

***Town of Lincoln Rhode Island
Retirement Plan***

***Actuarial Valuation Report
January 1, 2014***

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Highlights

Purpose of the Valuation

This report summarizes actuarial information regarding the plan's liabilities and benefit obligations as compared to assets available for benefits on the valuation date. The report was prepared by Nyhart to:

- determine the acceptable range of employer contributions;
- determine the plan's funded status; and
- measure values of plan benefits and obligations under governmental financial accounting standards.

Principal results of actuarial valuations are shown in the following sections.

Plan Year Beginning	01/01/14	01/01/13	01/01/12
Employer Contributions			
Total payroll	\$ 5,139,367	\$ 5,068,754	\$ 4,916,103
Annual Required Contribution As percent of payroll	\$ 1,227,757 23.9%	\$ 1,222,045 24.1%	\$ 1,086,386 22.1%
Actuarial Recommended Funding Contribution As percent of payroll	\$ 1,227,757 23.9%	NA NA	NA NA
Employer contribution Total as percent of payroll	NA NA	\$ 1,269,103 25.0%	\$ 1,192,199 24.3%
Plan Assets			
Fair market value	\$ 20,272,090	\$ 17,395,943	\$ 15,428,896
Actuarial value for funding	\$ 19,157,225	\$ 17,070,295	\$ 16,592,418
Funded Status			
Actuarial Accrued Liability	\$ 29,350,192	\$ 27,608,150	\$ 25,953,276
Unfunded Accrued Liability	\$ 10,192,967	\$ 10,537,855	\$ 9,360,858
Funded Ratio			
Market Value Basis	69.1%	63.0%	59.4%
Actuarial Value Basis	65.3%	61.8%	63.9%

Highlights – Continued

Plan Year Beginning	01/01/14	01/01/13	01/01/12
Participants			
Number of participants:			
Active	111	109	109
Inactive with deferred benefits	20	20	13
Inactive receiving benefits	<u>92</u>	<u>94</u>	<u>89</u>
Total in valuation	223	223	211
Active participant averages:			
Age nearest birthday	48.8	48.2	47.4
Years of employment to date	12.1	11.9	12.1
Compensation for benefits	\$ 46,301	\$ 46,502	\$ 45,102

Changes Since the Last Valuation

Article XIII of the Collective Bargaining Agreement for Lincoln Local 435 International Brotherhood of Police Officers amended the plan for police officers hired after July 1, 2013 in the following ways:

Normal Retirement Date – Police officers hired after July 1, 2013 may retire upon the earlier of attainment of age 58 and completion of 10 years of credited service or the completion of 25 years of credited service regardless of age.

Normal Retirement Benefit – Police officers hired after July 1, 2013 receive a benefit equal to 2.0% of average monthly salary multiplied by credited service up to 30 years.

The mortality table for police and fire members has been updated to the RP-2000 Blue Collar Combined Mortality Table projected to 2014 using Scale AA.

The mortality table for all other members and beneficiaries has been updated to the RP-2000 Combined Mortality Table projected to 2014 using Scale AA.

Actuary's Opinion

This report provides information regarding the actuarial valuation prepared for

Town of Lincoln Rhode Island Retirement Plan

The actuarial valuation was prepared as of January 1, 2014 using information which has been reconciled and reviewed for reasonableness.

- employee census information was provided by the plan administrator; and
- asset information was provided by the plan administrator.

Our review was not performed at the source, and we therefore do not accept responsibility for the accuracy or completeness of the data on which the information is based.

Actuarial values have been prepared in accordance with generally accepted actuarial principles and practice and to the best of our knowledge these values fairly reflect our best estimate of anticipated experience under the plan provisions which are summarized in Section 3.3 of this report.

Information has been prepared in accordance with applicable governmental standards of financial reporting for defined benefit pension plans.

