

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND
(A COMPONENT UNIT OF THE REPUBLIC OF PALAU)

SCHEDULE OF EMPLOYER ALLOCATION,
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER,
OTHER PENSION SCHEDULES AND
INDEPENDENT AUDITORS' REPORT

YEARS ENDED SEPTEMBER 30, 2014 AND 2013

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Republic of Palau Civil Service Pension Trust Fund

We have audited the accompanying schedule of employer allocations of the Republic of Palau Civil Service Pension Trust Fund (the Fund), a component unit of the Republic of Palau, as of and for the years ended September 30, 2014 and 2013, and the related notes. We have also audited the totals of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense as of and for the years ended September 30, 2014 and 2013, and net pension liability as of September 30, 2012 (specified column totals), included in the accompanying schedule of pension amounts by employer, the totals for all employers in the schedule of net pension liability sensitivity by employer, schedule of allocable pension amortization, and schedule of employers' contributions by employer (other pension schedules), and the related notes.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the schedule of employer allocations, the specified column totals included in the schedule of pension amounts by employer, and the specified column totals included in the other pension schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer and other pension schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations, the specified column totals included in the schedule of pension amounts by employer and in the other pension schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations, specified column totals included in the schedule of pension amounts by employer and other pension schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations, specified column totals included in the schedule of pension amounts by employer and other pension schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations, specified column totals included in the schedule of pension amounts by employer and other pension schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and specified column totals included in the schedule of pension amounts by employer and other pension schedules for the total of the Fund's participating employers as of and for the year ended September 30, 2014, and net pension liability for the total of the Fund's participating employers as of September 30, 2013, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the Republic of Palau Civil Service Trust Fund as of and for the years ended September 30, 2014 and 2013, and our report thereon, dated June 24, 2015, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the management of Republic of Palau Civil Service Pension Trust Fund, the Board of Trustees, the participating employers of the Republic of Palau Civil Service Pension Trust Fund and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLC

June 21, 2016

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Schedule of Employer Allocations
September 30, 2014, 2013 and 2012

Employer	2014		2013		2012	
	Total Employer Contributions	Employer Allocation Percentage	Total Employer Contributions	Employer Allocation Percentage	Total Employer Contributions	Employer Allocation Percentage
Aimeliik State Agency	\$ 1,079	0.0390%	\$ 415	0.0165%	\$ -	0.0000%
Aimeliik State Government	7,767	0.2806%	8,699	0.3457%	8,680	0.3443%
Aimeliik State Legislature	2,106	0.0761%	2,106	0.0837%	1,750	0.0694%
Airai State Agency	5,650	0.2041%	3,073	0.1221%	3,336	0.1323%
Airai State Government	8,831	0.3190%	9,285	0.3690%	9,520	0.3777%
Airai State Legislature	3,969	0.1434%	4,224	0.1679%	4,693	0.1862%
Angaur State Agency	-	0.0000%	101	0.0040%	-	0.0000%
Angaur State Government	8,356	0.3018%	6,318	0.2511%	6,392	0.2536%
Angaur State Legislature	702	0.0254%	671	0.0267%	624	0.0248%
Civil Service Pension Trust Fund	10,558	0.3814%	11,190	0.4448%	9,367	0.3716%
Hatohebe State Agency	682	0.0246%	499	0.0198%	461	0.0183%
Hatohebe State Government	3,935	0.1421%	3,788	0.1506%	3,630	0.1440%
Hatohebe State Legislature	1,022	0.0369%	1,105	0.0439%	1,274	0.0505%
Helen Reef Resource Management - Hatohebe State	4,916	0.1776%	5,175	0.2057%	4,555	0.1807%
Kayangel State Government	11,447	0.4135%	7,336	0.2916%	5,954	0.2362%
Kayangel State Legislature	824	0.0298%	768	0.0305%	852	0.0338%
Koror State Government	204,153	7.3746%	163,211	6.4870%	147,201	5.8396%
Koror State Legislature	7,382	0.2667%	8,033	0.3193%	8,100	0.3213%
Melekeok State - PAN 1077	65	0.0023%	-	0.0000%	-	0.0000%
Melekeok State Agency	7,276	0.2628%	5,895	0.2343%	1,671	0.0663%
Melekeok State Government	10,940	0.3952%	10,349	0.4113%	11,764	0.4667%
Melekeok State Legislature	1,560	0.0564%	1,248	0.0496%	1,145	0.0454%
National Development Bank of Palau	21,226	0.7667%	21,048	0.8366%	20,484	0.8126%
National Development Bank of Palau - SBDC	2,519	0.0910%	1,985	0.0789%	1,882	0.0747%
Ngaraard State Government	11,237	0.4059%	8,292	0.3296%	8,189	0.3249%
Ngaraard State Legislature	2,125	0.0768%	701	0.0279%	702	0.0278%
Ngardmau Free Trade Zone Authority	881	0.0318%	701	0.0279%	356	0.0141%
Ngardmau State Agency	-	0.0000%	341	0.0136%	1,056	0.0419%
Ngardmau State Government	17,281	0.6242%	13,548	0.5385%	11,828	0.4692%
Ngardmau State Legislature	900	0.0325%	786	0.0312%	857	0.0340%
Ngatpang State Government	7,637	0.2759%	4,856	0.1930%	4,139	0.1642%
Ngatpang State Legislature	1,171	0.0423%	940	0.0374%	-	0.0000%
Ngchesar State Agency	3,237	0.1169%	2,532	0.1006%	332	0.0132%
Ngchesar State Government	7,238	0.2615%	5,866	0.2331%	4,943	0.1961%
Ngchesar State Legislature	559	0.0202%	468	0.0186%	468	0.0186%
Ngerchelong State Agency	2,273	0.0821%	1,029	0.0409%	-	0.0000%
Ngerchelong State Government	10,523	0.3801%	9,465	0.3762%	8,509	0.3376%
Ngerchelong State Legislature	1,249	0.0451%	1,222	0.0486%	960	0.0381%
Ngeremlengui State Government	16,022	0.5788%	10,839	0.4308%	9,268	0.3677%
Ngeremlengui State Legislature	2,493	0.0901%	2,557	0.1016%	2,515	0.0998%
Ngiwal State - Pan Fund	2,451	0.0885%	-	0.0000%	-	0.0000%
Ngiwal State Agency	3,615	0.1306%	-	0.0000%	-	0.0000%
Ngiwal State Government	5,052	0.1825%	3,889	0.1546%	5,510	0.2186%
Ngiwal State Legislature	1,939	0.0700%	2,475	0.0984%	1,350	0.0536%
Palau Community Action Agency	56,028	2.0239%	37,827	1.5035%	39,210	1.5555%
Palau Community College	144,731	5.2281%	138,020	5.4857%	144,519	5.7332%
Palau Housing Authority	4,379	0.1582%	4,228	0.1680%	4,137	0.1641%
Palau International Coral Reef Center	24,165	0.8729%	21,838	0.8680%	21,203	0.8411%
Palau National Communications Corporation	97,071	3.5065%	96,517	3.8362%	98,112	3.8922%
Palau Public Utilities Corporation	104,507	3.7751%	99,345	3.9486%	101,941	4.0441%
Palau Public Utilities Corporation - Waste & Water Operation	73,503	2.6552%	79,195	3.1477%	67,448	2.6757%
Palau Visitors Authority	10,493	0.3790%	11,179	0.4443%	11,643	0.4619%
Peleliu State Government	18,045	0.6518%	14,456	0.5746%	14,148	0.5613%
Peleliu State Legislature	1,950	0.0704%	1,947	0.0774%	1,560	0.0619%
Protected Areas Network Fund	7,871	0.2843%	2,544	0.1011%	-	0.0000%
Republic of Palau Government	1,761,120	63.6171%	1,627,361	64.6807%	1,668,550	66.1936%
Social Security Retirement Fund	32,961	1.1907%	31,422	1.2489%	30,949	1.2278%
Sonsorol State Agency	437	0.0158%	374	0.0149%	396	0.0157%
Sonsorol State Government	4,950	0.1788%	1,637	0.0651%	1,584	0.0628%
Sonsorol State Legislature	1,256	0.0454%	1,063	0.0422%	1,001	0.0397%
	<u>\$ 2,768,315</u>	<u>100.0000%</u>	<u>\$ 2,515,982</u>	<u>100.0000%</u>	<u>\$ 2,520,718</u>	<u>100.0000%</u>

