it has controls in place to reconcile the asset positions between USB and SunGard on a daily basis and between Fidelity and SunGard on a semi-monthly basis with a review being conducted by a supervisory personnel on a monthly and semi-monthly basis, respectively. However, as indicated at pages 21 to 26 of Appendix A, it was identified that the design of the controls are not sufficient to retain documentation to support the performance of the stated controls. Additionally, it was identified that evidence of review of the asset position reconciliations was not formally and consistently documented. As a result, controls were not suitably designed or operating effectively during the period of June 1, 2013 to June 30, 2014 to achieve the control objective, "Controls provide reasonable assurance that investment purchases are recorded completely, accurately, and on a timely basis."

USFAS states in its description on page 14 that it has controls in place to reconcile income amounts posted with the amounts actually received from USB on a daily basis. USFAS also states in its description that it has controls in place to review and resolve unprocessed income maps. However, as indicated at pages 27 to 29 of the description of Appendix A, it was identified that the design of the controls are not sufficient to retain documentation to support the performance of the stated controls. As a result, controls were not suitably designed during the period of June 1, 2013 to June 30, 2014 to achieve the control objective, "Controls provide reasonable assurance that investment income and corporate actions are recorded accurately and timely and processed in a timely manner."

USFAS states in its description on page 15 that it has controls in place to set up and perform distributions based on client requests or the terms of the governing instrument. However, as indicated at pages 32 and 33 of Appendix A, instances were identified where supporting documentation for distribution could not be provided, client direction for disbursements could not be provided, and client direction provided was not from an individual authorized to transact for the client account. As a result, controls were not operating effectively during the period of June 1, 2013 to June 30, 2014 to achieve the control objective, "Controls provide reasonable assurance that "data" on "master file information" and disbursement setup are complete, accurate, and authorized in accordance with the trust documents."

Adverse Opinion
In our opinion, because of the matters referred to in the preceding four paragraphs in all material respects, based on the criteria described in USFAS' assertion beginning on page 4:

a. The description does not fairly present the system that was designed and implemented throughout the period June 1, 2013 to June 30, 2014.

b. The controls related to the control objectives stated in the description were not suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period June 1, 2013 to June 30, 2014.

c. The controls tested, which were those necessary to provide reasonable assurance that the control objectives stated in the description were achieved, did not operate effectively throughout the period June 1, 2013 to June 30, 2014.

Other Matters
Management responses to test results included in Appendix A included in this report were provided by USFAS to provide additional information. Such information has not been subjected to the procedures applied in the examination of the description of system applicable to the processing of transactions for user organizations, and accordingly, we express no opinion on it.

As indicated above, in the conduct of the examination, we have read USAFAS' assertion beginning on page 4 and have referred to this in our reporting, however, we have not audited this as a separate document and we express no opinion on it as a separate document. Further, we can provide no assurance of the correctness or accuracy of the information included in Exhibit 1 of the assertion under the caption "Issues Identified by Management in the Conversion of the System."

Description of Tests of Controls
The specific controls tested and the nature, timing, and results of those tests are listed in Appendix A of this report.

Restricted Use
This report, including the description of tests of controls and results thereof in Appendix A, is intended solely for the information and use of USFAS, user entities of USFAS' affiliate fiduciary and investment support system during some or all of the period June 1, 2013 to June 30, 2014, and the independent auditors of such user entities, who have a sufficient understanding to consider it, along with other information including information about controls implemented by the user entities themselves, when assessing the risks of material misstatements of user entities' financial statements. This report is not intended to be and should not be used by anyone other than these specified parties.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
February 2, 2015

MANAGEMENT ASSERTION RELATED TO TRANSACTION PROCESSING FOR AFFILIATE FIDUCIARY AND INVESTMENT SUPPORT SERVICES FOR THE PERIOD OF June 1, 2013 TO June 30, 2014
Provided by USF Affiliate Services, Inc.

USFAS
USF AFFILIATE SERVICES
INCORPORATED

February 2, 2015

To the Users of USF Affiliate Services, Inc. Fiduciary and Investment Support Services:

We have prepared the foregoing description of systems supporting the fiduciary and investment functions of USFAS and its affiliated entities during some or all of the period of June 1, 2013 through June 30, 2014 (the "Control Period"). This description is to be used by our clients and their auditors when assessing the risks of material misstatement of clients' financial statements. This description is particularly intended for use by those who have a sufficient understanding of such systems to consider it, in conjunction with other information, including information about controls implemented by our clients in their interaction with USFAS's personnel or systems. USFAS uses various depositories, sub-custodians, pricing, trust accounting, and participant recordkeeping sub-service organizations as described in Appendix C. This description includes only the control objectives and related controls of USFAS and excludes the control objectives and controls of these various sub-service organizations. We confirm, to the best of our knowledge and belief, that

a. Because of the matter discussed in item (IIa) of the "Description, Design, and Operational Effectiveness Exceptions" included in Exhibit I of our "Management' Assertion", this description does not fairly present the system for fiduciary services and investment support for processing client transactions and delivering other information to clients in effect during the Control Period.

   The criteria we used in making this assertion were that the description:

   (i) Presents how the system was designed and implemented to process relevant transactions, including, if applicable:

      1. The types of services provided including, as appropriate, the classes of transactions processed;
      2. The procedures, within both automated and manual systems, by which those services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports and other information prepared for user entities;
      3. The related accounting records, supporting information, and specific accounts that are used to initiate, authorize, record, process, and report transactions; including the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities;
      4. How the system captures and addresses significant events and conditions, other than transactions;
      5. The process used to prepare reports or other information provided to user entities;
      6. The specified control objectives and controls designed to achieve those objectives; and

7. Other aspects of the control environment, risk assessment process, information and communication systems (including the related business processes), control activities, and monitoring controls that are relevant to processing and reporting transactions of user entities of the system.

8. Does not omit or distort information relevant to the scope of the system, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities of the system and their financial auditors and may not, therefore, include every aspect of the system that each individual user entity of the system or its auditor may consider important in its own particular environment.

(iii) Includes relevant details of the changes to the system during the Control Period.

b. Because of the matters discussed at item (IIb- IId) of the "Description, Design, and Operational Effectiveness Exceptions" included in Exhibit I of our "Management Assertion", the controls related to the control objectives stated in the description were not suitably designed and operating effectively throughout the period June 1, 2013 to June 30, 2014 to achieve those control objectives.

The criteria we used in making this assertion are that:

(i) the risks that threaten the achievement of the control objectives stated in the description have been identified by our organization;

(ii) the controls identified in the description would, if operating as described, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved; and

(iii) the controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.

Walter Yurkanin

Walter Yurkanin
President and Chief Executive Officer
USF Affiliate Services, Inc.

Exhibit I

I. Issues Identified by Management in the Conversion of the System:

On June 1, 2013, the first day of this reporting period, USFAS changed trust accounting systems from SEI Trust3000 (an outsourced solution) to SunGard AddVantage (an in-house solution) to improve workflow and ease of use. USFAS' new in-house solution included a new trade order entry system (InvestorsView), a new portfolio performance management interface (FirstRate) and a new client online portal (WebLink). In addition, USFAS changed custodial services from SEI to U.S. Bank (USB) on April 1, 2013.

Although, operational risk was mitigated by hiring a consulting firm to help complete the transition to the new accounting system and to assist in writing front-office and back-office procedures for the new system, controls did not always operate effectively throughout the reporting period. The new system had certain control design deficiencies, particularly in the early months following conversion. In some cases, there was an inability to produce sufficient documentation to support conclusions regarding the control environment.

It was discovered early in the conversion process that incomplete data interfaces between the sub-custodian (USB) and the AddVantage system delayed the posting of marketable security trade settlements. This control deficiency had a different impact on each of the USFAS affiliates. The majority of GreatBanc Trust Company clients were not materially affected because most trades were low volume and non-marketable. In particular, there was almost no impact to GreatBanc Trust Company's ESOP clients.

USFAS made a commitment to strengthen the new systems' controls. During the reporting period, USFAS hired more experienced personnel that are knowledgeable in the new systems. In addition, USFAS established improvements to the control environment and updated related processes.

II. Description, Design, and Operational Effectiveness Exceptions Identified by Management

We have identified certain deficiencies in our system description, system design, and operational effectiveness of the system. Below is a discussion of these.

a. Our description of systems supporting the fiduciary and investment functions of USFAS and its affiliated entities did not include controls that are in place to monitor and periodically reconcile trust cash. The description also did not include the controls that are in place to perform and determine the accuracy of maintenance changes to client accounts. We did not specifically include cash controls within the description because other parts of the description prompted tests of cash, such as the tracing of wire activity during the trade and settlement process and the testing of wires/checks during the disbursement process. We preferred to not include account maintenance changes in the description of controls until we became more knowledgeable about system parameters and critical processes. Management recognizes the importance of having separate, fully developed control objectives for each of these processes and the importance of these to user entities and recognizes that the lack of inclusion of these processes and controls results in a deficient description of the system.

b. Trade settlement and asset position reconciliation procedures were not properly designed to require that documentation be adequate and retained throughout the period. Additionally, the asset position reconciliations did not consistently contain evidence of review by supervisory personnel throughout the period. This results in the inability to give reasonable assurance that the control objective, "Controls provide reasonable assurance that investment purchases are recorded completely, accurately, and on a timely basis," was designed and operating effectively.

c. Income settlement procedures and subsequent reconciliations for USB was not properly designed as documentation was not always adequately prepared and retained throughout the period thus resulting in the inability to provide reasonable assurance that the control objective, "Controls provide reasonable assurance that investment income and corporate actions are recorded accurately and timely and processed in a timely manner," was designed effectively.

d. Written documentation and client authorization for distributions was not consistently obtained throughout the period resulting in the inability to provide reasonable assurance the control objective, "Controls provide reasonable that "data" on "masterfile" and disbursement setup are complete, accurate, and authorized in accordance with the trust documents," was operating effectively.

DESCRIPTION OF TRANSACTION PROCESSING FOR AFFILIATE FIDUCIARY INVESTMENT AND SUPPORT SERVICES FOR THE PERIOD OF June 1, 2013 to June 30, 2014 Provided by USF Affiliate Services, Inc.

OVERVIEW OF USF AFFILIATE SERVICES, INC.

U.S. Fiduciary Services, Inc. ("USFS") is an employee-owned holding company that wholly owns the following subsidiaries: USF Affiliate Services, Inc. ("USFAS"), GreatBanc Trust Company ("GBTC"), Salem Trust Company ("STC"), Pennant Management, Inc. ("PMI"), and Waretech Inc. The subsidiaries together supervise approximately $33 billion in client assets and have established inter-company contractual agreements to allow for the most efficient and effective delivery of service to their clients.

USF Affiliate Services, Inc. ("USFAS") was formed in January 2006 to support the administration of its affiliated trust company accounts and to provide support services such as accounting, human resources and risk management. On May 31, 2013, USFAS converted from the SEI Trust3000 system to the SunGard AddVantage ("SunGard") trust accounting system. Contemporaneously, USFAS became responsible for the "back office" trust operations functions that had previously been completed by SEI Private, including asset data services, trade processing, income processing, free asset movement, corporate action monitoring, performance reporting, and statement production. New interfaces include a trade order entry system (InvestorsView), a portfolio performance management interface (FirstRate) and a client online portal (WebLink).