Nyhart

Valuation prepared by:



Matt Sherertz, ASA, EA

Valuation reviewed by:



Tayt V. Odom, FSA, EA, MAAA

June 30, 2014

Date

Section 1 - Assets

1.1 Reconciliation of Plan Assets

Transaction activity is summarized in Section A and market value of assets is reconciled in Section B for the plan year ending 12/31/13 as follows:

A. Net income (loss):

(1) Contributions:			
From town	\$ 1,269,103		
From participants	316,775		
Other	<u>0</u>		\$ 1,585,878
(2) Interest and Dividends			245,376
(3) Net appreciation/depreciation in fair market value of investments			2,548,950
(4) Other income			0
(5) Disbursements:			
Benefit payments	\$ 1,504,057		
Other	0		
Administrative expenses	<u>0</u>		1,504,057
(6) Net income (loss) = (1) + (2) + (3) + (4) – (5)			\$ 2,876,147

B. Reconciliation of market value of assets:

(1) Market value of assets as of 12/31/12		\$ 17,395,943
(2) Net income (loss) from A(6)		2,876,147
(3) Market value of assets as of 12/31/13 = (1) + (2)		\$ 20,272,090

Section 1 – Continued**1.2 Summary of Assets**

(1) Cash and Cash Equivalents				\$	0
(2) General investments:					
Equity Mutual Funds	\$ 12,608,874	(62%)			
Fixed Income Mutual Funds	978,619	(5%)			
Real Estate	1,159,389	(6%)			
Group Annuity Contract	<u>5,525,208</u>	(27%)			
					20,272,090
(3) Receivables:					
Employer contributions	\$ 0				
Income	<u>0</u>				0
(4) Prepaid Expenses					0
(5) Liabilities:					
Due to Other Funds	\$ 0				
Internal Balances	0				
Accounts Payable & Accrued Expenses	<u>0</u>				0
(6) Total assets = (1) + (2) + (3) + (4) – (5)					\$ 20,272,090

1.3 Actuarial Value of Assets

The market value of plan assets has been adjusted for valuation purposes to smooth the effects of appreciation and/or depreciation in assets over a 5-year period. Determination of the actuarial value of plan assets is detailed below.

(1) Fair market value of assets as of 12/31/2013					\$20,272,090
(2) Five-year smoothing of gains/(losses):					
2013	\$ 1,399,442	x 80%	=	\$ 1,119,554	
2012	\$ 634,826	x 60%	=	\$ 380,896	
2011	\$ (1,153,989)	x 40%	=	\$ (461,596)	
2010	\$ 380,055	x 20%	=	\$ 76,011	\$ 1,114,865
(3) Actuarial value of assets = (1) – (2)					\$19,157,225

Section 1 – Continued

1.4 Average Rates of Return

Average rates of investment return have been determined using the formula

Two times (I) divided by (A + B – I), where

I is the dollar amount of earnings (including unrealized appreciation or depreciation of plan assets) for the plan year;

A is the value of assets at the beginning of the plan year; and

B is the value of assets at the end of the plan year

Under this formula, all transactions are assumed to occur in the middle of the year, therefore, rates of return determined in this manner are estimates and should be used only for comparison with actuarial assumptions.

Plan Year Ending	12/31/13	12/31/12	12/31/11
Based on average market value:			
Earnings after expenses	16.04%	12.11%	0.45%
Based on actuarial value:			
Earnings after expenses	11.73%	2.31%	0.45%

Section 2 – Contribution Alternatives – All Divisions

2.1 Annual Required Contribution

The contribution required under GASB #27 is shown for the current and prior plan years.

Fiscal Year Ending	06/30/14	06/30/13	06/30/12
(1) Employer normal cost	\$ 342,088	\$ 341,217	\$ 323,611
(2) Net amortization payment (Exhibit 1)	838,087	834,697	721,764
(3) Interest at valuation rate on (1)+(2)	46,299	46,131	41,011
(4) Adjustment due to limit on individual divisions	1,283	0	0
(5) Annual required contribution (1)+(2)+(3)+(4)	\$ 1,227,757	\$ 1,222,045	\$ 1,086,386

2.2 Actuarial Recommended Funding Contribution

Plan Year Ending	12/31/14	12/31/13	12/31/12
(1) Employer normal cost	\$ 342,088	NA	NA
(2) Net amortization payment (Exhibit 1)	838,087	NA	NA
(3) Interest at valuation rate on (1)+(2)	46,299	NA	NA
(4) Adjustment due to limit on individual divisions	1,283	NA	NA
(5) Actuarial recommended funding contribution (1)+(2)+(3)+(4)	\$ 1,227,757	NA	NA

