

The Town Of Middletown

Pension Plan

Actuarial Valuation Report

Plan Year July 1, 2013 – June 30, 2014

January 2014

January 9, 2014

Ms. Lynne Dible
Finance Director
Town Hall
Town of Middletown
350 East Main Road
Middletown, Rhode Island 02840

Dear Ms. Dible:

This report presents the results (namely, recommended contribution, and accounting information under GASB 25 and 27) of an actuarial valuation of the Town of Middletown Pension Plan prepared as of July 1, 2013. On June 25, 2012, the Governmental Accounting Standards Board (GASB) adopted new standards for the accounting of public sector pension plans. These new standards were published in GASB Statement Nos. 67 and 68, which replace those that had been in effect under Statement Nos. 25 and 27. GASB 67 updates and enhances the disclosure requirements for the financial reporting of pension plans that are administered through trusts. GASB 68 significantly revises the accounting and financial reporting requirements for governments whose employees are provided with pensions through pension plans, and these revisions will require much greater transparency and more detailed disclosure in the financial statements. GASB 67 will not impact the Town's contribution but will change how information must be disclosed. Such information will be shown in exhibits outside of this report.

The valuation was prepared under the supervision of Philip Bonanno, a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. Mr. Bonanno has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. Jonathan E. Dobbs, an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries assisted in the development of the findings in this report.

Based on the individually reasonable assumptions used in the preparation of this report, and on the data furnished us, we certify that projection of the costs under this plan has been made using generally accepted actuarial principles and practices, and that our recommended contributions make adequate provision for the funding of future benefits.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. Because of limited scope, Buck performed no analysis of the potential range of such future differences.

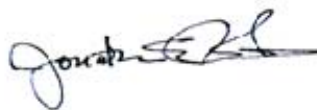
The Table of Contents, which immediately follows, outlines the material contained in the report.

Respectfully submitted,

BUCK CONSULTANTS, LLC



Philip Bonanno, FSA, EA, MAAA
Director, Retirement Actuary
PB/JED/em



Jonathan E. Dobbs, ASA, EA, MAAA
Director, Retirement Actuary

TOWN OF MIDDLETOWN PENSION PLAN

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TOWN OF MIDDLETOWN PENSION PLAN

Summary of Valuation Results

	2013 Plan Year	2012 Plan Year
Normal Cost	\$214,075	\$208,712
Actuarial Accrued Liability	57,528,731	57,745,658
Market Value of Assets ¹	46,973,630	41,421,529
Actuarial Value of Assets	44,427,860	42,999,380
Unfunded Actuarial Accrued Liability	13,100,871	14,746,278
Valuation Payroll	\$1,506,155	\$1,527,573
Recommended Contribution (Section C)		
Determined on the valuation date	\$3,535,930	\$3,456,284
% of Valuation Payroll	234.77%	226.26%
Expected Employee Contributions	\$85,016	\$93,752
Funded Status on Entry Age Basis ²		
▪ Fire Department	75.3%	72.0%
▪ Public Works	88.4%	90.2%
▪ Police Department	76.3%	72.9%
▪ School Custodial	100.0%	100.0%
▪ School Clerical	100.0%	100.0%
▪ Town Hall	76.0%	75.3%
▪ Total	77.2%	74.5%
Annual Pension Cost (Section M)	\$3,675,919	\$3,603,240

¹ General Account assets are determined at book value. Separate Account assets are determined at market value.

² Actuarial value of assets divided by entry age normal liability.

TOWN OF MIDDLETOWN PENSION PLAN

Summary of Valuation Results

VALUATION DATE	07/01/2013	07/01/2012
PARTICIPATION		
Number of Participants		
Active	21	21
Terminated Vested	6	7
Disabled	5	5
Retired and Beneficiaries	<u>134</u>	<u>137</u>
Total	166	170
Active Participant Demographics (averages)		
Hire Age	27.5	27.5
Participation Entry Age	27.6	27.6
Attained Age	48.4	47.4
Assumed Retirement Age	52.8	52.7

TOWN OF MIDDLETOWN PENSION PLAN**Actuarial Analysis**

The Plan experienced a loss during the 2012-2013 plan year, primarily due to investment performance. The plan's funding levels are based on an actuarial value of assets, which spreads investment gains and losses over a five year period. In the year ending June 30, 2013, the plan experienced a 15.8% return on market value of assets, or approximately \$3.4 million in excess of the amount expected under the valuation assumption. However, recognition of 80% of this gain is deferred to later years and this, in combination with the recognition of losses incurred in prior years, serves to induce an effective return on the actuarial value of assets of 5.5%. The plan experienced salary increase gains of approximately \$300,000. The gains were partially offset by losses associated with a lower incidence of mortality than assumed. The table on page 4 quantifies the various sources of the experience loss.