GreatBanc Trust Company ("GBTC") is a non-depository trust company headquartered in Lisle, Illinois. Incorporated in 1989, GBTC is nationally recognized as a highly skilled independent ERISA trustee specializing in employee stock ownership plans (ESOPs) and sophisticated, cutting edge ESOP transactions. GBTC provides trust, investment and wealth management services to individuals as well as a comprehensive range of institutional services to corporations, foundations, endowments and not-for-profit organizations throughout the United States.

Salem Trust Company ("STC") was founded in 1998 and is a State of Florida chartered bank that is exercising its trust powers only. STC is headquartered in Tampa, Florida, with a branch office in Deerfield Beach. In 2005, STC became a subsidiary of USFS. STC is the largest independent trust company in Florida and the fifth largest overall. Recognized as the leading provider of custody and benefit payment services to municipalities in Florida, STC's clientele includes individuals, corporations, pension plans, insurance companies, colleges and universities, and foundation and endowment funds.

Pennant Management, Inc. ("PMI") is a Milwaukee, Wisconsin-based institutional investment manager registered and regulated by the U.S. Securities and Exchange Commission. PMI was founded in 1992 and has built a reputation for excellence in investment performance, client services, and economic and investment market research. In 2004, PMI became a subsidiary of USFS. PMI provides investment management and sub-advisory services for its affiliates' clients.

PMI is also investment advisor or consulting advisor to various mutual and collective investment funds. These funds may be administered, and related assets held in custody by non-affiliate counterparties; however, certain fund positions are held within GBTC and STC portfolios. In addition, PMI, as agent for the benefit and on behalf of its clients, engages in certain Small Business Administration (SBA) and U.S. Department of Agriculture (USDA) guaranteed loan repurchase arrangements (Repo) between PMI ("Buyer"), various repo dealers ("Sellers"), and qualified custodians; the latter serve as agent for both the Buyer and Seller, holding the cash and securities posted as collateral for the transaction. Currently, both GBTC and one non-affiliate counterparty serve as custodians for these transactions.

As custodian, GBTC is responsible for the daily distribution of margin sheets, holdings and projected activity for the Repo collateral counterparties. In addition, liquidity management clients of PMI sign agreements with GBTC for individual custodial services for their Repo positions.

Waretech, Inc. is a Chesterton, Indiana-based technology consulting company which is responsible for the implementation and oversight of information technology controls for itself and its affiliates. These duties include maintaining a secure and reliable computer network, developing and updating information technology policies and procedures, overseeing the Business Continuity Plan, and providing end user support.

Report Applicability

This report covers the internal controls of GBTC, STC, and USFAS, collectively and individually referred to as the "Companies," in regard to processing of transactions for retirement plan clients of GBTC and institutional and pension custodial service clients of STC.

This report also covers the internal controls of the Companies in regard to the processing of PMI-advised investment transactions and holdings in GBTC and STC client portfolios, including assets invested through PMI's repurchase arrangements. In addition, this report covers the internal controls of the Companies in regard to the processing of repurchase agreement transactions and holdings custodied at GBTC where customers have entered into investment management agreements with Shay Assets Management, Inc. ("Shay"), a non-affiliated Florida corporation.

Control Objectives and Related Controls

The control objectives specified by USFAS and the controls that achieve those control objectives are listed in Appendix A – Description of Control Objectives, Controls, Test Procedures and Results section. The report is intended to assist clients of GBTC and STC and their independent auditors in determining the adequacy of USFAS's system of controls in the context of a user entity's own internal control environment.

Complementary User Entity Controls

Certain control objectives specified in the description can be achieved only if complementary user entity controls contemplated in the design of USFAS' controls are suitably designed and operating effectively, along with related controls at the service organization. In Appendix B, Complementary User Entity Controls are specific user controls each GBTC or STC client should implement in order to achieve certain control objectives identified in this report. These considerations are not necessarily a comprehensive list of all internal accounting controls that should be employed by the customer, nor do they represent procedures that may be necessary in all circumstances.

CONTROL ENVIRONMENT, RISK ASSESSMENT PROCESS AND MONITORING

Organization

The fiduciary activities of the Companies are overseen by the Board of Directors' for each affiliate. The respective Boards and senior management are committed to maintaining an effective control environment for the protection of client assets, as well as the accurate and timely measurement and reporting of activities. Investment management and trust activities are conducted in accordance with written policies and procedures that have been adopted and are periodically reviewed by the Companies' management and the Boards of Directors. The Companies have strategic business plans that list financial and non-financial goals.

Effective January 1, 2014, USFS created its Enterprise Risk Committee. The purpose of this committee is to monitor the risk environment and provide direction for activities to mitigate, to an acceptable level, the risks that may adversely affect USFS' or its subsidiaries' ability to achieve their goals. Committee membership is comprised of key officers across all subsidiaries and functions.

GBTC and STC each have their own Trust Committee to ensure effective oversight of trust activities. The Trust Committees review the activities of management on a monthly basis and report to their respective Boards of Directors quarterly. The Trust Committees oversee investment management and trust activities relating to all client accounts. Specific responsibilities include review of policies and procedures; review of fiduciary monitoring reports; review of minutes of the Investment Committee, New Account Review Committee, Administrative Review Committee, and Fiduciary Committee; and review of assessments and reports of examination, including implementation of recommendations made by auditors and examiners.

The Audit Committees appointed by the Boards of Directors consist of all outside Directors. The committees have the responsibility to make, or cause to be made, suitable audits in accordance with law, applicable state and federal regulations, and sound fiduciary principles. Audit Committee responsibilities for each trust company are fully defined in individual Audit Committee Charters that have been approved by their respective Boards of Directors.

The responsibilities for investment management and trust activities are assigned to various personnel to promote segregation of functions including the processing and recording of transactions, maintaining the custody of assets, performing reconciliation activities, and monitoring compliance. For purposes of delivering fiduciary services, the Companies are organized along the following business functions:

- Administration – Reviews and administers the trusts in compliance with the trust agreement.
- Operations – Performs the recordkeeping procedures for trust activity.
- Investments – Invests the assets held in discretionary accounts in compliance with the governing document, Investment Committee recommendations, and investment policies.
- Legal/Compliance – Supports the other functions in their adherence to legal, regulatory and internal policy requirements.

Management Control

Management and supervisory personnel monitor performance quality and operational controls as a normal part of their activities. Adherence to trust policy and procedures is monitored through various committees and through a formalized account review process. The review process is designed to periodically evaluate account administration and to support compliance with the trust document, the Companies' controls, and applicable regulatory requirements. Results of the reviews are reported to management and the various oversight committees.

Controls Related to Personnel

Hiring Practices – The Companies have formal hiring practices designed to ensure that new employees are qualified for their job responsibilities. Organizational charts and job descriptions define employees' duties, responsibilities, and lines of authority. Hiring policies require employees to meet minimum education and experience requirements and to submit written references. The Companies also perform background investigations and substance abuse testing of potential employees. Each employee acknowledges receipt of an employee handbook annually which outlines the Companies' personnel policies and procedures, including the Companies' Codes of Conduct requirements.

Employee Training – Training of personnel is accomplished through supervised on-the-job training and meaningful continuing education programs. Mandatory compliance training is also required of all employees. Certain positions require the completion of special training. Division managers are responsible for ensuring that all employees complete required training. Division managers are also responsible for encouraging the training and development of employees so that all personnel continue to qualify for their functional responsibilities.

Performance Reviews – The Companies have established standards for annual performance evaluations. A review is performed on each employee by his or her supervisor on an annual basis, with the applicable documentation filed in the employee's personnel file. Employees are evaluated on objective criteria based on performance. Employees whose performance has been judged less than satisfactory may be placed on notice with more frequent re-evaluations performed thereafter. After being on notice for a specified period of time, the employee may be terminated if sufficient improvement has not been made.

Policies and Procedures

The Companies' policies are documented in formal policy manuals. Policies are organized by functional area and are approved by each Board of Directors. Following conversion to a new accounting system in 2013, SunGard-based procedures were developed and implemented for the Companies' critical processes. In addition, the Companies have a formal conflict-of-interest policy that establishes rules of conduct for employees who service accounts. Employees are prohibited from divulging confidential information about a client's affairs, trading in securities issued by a client or a client's affiliates, and taking any action that is not in the best interest of the client. The sale or purchase of an asset as well as the provision of a service to, from, or through a firm in which a director or officer has an interest are deemed a conflict of interest and, accordingly, are prohibited unless specifically authorized by the governing instrument, local law, or court order. Such transactions are not consummated without consultation with counsel and the prior approval of the Trust Committees.

Risk Assessment Process

The Companies perform an annual risk assessment process to identify and manage risks that could affect the organization's ability to provide reliable transaction processing to its investment and fiduciary services clients. This process requires management to identify significant risks inherent in the processing of various types of transactions for customers and to implement appropriate measures to monitor and manage these risks. This assessment also is used to develop the internal audit plan. Risks identified in this process include the following:

- Operational risk associated with computerized information systems, manual processes involved in transaction processing, and external systems;
- Credit risk associated with, among other things, securities settlement and investment of related cash collateral;
- Market risk associated with the investment of cash collateral and the valuation of securities; and
- Fiduciary risk associated with acting on behalf of customers.

Internal Audit

Affiliate fiduciary and investment support services activities are subject to internal audit by a third-party firm on an annual basis. Results of the internal audit are reported directly to the Audit Committees. The internal audit program is designed to evaluate compliance with the organization's controls and the laws and regulations to which the organization is subject, including ERISA. The program also addresses the soundness and adequacy of accounting, operating, and administrative controls. Internal audits cover four broad areas of fiduciary services: account administration, regulatory compliance, transaction accounting, and asset custody. Internal audits of asset custody include periodic sample verification of assets held in affiliate fiduciary and investment support service accounts through physical examination, confirmation, and review of reconciliations and underlying source documents. Formal reports of audit findings are prepared and submitted to management and to the Audit Committee.

Other Considerations

Regulatory Supervision – GBTC is subject to regulation and supervision by the Illinois Department of Financial and Professional Regulation ("IDFPR"), Bureau of Banks and Trust Companies. Accordingly, GBTC is required to file periodic reports with the IDFPR and is subject to periodic examination by the IDFPR. Conversely, STC is subject to regulation and supervision by the Florida Office of Financial Regulation ("OFR"), Division of Financial Institutions. Accordingly, STC is required to file periodic reports with the OFR and is subject to periodic examination by the OFR.

Insurance Coverage – USFS maintains insurance coverage against major risks for the Companies. Insurance policies include a financial institutions bond and trust errors and omissions coverage. Coverage is provided by two insurance companies that USFS believes are financially sound and are rated A+ by A.M. Best Company, Inc. This coverage is maintained at levels considered reasonable by management and within the guidelines set forth by regulatory agencies, given the size and scope of the Companies' operations.

DESCRIPTION OF OPERATIONAL CONTROLS

Control Objective 1: Controls provide reasonable assurance that investment purchases and sales are authorized.