See accompanying notes to schedules.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Schedule of Pension Amounts by Employer
September 30, 2014

Employer	Deferred Outflows of Resources			
	Net Pension Liability as of 09/30/14	Change of Assumptions	Change in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
Aimeliik State Agency	\$ 79,670	\$ 5,093	\$ 58,806	\$ 63,899
Aimeliik State Government	573,213	36,640	1,801	38,441
Aimeliik State Legislature	155,458	9,937	18,824	28,761
Airai State Agency	416,938	26,651	135,285	161,936
Airai State Government	651,657	41,654	-	41,654
Airai State Legislature	292,939	18,725	-	18,725
Angaur State Agency	-	-	3,853	3,853
Angaur State Government	616,521	39,408	83,706	123,114
Angaur State Legislature	51,887	3,317	2,511	5,828
Civil Service Pension Trust Fund	779,129	49,802	96,335	146,137
Hatohobe State Agency	50,253	3,212	9,958	13,170
Hatohobei State Government	290,284	18,555	8,662	27,217
Hatohobei State Legislature	75,380	4,818	-	4,818
Helen Reef Resource Management - Hatohobei State	362,803	23,191	32,910	56,101
Kayangel State Government	844,703	53,994	274,169	328,163
Kayangel State Legislature	60,876	3,891	-	3,891
Koror State Government	15,064,924	962,961	2,317,608	3,280,569
Koror State Legislature	544,818	34,825	-	34,825
Melekeok State - PAN 1077	4,698	300	5,275	5,575
Melekeok State Agency	536,851	34,316	268,307	302,623
Melekeok State Government	807,319	51,604	-	51,604
Melekeok State Legislature	115,215	7,365	16,654	24,019
National Development Bank of Palau	1,566,224	100,114	31,559	131,673
National Development Bank of Palau - SBDC	185,896	11,883	25,568	37,451
Ngaraard State Government	829,178	53,002	132,181	185,183
Ngaraard State Legislature	156,888	10,028	80,746	90,774
Ngardmau Free Trade Zone Authority	64,961	4,152	24,636	28,788
Ngardmau State Agency	-	-	-	-
Ngardmau State Government	1,275,123	81,507	232,785	314,292
Ngardmau State Legislature	66,391	4,244	2,114	6,358
Ngatpang State Government	563,612	36,026	174,728	210,754
Ngatpang State Legislature	86,411	5,523	57,326	62,849
Ngchesar State Agency	238,805	15,265	142,038	157,303
Ngchesar State Government	534,195	34,146	95,488	129,634
Ngchesar State Legislature	41,265	2,638	2,685	5,323
Ngerchelongs State Agency	167,715	10,720	121,855	132,575
Ngerchelongs State Government	776,473	49,633	57,366	106,999
Ngerchelongs State Legislature	92,131	5,889	13,811	19,700
Ngeremlengui State Government	1,182,380	75,579	327,364	402,943
Ngeremlengui State Legislature	184,057	11,765	2,440	14,205
Ngiwal State - Pan Fund	180,789	11,556	146,158	157,714
Ngiwal State Agency	266,791	17,053	215,549	232,602
Ngiwal State Government	372,813	23,830	46,086	69,916
Ngiwal State Legislature	142,997	9,140	58,987	68,127
Palau Community Action Agency	4,134,448	264,277	859,110	1,123,387
Palau Community College	10,680,027	682,675	-	682,675
Palau Housing Authority	323,173	20,657	5,156	25,813
Palau International Coral Reef Center	1,783,171	113,982	43,471	157,453
Palau National Communications Corporation	7,163,121	457,872	-	457,872
Palau Public Utilities Corporation	7,711,821	492,945	-	492,945
Palau Public Utilities Corporation - Waste & Water Operation	5,424,075	346,711	621,403	968,114
Palau Visitors Authority	774,226	49,489	-	49,489
Peleliu State Government	1,331,505	85,111	145,108	230,219
Peleliu State Legislature	143,814	9,193	20,407	29,600
Protected Areas Network Fund	580,772	37,123	435,589	472,712
Republic of Palau Government	129,957,796	8,306,998	2,881,665	11,188,663
Social Security Retirement Fund	2,432,377	155,479	27,808	183,287
Sonsorol State Agency	32,276	2,063	1,482	3,545
Sonsorol State Government	365,255	23,347	190,694	214,041
Sonsorol State Legislature	92,744	5,928	8,498	14,426
	<u>\$ 204,281,232</u>	<u>\$ 13,057,802</u>	<u>\$ 10,566,525</u>	<u>\$ 23,624,327</u>

See accompanying notes to schedules.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Schedule of Pension Amounts by Employer, Continued
September 30, 2014