Section 2 – Continued

2.3 Annual Required Contribution / Actuarial Recommended Funding Contribution – By Division

Plan Year Ending: December 31, 2014

	Police	School	Lonsdale Firefighters	Saylesville Firefighters	Firefighters	Town Hall	Water	Total
(1) Total Normal Cost	386,977	175,845	29,124	22,156	0	0	0	614,102
(2) Expected Employee Contributions	<u>158,733</u>	<u>90,336</u>	<u>12,234</u>	<u>10,711</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>272,014</u>
(3) Employer Normal Cost (1) – (2)	228,244	85,509	16,890	11,445	0	0	0	342,088
(4) Net Amortization Payment	596,640	160,615	21,970	32,986	(1,235)	16,092	11,019	838,087
(5) Interest at Valuation rate on (3) + (4)	32,361	9,656	1,524	1,743	(48)	631	432	46,299
(6) Adjustment due to floor limit on ARC of \$0	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,283</u>	<u>0</u>	<u>0</u>	<u>1,283</u>
(7) Annual required contribution / Actuarial Recommended Funding Contribution (3) + (4) + (5) + (6), no less than \$0	857,245	255,780	40,384	46,174	0	16,723	11,451	1,227,757
Accrued Liability	20,946,385	5,609,457	873,927	1,267,876	10,844	362,946	278,757	29,350,192
Valuation Assets	<u>13,685,706</u>	<u>3,655,390</u>	<u>607,967</u>	<u>866,494</u>	<u>34,406</u>	<u>164,154</u>	<u>143,108</u>	<u>19,157,225</u>
Unfunded Accrued Liability	7,260,679	1,954,067	265,960	401,382	(23,562)	198,792	135,649	10,192,967

Section 3 – Basis for the Valuation

3.1 Plan Participants

Participant information provided by the plan administrator is summarized in the following table.

	Active	Inactive Participants		Total
		Benefits Deferred	Receiving Benefits	
Participants at 12/31/12	109	20	94	223
Retired	(2)	0	2	0
Rehires	1	0	0	1
Deaths without survivor	0	0	(4)	(4)
Deaths with survivor benefits	0	0	0	0
Beneficiary added	0	0	0	0
Vested terminations	(2)	2	0	0
Nonvested terminations	0	0	0	0
Add alternate payees	0	0	0	0
Benefits paid in full	(2)	(2)	0	(4)
Data corrections	0	0	0	0
New participants during the plan year	7	0	0	7
Participants as of 12/31/13	111	20	92	223

Section 3 – Continued

3.1 Plan Participants – Continued

	School	Police	Lonsdale Firefighters	Saylesville Firefighters	Firefighters	Water	Town Hall	Totals
Actives								
Eligible for normal retirement benefits	12	5	1	0	0	0	0	18
Non-vested benefits	31	14	1	2	0	0	0	48
Not yet eligible for retirement benefits	29	14	1	1	0	0	0	45
Total	72	33	3	3	0	0	0	111
Receiving								
Currently receiving benefits	29	45	1	3	1	2	11	92
Terminated Vested								
Entitled to deferred benefit	14	5	0	0	0	0	1	20
Totals	115	83	4	6	1	2	12	223

Section 3 – Continued**3.2 Information about Participants****Active Participants**

Number accruing benefits	111
Average age for valuation	48.8
Average years of employment	12.1
Average pay	\$ 46,301

Inactive Participants with Deferred Retirement Benefits

Number of former participants with deferred benefits	9
Average age for valuation	59.5
Total deferred monthly benefits	\$ 7,483
Average deferred monthly benefit	\$ 831

Inactive Participants Due Return of Contributions

Number of former participants with deferred benefits	11
Average age for valuation	45.6
Total employee contributions (with interest)	\$ 108,627
Average employee contribution amount (with interest)	\$ 9,875

Retired Participants and Beneficiaries

Number of retired pensioners	79
Number of disabled pensioners	0
Number of beneficiaries	11
Number of alternate payees	2
Total monthly benefits	\$ 122,262
Average monthly benefit	\$ 1,329

Section 3 – Continued**3.3 Summary of Plan Provisions****Name of plan**

Town of Lincoln Rhode Island Retirement Plan

Effective date

The plan was originally effective as of September 1, 1970.

Participation

Employees who work 20 or more hours per week and more than five months per year are eligible to participate in the Plan.

Normal retirement benefit

Police (hired on or before July 1, 2013) and Lonsdale Firefighters

A benefit equal to 2.5% of average monthly salary multiplied by credited service up to 20 years, plus 2% of average monthly salary multiplied by up to five additional years of credited service.