Trade Execution and Authorization

Equity and fixed income trades are initiated in accordance with the investment authority provisions of the governing instrument(s) as well as the intercompany sub-advisory agreements between the Companies.

For accounts for which the Companies have no investment authority, or have delegated investment authority as approved by the client, equity and fixed income trades are initiated and approved by clients or appointed outside investment managers. When clients initiate such trades, the account administrator enters the trade order through SunGard's trading platform which is executed with the broker who then fills the order. When the appointed investment manager initiates such trades, the investment manager executes the trade orders directly with the broker who then fills the order. In both instances, a trade confirmation is created in the DTCC system for affirmation. The SunGard system and the DTCC both interface with U.S. Bank (USB), where the vast majority of all of the trust assets are maintained in safekeeping.

For accounts for which the Companies maintain investment authority, the administrative officer or investment officer initiate equity and fixed income trades based on internal policies (e.g., approved securities list, intercompany sub-advisory agreements, etc.) as well investment goals or restrictions established at the opening of the account relationship (e.g., signed Investment Policy Statement). The trade order is entered on SunGard's trading platform and the broker fills the order. USB processes the trades electronically through the DTCC and the trades are automatically transmitted and pended to the SunGard system via a data download. Additionally, all investment activity in such accounts is subsequently reviewed by the committee responsible for investment review oversight and annually thereafter.

For mutual funds, all trade instructions are entered on SunGard's trading platform by administrative personnel. For accounts for which the Companies have no investment authority, or delegated investment authority as approved by the client, mutual fund trades are initiated or approved by clients or appointed outside investment managers. For accounts for which the Companies have investment authority, internal policies (e.g., approved securities list for mutual funds) guide the trading process. Mutual fund trades are auto-loaded at periodic intervals into SunGard. Once a day, Operations personnel transmit mutual fund trades to Fidelity Investments ("Fidelity"). In turn, Fidelity sends the trade information to the appropriate mutual fund company for execution.

Control Objective 2: Controls provide reasonable assurance that investment purchases and sales are recorded completely, accurately, and on a timely basis.

Trade Settlement and Reconciliation

For self-affirming equity & fixed income investment managers, eligible trade confirmations are electronically transmitted via the DTCC system to USB and auto-pended to SunGard via the SunGard Custody Interface with USB for settlement. For non-affirming equity and fixed income investment managers, trade notifications are sent to Operations, and Operations affirms/pends the confirm on SunGard and transmits an affirm file through the custody interface to USB for settlement. For internal trades entered by administrative officers or investment officers on the SunGard trading platform, confirms are auto-matched and affirmed on SunGard and included in the affirm file transmitted to USB for settlement. Operations personnel compare trades on SunGard against trade information received from USB and are responsible for releasing and clearing trades on SunGard. In the event that securities are not received or delivered on the settlement date, the trade "fails" and is monitored daily until it is settled.

Any unmatched trades or pending failed trades are investigated and resolved by personnel in Operations who do not maintain any investment responsibility. Trade settlements with USB are reconciled daily and a net settlement is made. Each clerk maintains a blotter of all transactions they have processed during the day to aid in daily balancing. Blotter totals are reconciled to the trust DDA account entries at the end of the day.

Broker commissions and other related fees are based on approved schedules that are in place. All fees are equitably distributed among all accounts involved in the trade.

The SunGard system receives a daily data download of all security positions from USB. On a daily basis, the SunGard system reconciles the asset positions between USB and SunGard and generates an auto-balancing report with cumulative exceptions for review and troubleshooting by Operations personnel. Once a month, this report is also reviewed by supervisory personnel. Any differences are investigated and resolved in a timely manner.

For mutual funds, the trades are posted to the appropriate client accounts on the settlement date. Trade settlements at Fidelity are also reviewed daily and a net settlement is made. On a semi-monthly basis, Operations personnel reconcile the omnibus mutual fund positions at Fidelity to SunGard by generating an auto-balancing report with cumulative exceptions for review and troubleshooting. This semi-monthly reconciliation is also reviewed by supervisory personnel. Any differences are investigated and resolved in a timely manner. There are a small number of individual mutual funds positions that are not held at Fidelity (less than 1%). These positions are balanced upon receipt of related mutual fund statements and periodically reviewed by supervisory personnel.

Control Objective 3: Controls provide reasonable assurance that investment income and corporate actions are recorded accurately and timely and processed in a timely manner.

Income, Collections, and Corporate Actions

Operations is responsible for processing and recording income accruals, collecting dividends and interest due on the payable date, processing income received, and investigating underpayments and overpayments. Interest and dividend income is recorded to the accounts within a timely manner.

Information about interest and dividends is obtained from SunGard, which uses Interactive Data Corporation's IDSI℠ ("IDSI") as its pricing service. For assets held at USB or Fidelity, Operations reconciles amounts on income maps with the amounts actually received, investigating and resolving any differences before posting to client accounts. Unprocessed income maps are reviewed periodically. For assets held at locations other than the USB or Fidelity, dividends and income are posted when the check, wire, ACH, or mutual fund statement is received.

Corporate actions, which include transactions initiated by the corporate entities (e.g., stock splits, dividends, mergers and acquisitions, rights and warrants, or spinoffs), are posted to SunGard, based on information received from the IDSI pricing service or USB. In addition, voluntary corporate actions are only recorded after client or delegated investment manager has been notified and a positive response has been received. Once posted, Operations personnel compare the corporate actions recorded by SunGard with information obtained through IDSI or USB. Any differences are investigated and resolved in a timely manner.

Control Objective 4: Controls provide reasonable assurance that physically held securities and assets are safeguarded from loss, misappropriation, and unauthorized use.

Asset Custody and Control

Trust assets are maintained in safekeeping at USB, Fidelity or in the vault at the Companies' location in Lisle, Illinois. The vast majority of the assets are maintained in safekeeping at USB and Fidelity. Tangible assets are maintained in the Companies' security vault. Deliveries to USB and Fidelity are performed either through trade settlements initiated by the Companies' personnel or outside investment managers, by free receipt from a prior custodian or trustee, or by physical delivery to the securities window via overnight courier service. Withdrawals are performed either through trade settlements initiated by outside investment managers or by the Companies' personnel, using passwords registered with USB and Fidelity. Only a limited number of individuals at the Companies have been assigned such passwords.

Assets are recorded on SunGard primarily by security type, but also by unique location and registration codes. Asset lists can be created based on asset name, account number, or location/registration code. Reconciliation reports are used to trace and resolve out-of-balance issues.

The Companies maintain a secured location for safekeeping miscellaneous assets held in trust accounts at the Lisle, Illinois branch using both a vault and a fireproof cabinet. The Companies' vault contains items such as jewelry and coins and is maintained under dual control at all times. Assets placed into or removed from the Lisle vault are recorded on a vault log. Any asset removed temporarily from the Lisle vault must be returned thereto at the end of each business day. Meanwhile, the secured fireproof cabinet contains bonds, recorded mortgages and deeds, and wills and are accessible via two keys, each held by separate individuals. Two individuals sign off on a log when items are placed into or removed from the secured fireproof cabinets. Both the vault and secured fireproof cabinets are inventoried at least annually by Operations.

Control Objective 5: Controls provide reasonable assurance that trust agreements and documents are authorized and executed.

Trust Agreements and Documents

New account relationships must undergo a review prior to acceptance to determine whether the Companies can effectively administer the relationship and whether the Companies' risk and profitability standards are met. Governing instruments are reviewed by experienced personnel before execution. New account documentation is prepared by administrative personnel and approval on all new account relationships must be obtained by the President or his designee before executing any documents and funding any accounts.

After acceptance and funding, new account relationships are also reviewed and approved by both the New Account Review Committees and the Administrative Review Committees. The minutes of these committees are reported to the Trust Committees.

Control Objective 6: Controls provide reasonable assurance that "data" on "master file information" and disbursement setup are complete, accurate, and authorized in accordance with the trust documents.

Account Input, Maintenance Changes, and Disbursements

After receiving authorization for opening a new account, administrative personnel complete a preliminary checklist leading up to system input by an administrative assistant. Data entry edit and validation checks exist on SunGard that prevent creation of duplicate accounts and require critical fields to be completed. Following account set-up, independent personnel verify the completeness and accuracy of critical account information. Both the New Account Review Committees and the Administrative Review Committees perform reviews of new account setup codes against language in the governing instruments.

Disbursement requests are authorized by the client or the governing instrument. Client requests are usually received in writing via e-mail, facsimile, or postal mail. If the disbursement is recurring, the client signs an automatic debit form for wire/ACH as evidence of approval. For recurring checks, either a letter of direction is received from the client or the governing instrument provides inherent authority. A corresponding tickler is set up in SunGard.

Control Objective 7: Controls provide reasonable assurance that reports sent to trust beneficiaries are accurate and complete.

Client Reporting

The Companies make available to all clients and other authorized parties statements of holdings and transaction activity on a periodic basis, as elected by the client. Administrators are responsible for setting up recipient information on the SunGard system as well as statement type and frequency.

The SunGard system automatically verifies that the accounting statements are in balance. All out-of-balance situations must be resolved before the statements for the affected accounts can be produced. When ready, Operations personnel prepare a data download to Pinnacle Data Systems that produces and delivers statements, at the clients' option, in either hard copy through the regular mail or electronic form through the Companies' WebLink on-line access system.

Operations personnel confirm pricing information prior to the beginning of the report production cycle. Near the end of each month and after the IDSI pricing service download has been completed, Operations personnel run SunGard-based reports to identify any stale priced or not priced securities. These securities are then researched and priced by using Bloomberg, by calling the broker, or by asking the Companies' affiliated registered investment advisor for help, including assistance in fair valuation, if needed. Once the security prices are updated, revised stale price reports are presented to the Administrative Review Committees for review and oversight.

Control Objective 8: Controls provide reasonable assurance that fees are calculated in accordance with the fee schedule and processed timely and accurately.

Fee Processing

Fees are calculated by SunGard based upon parameters set up by the account administrator and agreed to by the client. From time to time, changes in a relationship's fee structure are agreed to by the Companies and client.

Operations personnel are responsible for generating client fee invoices. Prior to posting or invoicing, administrative officers review fees to be charged. If administrative updates are needed due to improper fee schedule setup or calculation errors, administrative personnel work with Operations personnel to update the system so the correct amount can be charged or invoiced.

The Administrative Review Committees review the accuracy and appropriateness of fees charged on each account relationship during the annual administrative review process.

Control Objective 9: Controls provide reasonable assurance that access to data is limited to authorized personnel.

System Access

The Companies utilize SunGard through a direct link with SunGard Business Systems LLC located in Malvern, Pennsylvania. Software modifications cannot be made by the Companies' personnel because they do not have access to the source code.

Access to SunGard is limited through the use of passwords. Access levels are assigned based upon the job duties of each position. USFAS has a limited number of individuals with security clearance to assign and establish passwords on the system. Upon initial log in, the user is required to change their password. The SunGard system forces all users to change their password every 30 days.

The Information Security Task Force (ISTF) monitors SunGard user access additions, deletions, and changes documenting such activity in its meeting minutes.