Net Difference Between Projected and Actual Earnings on Investments	Deferred Inflows of Resources			Pension Expense		
	Change of Assumptions	Change in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Plan Expense Proportion	Net Amortization of Deferred Amounts Due to Change in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Experience
\$ (215)	\$ (4,586)	\$ -	\$ (4,801)	\$ 3,724	\$ 12,550	\$ 16,274
(1,545)	(33,021)	(107,560)	(142,126)	26,796	(20,236)	6,560
(419)	(8,953)	(12,594)	(21,966)	7,267	2,272	9,539
(1,124)	(24,019)	(13,453)	(38,596)	19,490	22,661	42,151
(1,756)	(37,542)	(94,017)	(133,315)	30,463	(18,729)	11,734
(789)	(16,874)	(64,549)	(82,212)	13,694	(13,788)	(94)
(13)	(275)	-	(288)	-	62	62
(1,662)	(35,523)	(3,252)	(40,437)	28,820	15,286	44,106
(140)	(2,984)	(2,151)	(5,275)	2,426	(1,319)	1,107
(2,100)	(44,888)	(104,585)	(151,573)	36,421	3,911	40,332
(136)	(2,899)	-	(3,035)	2,349	212	2,561
(783)	(16,731)	(13,882)	(31,396)	13,570	(509)	13,061
(203)	(4,346)	(20,286)	(24,835)	3,524	(4,398)	(874)
(978)	(20,899)	(46,401)	(68,278)	16,960	(716)	16,244
(2,276)	(48,665)	-	(50,941)	39,487	56,885	96,372
(164)	(3,502)	(5,587)	(9,253)	2,846	-	2,846
(40,599)	(867,930)	-	(908,529)	704,228	494,336	1,198,564
(1,468)	(31,385)	(89,546)	(122,399)	25,468	(17,377)	8,091
-	-	(6,613)	(6,613)	220	741	961
(1,447)	(30,933)	-	(32,380)	25,096	64,223	89,319
(2,176)	(46,512)	(99,505)	(148,193)	37,739	(23,293)	14,446
(310)	(6,632)	-	(6,942)	5,386	3,517	8,903
(4,221)	(90,241)	(115,269)	(209,731)	73,215	(14,297)	58,918
(501)	(10,710)	-	(11,211)	8,690	5,236	13,926
(2,235)	(47,772)	-	(50,007)	38,761	25,772	64,533
(423)	(9,035)	-	(9,458)	7,334	15,529	22,863
(175)	(3,746)	-	(3,921)	3,037	5,769	8,806
-	-	(59,698)	(59,698)	-	(13,609)	(13,609)
(3,437)	(73,469)	-	(76,906)	59,607	49,971	109,578
(179)	(3,826)	(3,653)	(7,658)	3,104	(504)	2,600
(1,519)	(32,470)	-	(33,989)	26,347	35,764	62,111
(233)	(4,977)	-	(5,210)	4,039	13,831	17,870
(644)	(13,761)	-	(14,405)	11,163	33,886	45,049
(1,439)	(30,770)	-	(32,209)	24,972	21,147	46,119
(111)	(2,377)	-	(2,488)	1,929	2,032	3,961
(452)	(9,661)	-	(10,113)	7,840	26,505	34,345
(2,093)	(44,738)	-	(46,831)	36,297	13,936	50,233
(248)	(5,311)	(5,693)	(11,252)	4,307	2,349	6,656
(3,186)	(68,116)	-	(71,302)	55,272	67,698	122,970
(496)	(10,599)	(19,117)	(30,212)	8,604	(3,068)	5,536
(487)	(10,421)	-	(10,908)	8,451	28,107	36,558
(719)	(15,368)	-	(16,087)	12,471	41,452	53,923
(1,005)	(21,478)	(84,281)	(106,764)	17,428	(12,155)	5,273
(386)	(8,243)	(46,754)	(55,383)	6,685	5,719	12,404
(11,142)	(238,196)	(68,543)	(317,881)	193,270	148,121	341,391
(28,782)	(615,305)	(751,143)	(1,395,230)	499,251	(163,051)	336,200
(871)	(18,616)	(16,288)	(35,775)	15,107	(1,847)	13,260
(4,806)	(102,733)	-	(107,539)	83,356	10,377	93,733
(19,304)	(412,685)	(617,976)	(1,049,965)	334,849	(123,054)	211,795
(20,783)	(444,300)	(412,108)	(877,191)	360,498	(86,430)	274,068
(14,617)	(312,490)	(812,985)	(1,140,092)	253,555	(1,380)	252,175
(2,087)	(44,611)	(130,895)	(177,593)	36,192	(26,494)	9,698
(3,589)	(76,718)	-	(80,307)	62,243	28,906	91,149
(388)	(8,290)	(11,465)	(20,143)	6,723	2,884	9,607
(1,565)	(33,464)	-	(35,029)	27,149	91,365	118,514
(350,225)	(7,487,177)	(6,629,453)	(14,466,855)	6,075,032	(834,387)	5,240,645
(6,555)	(140,129)	(96,138)	(242,822)	113,704	(11,553)	102,151
(87)	(1,857)	(1,085)	(3,029)	1,509	519	2,028
(984)	(21,044)	-	(22,028)	17,074	36,839	53,913
(250)	(5,339)	-	(5,589)	4,335	1,824	6,159
<u>\$ (550,527)</u>	<u>\$ (11,769,142)</u>	<u>\$ (10,566,525)</u>	<u>\$ (22,886,194)</u>	<u>\$ 9,549,374</u>	<u>\$ -</u>	<u>\$ 9,549,374</u>

See accompanying notes to schedules.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Schedule of Pension Amounts by Employer
September 30, 2013

Employer	Net Pension Liability as of 09/30/12	Net Pension Liability as of 09/30/13	Change of Assumptions	Deferred Outflows of Resources	
				Change in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
Aimeliik State Agency	\$ -	\$ 30,043	\$ -	\$ 27,163	\$ 27,163
Aimeliik State Government	679,459	629,452	-	2,250	2,250
Aimeliik State Legislature	136,958	152,401	-	23,518	23,518
Airai State Agency	261,088	222,320	-	-	-
Airai State Government	745,372	671,876	-	-	-
Airai State Legislature	367,457	305,713	-	-	-
Angaur State Agency	-	7,283	-	-	-
Angaur State Government	500,467	457,204	-	-	-
Angaur State Legislature	48,942	48,615	-	3,137	3,137
Civil Service Pension Trust Fund	733,334	809,893	-	120,358	120,358
Hatohobe State Agency	36,114	36,052	-	2,567	2,567
Hatohobei State Government	284,177	274,213	-	10,822	10,822
Hatohobei State Legislature	99,659	79,933	-	-	-
Helen Reef Resource Management - Hatohobei State	356,603	374,539	-	41,117	41,117
Kayangel State Government	466,129	530,946	-	91,088	91,088
Kayangel State Legislature	66,703	55,535	-	-	-
Koror State Government	11,524,165	11,811,551	-	1,064,891	1,064,891
Koror State Legislature	634,070	581,383	-	-	-
Melekeok State - PAN 1077	-	-	-	6,591	6,591
Melekeok State Agency	130,840	426,614	-	276,398	276,398
Melekeok State Government	921,010	748,896	-	-	-
Melekeok State Legislature	89,595	90,312	-	6,888	6,888
National Development Bank of Palau	1,603,626	1,523,284	-	39,429	39,429
National Development Bank of Palau - SBDC	147,417	143,661	-	6,979	6,979
Ngaraard State Government	641,174	600,137	-	7,714	7,714
Ngaraard State Legislature	54,862	50,800	-	27	27
Ngardmau Free Trade Zone Authority	27,826	50,800	-	22,576	22,576
Ngardmau State Agency	82,688	24,763	-	-	-
Ngardmau State Government	925,943	980,503	-	113,950	113,950
Ngardmau State Legislature	67,097	56,809	-	-	-
Ngatpang State Government	324,041	351,415	-	47,344	47,344
Ngatpang State Legislature	-	68,098	-	61,448	61,448
Ngchesar State Agency	26,050	183,173	-	143,851	143,851
Ngchesar State Government	386,994	424,429	-	60,940	60,940
Ngchesar State Legislature	36,706	33,867	-	57	57
Ngerchelongs State Agency	-	74,471	-	67,250	67,250
Ngerchelongs State Government	666,237	684,986	-	63,585	63,585
Ngerchelongs State Legislature	75,188	88,491	-	17,255	17,255
Ngeremlengui State Government	725,638	784,402	-	103,857	103,857
Ngeremlengui State Legislature	196,950	184,994	-	3,048	3,048
Ngiwal State Government	431,396	281,496	-	-	-
Ngiwal State Legislature	105,777	179,167	-	73,697	73,697
Palau Community Action Agency	3,069,703	2,737,578	-	-	-
Palau Community College	11,314,190	9,988,381	-	-	-
Palau Housing Authority	323,843	305,895	-	6,441	6,441
Palau International Coral Reef Center	1,659,870	1,580,457	-	44,170	44,170
Palau National Communications Corporation	7,681,066	6,984,966	-	-	-
Palau Public Utilities Corporation	7,980,833	7,189,624	-	-	-
Palau Public Utilities Corporation - Waste & Water Operation	5,280,363	5,731,343	-	776,366	776,366
Palau Visitors Authority	911,537	808,983	-	-	-
Peleliu State Government	1,107,698	1,046,234	-	21,910	21,910
Peleliu State Legislature	122,157	140,930	-	25,496	25,496
Protected Areas Network Fund	-	184,083	-	166,347	166,347
Republic of Palau Government	130,629,827	117,770,833	-	1,541,455	1,541,455
Social Security Retirement Fund	2,423,003	2,274,001	-	34,743	34,743
Sonsorol State Agency	30,983	27,130	-	-	-
Sonsorol State Government	123,933	118,534	-	3,662	3,662
Sonsorol State Legislature	78,346	76,838	-	4,164	4,164
	<u>\$ 197,345,104</u>	<u>\$ 182,080,330</u>	<u>\$ -</u>	<u>\$ 5,134,549</u>	<u>\$ 5,134,549</u>