Police (hired after July 1, 2013)

A benefit equal to 2.0% of average monthly salary multiplied by credited service up to 30 years.

Saylesville Firefighters

A benefit equal to 2.5% of average monthly salary multiplied by credited service up to 20 years, plus 2% of average monthly salary multiplied by up to ten additional years of credited service.

All other participants

A benefit equal to 1.5% of average monthly salary multiplied by credited service, with maximum benefit of 60% of average monthly salary.

Normal retirement date

Police (hired on or before July 1, 2013)

Police employees hired on or before July 1, 2013 may retire upon the earlier of attainment of age 58 and completion of 10 years of credited service or the completion of 20 years of credited service regardless of age.

Police (hired after July 1, 2013)

Police employees hired after July 1, 2013 may retire upon the earlier of attainment of age 58 and completion of 10 years of credited service or the completion of 25 years of credited service regardless of age.

Section 3 – Continued

3.3 Summary of Plan Provisions – Continued

Normal retirement date

Saylesville Firefighters	Saylesville Firefighters may retire upon the earlier of attainment of age 55 and completion of 10 years of credited service or the completion of 30 years of credited service regardless of age.
Lonsdale Firefighters	Lonsdale Firefighters may retire upon the earlier of attainment of age 60 and completion of 10 years of credited service or the completion of 20 years of credited service regardless of age.
All other participants	All other participants may retire upon the attainment of age 60 and completion of 10 years of credited service.

Average monthly salary

Average compensation during the highest three consecutive years out of the final ten years of employment.

Preretirement death benefit

The beneficiary of a participant who dies prior to retirement receives the participant's accumulated contributions. In lieu of this benefit, the surviving spouse of the participant who dies prior to retirement can elect to receive a monthly benefit equal to 50% of the participant's benefit accrued to the date of death, payable at the participant's normal retirement date.

Termination before 10 years of credited service

Refunded employee contributions with annual interest credited at 5% after 1997 (3.5% before 1998).

Termination after 10 years of credited service

100% vested after 10 years of credited service in accrued benefit deferred to Normal Retirement.

Compensation

Annual base compensation plus holiday pay and longevity pay excluding overtime pay.

Credited service

Contributing employees will receive credit for all service rendered to the Town from date of membership.

Cost of living adjustments

Police Department employees who retire after June 30, 2004 receive an automatic 3% annual compounded Cost of Living Adjustment to their monthly pension benefit.

Section 3 – Continued

3.3 Summary of Plan Provisions – Continued

Normal form of payment

For participants other than Police and Firefighters, the normal form of benefit is a monthly life annuity. For Police and Firefighters, the normal form of benefit is a monthly benefit payable for the participant's lifetime with 67.5% of such benefit continued to a surviving contingent annuitant following the participant's death.

Optional forms of payment

A participant may choose to receive distributable benefits in an actuarially equivalent alternative form of benefit as follows.

- a monthly benefit payable for the participant's lifetime;
- a monthly benefit payable for the participant's lifetime with a guarantee that the remainder, if any, of 120 monthly payments will be made to the participant's beneficiary following the participant's death;
- a monthly benefit payable for the participant's lifetime with a percentage, 50%, 66 2/3%, 75%, or 100%, of such benefit continued to a surviving contingent annuitant following the participant's death.

Participant contributions

As a requirement for participation, employees are required to contribute the following to the plan as of January 1, 2014:

Police	8% of compensation
Firefighters	6% of compensation
All other participants	4% of compensation

Section 3 – Continued**3.4 Actuarial Assumptions**

Actuarial assumptions concerning future events are described below. Please see *Highlights* section for comments regarding changes in assumptions since the last valuation.

Retirement age

Police	100% retirement at the completion of 10 years of service and attainment of age 58. 100% retirement at the completion of 20 years of service and attainment of age 55. 20% retirement at the completion of 20 years of service and attainment of ages 40-49, 51-54. 50% retirement at the completion of 20 years of service and attainment of age 50.
School	100% retirement at the completion of 10 years of service and attainment of age 63.
Lonsdale Fire	100% retirement at the completion of 10 years of service and attainment of age 60. 100% retirement at the completion of 20 years of service and attainment of age 55. 20% retirement at the completion of 20 years of service and attainment of ages 40-49, 51-54. 50% retirement at the completion of 20 years of service and attainment of age 50.
Saylesville Fire	100% retirement at the completion of 10 years of service and attainment of age 55.
All other participants	100% retirement at the completion of 10 years of service and attainment of age 63.