For the trust accounting production environment, SunGard Business Systems LLC provides backup and disaster recovery services as delineated in their service agreement. In addition, the Companies maintain their own backup and recovery processes for the programs and data maintained on the network. A written disaster recovery plan is in place that details the steps necessary to resume operations.

Control Objective 10: Controls provide reasonable assurance that accounts are subject to internal review.

Account Reviews

All new accounts are subject to an initial administrative review and, if Companies have full or partial investment authority, to an initial investment review within a reasonable time after substantial primary funding occurs. Reviews are submitted to the Administrative Review Committees for approval. An independent review of new accounts is also performed by the New Account Review Committees.

Existing accounts receive an administrative review and, if the Companies have full or partial investment authority, to an investment review at least annually. Reviews are submitted to the Administrative Review Committees for approval.

Annual administrative and investment reviews are completed manually throughout the year. At the time of account opening, a review code (IR1) is entered on the system. Subsequently, a monthly query report is generated based on the due date entered in the IR1 field and distributed to administrative and investment officers to prompt both the administrative review, and the investment review, if applicable, as well as related reporting to Administrative Review Committees.

SUBSERVICE ORGANIZATIONS

The Companies use SunGard as their trust accounting software to achieve operating efficiency and to obtain specific expertise. The Companies also use various depositories, sub-custodians, pricing, and participant recordkeeping subservice organizations. The Companies periodically review the quality of the subservice organizations' performance and, where available, monitors the subservice organizations' reports on controls related to design and operating effectiveness.

USFAS's control objectives and related controls, which are listed in Appendix A of this report, include only the control objectives and related controls of USFAS and exclude the control objectives and related controls of the subservice organizations.

SUBSEQUENT EVENTS

In September 2014, PMI discovered that it had become victim of a fraud allegedly perpetrated by a counterparty to certain of its repurchase agreement facilities involving loans purportedly guaranteed by the United States Department of Agriculture. PMI has filed a lawsuit in federal court against that counterparty and related parties. As a result of the fraud and its impact to PMI's repurchase agreement program and the market in which that program trades, PMI discontinued its repurchase agreement facilities in November 2014. Further, as a result of the fraud: (a) on October 17, 2014, the Board of Trustees (the "Board") of USFS Funds Trust (the "Trust") adopted a plan to close and liquidate the USFS Funds Tactical Asset Allocation Fund (the "Tactical Fund") and the USFS Funds Limited Duration Government Fund (the "Government Fund" and, together with the Tactical Fund, the "Funds"), each a series of the Trust. Acting on a recommendation from PMI, the Funds' investment adviser, the Board concluded that it would be in the best interests of each Fund and their shareholders that the Funds be closed and liquidated as series of the Trust. The Funds no longer accept any new investments and no longer pursue their respective investment objectives. The Funds will begin liquidating their portfolios and will invest in cash and cash equivalents, such as money market funds, until all shares have been redeemed; and (b) Salem Trust Company, as Trustee of the Salem Trust Company Collective Investment Trust II (the "CIT"), concluded that it would be in the best interest of the CIT and its participants that the CIT be closed and liquidated. The CIT was liquidated as of December 31, 2014.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
TRADE EXECUTION AND AUTHORIZATION

CONTROL OBJECTIVE 1 – Controls provide reasonable assurance that investment purchases and sales are authorized.

Controls Tested	Tests Performed	Test Results
Security trades are initiated in accordance with the provisions of the governing instrument(s) as well as the intercompany sub-advisory agreements between the Companies.	1. Reviewed provisions of intercompany sub-advisory agreements between the Companies.	No exceptions were identified.
	2. Performed inquiry and observation as to the process in place to execute a security transaction.	No exceptions were identified.
For accounts for which the Companies have no investment authority, or have delegated investment authority as approved by the client, equity and fixed income security trades are initiated and approved by clients or appointed outside investment managers. When clients initiate such trades, the account administrator enters the trade order through SunGard's trading platform which is executed with the broker who then fills the order. When the appointed investment manager initiates such trades, the investment manager executes the trade orders directly with the broker who then fills the order. In both instances, a trade confirm is created in the DTCC system for affirmation.	3. For accounts for which the Companies have no investment authority, selected a sample of purchases and sales occurring during the period from June 1, 2013 through June 30, 2014 and reviewed documentation indicating that trades were authorized by client or outside investment manager.	No exceptions were identified.
For accounts for which the Companies maintain investment authority, the administrative officer or investment officer initiates the equity or fixed income trade based on internal investment policies (e.g., approved securities list, intercompany sub-advisory agreements, etc.), as well as investment goals or restrictions established at the opening of the account relationship (e.g., signed Investment Policy Statement). The trade order is entered on SunGard's trading platform and the broker fills the order. USB processes the trades electronically through the DTCC and the trades are automatically transmitted and pended to the SunGard system via a data download.	4. For accounts for which the Companies maintain investment authority, selected a sample of purchases and sales occurring during the period from June 1, 2013 through June 30, 2014 and reviewed documentation indicating that trades were authorized by an administrative or investment officer according to internal investment policies and based on established investment goals and the investment authority defined by the governing instrument.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
TRADE EXECUTION AND AUTHORIZATION

CONTROL OBJECTIVE 1 – Controls provide reasonable assurance that investment purchases and sales are authorized.

Controls Tested	Tests Performed	Test Results
For mutual funds, all trades and trade instructions are entered on SunGard's trading platform by administrative personnel. For accounts which the Companies have no investment authority, or delegated investment authority as approved by the client, mutual fund trades are initiated or approved by clients or appointed outside investment managers. For accounts for which the Companies have investment authority, internal policies (e.g., approved securities list for mutual funds) guide the trading process.	5. For accounts for which the Companies maintain investment authority, determine whether the annual investment review was performed and reported to the Administrative Review Committee within the past 12 months. Also, determined whether the investment authority agreed to the terms of the governing instrument and that the investment objective agrees to the documentation completed by the customer.	During testing of a sample of 25 accounts, two instances were identified in which the investment objective on the SunGard system did not agree to the terms of the governing instrument. Both of these instances related to Greatbanc Trust Company accounts. **Management's Response:** Although the investment objectives were miscoded on the two accounts noted above, management confirmed that investment management followed the provisions of the governing instrument as agreed with the client. Management will include confirmation that the correct investment objectives are reflected on the SunGard system as an element of the initial and annual account review process.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
TRADE SETTLEMENT AND RECONCILIATION

CONTROL OBJECTIVE 2 – Controls provide reasonable assurance that investment purchases and sales are recorded completely, accurately, and on a timely basis.

Controls Tested	Tests Performed	Test Results
For self-affirming equity and fixed income investment managers, eligible trade confirms are electronically transmitted via the DTCC system to USB and auto-pended to SunGard via the SunGard Custody Interface with USB for settlement. For non-affirming equity and fixed income investment managers, trade notifications are sent to Operations, and Operations affirms/pends the confirm on SunGard and transmits an affirm file through the custody interface to USB for settlement. For internal trades entered by administrative officers or investment officers on the SunGard trading platform, confirms are auto-matched and affirmed on SunGard and included in the affirm file transmitted to USB for settlement. Operations personnel compare trades on SunGard against trade information received from USB and are responsible for releasing and clearing trades on SunGard. In the event that securities are not received or delivered on the settlement date, the trade "fails" and is monitored daily until it is settled by Operations, who do not maintain any investment responsibility.	1. For a sample of days from the period of June 1, 2013 through June 30, 2014, tested daily trade blotters for evidence of Operations personnel review.	A sample of 25 days of trade blotters was requested from management; however, management was unable to provide documentation showing evidence of review by Operations personnel for the dates selected. **Management's Response:** With the help of outside consultants, management is confident that all trades were settled and posted to the correct accounts; however, supporting documentation was not always retained by Operations personnel which hampered the auditor's ability to complete testing. Management has since developed comprehensive recordkeeping and retention procedures for investment purchases and sales.
	2. For the sample of purchases and sales transactions at Control Objective #1, compared the transaction information on SunGard against trade confirmations to determine the accuracy of the trade.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
TRADE SETTLEMENT AND RECONCILIATION

CONTROL OBJECTIVE 2 – Controls provide reasonable assurance that investment purchases and sales are recorded completely, accurately, and on a timely basis.

Controls Tested	Tests Performed	Test Results
Broker Commissions and other related fees are based on approved schedules that are in place. All fees are equitably distributed among all accounts involved in the trade.	3. For a sample of failed trades occurring during the period of June 1, 2013 through June 30, 2014, tested to determine whether trades were resolved.	No exceptions were identified.
Trade settlements with the USB are reconciled daily and a net settlement is made. Each clerk maintains a blotter of all transactions they have processed during the day to aid in balancing. Blotter totals are reconciled to cash account entries at the end of each day.	4. For the sample of purchase and sale transactions tested at Control Objective #1 above, tested to determine adherence to the approved brokerage fee amounts.	No exceptions were identified.
	5. For a sample of days from the period of June 1, 2013 through June 30, 2014, tested the USB Daily Trade Net Settlement reconciliation for mathematical accuracy and determined whether the net settlement was executed in a timely manner. Determine whether the reconciliations contained evidence of review by Operations personnel.	A sample of 25 days of the USB Daily Trade Net Settlement was requested; however, support for only 13 of days selected could be provided. While all reconciliations were mathematically accurate, a determination as to whether the settlement was processed in a timely manner could not be made due to the amount of the wire transfers used for settlement not agreeing to the balance reported as the settlement amount per the reconciliation. **Management's Response:** As the result of an accounting system conversion, flaws in the custody interface between U.S. Bank (USB) and SunGard, as well as the inability of USB to provide income projection

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
TRADE SETTLEMENT AND RECONCILIATION

CONTROL OBJECTIVE 2 – Controls provide reasonable assurance that investment purchases and sales are recorded completely, accurately, and on a timely basis.

Controls Tested	Tests Performed	Test Results
		reports, made it very difficult for Operations to routinely reconcile both trade and income net settlement in a timely manner. Although trades were being analyzed, settled and posted individually, a formal, documented daily net settlement process took some time to implement following the conversion date. The issue with the custody interface was resolved and is now operating effectively. Management has since developed and implemented comprehensive recordkeeping and retention procedures for both trade and income settlement, including reconcilement to the daily wire.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
TRADE SETTLEMENT AND RECONCILIATION

CONTROL OBJECTIVE 2 – Controls provide reasonable assurance that investment purchases and sales are recorded completely, accurately, and on a timely basis.