TOWN OF MIDDLETOWN PENSION PLAN

Actuarial Analysis

SOURCE (positive numbers indicate a gain, negative numbers a loss)	CHANGE IN UNFUNDED ACCRUED LIABILITY PRIOR TO ANY ASSUMPTION OR METHOD CHANGE
Demographic <ul style="list-style-type: none"> • Inactive mortality • Active mortality • Retirement • Termination • Disability • Other (e.g., data changes) • Total 	(\$174,594) (9,158) 61,230 (19,689) 3,085 103,196 <hr/> (\$35,930)
Salary growth	\$298,238
New entrants	0
Investment growth	(652,549) <hr/>
Total experience gain/(loss)	(\$390,241)

TOWN OF MIDDLETOWN PENSION PLAN

Recommended Contribution

	Fire	Public Works	Police	School Custodial	School Clerical	Town Hall	Total
1. Normal cost	\$57,705	\$40,339	\$111,966	\$0	\$0	\$4,065	\$214,075
2. Amortization of unfunded accrued liability ¹	1,328,933	119,676	1,501,356	0	0	62,196	3,012,161
3. Estimated expenses ²	24,925	5,619	29,795	823	621	1,217	63,000
4. Normal contribution (1. + 2. + 3.)	\$1,411,563	\$165,634	\$1,643,117	\$823	\$621	\$67,478	\$3,289,236
5. Interest on 4. to end of the year	105,867	12,423	123,234	62	47	5,061	246,694
6. Recommended employer contribution	\$1,517,430	\$178,057	\$1,766,351	\$885	\$668	\$72,539	\$3,535,930
Estimated employee contributions	\$29,103	\$27,717	\$26,586	\$0	\$0	\$1,610	\$85,016
Ongoing cost for active employees as a percent of payroll (entry age normal cost, plus expenses, projected to year end)	23.5%	10.6%	24.5%	N/A	N/A	13.7%	19.8%

¹ Elements of the unfunded actuarial liability are amortized over a closed six-year period beginning July 1, 2012.

² Allocated on the ratio of plan assets.

TOWN OF MIDDLETOWN PENSION PLAN

Plan Liabilities

	Fire	Public Works	Police	School Custodial	School Clerical	Town Hall	Total
1. Actuarial accrued liability as of July 1, 2013							
Retired participants and beneficiaries	\$18,711,039	\$2,310,580	\$20,317,648	\$579,949	\$437,850	\$659,151	\$43,016,217
Non-contributing and terminated participants entitled to deferred vested pensions	115,574	0	282,451	336	0	298,922	697,283
Disabled participants	432,421	0	1,328,278	0	0	19,850	1,780,549
Present active participants	4,098,259	2,172,396	5,613,217	0	0	150,810	12,034,682
Total	\$23,357,293	\$4,482,976	\$27,541,594	\$580,285	\$437,850	\$1,128,733	\$57,528,731
2. Assets available as of July 1, 2013 to meet liability in (1.)	17,577,330	3,962,467	21,011,706	580,285	437,850	858,222	44,427,860
3. Unfunded actuarial accrued liability (1.) - (2.)	\$5,779,963	\$520,509	\$6,529,888	\$0	\$0	\$270,511	\$13,100,871
4. Funded status (2.) ÷ (1.)	75.3%	88.4%	76.3%	100.0%	100.0%	76.0%	77.2%
5. Normal cost	\$57,705	\$40,339	\$111,966	\$0	\$0	\$4,065	\$214,075