Mortality of healthy lives

Police and Fire	RP-2000 Combined Blue Collar Mortality Table projected to 2014 per Scale AA
Others and Beneficiaries	RP-2000 Combined Mortality Table projected to 2014 per Scale AA

Mortality of disabled lives

Police and Fire	RP-2000 Combined Blue Collar Mortality Table projected to 2014 per Scale AA
Others and Beneficiaries	RP-2000 Combined Mortality Table projected to 2014 per Scale AA

Disablement

None assumed

Section 3 – Continued

3.4 Actuarial Assumptions – Continued

Withdrawal (Police/Fire)

Rates below at illustrative ages indicate the withdrawal assumption used for police and fire employees in the valuation:

<u>Age</u>	<u>Rate of Withdrawal</u>	
	<u>Male</u>	<u>Female</u>
25	0.050	0.075
30	0.035	0.050
35	0.025	0.035
40	0.015	0.025
45	0.010	0.015
50	0.005	0.010
55	0.000	0.005
60	0.000	0.000

Withdrawal (all other participants)

Rates below at illustrative ages indicate the withdrawal assumption used for non-police/fire employees in the valuation:

<u>Age</u>	<u>Rate of Withdrawal</u>	
	<u>Male</u>	<u>Female</u>
25	0.100	0.150
30	0.070	0.100
35	0.050	0.070
40	0.030	0.050
45	0.020	0.030
50	0.010	0.020
55	0.000	0.010
60	0.000	0.000

Future salary increases

Salary increase rates used in the valuation are shown below:

<u>Age</u>	<u>Increases</u>
<25	6.00%
25-29	5.00%
30-34	4.00%
35-39	3.50%
40-44	3.50%
45-49	3.50%
50-54	3.50%
55-59	3.50%
60+	3.00%

Valuation interest rate

8.0%

Section 3 – Continued

3.4 Actuarial Assumptions – Continued

Eligible spouse	85% of participants assumed to be married with female spouse 3 years younger
Cost of Living Adjustment	3.0% increase is assumed for Police retiring after June 30, 2004

Section 3 – Continued**3.5 Valuation Procedures****Funding method****Actuarial Recommended Funding Contribution and Annual Required Contribution – Entry Age Normal Cost Method**

The actuarial cost method used in determining both the Actuarial Recommended Funding Contribution and Annual Required Contribution is the entry age normal cost method.

In determining both the Actuarial Recommended Funding Contribution and Annual Required Contribution, the excess of the entry age actuarial accrued liability over the actuarial value of plan assets is amortized over a closed 20 year period as a level % of pay. For this purpose, pay is assumed to grow at 3.0% annually.

Asset valuation method

The actuarial value of assets is equal to the fair market value of assets on the valuation date adjusted for a 5 year phase in of gains and losses on fair market value of assets.

Other procedures

Benefits projected to assumed retirement age for active participants have been limited so as not to exceed maximum benefit limits imposed by Code Section 415(b) and/or maximum compensation limits of Code Section 401(a)(17).

Exhibit 1 – Unfunded Actuarial Liability

A. Unfunded Entry-Age Actuarial Accrued Liability

(1)	Active participants	\$ 12,431,669
(2)	Inactive participants with deferred benefits	1,144,512
(3)	Participants/beneficiaries receiving benefits	15,774,011
(4)	Total entry-age actuarial accrued liability (1) + (2) + (3)	29,350,192
(5)	Actuarial value of assets as of 01/01/14	19,157,225
(6)	Unfunded actuarial liability as of 01/01/14 = (4) – (5), not less than zero	\$ 10,192,967

B. Annual Required Contribution and Actuarial Recommended Funding Contribution Amortization Schedule

	First Payment	Remaining Amortization Period (Years)	Outstanding Balance	Annual Payment
Charges:	01/01/2011	17	\$ 5,870,030	\$ 491,175
	01/01/2012	18	\$ 3,403,722	\$ 274,544
	01/01/2013	19	\$ 1,205,661	\$ 94,019
	01/01/2014	20	<u>\$ (286,446)</u>	<u>\$ (21,651)</u>
	Total		\$ 10,192,967	\$ 838,087