See accompanying notes to schedules.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Schedule of Pension Amounts by Employer, Continued
September 30, 2013

Net Difference Between Projected and Actual Earnings on Investments	Deferred Inflows of Resources			Pension Expense		
	Change of Assumptions	Change in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Plan Expense Proportion	Net Amortization of Deferred Amounts Due to Change in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Experience
\$ (5)	\$ (2,428)	\$ -	\$ (2,433)	\$ 326	\$ 5,422	\$ 5,748
(104)	(50,836)	-	(50,940)	6,831	449	7,280
(25)	(12,308)	-	(12,333)	1,654	4,694	6,348
(37)	(17,958)	(16,808)	(34,803)	2,413	(3,355)	(942)
(111)	(54,266)	(14,210)	(68,587)	7,291	(2,836)	4,455
(50)	(24,686)	(30,089)	(54,825)	3,318	(6,006)	(2,688)
-	-	-	-	79	-	79
(75)	(36,925)	(4,063)	(41,063)	4,962	(811)	4,151
(8)	(3,920)	-	(3,928)	528	626	1,154
(133)	(65,398)	-	(65,531)	8,789	24,024	32,813
(6)	(2,917)	-	(2,923)	391	512	903
(45)	(22,139)	-	(22,184)	2,976	2,160	5,136
(13)	(6,460)	(10,886)	(17,359)	867	(2,173)	(1,306)
(62)	(30,245)	-	(30,307)	4,064	8,207	12,271
(87)	(42,872)	-	(42,959)	5,762	18,181	23,943
(9)	(4,491)	(5,356)	(9,856)	603	(1,069)	(466)
(1,946)	(953,848)	-	(955,794)	128,178	212,553	340,731
(96)	(46,944)	(3,419)	(50,459)	6,309	(682)	5,627
(1)	(589)	-	(590)	-	1,316	1,316
(70)	(34,453)	-	(34,523)	4,630	55,169	59,799
(123)	(60,485)	(91,018)	(151,626)	8,127	(18,167)	(10,040)
(15)	(7,294)	-	(7,309)	980	1,375	2,355
(251)	(123,013)	-	(123,264)	16,531	7,870	24,401
(24)	(11,601)	-	(11,625)	1,559	1,393	2,952
(99)	(48,460)	-	(48,559)	6,513	1,540	8,053
(8)	(4,097)	-	(4,105)	551	5	556
(8)	(4,095)	-	(4,103)	551	4,506	5,057
(4)	(1,995)	(46,611)	(48,610)	269	(9,303)	(9,034)
(162)	(79,179)	-	(79,341)	10,640	22,744	33,384
(9)	(4,591)	(4,564)	(9,164)	616	(911)	(295)
(58)	(28,378)	-	(28,436)	3,814	9,450	13,264
(11)	(5,492)	-	(5,503)	739	12,265	13,004
(30)	(14,796)	-	(14,826)	1,988	28,713	30,701
(70)	(34,283)	-	(34,353)	4,606	12,164	16,770
(6)	(2,735)	-	(2,741)	368	11	379
(12)	(6,011)	-	(6,023)	808	13,423	14,231
(113)	(55,318)	-	(55,431)	7,433	12,692	20,125
(15)	(7,143)	-	(7,158)	960	3,444	4,404
(129)	(63,347)	-	(63,476)	8,512	20,730	29,242
(30)	(14,945)	-	(14,975)	2,008	608	2,616
(46)	(22,729)	(105,299)	(128,074)	3,055	(21,018)	(17,963)
(30)	(14,463)	-	(14,493)	1,944	14,710	16,654
(451)	(221,069)	(85,636)	(307,156)	29,708	(17,093)	12,615
(1,645)	(806,625)	(407,205)	(1,215,475)	108,393	(81,278)	27,115
(50)	(24,709)	-	(24,759)	3,320	1,286	4,606
(260)	(127,630)	-	(127,890)	17,151	8,816	25,967
(1,151)	(564,072)	(92,213)	(657,436)	75,800	(18,406)	57,394
(1,184)	(580,602)	(157,162)	(738,948)	78,021	(31,370)	46,651
(944)	(462,836)	-	(463,780)	62,196	154,963	217,159
(133)	(65,333)	(28,936)	(94,402)	8,779	(5,776)	3,003
(172)	(84,486)	-	(84,658)	11,354	4,373	15,727
(23)	(11,379)	-	(11,402)	1,529	5,089	6,618
(30)	(14,868)	-	(14,898)	1,998	33,203	35,201
(19,405)	(9,510,746)	(4,029,718)	(13,559,869)	1,278,036	(496,658)	781,378
(375)	(183,638)	-	(184,013)	24,677	6,935	31,612
(4)	(2,188)	(1,356)	(3,548)	294	(271)	23
(20)	(9,566)	-	(9,586)	1,286	731	2,017
(13)	(6,210)	-	(6,223)	834	831	1,665
<u>\$ (29,996)</u>	<u>\$ (14,704,090)</u>	<u>\$ (5,134,549)</u>	<u>\$ (19,868,635)</u>	<u>\$ 1,975,919</u>	<u>\$ -</u>	<u>\$ 1,975,919</u>

See accompanying notes to schedules.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Schedule of Net Pension Liability Sensitivity by Employer
September 30, 2014

<u>Employer</u>	1% Decrease 3.22%	Current Discount Rate 4.22%	1% Increase 5.22%
Aimeliik State Agency	\$ 89,534	\$ 79,670	\$ 65,773
Aimeliik State Government	644,183	573,213	473,232
Aimeliik State Legislature	174,705	155,458	128,343
Airai State Agency	468,559	416,938	344,215
Airai State Government	732,339	651,657	537,993
Airai State Legislature	329,208	292,939	241,844
Angaur State Government	692,853	616,521	508,986
Angaur State Legislature	58,312	51,887	42,837
Civil Service Pension Trust Fund	875,593	779,129	643,231
Hatohobe State Agency	56,475	50,253	41,488
Hatohobei State Government	326,224	290,284	239,652
Hatohobei State Legislature	84,713	75,380	62,232
Helen Reef Resource Management - Hatohobei State	407,722	362,803	299,522
Kayangel State Government	949,286	844,703	697,368
Kayangel State Legislature	68,413	60,876	50,258
Koror State Government	16,930,120	15,064,924	12,437,259
Koror State Legislature	612,272	544,818	449,789
Melekeok State - PAN 1077	5,280	4,697	3,879
Melekeok State Agency	603,319	536,851	443,212
Melekeok State Government	907,274	807,319	666,505
Melekeok State Legislature	129,479	115,215	95,119
National Development Bank of Palau	1,760,139	1,566,224	1,293,039
National Development Bank of Palau - SBDC	208,912	185,896	153,471
Ngaraard State Government	931,838	829,178	684,550
Ngaraard State Legislature	176,312	156,888	129,523
Ngardmau Free Trade Zone Authority	73,004	64,961	53,631
Ngardmau State Government	1,432,997	1,275,123	1,052,713
Ngardmau State Legislature	74,611	66,391	54,811
Ngatpanq State Government	633,393	563,612	465,305
Ngatpanq State Legislature	97,110	86,411	71,339
Nqchesar State Agency	268,371	238,805	197,152
Nqchesar State Government	600,334	534,195	441,020
Nqchesar State Legislature	46,374	41,265	34,067
Nqerchelong State Agency	188,480	167,715	138,462
Nqerchelong State Government	872,609	776,473	641,038
Nqerchelong State Legislature	103,538	92,131	76,061
Nqeremlengui State Government	1,328,771	1,182,380	976,146
Nqeremlengui State Legislature	206,846	184,057	151,954
Ngiwal State - Pan Fund	203,172	180,789	149,255
Ngiwal State Agency	299,823	266,791	220,257
Ngiwal State Government	418,971	372,813	307,786
Ngiwal State Legislature	160,701	142,997	118,055
Palau Community Action Agency	4,646,336	4,134,448	3,413,306
Palau Community College	12,002,327	10,680,027	8,817,188
Palau Housing Authority	363,185	323,173	266,804
Palau International Coral Reef Center	2,003,946	1,783,171	1,472,145
Palau National Communications Corporation	8,049,991	7,163,121	5,913,710
Palau Public Utilities Corporation	8,666,626	7,711,821	6,366,704
Palau Public Utilities Corporation - Waste & Water Operation	6,095,633	5,424,075	4,477,993
Palau Visitors Authority	870,083	774,226	639,183
Peleliu State Government	1,496,359	1,331,505	1,099,260
Peleliu State Legislature	161,620	143,814	118,730
Protected Areas Network Fund	652,677	580,772	479,472
Republic of Palau Government	146,047,945	129,957,797	107,290,199
Social Security Retirement Fund	2,733,531	2,432,377	2,008,115
Sonsorol State Agency	36,273	32,276	26,647
Sonsorol State Government	410,477	365,255	301,546
Sonsorol State Legislature	104,226	92,744	76,567
	<u>\$ 229,573,404</u>	<u>\$ 204,281,232</u>	<u>\$ 168,649,941</u>

