

JOHNSON COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2014

NOTE 9 - PENSION PLAN - ContinuedAnnual Pension Cost - continued

Actuarial Valuation Information

Actuarial valuation date	12/31/11	12/31/12	12/31/13
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	20	20	20
Asset valuation method	SAF: 10 Year smoothed value ESP: Fund value	SAF: 10 Year smoothed value ESP: Fund value	SAF: 5 Year smoothed value ESP: Fund value
	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/13</u>
Actuarial Assumptions:			
Investment return ¹	8.0%	8.0%	8.0%
Projected salary increases ¹	5.4%	5.4%	4.9%
Inflation	3.5%	3.5%	3.0%
Cost-of-living adjustments	0.0%	0.0%	0.0%

¹Includes inflation at the stated rateTrend Information

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/12	\$ 2,108,149	100.00%	\$ -0-
9/30/13	2,216,698	100.00%	-0-
9/30/14	2,169,217	100.00%	-0-

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll ¹ (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$ 47,988,144	\$ 55,362,781	\$ 7,374,637	86.68%	\$ 22,151,038	33.29%
12/31/12	51,939,019	60,597,284	8,658,265	85.71%	22,926,651	37.77%
12/31/13	56,409,050	64,846,145	8,437,095	86.99%	22,834,220	36.95%

¹The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.