**Town of Lincoln Rhode Island
Retirement Plan**

Appendix A

Financial Reporting for Statement No. 25/27

As Amended by Statement No. 50

**Governmental Accounting Standards Board
for Fiscal Year Ending 06/30/2014**

Town of Lincoln Rhode Island Retirement Plan

Statement of Plan Net Assets as of December 31,

	2013	2012
Assets		
Cash	\$ 0	\$ 1
Investments		
Equity Mutual Funds	\$ 12,608,874	\$ 10,122,194
Fixed Income Mutual Funds	978,619	764,607
Real Estate	1,159,389	1,029,688
Group Annuity Contract	<u>5,525,208</u>	<u>5,479,453</u>
Total Investments	\$ 20,272,090	\$ 17,395,942
Receivables	\$ 0	\$ 0
Prepaid Expenses	\$ 0	\$ 0
Liabilities		
Due to Other Funds	\$ 0	\$ 0
Internal Balances	\$ 0	\$ 0
Accounts Payable and Accrued Expenses	\$ 0	\$ 0
Net assets held in trust for pension benefits	\$ 20,272,090	\$ 17,395,943

Town of Lincoln Rhode Island Retirement Plan

Statement of Changes in Plan Net Assets for the years ended December 31,

	2013	2012
Additions		
Contributions		
Employer	\$ 1,269,103	\$ 1,192,199
Employee	316,775	277,311
Other	<u>0</u>	<u>0</u>
Total contributions	\$ 1,585,878	\$ 1,469,510
Investment income		
Interest and dividends	\$ 245,376	\$ 243,306
Net appreciation/depreciation in fair value of investments	<u>2,548,950</u>	<u>1,629,528</u>
Net investment income	\$ 2,794,326	\$ 1,872,834
Total additions	\$ 4,380,204	\$ 3,342,344
Deductions		
Benefits	\$ 1,504,057	\$ 1,375,297
Administrative and Other Expenses	<u>0</u>	<u>0</u>
Total deductions	\$ 1,504,057	\$ 1,375,297
Net increase	\$ 2,876,147	\$ 1,967,047
Net assets held in trust for benefits		
Beginning of year	<u>\$ 17,395,943</u>	<u>\$ 15,428,896</u>
End of year	\$ 20,272,090	\$ 17,395,943

Town of Lincoln Rhode Island Retirement Plan

Required Pension Disclosure Under GASB #27

Schedule of Funding Progress

Valuation Date	Valuation Assets	Accrued Liability*	Unfunded Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as % of Payroll
01/01/05	\$ 15,268,685	\$ 16,557,826	\$ 1,289,141	92.2%	\$ 3,501,567	36.8%
01/01/06	\$ 15,730,030	\$ 17,296,311	\$ 1,566,281	90.9%	\$ 3,744,435	41.8%
01/01/07	\$ 17,178,720	\$ 18,458,150	\$ 1,279,430	93.1%	\$ 4,128,827	31.0%
01/01/08	\$ 17,152,451	\$ 19,139,010	\$ 1,986,559	89.6%	\$ 4,617,858	43.0%
01/01/09	\$ 14,620,859	\$ 20,344,766	\$ 5,723,907	71.9%	\$ 4,943,482	115.8%
01/01/10	\$ 14,662,776	\$ 21,127,359	\$ 6,464,583	69.4%	\$ 5,414,398	119.4%
01/01/11	\$ 16,386,041	\$ 22,332,875	\$ 5,946,834	73.4%	\$ 4,988,272	119.2%
01/01/12	\$ 16,592,418	\$ 25,953,276	\$ 9,360,858	63.9%	\$ 4,916,103	190.4%
01/01/13	\$ 17,070,295	\$ 27,608,150	\$ 10,537,855	61.8%	\$ 5,068,754	207.9%
01/01/14	\$ 19,157,225	\$ 29,350,192	\$ 10,192,967	65.3%	\$ 5,139,367	198.3%

*Determined under the Entry Age actuarial cost method as defined in Statement #27 of the Governmental Accounting Standards Board. Under this method, the excess of the entry-age actuarial accrued liability over the actuarial value of plan assets is amortized over a 20 year closed period as a level % of pay. For this purpose, pay is assumed to grow at 3.0% annually.