See accompanying notes to schedules.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Schedule of Allocable Pension Amortization by Employer
September 30, 2014

Employer	Net Deferred Outflows (Inflows) of Resources					
	2015	2016	2017	2018	2019	Thereafter
Aimeliik State Agency	\$ (220)	\$ (220)	\$ (220)	\$ (217)	\$ 968	\$ 196
Aimeliik State Government	(1,581)	(1,581)	(1,581)	(1,560)	6,964	1,409
Aimeliik State Legislature	(429)	(429)	(429)	(423)	1,889	382
Airai State Agency	(1,150)	(1,150)	(1,150)	(1,134)	5,065	1,025
Airai State Government	(1,797)	(1,797)	(1,797)	(1,773)	7,917	1,602
Airai State Legislature	(808)	(808)	(808)	(797)	3,559	720
Angaur State Government	(1,700)	(1,700)	(1,700)	(1,678)	7,490	1,516
Angaur State Legislature	(143)	(143)	(143)	(141)	630	128
Civil Service Pension Trust Fund	(2,149)	(2,149)	(2,149)	(2,120)	9,465	1,915
Hatothobe State Agency	(139)	(139)	(139)	(137)	611	124
Hatothobei State Government	(801)	(801)	(801)	(790)	3,527	714
Hatothobei State Legislature	(208)	(208)	(208)	(205)	916	185
Helen Reef Resource Management - Hatothobei State	(1,000)	(1,000)	(1,000)	(987)	4,408	892
Kayangel State Government	(2,329)	(2,329)	(2,329)	(2,298)	10,262	2,077
Kayangel State Legislature	(168)	(168)	(168)	(166)	740	150
Koror State Government	(41,544)	(41,544)	(41,544)	(40,991)	183,020	37,037
Koror State Legislature	(1,502)	(1,502)	(1,502)	(1,482)	6,619	1,339
Melekeok State - PAN 1077	(11)	(11)	(11)	(10)	60	10
Melekeok State Agency	(1,480)	(1,480)	(1,480)	(1,461)	6,522	1,320
Melekeok State Government	(2,226)	(2,226)	(2,226)	(2,197)	9,808	1,985
Melekeok State Legislature	(318)	(318)	(318)	(313)	1,400	283
National Development Bank of Palau	(4,319)	(4,319)	(4,319)	(4,262)	19,028	3,851
National Development Bank of Palau - SBDC	(513)	(513)	(513)	(506)	2,258	457
Nqaraard State Government	(2,287)	(2,287)	(2,287)	(2,256)	10,073	2,039
Nqaraard State Legislature	(433)	(433)	(433)	(427)	1,906	386
Ngardmau Free Trade Zone Authority	(179)	(179)	(179)	(177)	789	160
Ngardmau State Government	(3,516)	(3,516)	(3,516)	(3,470)	15,491	3,135
Ngardmau State Legislature	(183)	(183)	(183)	(181)	807	163
Nqatpang State Government	(1,554)	(1,554)	(1,554)	(1,534)	6,847	1,386
Nqatpang State Legislature	(238)	(238)	(238)	(235)	1,050	212
Nqchesar State Agency	(659)	(659)	(659)	(650)	2,901	587
Nqchesar State Government	(1,473)	(1,473)	(1,473)	(1,454)	6,490	1,313
Nqchesar State Legislature	(114)	(114)	(114)	(112)	501	101
Nqerchelong State Agency	(463)	(463)	(463)	(456)	2,038	412
Nqerchelong State Government	(2,141)	(2,141)	(2,141)	(2,113)	9,433	1,909
Nqerchelong State Legislature	(254)	(254)	(254)	(251)	1,119	227
Nqeremlengui State Government	(3,261)	(3,261)	(3,261)	(3,217)	14,364	2,907
Nqeremlengui State Legislature	(508)	(508)	(508)	(501)	2,236	453
Ngiwal State - Pan Fund	(499)	(499)	(499)	(492)	2,196	444
Ngiwal State Agency	(736)	(736)	(736)	(726)	3,241	656
Ngiwal State Government	(1,028)	(1,028)	(1,028)	(1,014)	4,529	917
Ngiwal State Legislature	(394)	(394)	(394)	(389)	1,737	352
Palau Community Action Agency	(11,401)	(11,401)	(11,401)	(11,250)	50,228	10,164
Palau Community College	(29,452)	(29,452)	(29,452)	(29,060)	129,749	26,257
Palau Housing Authority	(891)	(891)	(891)	(879)	3,926	795
Palau International Coral Reef Center	(4,917)	(4,917)	(4,917)	(4,852)	21,663	4,384
Palau National Communications Corporation	(19,753)	(19,753)	(19,753)	(19,491)	87,023	17,610
Palau Public Utilities Corporation	(21,267)	(21,267)	(21,267)	(20,984)	93,689	18,959
Palau Public Utilities Corporation - Waste & Water Operation	(14,958)	(14,958)	(14,958)	(14,759)	65,896	13,335
Palau Visitors Authority	(2,135)	(2,135)	(2,135)	(2,107)	9,406	1,903
Peleliu State Government	(3,672)	(3,672)	(3,672)	(3,623)	16,176	3,273
Peleliu State Legislature	(397)	(397)	(397)	(391)	1,747	354
Protected Areas Network Fund	(1,602)	(1,602)	(1,602)	(1,580)	7,056	1,428
Republic of Palau Government	(358,379)	(358,379)	(358,379)	(353,609)	1,578,828	319,500
Social Security Retirement Fund	(6,708)	(6,708)	(6,708)	(6,618)	29,550	5,980
Sonsorol State Agency	(89)	(89)	(89)	(88)	392	79
Sonsorol State Government	(1,007)	(1,007)	(1,007)	(994)	4,437	898
Sonsorol State Legislature	(256)	(256)	(256)	(252)	1,127	228
	<u>\$ (563,339)</u>	<u>\$ (563,339)</u>	<u>\$ (563,339)</u>	<u>\$ (555,840)</u>	<u>\$ 2,481,767</u>	<u>\$ 502,223</u>

See accompanying notes to schedules.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Schedule of Employers' Contributions by Employer
September 30, 2014