TOWN OF MIDDLETOWN PENSION PLAN

Amortization Amounts

	Fire	Public Works	Police	School Custodial	School Clerical	Town Hall	Total
1. Prior year unfunded actuarial accrued liability	\$6,579,282	\$424,826	\$7,467,183	\$0	\$0	\$274,987	\$14,746,278
2. Prior year normal cost plus expense	93,183	46,597	144,813	1,379	938	5,802	292,712
3. Interest on 1. and 2. to end of the year	500,435	35,357	570,900	103	70	21,059	1,127,924
4. Expected contributions	1,501,855	140,599	1,746,519	1,482	1,008	64,821	3,456,284
5. Expected unfunded actuarial accrued liability (1.) + (2.) + (3.) – (4.)	\$5,671,045	\$366,181	\$6,436,377	\$0	\$0	\$237,027	\$12,710,630
6. Actual unfunded actuarial accrued liability (before assumption, plan or method changes)	5,779,963	520,509	6,529,888	0	0	270,511	13,100,871
7. (Gain)/Loss (6.) – (5.)	\$108,918	\$154,328	\$93,511	\$0	\$0	\$33,484	\$390,241

TOWN OF MIDDLETOWN PENSION PLAN

Market Value of Assets

	IPG Contract	Trusteed Funds	Total
1. Assets as of July 1, 2012			
a. Fund assets as of July 1, 2012	\$13,757,466	\$27,402,090	\$41,159,556
b. Receivables (employer)	0	247,396	247,396
c. Receivables (employee)	0	14,577	14,577
d. Market value of assets ¹	<u>\$13,757,466</u>	<u>\$27,664,063</u>	<u>\$41,421,529</u>
2. Income			
a. Employer Contributions	\$0	\$3,063,210	\$3,063,210
b. Employee Contributions	0	143,754	143,754
c. Investment return	727,329	5,756,398	6,483,727
d. Transfers	4,650,000	(4,650,000)	0
e. Total	<u>\$5,377,329</u>	<u>\$4,313,362</u>	<u>\$9,690,691</u>
3. Expenses			
a. Benefit Payments	\$4,373,848	\$0	\$4,373,848
b. Expenses and Commissions	37,058	25,929	62,987
c. Total	<u>\$4,410,906</u>	<u>\$25,929</u>	<u>\$4,436,835</u>
4. Assets as of June 30, 2013			
a. Fund assets	\$14,723,889	\$31,951,496	\$46,675,385
b. Receivables (employer)	0	288,595	288,595
c. Receivables (employee)	0	9,650	9,650
d. Actuarial value of assets	<u>\$14,723,889</u>	<u>\$32,249,741</u>	<u>\$46,973,630</u>

¹ General Account assets are determined at book value. Separate Account assets are determined at market value.

TOWN OF MIDDLETOWN PENSION PLAN

Development of Actuarial Value of Assets

1. Market value of assets as of July 1, 2012	\$41,421,529
2. Employee contributions	153,404
3. Employer contributions	3,351,805
4. Benefit payments and expenses	4,436,835
5. Expected investment return at 7.50%	3,071,679
6. Actual investment return	6,483,727
7. Investment gain/(loss) [(6.) - (5.)]	\$3,412,048

8. Deferral of gains/(losses)

<u>Year Ending</u>	<u>Gain/(Loss)</u>	<u>Percent Deferred</u>	<u>Amount Deferred</u>
2013	\$3,412,048	80%	\$2,729,638
2012	(2,821,370)	60%	(1,692,822)
2011	3,540,459	40%	1,416,184
2010	463,849	20%	92,770
2009	(8,152,851)	0%	<u>0</u>

Total Deferral Amount \$2,545,770

9. Asset values as of July 1, 2013

a. Market value of assets	\$46,973,630
b. 80% of market value of assets	\$37,578,904
c. 120% of market value of assets	\$56,368,356
d. Actuarial value of assets [(9.a.) – (8.), but not less than 9.b., nor greater than 9.c.]	\$44,427,860