Controls Tested	Tests Performed	Test Results
SunGard receives a data download of all security positions from USB. On a daily basis, SunGard reconciles the asset positions between USB and SunGard and generates an auto-balancing report with cumulative exceptions for review and troubleshooting by Operations personnel. Once a month, the USB auto-balance report is also reviewed by supervisory personnel. Any differences are investigated and resolved in a timely manner.	6. For a sample of USB asset position reconciliations from the period of June 1, 2013 through June 30, 2014, tested the accuracy of the reconciliations and determined whether reconciling items were clearing timely. Traced a sample of reconciling items to supporting documentation and subsequent disposition and determined whether the daily reconciliations contained evidence of review by Operations personnel. In addition, determined whether evidence of supervisory review is documented at least monthly.	A sample of 25 days of the USB asset position reconciliation was requested; however, only two reconciliations from the requested dates could be provided. Of these two reconciliations provided, only one contained evidence of supervisory review. **Management's Response:** Although USB asset position reconciliations were not formally documented, both consulting and Operations personnel were monitoring, reviewing, and clearing exceptions on a daily basis. Documentation related to individual clearings was retained. Management has since developed and implemented comprehensive recordkeeping and retention procedures for the USB asset position reconciliation, including supervisory review.
	7. Confirmed a sample of assets maintained at the Companies' safekeeping agent (USB) as of June 30, 2014.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
TRADE SETTLEMENT AND RECONCILIATION

CONTROL OBJECTIVE 2 – Controls provide reasonable assurance that investment purchases and sales are recorded completely, accurately, and on a timely basis.

Controls Tested	Tests Performed	Test Results
For mutual funds, the trades are posted to the appropriate client accounts on the settlement date. Trade settlements at Fidelity are also reviewed daily and a net settlement is made. On a semi-monthly basis, Operations personnel reconcile the omnibus mutual fund positions at Fidelity to SunGard by generating an auto-balancing report with cumulative exceptions for review and troubleshooting. This semi-monthly reconciliation is also reviewed by supervisory personnel. Any differences are investigated and resolved in a timely manner. There are a small number of individual mutual fund positions that are not held at Fidelity. These positions are balanced upon receipt of related mutual fund statements.	8. For a sample of days from the period of June 1, 2013 through June 30, 2014, tested the Fidelity Daily Trade Net Settlement reconciliations for mathematical accuracy and determined whether the net settlement was executed in a timely manner. Determine whether the reconciliations contained evidence of review by Operations personnel.	During testing of a sample of 25 Fidelity Daily Trade Net Settlement reconciliations, one instance was identified in which the settlement reconciliation was not completed on the selected date, but rather 14 business days later. **Management's Response:** The one instance in which the Fidelity daily net settlement was not completed timely was on June 3, 2013, the first business day after the accounting system conversion effective date and was for the amount of $200.06. Operations management reported the difference as a known exception until the dividend involved could be identified to the beneficial owner. Management considers this instance attributable to the conversion and not a systemic weakness. Fidelity settlement procedures are fully developed and functioning properly.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
TRADE SETTLEMENT AND RECONCILIATION

CONTROL OBJECTIVE 2 – Controls provide reasonable assurance that investment purchases and sales are recorded completely, accurately, and on a timely basis.

Controls Tested	Tests Performed	Test Results
	9. For a sample of semi-monthly Fidelity asset position reconciliations from the period of June 1, 2013 through June 30, 2014, tested the accuracy of the reconciliations and determined whether reconciling items were clearing timely. Traced a sample of reconciling items to supporting documentation and subsequent disposition. In addition, determine whether the reconciliations contained evidence of review by Operations personnel, as well as supervisory personnel.	A sample of 25 days of the Fidelity asset position reconciliation was requested; however, only two reconciliations from the requested dates could be provided. Of the two reconciliations provided, only one contained evidence of supervisory review. **Management's Response:** Although Fidelity asset position reconciliations were not fully documented, consulting and Operations personnel were monitoring, reviewing and clearing exceptions on a semi-monthly basis. Management has since developed and implemented comprehensive recordkeeping and retention procedures for the Fidelity asset position reconciliation, including supervisory review.
	10. Confirmed a sample of assets maintained at the Companies' mutual fund safekeeping agent (Fidelity) as of June 30, 2014.	No exceptions were identified.
	11. Performed inquiry and observation as to the process for reconciling mutual fund positions.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
INCOME, COLLECTIONS AND CORPORATE ACTIONS

CONTROL OBJECTIVE 3 – Controls provide reasonable assurance that investment income and corporate actions are recorded accurately and timely and processed in a timely manner.

Controls Tested	Tests Performed	Test Results
For assets held at USB, interest and dividend income is recorded within a timely manner. SunGard posts the income according to information provided by the IDSI pricing service. Operations reconciles daily the amounts posted with the amounts actually received from USB. All differences are investigated and resolved in a timely manner.	1. For a sample of days from the period of June 1, 2013 through June 30, 2014, tested the USB Daily Income Net Settlement reconciliation for mathematical accuracy and determined whether the net settlement was executed in a timely manner. Determine whether the reconciliations contained evidence of review by Operations personnel.	A sample of 25 days of the USB Daily Income Net Settlement was requested; however, evidence of this reconciliation having been completed for the requested dates could not be provided. **Management's Response:** Please refer to response under Test Results for Control 2.5.
	2. For the period from June 1, 2013 through June 30, 2014, tested a sample of receipts of interest or dividend income received from SunGard and posted by Operations Personnel from a sample of trust accounts for accurate and timely recording.	During testing of a sample of 36 interest and dividend income transactions, two instances were identified in which income was not posted within a timely manner as posting occurred 16 days after the payable date. One instance related to GreatBanc Trust Company and one instance related to Salem Trust Company. Both of the instances identified occurring between June 1, 2013 and August 31, 2013. **Management's Response:** The first income posting mentioned above was issued from a non-Fidelity mutual fund via U.S. mail before being received and posted. To expedite future payments, the delivery method was changed to ACH. The second income

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
INCOME, COLLECTIONS AND CORPORATE ACTIONS

CONTROL OBJECTIVE 3 – Controls provide reasonable assurance that investment income and corporate actions are recorded accurately and timely and processed in a timely manner.

Controls Tested	Tests Performed	Test Results
		posting in question was a reinvested dividend that was received and posted at the sub-custodian on the payable date. To control the accuracy and timeliness of such postings, reinvested mutual fund dividends are included in the Fidelity Net Settlement and any share balance variances would be identified during the semi-monthly Fidelity position reconciliations.
For assets held at locations other than the USB or Fidelity, dividends and income are posted when the check, wire, or ACH is received.	3. For the period from June 1, 2013 through June 30, 2014, tested a sample of income receipts received via check, wire, or ACH from a sample of trust accounts for accurate and timely recording.	No exceptions were identified.
Unprocessed income maps are reviewed periodically and resolved.	4. For the period from June 1, 2013 through June 30, 2014 tested a sample of unprocessed income maps for evidence of independent review. Additionally, for a sample of unprocessed income maps that have been outstanding greater than 7 days, determine the cause and date the map is anticipated to clear.	A sample of 25 days of unprocessed income maps was requested; however, management was unable to provide evidence of independent review for the dates selected. **Management's Response:** Interest and dividend income maps are reviewed daily by Operations personnel to verify that income has been processed, released and posted. Unprocessed income is stale-dated and related reports receive a supervisory review on a monthly basis.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
INCOME, COLLECTIONS AND CORPORATE ACTIONS

CONTROL OBJECTIVE 3 – Controls provide reasonable assurance that investment income and corporate actions are recorded accurately and timely and processed in a timely manner.

Controls Tested	Tests Performed	Test Results
SunGard posts corporate actions to the SunGard system based on information obtained from the IDSI pricing service or USB. In addition, voluntary corporate actions are only posted after the client or delegated investment manager has been notified and a positive response has been received. Operations personnel then compare the corporate actions recorded by SunGard with information obtained through IDSI or USB. Any differences are investigated and resolved in a timely manner.	5. For a sample of days from the period of June 1, 2013 through June 30, 2014, tested to determine whether Operations personnel reviewed corporation action notices. For a sample of corporate actions, tested whether replies to voluntary corporate actions were accurately taken based on the decision of the client or delegated investment manager.	No exceptions were identified.
	6. For a sample of stock splits from the period of June 1, 2013 through June 30, 2014, tested to determine the accuracy of the change on SunGard.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
ASSET CUSTODY AND CONTROL

CONTROL OBJECTIVE 4 – Controls provide reasonable assurance that physically held securities and assets are safeguarded from loss, misappropriation, and unauthorized use.

Controls Tested	Tests Performed	Test Results
The Companies maintain a secured location for safekeeping miscellaneous assets held in trust accounts at the Lisle, Illinois office using both a vault and a secured fireproof cabinet. Both the vault and the fireproof cabinet are maintained under dual control using combination and key security procedures where one side of the dual control is accessible by one set of Operations personnel and the other side of the dual control is accessible by a separate set of Operations personnel.	1. Tested a sample of assets coded to the Lisle vault and secured fireproof cabinet to determine whether they were physically stored in the vault.	No exceptions were identified.
Assets placed into or removed from the Lisle vault or fireproof cabinet are recorded in a vault or fireproof cabinet log. Any assets removed from the Lisle vault must be returned thereto at the end of each business day.	2. Inspected the vault and fireproof cabinet logs for the period from June 1, 2013 through June 30, 2014 to determine whether Operations entries were made by two individuals.	No exceptions were identified.
	3. Performed inquiry and observation as to the process for safeguarding trust assets secured in Companies' vault and fireproof cabinet in Lisle, Illinois.	No exceptions were identified.
Vault audits of the Companies' vault and secure file cabinets, located in the Lisle Branch, are conducted annually by Operations personnel under dual control. Any differences identified are logged, researched and resolved in a timely manner.	4. Obtained the most recent audits of the Companies vault and fireproof cabinets and tested for evidence of the audit being completed under dual control.	No exceptions were identified.
	5. For a sample of differences identified, traced to supporting documentation and subsequent resolution.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
TRUST AGREEMENTS AND DOCUMENTS

CONTROL OBJECTIVE 5 – Controls provide reasonable assurance that trust agreements and documents are authorized and executed.

Controls Tested	Tests Performed	Test Results
A pre-acceptance review is performed on all new client relationships and the relationship must be approved by the President or his designee before executing documents and funding any accounts. Governing instruments are reviewed by experienced personnel to determine suitability to serve in the capacity stated in the governing instrument before a new account relationship is initially accepted.	1. For a sample of new accounts opened from the period of June 1, 2013 through June 30, 2014 tested to determine whether appropriate new account documentation has been completed by administrative personnel and approved by the President or his designee.	No exceptions were identified.
	2. Performed inquiry and observation as to the process for opening new accounts to determine segregation of duty controls are in place.	No exceptions were identified.
After acceptance, new account relationships are also reviewed and approved by both the New Account Review Committee and the Administrative Review Committees. The minutes to these committees are reported to the Trust Committees.	3. For a sample of new accounts opened June 1, 2013 through June 30, 2014, tested to determine whether the account was reviewed and approved by the New Account Review Committee and the Administrative Review Committee.	No exceptions were identified.
	4. Reviewed the Trust Committee materials to determine whether the New Account Review Committee and the Administrative Review Committee minutes adequately report new account activity.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
ACCOUNT INPUT, MAINTENANCE CHANGES, AND DISBURSEMENTS

CONTROL OBJECTIVE 6 – Controls provide reasonable assurance that "data" on "master file information" and disbursement setup are complete, accurate, and authorized in accordance with the trust documents.