<u>Employer</u>	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
Aimeliik State Agency	\$ 2,617	\$ 1,079	\$ 1,538	\$ 14,451	7.47%
Aimeliik State Government	18,830	7,767	11,063	103,975	7.47%
Aimeliik State Legislature	5,107	2,106	3,001	28,198	7.47%
Airai State Agency	13,696	5,650	8,046	75,628	7.47%
Airai State Government	21,406	8,831	12,575	118,203	7.47%
Airai State Legislature	9,623	3,969	5,654	53,136	7.47%
Angaur State Government	20,252	8,356	11,896	111,830	7.47%
Angaur State Legislature	1,704	702	1,002	9,403	7.47%
Civil Service Pension Trust Fund	25,594	10,558	15,036	141,325	7.47%
Hatohobe State Agency	1,651	682	969	9,124	7.47%
Hatohobei State Government	9,536	3,935	5,601	52,654	7.47%
Hatohobei State Legislature	2,476	1,022	1,454	13,673	7.47%
Helen Reef Resource Management - Hatohobei State	11,918	4,916	7,002	65,809	7.47%
Kayangel State Government	27,748	11,447	16,301	153,219	7.47%
Kayangel State Legislature	2,000	824	1,176	11,038	7.47%
Koror State Government	494,873	204,153	290,720	2,732,610	7.47%
Koror State Legislature	17,897	7,382	10,515	98,824	7.47%
Melekeok State - PAN 1077	154	65	89	870	7.47%
Melekeok State Agency	17,635	7,276	10,359	97,379	7.47%
Melekeok State Government	26,520	10,940	15,580	146,439	7.47%
Melekeok State Legislature	3,785	1,560	2,225	20,897	7.47%
National Development Bank of Palau	51,449	21,226	30,223	284,095	7.47%
National Development Bank of Palau - SBDC	6,107	2,519	3,588	33,719	7.47%
Ngaraard State Government	27,238	11,237	16,001	150,404	7.47%
Ngaraard State Legislature	5,154	2,125	3,029	28,458	7.47%
Ngardmau Free Trade Zone Authority	2,134	881	1,253	11,786	7.47%
Ngardmau State Government	41,887	17,281	24,606	231,292	7.47%
Ngardmau State Legislature	2,181	900	1,281	12,043	7.47%
Ngatpang State Government	18,514	7,637	10,877	102,233	7.47%
Ngatpang State Legislature	2,839	1,171	1,668	15,674	7.47%
Nqchesar State Agency	7,845	3,237	4,608	43,317	7.47%
Nqchesar State Government	17,548	7,238	10,310	96,897	7.47%
Nqchesar State Legislature	1,356	559	797	7,485	7.47%
Ngerchelong State Agency	5,509	2,273	3,236	30,422	7.47%
Ngerchelong State Government	25,507	10,523	14,984	140,844	7.47%
Ngerchelong State Legislature	3,026	1,249	1,777	16,712	7.47%
Ngeremlengui State Government	38,840	16,022	22,818	214,470	7.47%
Ngeremlengui State Legislature	6,046	2,493	3,553	33,386	7.47%
Ngiwal State - Pan Fund	5,939	2,451	3,488	32,793	7.47%
Ngiwal State Agency	8,764	3,615	5,149	48,393	7.47%
Ngiwal State Government	12,247	5,052	7,195	67,624	7.47%
Ngiwal State Legislature	4,697	1,939	2,758	25,940	7.47%
Palau Community Action Agency	135,814	56,028	79,786	749,942	7.47%
Palau Community College	350,832	144,731	206,101	1,937,238	7.47%
Palau Housing Authority	10,616	4,379	6,237	58,620	7.47%
Palau International Coral Reef Center	58,576	24,165	34,411	323,447	7.47%
Palau National Communications Corporation	235,304	97,071	138,233	1,299,310	7.47%
Palau Public Utilities Corporation	253,328	104,507	148,821	1,398,838	7.47%
Palau Public Utilities Corporation - Waste & Water Operation	178,177	73,503	104,674	983,867	7.47%
Palau Visitors Authority	25,433	10,493	14,940	140,436	7.47%
Peleliu State Government	43,739	18,045	25,694	241,519	7.47%
Peleliu State Legislature	4,724	1,950	2,774	26,087	7.47%
Protected Areas Network Fund	19,078	7,871	11,207	105,346	7.47%
Republic of Palau Government	4,269,025	1,761,120	2,507,905	23,572,912	7.47%
Social Security Retirement Fund	79,902	32,961	46,941	441,205	7.47%
Sonsorol State Agency	1,060	437	623	5,851	7.47%
Sonsorol State Government	11,998	4,950	7,048	66,253	7.47%
Sonsorol State Legislature	3,047	1,256	1,791	16,823	7.47%
	<u>\$ 6,710,502</u>	<u>\$ 2,768,315</u>	<u>\$ 3,942,187</u>	<u>\$ 37,054,366</u>	

See accompanying notes to schedules.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Schedule of Employers' Contributions by Employer
September 30, 2013

<u>Employer</u>	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
Aimeliik State Agency	\$ 1,038	\$ 415	\$ 623	\$ 6,114	6.79%
Aimeliik State Government	21,746	8,699	13,047	128,097	6.79%
Aimeliik State Legislature	5,265	2,106	3,159	31,015	6.79%
Airai State Agency	7,681	3,073	4,608	45,243	6.79%
Airai State Government	23,212	9,285	13,927	136,731	6.79%
Airai State Legislature	10,562	4,224	6,338	62,214	6.79%
Angaur State Agency	252	101	151	1,487	6.79%
Angaur State Government	15,795	6,318	9,477	93,044	6.79%
Angaur State Legislature	1,680	671	1,009	9,886	6.79%
Civil Service Pension Trust Fund	27,980	11,190	16,790	164,818	6.79%
Hatohobe State Agency	1,246	499	747	7,345	6.79%
Hatohobei State Government	9,473	3,788	5,685	55,804	6.79%
Hatohobei State Legislature	2,762	1,105	1,657	16,267	6.79%
Helen Reef Resource Management - Hatohobei State	12,940	5,175	7,765	76,221	6.79%
Kayangel State Government	18,343	7,336	11,007	108,051	6.79%
Kayangel State Legislature	1,919	768	1,151	11,310	6.79%
Koror State Government	408,065	163,211	244,854	2,403,718	6.79%
Koror State Legislature	20,086	8,033	12,053	118,315	6.79%
Melekeok State Agency	14,739	5,895	8,844	86,818	6.79%
Melekeok State Government	25,873	10,349	15,524	152,405	6.79%
Melekeok State Legislature	3,120	1,248	1,872	18,379	6.79%
National Development Bank of Palau	52,626	21,048	31,578	309,998	6.79%
National Development Bank of Palau - SBDC	4,963	1,985	2,978	29,236	6.79%
Ngaraard State Government	20,733	8,292	12,441	122,131	6.79%
Ngaraard State Legislature	1,755	701	1,054	10,338	6.78%
Ngardmau Free Trade Zone Authority	1,755	701	1,054	10,330	6.79%
Ngardmau State Agency	856	341	515	5,023	6.79%
Ngardmau State Government	33,874	13,548	20,326	199,539	6.79%
Ngardmau State Legislature	1,963	786	1,177	11,569	6.79%
Ngatpang State Government	12,141	4,856	7,285	71,515	6.79%
Ngatpang State Legislature	2,353	940	1,413	13,847	6.79%
Ngchesar State Agency	6,328	2,532	3,796	37,277	6.79%
Ngchesar State Government	14,663	5,866	8,797	86,374	6.79%
Ngchesar State Legislature	1,170	468	702	6,892	6.79%
Ngerchelong State Agency	2,573	1,029	1,544	15,155	6.79%
Ngerchelong State Government	23,665	9,465	14,200	139,399	6.79%
Ngerchelong State Legislature	3,057	1,222	1,835	18,008	6.79%
Ngeremlengui State Government	27,099	10,839	16,260	159,630	6.79%
Ngeremlengui State Legislature	6,391	2,557	3,834	37,647	6.79%
Ngiwal State Government	9,725	3,889	5,836	57,286	6.79%
Ngiwal State Legislature	6,190	2,475	3,715	36,461	6.79%
Palau Community Action Agency	94,578	37,827	56,751	557,113	6.79%
Palau Community College	345,078	138,020	207,058	2,032,692	6.79%
Palau Housing Authority	10,568	4,228	6,340	62,251	6.79%
Palau International Coral Reef Center	54,602	21,838	32,764	321,633	6.79%
Palau National Communications Corporation	241,316	96,517	144,799	1,421,481	6.79%
Palau Public Utilities Corporation	248,387	99,345	149,042	1,463,130	6.79%
Palau Public Utilities Corporation - Waste & Water Operation	198,006	79,195	118,811	1,166,361	6.79%
Palau Visitors Authority	27,949	11,179	16,770	164,633	6.79%
Peleliu State Government	36,145	14,456	21,689	212,915	6.79%
Peleliu State Legislature	4,869	1,947	2,922	28,680	6.79%
Protected Areas Network Fund	6,360	2,544	3,816	37,462	6.79%
Republic of Palau Government	4,068,739	1,627,361	2,441,378	23,967,024	6.79%
Social Security Retirement Fund	78,562	31,422	47,140	462,773	6.79%
Sonsorol State Agency	937	374	563	5,511	6.79%
Sonsorol State Government	4,095	1,637	2,458	24,122	6.79%
Sonsorol State Legislature	2,655	1,063	1,592	15,648	6.79%
	<u>\$ 6,290,503</u>	<u>\$ 2,515,982</u>	<u>\$ 3,774,521</u>	<u>\$ 37,054,366</u>	