TOWN OF MIDDLETOWN PENSION PLAN

Allocation of Actuarial Value of Assets

	Fire	Public Works	Police	School Custodial	School Clerical	Town Hall	Total
1. Allocated market value of assets as of July 1, 2012	\$16,519,334	\$3,813,065	\$19,642,463	\$441,191	\$187,057	\$818,419	\$41,421,529
2. Employee contributions	76,222	26,634	48,966	0	0	1,582	153,404
3. Employer contributions	1,456,455	136,349	1,693,724	1,437	978	62,862	3,351,805
4. Expenses	25,166	5,736	30,008	609	231	1,237	62,987
5. Benefit Payments	1,820,052	323,340	1,974,092	91,161	74,013	91,190	4,373,848
6. Expected investment return at 7.50%	1,227,230	279,751	1,463,382	29,702	11,282	60,332	3,071,679
7. Actual investment return (Section F, item 2.c.)							\$6,483,727
8. Allocated investment return [Total(7.) ÷ Total(6.)] × Allocated(6.)	\$2,590,448	\$590,501	\$3,088,920	\$62,695	\$23,814	\$127,349	\$6,483,727
9. Expected market value of assets as of June 30, 2013 [(1.) + (2.) + (3.) – (4.) – (5.) + (8.)]	\$18,797,241	\$4,237,473	\$22,469,973	\$413,553	\$137,605	\$917,785	\$46,973,630
10. Allocated actuarial value of assets [Allocated(9.) ÷ Total(9.)] × Section G, item 9.d.	\$17,778,512	\$4,007,820	\$21,252,196	\$391,140	\$130,147	\$868,045	\$44,427,860
11. Adjusted allocated assets ¹	\$17,577,330	\$3,962,467	\$21,011,706	\$580,285	\$437,850	\$858,222	\$44,427,860

¹ For the two groups who have transferred to the State Plan, allocated assets are set equal to the present value of future benefits, and the remaining assets are allocated over the other four groups.

TOWN OF MIDDLETOWN PENSION PLAN

Summary of Principal Plan Provisions

	Fire Department	Police Department	School Custodial, Town Hall, and School Clerical	Public Works
Eligibility	The later of the date the employee elects to make contributions to the plan, or the first day of the month coincident with or following the date of hire. Elected employees and Certified employees of the School Department are not eligible to participate.			
	Employees hired after July 1, 2001 become members of the State plan and do not participate in this plan.			
Average Annual Compensation (AAC)	Average earnings during the three-consecutive year period in which the average is the highest.			
Normal Retirement Date	20 years of service.	20 years of service.	Age 65 with five years of service.	Earlier of age 65 or 30 years of service.
Normal Retirement Benefit	2.75% of AAC multiplied by the number of completed years and months of service. Maximum benefit is 75% of AAC.	3.00% (2.50% if less than 20 years of service) of AAC multiplied by the number of completed years and months of service. Maximum benefit for employees hired after 7/1/1986 is 70% of AAC.	2.00% of AAC multiplied by the number of completed years and months of service. Maximum benefit for employees hired after 7/1/1986 is 70% of AAC.	2.50% of AAC multiplied by the number of completed years and months of service. Maximum benefit for employees hired after 7/1/1986 is 70% of AAC.
Normal Form of Annuity	67½% Contingent Annuity, payable to the later of the date the spouse remarries or dies, or the date all dependent children attain age 18.	67½% Contingent Annuity, payable to the later of the date the spouse remarries or dies, or the date all dependent children attain age 18.	Modified Cash Refund	Modified Cash Refund
Employee Contributions	9% of Compensation	7% of Compensation	4% of Compensation	6% of Compensation
Interest on Employee Contributions	5% per year	5% per year	5% per year	5% per year

TOWN OF MIDDLETOWN PENSION PLAN

Summary of Principal Plan Provisions

	Fire Department	Police Department	School Custodial, Town Hall, and School Clerical	Public Works
Early Retirement Date	None.	None.	Within five years of normal retirement date and completion of ten years of service.	Within five years of normal retirement date and completion of ten years of service.
Early Retirement Benefit	None.	None.	Accrued annuity reduced by 0.5% for each month by which the Early Retirement Date precedes the Normal Retirement Date.	Accrued annuity reduced by 0.5% for each month by which the Early Retirement Date precedes the Normal Retirement Date.
Disability Eligibility	Totally disabled for six months and eligible to receive disability payments under Social Security after completion of 10 years of service.	Totally disabled for six months and eligible to receive disability payments under Social Security after completion of 10 years of service.	Totally disabled for six months and eligible to receive disability payments under Social Security after completion of 10 years of service.	Totally disabled for six months and eligible to receive disability payments under Social Security after completion of 10 years of service.
Disability Benefit	Accrued benefit at date of disability, payable immediately, unreduced for early commencement. If disability incurred in the line of duty, the benefit is $\frac{2}{3}$ of final compensation.	Accrued benefit at date of disability, payable immediately, unreduced for early commencement.	Accrued benefit at date of disability, payable immediately, unreduced for early commencement.	Accrued benefit at date of disability, payable immediately, unreduced for early commencement.

