

## Annual Pension Cost

For the employer's accounting year ended September 30, 2013, the annual required contribution for the TCDRS plan was \$927,909, and the actual contributions were \$1,260,133. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2012 and December 31, 2011, the basis for determining the contribution rates for calendar years 2013 and 2012. The December 31, 2012, actuarial valuation is the most recent valuation.

### Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	12/31/10	12/31/11	12/31/12
Actuarial cost method	entry age	entry age	entry age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, closed
Amortization period	30	30	0.6
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value
Actuarial Assumptions:			
Investment return <sup>1</sup>	8.00%	8.00%	8.00%
Projected salary increases <sup>1</sup>	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

<sup>1</sup> Includes inflation at the state rate

### Trend Information for the Retirement Plan for the Employees of Rockwall County

Fiscal year	2011	2012	2013
Annual required contribution (ARC)	\$ 969,960	\$ 911,794	\$ 927,909
Interest on net pension obligation	( 345,538)	( 390,326)	( 423,595)
Adjustment to ARC	<u>268,967</u>	<u>303,829</u>	<u>329,726</u>
Annual pension cost	893,389	825,297	834,040
Contributions made	( 1,453,238)	( 1,241,157)	( 1,260,133)
Net pension obligation (asset), beginning of year	( 4,319,223)	( 4,879,072)	( 5,294,932)
Change in net pension obligation (asset)	( 559,849)	( 415,860)	( 426,093)
Net pension obligation (asset), end of year	<u>\$( 4,879,072)</u>	<u>\$( 5,294,932)</u>	<u>\$( 5,721,025)</u>
Percentage of APC contributed	162.7%	150.4%	151.1%