See accompanying notes to schedules.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Notes to Schedules
September 30, 2014 and 2013

(1) Plan Description

The following brief description of the Republic of Palau Civil Service Pension Trust Fund (the Fund) is provided for general information purposes only.

General

The Fund is a defined benefit, cost sharing multi-employer plan, which is a component unit of the Republic of Palau (ROP) National Government, providing retirement, security and other benefits to employees, their spouses and dependents, of the ROP, ROP State Governments and ROP agencies, funds and public corporations. The Fund was established pursuant to Republic of Palau Public Law (RPPL) No. 2-26 passed into law on April 3, 1987, and began operations on October 1, 1987. Portions of RPPL No. 2-26 were revised by RPPL 3-21, RPPL 4-40, RPPL 4-49, RPPL 5-30, RPPL 6-37, RPPL 7-56, RPPL 8-10 and RPPL 9-2.

Membership

The ROP National Government, ROP State Governments and ROP public corporations, quasi-governmental organizations and other public entities of the National and State Governments of ROP, are participating in the Fund. Membership consisted of the following as of October 1, 2013 (the valuation date):

Inactive members currently receiving benefits	1,356
Inactive members entitled to but not yet receiving benefits	206
Active members	<u>3,107</u>
Total members	<u>4,669</u>

Summary of the Principal Provisions of the Plan

Effective date:	October 1, 1987
Plan year:	October 1 through September 30

Eligibility to Participate

All persons becoming full-time employees of a participating agency before attaining the age of sixty shall become members as a condition of employment.

Service

Vesting Service: Includes membership service and prior service credit.

Membership Service: A year of membership service is earned for a year of service rendered a participating agency. Years of membership service shall be rounded to the nearest one year. Membership service includes accumulated sick leave and vacation leave.

Prior Service Credit: Persons becoming members of the Plan on October 1, 1987 are entitled to Prior Service Credit for services rendered as an employee of participating agencies, the Trust Territory of the Pacific Islands (TTPI), and the United States Naval Government after World War II and before the establishment of the TTPI.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Notes to Schedules
September 30, 2014 and 2013

(1) Plan Description, Continued

Pension Benefits

Retirement benefits are paid to members who are required, with certain exceptions, to retire no later than their sixtieth birthday or after thirty years of service. A member may retire after his or her fifty-fifth birthday at a reduced pension amount if the member has completed at least twenty years of government employment. A married member of a former member receiving a distribution of benefits under the Pension Fund receives reduced benefit amounts to provide survivors' benefits to his or her spouse. An unmarried member or former member may elect to receive a reduced benefit amount during his or her lifetime with an annuity payable to his or her designated beneficiary. Disability benefits are paid to qualified members for the duration of the disability. Effective May 17, 1996, through RPPL 4-49, members, who have twenty-five years or more of total service, are eligible for retirement regardless of their age and, upon such retirement, are eligible to receive pension benefits at a level established by the Board. Effective July 1, 1999, pursuant to RPPL 4-49 and RPPL 5-30, retirement is mandatory for all members who have thirty years or more of total service and all employees who are sixty years of age or older with certain exceptions. Beginning October 1, 2003, pursuant to RPPL 6-37, mandatory retirement may be delayed for up to five years, by specific exemption by the Board. In December 2008, RPPL 7-56 eliminated early retirement and thirty year mandatory service provisions. These provisions were restored through RPPL 8-10 in October, 2009. On April 30, 2013, RPPL 9-2 eliminated the mandatory service retirement after thirty years of service. After December 31, 2013, no employee shall be entitled to pension benefits until reaching the age of sixty.

In accordance with the directives of RPPL 5-7, the Board adopted a resolution which provides that "no person who retires after October 1, 1997, may receive benefits under the Plan unless he or she has contributed to the Plan for at least five years or has made an actuarially equivalent lump sum contribution". In accordance with RPPL 9-2, members who retire after April 30, 2013 must not receive benefits greater than thirty thousand dollars per year. Further, the amount of benefits that a member receives should not be recalculated if the member is re-employed after the member begins receiving benefits under the Fund. Additionally, a member should not receive benefits during the time the member is re-employed subsequent to retirement.

Currently, normal benefits are paid monthly and are two percent of each member's average monthly salary for each year of credited total service up to a maximum of thirty years total service. The average annual salary is the average of the highest three consecutive fiscal years of compensation received by a member during his or her most recent ten full fiscal years of service. For members who have not completed three consecutive fiscal years of employment during his or her most recent ten full fiscal years of service, the average annual salary is the average monthly salary during the term of the member's service multiplied by twelve.

The benefit amount that married members or unmarried members receive, who have elected to designate a beneficiary, is based on the normal benefit amount reduced by the following factors:

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Notes to Schedules
September 30, 2014 and 2013

(1) Plan Description, Continued

Pension Benefits, Continued

<u>Factor</u>	<u>If the Spouse or Beneficiary is:</u>
1.00	21 or more years older than the member
0.95	16 to 20 years older than the member
0.90	11 to 15 years older than the member
0.85	6 to 10 years older than the member
0.80	0 to 5 years younger than the member or 0 to 5 years older than the member
0.75	6 to 10 years younger than the member
0.70	11 to 15 years younger than the member
0.65	16 or more years younger than the member

Surviving beneficiaries of an employee may only receive benefits up to the total present value of the employee's accrued benefit pursuant to RPPL 9-2.

A member that meets the requirements for early retirement and elects to retire on an early retirement date is entitled to receive payment of an early retirement benefit equal to the member's normal retirement benefit reduced according to the following schedule based on the age at which early retirement benefit payments begin:

- 1/12th per year for the first 3 years before age 60;
- plus an additional 1/18th per year for the next 3 years;
- plus an additional 1/24th per year for the next 5 years; and
- plus an additional 1/50th per year for each year in excess of 11 years.

Upon the death of a member or former member with eligible survivors before commencement of the members' normal, early, or late retirement benefits or disability retirement benefits the following shall be payable:

- If the former member is not an employee at his date of death and a spouse or beneficiary survives, the total death benefits payable shall be the actuarial equivalent of the member's present value of accrued benefit.
- If the member is an employee at his date of death and a spouse or beneficiary survives, the total death benefit payable shall be the actuarial equivalent of the greater of 3 times the member's average annual salary or the member's present value of accrued benefits.