TOWN OF MIDDLETOWN PENSION PLAN

Summary of Principal Plan Provisions

	Fire Department	Police Department	School Custodial, Town Hall, and School Clerical	Public Works
Pre-Retirement Spouse's Benefit Eligibility (In-Service Death While Married)	Completion of 20 years of service.	Completion of 20 years of service.	Within five years of Normal Retirement Date after completion of 10 years of service.	Within five years of Normal Retirement Date after completion of 10 years of service.
Pre-Retirement Spouse's Benefit	67½% of accrued benefit payable to the later of the date the spouse remarries or dies, or the date all dependent children attain age 18.	67½% of accrued benefit payable to the later of the date the spouse remarries or dies, or the date all dependent children attain age 18.	50% of accrued benefit reduced for early commencement and adjusted for payment over spouse's lifetime.	50% of accrued benefit reduced for early commencement and adjusted for payment over spouse's lifetime.
Death Benefit (Not Eligible for Spouse's Benefit)	Refund of accumulated employee contributions.	Refund of accumulated employee contributions.	Refund of accumulated employee contributions.	Refund of accumulated employee contributions.
Vesting Provisions	Participant is fully vested in accumulated employee contributions. Participant is 100% vested in Employer provided portion of the benefit after completion of 10 years of service.	Participant is fully vested in accumulated employee contributions. Participant is 100% vested in Employer provided portion of the benefit after completion of 10 years of service.	Participant is fully vested in accumulated employee contributions. Participant is 100% vested in Employer provided portion of the benefit after completion of 10 years of service.	Participant is fully vested in accumulated employee contributions. Participant is 100% vested in Employer provided portion of the benefit after completion of 10 years of service.

TOWN OF MIDDLETOWN PENSION PLAN

Summary of Actuarial Assumptions and Methods

Actuarial Funding Assumptions

Valuation interest rate	7.50% per annum										
Compensation increase rate	5.00% per annum										
Retirement age:											
Police and Fire Department	Rates according to the following table:										
	<table> <thead> <tr> <th>Years of Service</th> <th>Percent Retiring</th> </tr> </thead> <tbody> <tr> <td>Less than 20</td> <td>0%</td> </tr> <tr> <td>20</td> <td>25%</td> </tr> <tr> <td>21-24</td> <td>50%</td> </tr> <tr> <td>25 or more</td> <td>100%</td> </tr> </tbody> </table>	Years of Service	Percent Retiring	Less than 20	0%	20	25%	21-24	50%	25 or more	100%
Years of Service	Percent Retiring										
Less than 20	0%										
20	25%										
21-24	50%										
25 or more	100%										
All Others	100% at the age at which unreduced benefits are first available.										
Healthy Mortality	RP-2000 Combined Generational Mortality Table										
Disabled Mortality	Healthy mortality, set forward 10 years.										
Disability Incidence	United Auto Workers 1955 Table										
Turnover	Sarason Table T-1 Table										
Marriage Assumption	90% of males and 75% of females are married, with males four years older than their female spouse.										
Expenses	Prior year's expenses, rounded to the nearest thousand dollars.										
Participant Data	Retiree census data was supplied by John Hancock. All other employee data used in these calculations was supplied by the employer.										

TOWN OF MIDDLETOWN PENSION PLAN

Summary of Actuarial Assumptions and Methods

Funding Methods

Actuarial Cost Method	Entry age normal. The actuarial present value of projected benefits of each individual is allocated on a level basis over the covered salary of the individual between date of hire and assumed date they cease active employment. The portion of this actuarial present value not provided for at the valuation date by the actuarial present value of future entry age normal cost is called the accrued liability.
Assets	<p>General Account assets are determined at book value. Separate Account assets are determined at market value.</p> <p>The Actuarial Value of assets is determined using a method that spreads over a period of five years the difference between the actual investment income and the expected income (based on the valuation interest rate applied to the prior year's market value of assets). Resulting value constrained to be within corridor from 80% to 120% of market value.</p>
Amortization Period	The unfunded accrued liability is amortized over a closed six-year period beginning with the July 1, 2012 valuation.