Controls Tested	Tests Performed	Test Results
Administrative personnel complete a preliminary checklist leading up to system input by an administrative assistant. Following account set-up, independent personnel verify the completeness and accuracy of critical account information.	1. For a sample of new accounts opened between June 1, 2013 and June 30, 2014, tested to determine whether selected information on the account synoptic record agreed to the governing instrument and that the synoptic record was reviewed by an independent individual upon setup.	No exceptions were identified.
	2. Inquired as to the process to open a new account to include the process for reviewing account setup for accuracy.	No exceptions were identified.
Both the New Account Review Committees and the Administrative Review Committees perform reviews of new account setup codes against language in the governing instruments.	3. For accounts tested in #1 above, verified that accounts were reviewed and approved by the New Account Review Committee and the Administrative Review Committee.	No exceptions were identified.
Disbursement requests are authorized by the client or the governing instrument. Client requests are usually received in writing via e-mail, facsimile, or postal mail. Recurring distributions are set up at the time an account is opened based on supporting documentation and authorization received.	4. Tested a sample of distributions during the period of June 1, 2013 through June 30, 2014 to determine whether the distribution was performed in accordance with the terms of the governing document, and that documentation supporting the amount of the distribution exists.	During testing of 35 distributions, the following was noted: • Two instances related to GreatBanc Trust Company in which disbursements were not performed in accordance with the terms of the governing instrument as written direction for the transaction from the customer could not be provided. • One instance related to GreatBanc Trust Company in which documentation supporting the amount of the distribution could not

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
ACCOUNT INPUT, MAINTENANCE CHANGES, AND DISBURSEMENTS

CONTROL OBJECTIVE 6 – Controls provide reasonable assurance that "data" on "master file information" and disbursement setup are complete, accurate, and authorized in accordance with the trust documents.

Controls Tested	Tests Performed	Test Results
		be provided. • Two instances related to GreatBanc Trust Company in which written direction for the disbursement was obtained, but, was not from an individual authorized to transact on the account. **Management's Response:** Management will reiterate with administrative personnel the importance of obtaining written direction for all directed distributions in addition to confirming that the person directing such distributions has authority to do so and will periodically review samples of such distributions as a compliance check.
	5. Inquired as to the process for distributing funds from a trust account.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
CLIENT REPORTING

CONTROL OBJECTIVE 7 – Controls provide reasonable assurance that reports sent to trust beneficiaries are accurate and complete.

Controls Tested	Tests Performed	Test Results
The Companies make available to all clients and other authorized parties statements of holdings and transaction activity on a periodic basis, as elected by the client. Administrators are responsible for setting up recipient information on the SunGard system.	1. For a sample of trust accounts, selected certain account transactions occurring between June 1, 2013 through June 30, 2014 and agreed information to the generated account statement to determine the accuracy of the statements.	No exceptions were identified.
The SunGard system automatically verifies that the accounting statements are in balance. All out-of-balance situations must be resolved before the statements for the affected accounts can be produced.	2. For a sample of trust accounts, determined whether statement recipients are indicated on the system and are reasonable based on the terms of the governing instrument or other file documentation.	No exceptions were identified.
Operations personnel prepare a data download to Pinnacle Data Systems (PDS). PDS produces and delivers statements in a form selected by the recipient: in either hard copy or electronic form through the Companies' WebLink on-line access.	3. Inquired as to the process to generate statements and mail statements for trust accounts.	No exceptions were identified.
	4. For sample of accounts listed in #1 above, confirmed that prices are current by comparing pricing on statements to a third-party source.	No exceptions were identified.
Operations personnel confirm pricing information prior to beginning of the report production cycle. Near month-end and after IDSI pricing has occurred, Operations personnel identify any stale priced or not priced securities and then research and re-price these securities using Bloomberg, brokers, or the Companies' affiliate registered investment advisor. Once the security prices are updated, revised stale price reports are created and presented to the Administrative Review Committees for further review and oversight.	5. Inquired as to the process in place to monitor for assets that are not priced or contain stale prices, as well as the process in place to update prices on the system.	No exceptions were identified.
	6. For a sample of months occurring between June 1, 2013 and June 30, 2014 obtained evidence of review by the Account Review Committee of the Stale Price and Assets Not Priced Report.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
CLIENT REPORTING

CONTROL OBJECTIVE 7 – Controls provide reasonable assurance that reports sent to trust beneficiaries are accurate and complete.

Controls Tested	Tests Performed	Test Results
	7. For a sample of assets appearing on the Stale Price and Assets Not Priced Report during the period of June 1, 2013 through June 30, 2014, determine whether pricing has since been updated. Obtain documentation supporting the update pricing. For any assets selected in which the price has not been updated, inquire of management as to the reason why.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
FEE PROCESSING

CONTROL OBJECTIVE 8 – Controls provide reasonable assurance that fees are calculated in accordance with the fee schedule and processed timely and accurately.

Controls Tested	Tests Performed	Test Results
Fees are calculated by SunGard based upon parameters set up by the account administrator and agreed to by the client. From time to time, changes in a relationship's fee structure are agreed to by the Companies and the client.	1. For a sample of accounts, determined whether the correct fee schedule code is input on the Sungard system.	No exceptions were identified.
	2. For a sample of accounts, tested a fee calculation that occurred during the period of June 1, 2013 through June 30, 2014, to determine whether the fee was assessed in accordance with the agreed upon fee schedule.	During testing of a sample of 35 fee calculations, one exception was identified related to GreatBanc Trust Company in which the minimum fee being assessed to the client did not agree to the terms of the Engagement Agreement resulting in the client being overcharged $225 per quarter. **Management's Response:** The client documentation correctly reflected the new fee minimum; however, there was an error upon data entry resulting in the overcharge. This error has been corrected and a full refund was issued to the client. Management has reminded personnel of the importance of reviewing fee schedule input and changes during the initial and annual administrative account review process.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
FEE PROCESSING

CONTROL OBJECTIVE 8 – Controls provide reasonable assurance that fees are calculated in accordance with the fee schedule and processed timely and accurately.

Controls Tested	Tests Performed	Test Results
	3. Inquired as to the process to calculate and collect trust fees.	No exceptions were identified.
Operations personnel are responsible for generating client fee invoices. Prior to posting or invoicing, administrative officers review fees to be charged. If administrative updates are needed due to improper fee schedule setup or calculation errors, administrative personnel work with Operations personnel to update the system so the correct amount can be charged or invoiced.	4. For a sample of accounts tested above, reviewed the account history for the period of June 1, 2013 through June 30, 2014 to determine whether there were any duplicate or omitted fees and that fees were collected in a timely manner.	No exceptions were identified.
	5. For a sample of accounts that have undergone changes to the assigned fee schedule during the period of June 1, 2013 through June 30, 2014, tested to determine documentation supporting the change exists and is reasonable based on the type of change.	No exceptions were identified.
The Administrative Review Committee reviews the fees charged during the annual review process.	6. For a sample of accounts, tested to determine whether an annual review was completed and that it included a review of the fee arrangement.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
SYSTEM ACCESS

CONTROL OBJECTIVE 9 – Controls provide reasonable assurance that access to data is limited to authorized personnel.

Controls Tested	Tests Performed	Test Results
The Companies utilize SunGard through a direct link with SunGard Business Systems LLC located in Malvern, Pennsylvania. Software modifications cannot be made by the Companies' personnel because they have no access to the source code.	1. Read systems documentation provided by SunGard Business Systems LLC to determine that Companies' personnel do not have access to the source code.	No exceptions were identified.
Access to SunGard is limited through the use of passwords. Access levels are assigned based upon the job duties of each position. The Companies have a limited number of individuals with security clearance to assign and establish passwords on the system. Upon initial log in, the user is required to change their password. The SunGard system forces all users to change their password every 30 days. Operations management reports SunGard user access changes to the Information Systems Task Force (ISTF).	2. Obtained system access levels for all personnel as of the audit date to determine the propriety of each individual's access level considering their job responsibilities, and whether only certain individuals have the security clearance to assign and establish passwords on the system.	No exceptions were identified.
	3. Review minutes from the Information Security Task Force (ISTF) during the period of June 1, 2013 through June 30, 2014 and determine whether SunGard system access changes are presented and discussed.	No exceptions were identified.
	4. Inquired of management regarding password change frequency on SunGard.	No exceptions were identified.
	5. Read systems documentation provided by SunGard Business Systems LLC to determine whether SunGard Business Systems LLC provides adequate disaster recovery services.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
SYSTEM ACCESS

CONTROL OBJECTIVE 9 – Controls provide reasonable assurance that access to data is limited to authorized personnel.

Controls Tested	Tests Performed	Test Results
For the trust accounting production environment, SunGard provides Business Systems LLC backup and disaster recovery services as delineated in their service agreement. In addition, the Companies maintain their own backup and recovery processes for the programs and data maintained on the network. A written disaster recovery plan is in place that details the steps necessary to resume operations.	6. Obtained and reviewed current copy of Companies' Business Continuity Plan. Confirm that disaster recovery plan is in place by obtaining evidence of the most recent disaster recovery testing, as well as minutes from the USFS Technology Steering Committee and Risk Management Committee meeting where the results of the test were reviewed and approved.	No exceptions were identified.

APPENDIX A – DESCRIPTION OF CONTROL OBJECTIVES, CONTROLS, TEST PROCEDURES AND RESULTS
ACCOUNT REVIEWS

CONTROL OBJECTIVE 10 – Controls provide reasonable assurance that accounts are subject to internal review.

Controls Tested	Tests Performed	Test Results
All new accounts are subject to an initial administrative review and, if Companies have full or partial investment authority to an initial investment review within a reasonable time after substantial primary funding occurs. Reviews are submitted to the Administrative Review Committees for approval. An independent review of new accounts is also performed by the New Account Review Committees.	1. For a sample of new discretionary accounts opened from the period of June 1, 2013 through June 30, 2014, tested to determine whether the initial asset review was performed within a reasonable time after substantial primary funding.	No exceptions were identified.
	2. For a sample of new accounts opened from the period of June 1, 2013 through June 30, 2014, tested to determine whether the account was reviewed by the Administrative Review Committees and if related Administrative Review Committees minutes were then submitted to the Trust Committees for approval.	No exceptions were identified.
Existing accounts receive an administrative review and, if Companies have full or partial investment authority, an investment review at least annually. Reviews are submitted to the Administrative Review Committee for approval.	3. For a sample of existing accounts, tested to determine whether an annual review was completed and reported to the Administrative Review Committee.	No exceptions were identified.
Annual administrative and investment reviews are completed throughout the year. At the time of account opening, a review code (IR1) is entered on the system. Subsequently, a monthly query report is generated based on the due date entered in the IR1 field and distributed to administrative and investment officers to prompt both the administrative review and the investment review, if applicable, as well as related reporting to the Administrative Review Committee.	4. For a sample of new accounts opened from the period of June 1, 2013 through June 30, 2014, tested to determine whether an investment review code (IR1) was input to the at the time of account opening.	No exceptions were identified.
	5. Inquired as to the process for monitoring the completion of all applicable account reviews on an annual basis.	No exceptions were identified.

