

CITY OF FAIR OAKS RANCH, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST CALENDAR YEAR

Total Pension Liability	
	2014
Service Cost	\$ 314,855
Interest (on the Total Pension Liability)	303,986
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	66,156
Changes of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(80,511)
Net Change in Total Pension Liability	604,486
Total Pension Liability - Beginning	4,225,483
Total Pension Liability – Ending	\$ 4,829,969
Plan Fiduciary Net Position	
	2014
Contributions – Employer	\$ 234,399
Contributions - Employee	143,051
Net Investment Income	219,419
Benefit Payments, Including Refunds of Employee Contributions	(80,511)
Administrative Expense	(2,290)
Other	(188)
Net Change in Plan Fiduciary Net Position	513,880
Plan Fiduciary Net Position - Beginning	3,834,900
Plan Fiduciary Net Position – Ending	\$ 4,348,780
Net Pension Liability (Asset) – Ending	\$ 481,189
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.04%
Covered Employee Payroll	\$ 2,043,586
Net Pension Liability as a Percentage of Covered Employee Payroll	23.55%

CITY OF FAIR OAKS RANCH, TEXAS
NOTES TO SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2015

Schedule of Contributions:

	2014
Actuarially Determined Contribution	\$ 250,635
Contribution in Relation to the Actuarially Determined Contribution	250,635
Contribution Deficiency (Excess)	\$ -
 Covered Employee Payroll	 \$ 2,147,330
 Contributions as a Percentage of Covered Employee Payroll	 11.67%

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (13) months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 Years
Asset Valuation Method	10 Year Smoothed Market, 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.