Changes Since the Prior Valuation

None.

TOWN OF MIDDLETOWN PENSION PLAN

Reconciliation of Participant Data

ACTIVES	Fire	Public Works	Police	School Custodial	School Clerical	Town Hall	Total
Total as of last valuation	6	7	7	0	0	1	21
Vested terminations							
Non-vested Terminations							
Deaths							
Retirements							
New disabled							
Transfers to/from State Plan							
New entrants							
Total in this valuation	6	7	7	0	0	1	21

TERMINATED VESTEDS	Fire	Public Works	Police	School Custodial	School Clerical	Town Hall	Total
Total as of last valuation	1	0	2	1	0	3	7
Vested terminations							
Deaths							
Retirements						(1)	(1)
Cash outs							
Adjustments							
Total in this valuation	1	0	2	1	0	2	6

TOWN OF MIDDLETOWN PENSION PLAN

Reconciliation of Participant Data

DISABLED	Fire	Public Works	Police	School Custodial	School Clerical	Town Hall	Total
Total as of last valuation	1	0	3	0	0	1	5
Deaths							
Retirements							
New disabled							
Adjustments							
Total in this valuation	1	0	3	0	0	1	5

RETIREEES & BENEFICIARIES	Fire	Public Works	Police	School Custodial	School Clerical	Town Hall	Total
Total as of last valuation	46	9	56	9	12	5	137
Deaths	(1)			(2)	(1)		(4)
Retirements						1	1
Adjustments							
Total in this valuation	45	9	56	7	11	6	134

TOWN OF MIDDLETOWN PENSION PLAN

Financial Report Under GASB 25

Actuarial Valuation Date	07/01/2013
Actuarial Cost Method	Entry age normal
Asset Valuation Method	5-year phase-in of investment gains and losses
Actuarial Assumptions:	
Investment Rate of Return*	7.5%
Projected Salary Increases*	5.0%
*Includes Inflation at	3.0%
Cost-of-living Adjustments	N/A

<u>Year Ending</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
06/30/2011	3,795,486	2,761,665	137.4%
06/30/2012	2,873,858	3,240,416	88.7%
06/30/2013	3,351,805	3,456,284	97.0%

As mentioned in this report's cover letter, on June 25, 2012, the Governmental Accounting Standards Board (GASB) adopted new standards for the accounting of public sector pension plans. These new standards were published in GASB Statement Nos. 67 and 68, which replace those that had been in effect under Statement Nos. 25 and 27. GASB 67 updates and enhances the disclosure requirements for the financial reporting of pension plans that are administered through trusts. GASB 68 significantly revises the accounting and financial reporting requirements for governments whose employees are provided with pensions through pension plans, and these revisions will require much greater transparency and more detailed disclosure in the financial statements. GASB 67 will not impact the Town's contribution but will change how information must be disclosed. Such information will be shown in exhibits outside of this report.

TOWN OF MIDDLETOWN PENSION PLAN

Accounting Information

In accordance with GASB 27, the pension expense (Annual Pension Cost) is equal to the Annual Required Contribution (Section 5), interest on the Net Pension Obligation, and an amortization of the Net Pension Obligation using the same methodology applied in developing the Annual Required Contribution. The Net Pension Obligation is the accumulation of any past differences between contributions made to the Plan and the expense recognized in the Town's financial statements.

EXPENSE	2013-2014	2012-2013
Annual Required Contribution	\$3,535,930	\$3,456,284
Interest on Net Pension Obligation/(Asset)	(\$60,984)	(\$79,841)
Amortization of Net Pension Obligation/(Asset) (End of Year–Negative Adjustment)	\$200,973	\$226,797
Total Annual Pension Cost	\$3,675,919	\$3,603,240

Reconciliation of Prior Year Net Pension Obligation/(Asset)	2013-2014	2012-2013
Beginning of year	(\$813,116)	(\$1,064,551)
Annual Pension Cost	\$3,675,919	\$3,603,240
Contributions made	(\$3,535,930)*	(\$3,351,805)
End of Year	(\$673,127)*	(\$813,116)

* Assumes actual contribution will be equal to the calculated requirement.