APPENDIX B – COMPLEMENTARY USER ENTITY CONTROLS

The Companies' processing of transactions and the controls over the processing were designed with the assumption that certain controls would be placed in operation at user organizations. This section describes some of the controls that should be in operation at user organizations to complement the controls at the Companies. User auditors should determine whether user organizations have established controls to ensure that:

- Instructions and information provided to the Companies from customers are in accordance with the provisions of the servicing agreement, trust agreement, or other applicable governing agreements or documents between Sample Trust and the user.
- Timely written notification of changes to the Companies, its objectives, participants, and investment managers is adequately communicated thereto.
- Timely written notification of changes in the designation of individuals authorized to instruct the Companies regarding activities, on behalf of the trust customer, is adequately communicated thereto.
- Timely review of reports provided by the Companies of trust account balances and related activities is performed by the trust customer and written notice of discrepancies is provided to the Companies.
- Timely written notification of changes in related parties for purposes of identifying parties-in-interest transactions (for ERISA-related trust accounts) is adequately communicated to the Companies.

APPENDIX C – SUBSERVICE ORGANIZATIONS
(Information not subject to examination procedures)

The Companies use SunGard as its trust accounting software to achieve operating efficiency and to obtain specific expertise. The Companies also use various depositories, sub-custodians, pricing, and participant recordkeeping subservice organizations. The Companies periodically review the quality of the subservice organization's performance and reviews and, where available, monitors the subservice organizations' reports on controls related to design and operating effectiveness.

USFAS uses various sub-service organizations including:

Sub-servicer	Function
SunGard Business System LLC and its affiliates	Provides online processing and related services including asset pricing.
U.S. Bank National Association ("USB")	Provides sub-custodian and benefit payment services.
Fidelity Brokerage Services LLC ("FBS") and its affiliates ("Fidelity")	Provides sub-custodian services for mutual funds.
First American Bank ("FAB")	Provides cash and wire services.
Pinnacle Data Systems ("PDS")	Provides statement production services.
Broadridge Investor Communications Solutions, Inc. ("Broadridge")	Provides proxy voting services.
Chicago Clearing Corporation ("CCC")	Provides class action processing services.
LexisNexis Bridger Insight XG ("LN")	Provides OFAC screening services.
Ernst & Young LLP ("E&Y")	Provides tax preparation services.
Government Loans Solutions ("GLS")	Provides pricing services for collateral on GBTC's Repo B collateral accounts (physical loan documents).

USFAS's control objectives and related controls, which are listed in Appendix A of this report, include only the control objectives and related controls of USFAS and exclude the control objectives and related controls of these subservice organizations

Consent Agenda

WARRANT NO. 100-15

For payment from the CITY OF PORT ORANGE GENERAL EMPLOYEES' DEFINED BENEFIT PLAN

TO: SALEM TRUST COMPANY

You are hereby authorized by the Board of Trustees of the City of Port Orange General Employees' Defined Benefit Plan to pay the amounts listed below for services rendered to the said Board of Trustees, and to pay the persons named below, hereby certified by the Board of Trustees:

NAME & ADDRESS	AMOUNT
James Loper (STMT #33 dated 1/1/15)	$ 4,184.55
Benefits USA, Inc. (Admin Fees 02/2015 plus Postage; INV #POG073)	$ 2,512.65
David G. Leonard, ASA (Actuarial Services: INV #15-004)	$12,875.00
James Moore (2014 Audit INV #530064)	$ 8,000.00
Donna Steinebach (Reimb. For FPPTA Trustee School Travel Expense)	$ 588.64

Approved by the following members of the Board of Trustees this 24th day of February, 2015

Trustee

Trustee

JAMES B. LOPER
ATTORNEY at LAW
14502 N. DALE MABRY HWY., SUITE 200
TAMPA, FLORIDA 33618
jloper@loperlaw.com
Phone: 813-964-0577
Fax: 813-964-8867

City of Port Orange Gen Employees Retirement Plan
1000 City Center Circle
Port Orange FL 32129

01/01/2015
ACCOUNT NO: 836-000M
STATEMENT NO: 33

ATTN: Donna J. Steinebach

Pension

PREVIOUS BALANCE $11,161.75

			HOURS
07/16/2014	JBL	Reviewing proposed Pike QDRO; letter to client; letter to divorce attorneys.	2.00
07/17/2014	JBL	Reply e-mail.	0.20
07/30/2014	JBL	Reviewing e-mail from DS; reviewing DC ordinance; research; note to file.	2.00
08/01/2014	JBL	Preparation for and phone conference with client Re: DC plan administration; note to file.	0.90
08/03/2014	JBL	Preparation of ordinance changing DC administrator to city manager.	1.50
08/04/2014	JBL	Letter to DS with draft on ordinance amending DC plan; reviewing and revising ordinance.	2.10
08/18/2014	JBL	Reviewing e-mail re: agenda; reply e-mail; letter to attorneys' in Pike v Pike.	0.70
09/04/2014	JBL	Work on investment agreement with Boston company; letter to client.	3.00
09/05/2014	JBL	Reviewing and revising letter to client re: Boston company agreement.	0.50

City of Port Orange Gen Employees Retirement Plan

01/01/2015
ACCOUNT NO: 836-000M
STATEMENT NO: 33

Pension

			HOURS	
09/08/2014	JBL	Letter to client re: F. S. 112.664.	0.40	
09/24/2014	JBL	Reviewing e-mail from administrator; e-mail to client re: agreements; reviewing James Moore CPA engagement letter; note to file; various e-mails re: auditor's agreement; e-mail to client re: Boston Agreement.	4.20	
09/25/2014	JBL	Reviewing clean copy of agreement with the Boston company; e-mail to client with changes.	1.00	
10/06/2014	JBL	Reviewing e-mail and latest draft of IMA with the Boston company; reply e-mail.	0.60	
10/14/2014	JBL	Reviewing e-mail and latest draft of auditor agreement; reply e-mail.	0.60	
12/23/2014	JBL	Reviewing e-mail and letter from James Moore, CPA; begin response letter.	0.50	
12/29/2014	JBL	Finalizing letter to auditor.	0.20	
		FOR CURRENT SERVICES RENDERED	20.40	4,182.00
05/31/2014		Copies		2.55
		TOTAL EXPENSES		2.55
		TOTAL CURRENT WORK		4,184.55
07/14/2014		PAYMENT RECEIVED. THANK YOU. Check #9871		-11,161.75
		BALANCE DUE		$4,184.55

February 11, 2015

Via e-mail to:
mei@benefits-usa.org

Mei Fang
Benefits USA, Inc.
3810 Inverrary Blvd., Suite 303
Lauderhill, FL 33319

Re: City of Port Orange General Employees
Statement #33

Dear Mei:

Pursuant to my understanding of your e-mail request sent today, Wednesday, 02/11/2015, I have separated the fees and costs for:

1. 07/16/2014 to 09/25/2014

Fees	18.50 hours	$3,792.50
Expenses		$ 2.55
Total		$3,795.05

2. 10/06/2014 to 12/29/2014

Fees	1.90 hours	$ 389.50
Expenses		$ -0-
Total		$ 389.50

If you have any questions, please call or e-mail.

Very truly yours,
Loraine
Loraine P. Loper

C:\Data\Sys\WP\Port Orange Gen Employees\Corres\Mei Fang 02.11.15.doc

BENEFITS USA, INC.
3810 Inverrary Blvd., Ste. 303
Lauderhill, FL 33319
(800)452-2454 / (954)730-2068

INVOICE

INVOICE NO.: POG073

Bill To:
CITY OF PORT ORANGE GENERAL EMPLOYEES' DEFINED BENEFIT PLAN

Date	Hours	Description	Unit Pr	Total
Feb. 2015		Monthly Flat Fee		$ 2,500.00
Postage		2015 Trustee Election		$ 12.65

Fees	$ 2,500.00
Reimb.	$ 12.65
Bal Due	**$ 2,512.65**

Benefits USA, Inc.
3810 Inverrary Blvd., Suite 303
Lauderhill FL 33319

$12.65^0
US POSTAGE
PRIORITY
FROM 33319
JAN 28 2015
stamps.com
062S0000354867

Ms Heather Carrizales
Human Resources Administrator
City Of Port Orange
1000 City Center Circle
Port Orange FL 32129-4144

David G. Leonard, A.S.A.
533 N. Nova Rd. - Suite 207
Ormond Beach, FL 32174
(386) 206-8932

Invoice

Date	Invoice #
2/13/2015	15-004

Bill To	
City of Port Orange Donna Steinebach, Chairman 1000 City Center Circle Port Orange, FL 32129	
Our File Number:	FL-113

Item	Description	Qty	Rate	Amount
Annual	Annual Administrative Services Including GASB reporting, 10 Retirement calculations, 6 meetings - for Plan Year October 1, 2014 through September 30, 2015. Annual Valuation Report completed February 13, 2015.		11,300.00	11,300.00
Correspondence	State of Florida Supplemental Annual Reporting - 9/30/14		1,500.00	1,500.00
Dist	Voluntary Account Distribution Calc. - K. Chamberlain		75.00	75.00

Total $12,875.00

James Moore
Certified Public Accountants and Consultants

5931 NW 1st Place, Gainesville, Florida 32607-2063
Daytona Beach: 386-257-4100 * Gainesville: 352-378-1331 * Tallahassee: 850-386-6184

City of Port Orange General Employees Defined
Benefit Retirement Plan - c/o Benefits USA Inc
3810 Inverrary Blvd Ste 303
Lauderhill, FL 33319-4381

Invoice Date: 01/31/2015

Invoice Number: 530064
Client Number: 202586

Professional services rendered in connection with the audit of the Plan's financial statements for the year ended September 30, 2014
Final billing through end of fieldwork and report delivery.

	$ 3,500.00
Beginning Balance	11,500.00
Net Due	$ 15,000.00

0 - 30	31- 60	61 - 90	91 - 120	Over 120	Balance
3,500.00	4,500.00	7,000.00	0.00	0.00	15,000.00

PLEASE MAIL CHECKS TO JAMES MOORE & CO, P.L., 5931 NW 1st PL, GAINESVILLE, FL, 32607-2063

NET DUE AND PAYABLE UPON RECEIPT. A FINANCE CHARGE OF 1.5% PER MONTH WILL BE ADDED
ON PAST DUE AMOUNTS, WHICH IS AN ANNUAL PERCENTAGE RATE OF 18%.
EIN # 59-3204548

James Moore
Certified Public Accountants and Consultants

5931 NW 1st Place, Gainesville, Florida 32607-2063
Daytona Beach: 386-257-4100 * Gainesville: 352-378-1331 * Tallahassee: 850-386-6184

City of Port Orange General Employees Defined
Benefit Retirement Plan - c/o Benefits USA Inc
3810 Inverrary Blvd Ste 303
Lauderhill, FL 33319-4381

Invoice Date: 12/31/2014

Invoice Number: 529470
Client Number: 202586

Professional services rendered in connection with the audit of the Plan's financial statements for the year ended September 30, 2014
For work performed through December 2014 - progress billing. $ 4,500.00

0 - 30	31- 60	61 - 90	91 - 120	Over 120	Balance
4,500.00	7,000.00	0.00	0.00	0.00	11,500.00

PLEASE MAIL CHECKS TO JAMES MOORE & CO, P.L., 5931 NW 1st PL, GAINESVILLE, FL, 32607-2063

NET DUE AND PAYABLE UPON RECEIPT. A FINANCE CHARGE OF 1 ½% PER MONTH WILL BE ADDED
ON PAST DUE AMOUNTS, WHICH IS AN ANNUAL PERCENTAGE RATE OF 18%.
EIN # 59-3204548

PORT ORANGE GENERAL EMPLOYEES PENSION FUND TRAVEL AND EXPENSE REPORT

Name: (Print): Donna J. Steinebach
Meeting Purpose: FPPTA Winter School
Meeting Location: Orlando, FL

Date Begin: 2/1/2015
End: 2/4/2015

A) Per Diem, if applicable: From: ________ To: ________ **No. Days** **x $ a day**
$ N/A

B) Daily; if applicable:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total
Hotel	145.13	190.13	190.13					
Breakfast	0	0	0					
Lunch	0	0	0					
Dinner	0	0	0					
Airfare, Taxi, Etc...	0	0	0					
Parking	0	0	0					
Tolls	0	0	0					
Misc.	0	0	0					
Total	**145.13**	**190.13**	**190.13**					**525.39**

C) Mileage- Private Vehicle- Mileage Start 48,105 End: 48,215
110 **Miles x's $.575= $** 63.25
New rates effective January 1, 2015 **Miles xs $.575= $**

TOTAL EXPENSES (A) + (B) + (C)= **$588.64**

I hereby certify or affirm that this travel expense report is ture and correct in every material matter; that the expenses were actually incurred by me as necessary expenses; and that I have not hitherto received payment for said expenses.