Town of Lincoln Rhode Island Retirement Plan

Required Pension Disclosure Under GASB #27

Schedule of Contributions from the Employer and Other Contributing Entities

Fiscal Year Ending	Annual Required Contribution*	Employer Funding Contributions**	Percentage Contributed	Net Pension Obligation
12/31/2004	\$ 136,746	\$ 250,299	183.0%	\$ NA
12/31/2005	\$ 309,674	\$ 257,077	83.0%	\$ NA
12/31/2006	\$ 348,818	\$ 789,497	226.3%	\$ NA
12/31/2007	\$ 358,880	\$ 127	0.0%	\$ NA
12/31/2008	\$ 386,977	\$ 343,606	88.8%	\$ NA
12/31/2009	\$ 618,012	\$ 383,964	62.1%	\$ NA
06/30/2010	\$ 644,615	\$ 479,429	74.4%	\$ 165,186
06/30/2011	\$ 644,463	\$ 736,776	114.3%	\$ 73,602
06/30/2012	\$ 1,086,386	\$ 513,931	47.3%	\$ 646,382
06/30/2013	\$ 1,222,045	\$ 1,226,051	100.3%	\$ 645,230

*Determined under the Entry Age actuarial cost method as defined in Statement #27 of the Governmental Accounting Standards Board. Under this method, the excess of the entry-age actuarial accrued liability over the actuarial value of plan assets is amortized over a 20 year closed period as a level % of pay. For this purpose, pay is assumed to grow at 3.0% annually.

**Note that the employer funding contributions reported for fiscal year ending 6/30/2013 includes \$2,470 of contributions actually made during fiscal year ending 6/30/2012 that were not recognized during the period. In lieu of revising the 6/30/2012 disclosure, the \$2,470 is being recognized as an employer contribution in fiscal year ending 6/30/2013.

Town of Lincoln Rhode Island Retirement Plan

Required Pension Disclosure Under GASB #27

Trend Information

Fiscal Year Ending	Annual Pension Cost*	Employer Funding Contributions**	Percentage Contributed	Net Pension Obligation
12/31/2004	\$ 136,746	\$ 250,299	183.0%	\$ NA
12/31/2005	\$ 309,674	\$ 257,077	83.0%	\$ NA
12/31/2006	\$ 348,818	\$ 789,497	226.3%	\$ NA
12/31/2007	\$ 358,880	\$ 127	0.0%	\$ NA
12/31/2008	\$ 386,977	\$ 343,606	88.8%	\$ NA
12/31/2009	\$ 618,012	\$ 383,964	62.1%	\$ NA
06/30/2010	\$ 644,615	\$ 479,429	74.4%	\$ 165,186
06/30/2011	\$ 645,192	\$ 736,776	114.2%	\$ 73,602
06/30/2012	\$ 1,086,711	\$ 513,931	47.3%	\$ 646,382
06/30/2013	\$ 1,224,899	\$ 1,226,051	100.1%	\$ 645,230

*Determined under the Entry Age actuarial cost method as defined in Statement #27 of the Governmental Accounting Standards Board. Under this method, the excess of the entry-age actuarial accrued liability over the actuarial value of plan assets is amortized over a 20 year closed period as a level % of pay. For this purpose, pay is assumed to grow at 3.0% annually.

**Note that the employer funding contributions reported for fiscal year ending 6/30/2013 includes \$2,470 of contributions actually made during fiscal year ending 6/30/2012 that were not recognized during the period. In lieu of revising the 6/30/2012 disclosure, the \$2,470 is being recognized as an employer contribution in fiscal year ending 6/30/2013.

Town of Lincoln Rhode Island Retirement Plan

Required Pension Disclosure Under GASB #27

Annual Pension Cost and Net Pension Obligation

	Year Ending <u>06/30/2012</u>	Year Ending <u>06/30/2013</u>
Annual Required Contribution (ARC)	\$1,086,386	\$ 1,222,045
Interest on Net Pension Obligation (NPO)	5,888	51,711
Adjustment to ARC	<u>(5,563)</u>	<u>(48,857)</u>
Annual Pension Cost	\$1,086,711	\$ 1,224,899
Actual Contributions	<u>(513,931)</u>	<u>(1,226,051)</u>
Increase (decrease) in NPO	\$ 572,780	\$ (1,152)
NPO Beginning of Year	<u>73,602</u>	<u>646,382</u>
NPO End of Year	\$ 646,382	\$ 645,230
Interest Rate	8.00%	8.00%
Amortization Years*	20	20

* as a level % of pay (3% annual pay growth assumed for this purpose)