TRUSTEE SIGNATURE

2/6/2015
DATE

HYATT PLACE

Hyatt Place Orlando/Convention Center
8741 International Drive
Orlando, FL 32819
Phone: 407-370-4720
Fax: 407-370-4721
orlandoconventioncenter.place.hyatt.com

INVOICE

Payee MS Donna Steinebach

Room No. 0324
Arrival 02-01-15
Departure 02-04-15

Folio Window 1
Folio No. 9805

Confirmation No. 5627939501
Group Name

Date	Description		Charges	Credits
02-01-15	Guest Room		129.00	
02-01-15	State Occupancy Tax		8.39	
02-01-15	County Occupancy Tax		7.74	
02-02-15	Guest Room		169.00	
02-02-15	State Occupancy Tax		10.99	
02-02-15	County Occupancv Tax		10.14	
02-03-15	- Gallery Dinner	Room# 0324 : CHECK# 1618	8.25	
02-03-15	Guest Room		169.00	
02-03-15	State Occupancy Tax		10.99	
02-03-15	County Occupancy Tax		10.14	
02-04-15	Visa	XXXXXXXXXXXX7924 XX/XX		533.64
	Total		533.64	533.64
	Balance		0.00	

Guest Signature

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

I accept the delivery of the Wall Street Journal M-F (Gold Passport and VIP rooms only). If refused, a refund of $1 will be provided.

WE HOPE YOU ENJOYED YOUR STAY WITH US!

Thank you for choosing Hyatt Place Orlando/Convention Center. Our goal is to provide every guest with an exceptional stay and we are interested in any comments regarding your visit.

Please remit payment to:
Hyatt Place Orlando/Convention Center
8741 International Drive
Orlando, FL 32819

Summary Invoice, please see front desk for eligibility details.

Mandatory Plan Distributions

LUMP SUM DISTRIBUTION REQUEST

PLAN NAME CITY OF PORT ORANGE GE Pension Fund	**PLAN ACCOUNT NUMBER** 3040069902
PAYMENT TYPE: Total Distribution	**PAYEE'S SOCIAL SECURITY #:**
TAXABLE AMT NOT DETERMINED ☐	

PAYEE TAX ADDRESS: **Mail to Payee:** ☒Yes ☐No	**ROLLOVER DISTRIBUTION ADDRESS:** ROLLOVER INSTITUTION: ROLLOVER ACCT #:
NAME Andrew Heil	PAYABLE TO:
ADDRESS	ADDRESS
ADDRESS 2	ADDRESS 2
CITY	CITY
STATE / ZIP CODE	STATE / ZIP CODE
Participant is a Public Safety Officer: ☒Yes ☐No	**REQUESTED PAYMENT DATE:** / /
Disability or Death Due to In-Line Duty: ☐Yes ☒No	IRS DISTRIBUTION CODE:
DEPOSIT CODE: ACH	DATE OF BIRTH / / ; DATE OF TERMINATION 02/26/2015
ACH INFORMATION: ACCOUNT TYPE: Checking Financial Institution: ABA #: Account #:	☐ NON US CITIZEN – (IRS W-8BEN needs to be sent with distribution request and original signed form forwarded to Payment Services) COUNTRY:_____
MAIL TO OTHER ADDRESS: Address: City: State: Zip Code:	☒ US CITIZEN – (Certified by the participant by completing and signing IRS form W-9)

PAYMENT INFORMATION:	**AMOUNT**
Total Gross Amount	$44,766.08
Total Taxable	$44,766.08
Non-Taxable EEC	$0.00
Federal Withholding	$8,953.22
State Tax Withholding	$
Other Deductions	$
Total Net Check	$35,812.86

WITHHOLDING DETAIL:

1	FED TAX:	FED TAX METHOD	Select One
		Additional Withholding Amount	$
2	TAX STATE		
		STATE TAX METHOD	Select One
		Addtl Withholding Amount	$
		Percentage	%

COMMENTS:

AUTHORIZATION BY PLAN ADMINISTRATOR:

I hereby certify that this is an appropriate request under the plan, income tax withholding information and an election form has been provided to the payee, spousal consent has been obtained when appropriate, any other required information regarding this distribution has been provided to the payee, and the above information is correct to the best of my knowledge.

DATE________________ AUTHORIZED SIGNATURE ________________________________

DATE________________ AUTHORIZED SIGNATURE ________________________________

DATE AUTHORIZED BY SALEM TRUST ____________________ Prepared By:

ST SALEM TRUST COMPANY

Andrew Heil - #FL113

PARTICIPANT'S ELECTION FOR DISTRIBUTION

I have read the Safe Harbor Act Notice and the Methods of Distribution Options explaining the options available to me as a participant in the City of Port Orange General Employees. I understand that if I choose the immediate lump sum payment option I am forfeiting my right to my future vested pension benefits under the Plan.

I understand these options and agree to receive the benefits due me in the following form:

CHECK ONLY ONE BOX IN EITHER SECTION A OR B

A. **ANNUITY PAYMENT:**

[ ] **Annuity Payment :** I am entitled to a lifetime monthly payment in the amount of $1,206.03 beginning on (2042, or a reduced amount payable any time after my 55th birthday. In order to receive this option, I will need to notify the Plan Administrator approximately 60 to 90 days prior to my preferred benefit commencement date.

At that time I will be given other optional annuity forms, such as a Joint and Survivor annuity which covers my spouse if I die while benefits are in pay status. If I die during the period of time between now and my Normal Retirement Date, my spouse or other named beneficiary will be eligible to receive a death benefit equal to the value of my pension benefits as of the date of my death.

The Early Retirement Pension amount payable at age 55) is $844.22.

The current relative value of the normal retirement option is $14,165.87 based on an 8% discount rate and 1983 IAM Male mortality.

B. **LUMP SUM PAYMENT:** a single payment as of February 26, 2015 of **$44,766.08**. I elect to do the following with my lump sum distribution:

[X] Take a cash distribution for the total amount and withhold federal income taxes of 20% of the taxable gross amount

[ ] Make a direct rollover of the total distribution to an IRA account already opened in my name. I direct that the check be made payable to:

______________________________, as Trustee of
(Name of Financial Institution)
Individual Retirement Account of ______________________.
(Your Full Name)

Andrew Heil

[ ] Make a direct rollover of the total distribution to a qualified retirement plan sponsored by another employer. I direct that the check be made payable to:

Trustee of ____

(Full Plan Name) ______________________________FBO

____

(Your Full Name)

[ ] Take a partial cash distribution of $_________ payable to me and withhold federal income taxes of 20% of the taxable amount of the cash distribution

AND

Make a direct rollover of the remaining distribution to an IRA account already opened in my name. I direct that the check be made payable to:

____, as Trustee of

(Name of Financial Institution)

Individual Retirement Account of _________________________________.

(Your Full Name)

[ ] Take a partial cash distribution of $_________ payable to me and withhold federal income taxes of 20% of the taxable amount of the cash distribution

AND

Make a direct rollover of the remaining distribution to a qualified retirement plan sponsored by another employer. I direct that the check be made payable to:

Trustee of ____

(Full Plan Name)

______________________ FBO ____________________________________

(Your Full Name)

I represent that - if I elected a direct rollover - the above named eligible retirement plan or IRA is an individual retirement account or individual retirement annuity established in my name, or a qualified retirement plan or annuity plan which accepts direct rollovers.

I understand that I have at least 30 days from the date of receipt of this information in which to make this election.

Social Security No.__ 4

____

Participant Signature

____

Witness Signature

______________________________ 2-17-15

Date

RETIREMENT CALCULATION FOR CITY OF PORT ORANGE
GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

Andrew Heil

Date of Birth	
Date of Pension Eligibility	03/09/1998
Date of Participation	10/01/2003
Date of Termination	02/26/2015
Normal Retirement Date	10/01/2042

Salary History
years ending 9/30 -

2014	$43,268.91
2013	42,173.08
2012	39,531.62
2011	40,824.84
2010	39,697.13

	Total Salaries	$205,495.58
(a)	Average Monthly Salary	$3,424.93
(b)	Service	16.9167
(b2)	Service Prior to 9/30/09	11.5000
(c)	Accrued Benefit (a) x (b) x 2.12% (2.0% after 10/1/09)	1,206.03
(d)	Vested Percentage	100%
(e)	Vested Accrued Benefit (c) x (d)	$1,206.03

Total Employee Contribs.	$28,655.77
Total Interest	7,165.47
Contributions & Interest	$35,821.24 - as of 2/26/15
Guaranteed Amount	$8,944.84 - 10/01/03 Transfer In MPP
Vested Transfer In	$8,944.84
Total Refund with Guaranteed Amount	$44,766.08
Benefit at Age 55	$844.22 - payable 10/1/2032

Richard [signature], ASA, MAAA
2/17/15

[signature] 2/17/15

Andrew Heil

	Contribs	5.00% Interest	Total
2004	1,580.44	0.00	1,580.44
2005	1,629.96	79.02	3,289.42
2006	1,789.67	164.47	5,243.56
2007	2,064.61	262.18	7,570.35
2008	2,228.45	378.52	10,177.32
2009	2,439.69	508.87	13,125.87
2010	2,965.35	656.29	16,747.52
2011	3,061.74	837.38	20,646.63
2012	2,964.85	1,032.33	24,643.82
2013	3,162.99	1,232.19	29,039.00
2014	3,245.17	1,451.95	33,736.12
2015	1,522.85	562.27	35,821.24
02/26/2015	28,655.77 ✓	7,165.47 ✓	35,821.24 ✓

[illegible], ASA, MAAA
2/17/15

[illegible]
2/17/15