Upon the death of a member or former member before commencement of his normal, early, or late retirement benefit or disability retirement benefit leaving no persons eligible for survivor benefits, the following shall be payable:

- If the former member is not an employee at the date of death, a refund of the total amount of contributions made by the member.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Notes to Schedules
September 30, 2014 and 2013

(1) Plan Description, Continued

Pension Benefits, Continued

- If the member was an employee at the date of death and had completed one year of total service, the estate of the member shall be entitled to a death benefit equal to the greater of three times the member's annual salary or the present value of the member's accrued benefit payable in the form of a single lump sum payment.

Any member who is not otherwise eligible to receive normal, early or late retirement benefits, who shall become totally and permanently disabled for service regardless of how or where the disability occurred, shall be entitled to a disability retirement annuity, provided that he or she is not receiving disability payments from the United States Government or its agencies for substantially the same ailment, and further provided that to be eligible for a disability retirement annuity from a cause unrelated to service, the member shall have had at least ten (10) years of total service credited. The amount of disability retirement annuity shall be an amount equal to the actuarial equivalent at the attained age of the member's present value of accrued benefit and shall be paid in the same form as a normal retirement benefit. Any special compensation allowance received or payable to any member because of disability resulting from accidental causes while in the performance of a specific act or acts of duty shall be deducted from the disability annuity payable by the Plan on account of the same disability.

Member Contributions

Member contribution rates are established by RPPL No. 2-26 at six percent of total payroll and are deducted from the member's salary and remitted by participating employers. Upon complete separation from service, a member with less than fifteen years membership service may elect to receive a refund of all of his or her contributions. Subsequent changes in the percentage contributed by members may be made through an amendment of the Trust Fund Operation Plan subject to the requirements of Title 6 of the Palau National Code. RPPL 9-2 requires each employee of the National Government and all State Governments, without regard to whether the employee is employed part-time or on a temporary basis, seasonal or an impermanent basis, to contribute to the Fund through payroll deduction.

Employer and Other Contributions

Employers are required to contribute an amount equal to that contributed by employees. Pursuant to RPPL No. 2-26 and RPPL No. 3-21, the Government of the Republic of Palau must from time to time contribute additional sums to the Fund in order to keep the Fund on a sound actuarial basis. RPPL 9-2 requires the Government of ROP to make regular contributions to the Fund equal to the amount contributed by each and every employee of ROP. Additionally, an excise tax of four percent (4%) is levied against each non-citizen person transferring money out of ROP. The money transfer tax must be remitted to the Fund.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Notes to Schedules
September 30, 2014 and 2013

(2) Summary of Significant Accounting Policies

Basis of Accounting and Disclosure

The schedules are presented in accordance with the standards issued by the Governmental Accounting Standards Board (GASB), which is the generally accepted standard setting body for establishing accounting principles generally accepted in the United States of America for governmental entities. As prescribed by GASB, the schedules are reported using the economic resources measurement focus and the accrual basis of accounting.

Employer and employee contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory and contractual requirements that coincide with the period in which employee services are performed. Deductions from the Fund's assets are recorded when corresponding liabilities are incurred, regardless of when paid. Benefits and refunds are recognized when due and are payable in accordance with Fund policy. The cost of administering the Fund is paid out of the assets of the Fund.

For purposes of measuring the net pension liability, deferred outflows of resources and pension expense, information about the fiduciary net position of the Fund and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Estimates

The preparation of the schedules in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

(3) Net Pension Liability

The components of the employers' net pension liability as of September 30, 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Total pension liability	\$ 237,570,555	\$ 216,341,538
Plan fiduciary net position	<u>(33,289,323)</u>	<u>(34,261,206)</u>
Employers' net pension liability	\$ <u>204,281,232</u>	\$ <u>182,080,332</u>
Plan fiduciary net position as a percentage of the total pension liability	14.01%	15.84%

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Notes to Schedules
September 30, 2014 and 2013

(4) Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2013, and rolled forward using generally accepted actuarial procedures to the measurement date as of September 30, 2014, using the following actuarial assumptions:

Actuarial Cost Method:	Normal costs are calculated under the entry age normal method
Investment Income:	7.5% per year
Expenses:	\$300,000 each year
Salary Increase:	3.0% per year
Mortality:	RP 2000 Combined Healthy Mortality Table, set forward four years
Disabled Mortality:	PBGC Mortality Table for Disabled Persons receiving Social Security
Retirement Age:	Age 60 and contributed for at least 5 years
Pre-retirement Beneficiary Benefit Members:	Present value of accrued benefit earned by the member. 80% of the workers are assumed to be married and males are assumed to be 3 years older than their spouses
Pre-retirement Beneficiary Benefit Former Members:	Present value of accrued benefit earned by the member. 80% of the workers are assumed to be married and males are assumed to be 3 years older than their spouses
Post Retirement Survivor's Benefit:	100% of the benefit the retiree was receiving prior to death. 80% of active workers are assumed to be married when they retire. Males are assumed to be 3 years older than their spouses
Disability:	Rates are from the 2007 US Social Security Trustees Report Intermediate Assumptions
Turnover:	5% per year prior to age 40; none after age 40
Refund of Contributions:	80% of those who terminate and are eligible to receive a refund of their employee contributions in lieu of a future benefit elect to receive the refund.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Notes to Schedules
September 30, 2014 and 2013

(4) Actuarial Assumptions, Continued

Workers Included In the Valuation: Workers indicated in the census as Active or Inactive with a vested benefit.

Investment Rate of Return

The long-term expected rate of return on the Fund's investments of 7.5% was determined using the building-block method, creating a best-estimate range for each asset class.

As of September 30, 2014, the geometric mean rates of return for each major investment class are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Rate of Return</u>
Equity	55%	8.8%
Governmental fixed income	35%	5.5%
Corporate fixed income	<u>10%</u>	6.4%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.22%. The discount rate was determined using the current assumed rate of return until the point where the plan fiduciary net position is negative. Using the current contribution rates, a negative position happens in 2022 for 2014. For years after 2021, a discount rate of 4.11% is used. This rate is equal to the last Bond Buyer 20-Bond Go Index rate for September.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Fund, calculated using the discount rate of 4.22%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (3.22%) or 1.00% higher (5.22%) from the current rate.

<u>1% Decrease 3.22%</u>	<u>Current Single Discount Rate Assumption 4.22%</u>	<u>1% Increase 5.22%</u>
\$ 229,573,404	\$ 204,281,232	\$ 168,649,941

Schedule of Changes in Net Pension Liability and Related Ratios

The changes in net pension liability for the years ended September 30, 2014 and 2013, were as follows:

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Notes to Schedules
September 30, 2014 and 2013

(4) Actuarial Assumptions, Continued

Schedule of Changes in Net Pension Liability and Related Ratios, Continued

	<u>2014</u>	<u>2013</u>
Total Pension Liability		
Service cost	\$ 4,638,484	\$ 5,913,261
Interest cost	10,319,767	9,146,830
Assumption changes	15,568,918	(17,639,038)
Benefit changes	-	(6,941,763)
Benefit payments	<u>(9,298,152)</u>	<u>(8,930,543)</u>
Net change in total pension liability	21,229,017	(18,451,253)
Total pension liability - beginning	<u>216,341,538</u>	<u>234,792,791</u>
Total pension liability - ending	\$ <u><u>237,570,555</u></u>	\$ <u><u>216,341,538</u></u>
Fund Fiduciary Net Position		
Employer contributions	\$ 2,820,693	\$ 2,506,605
Employee contributions	2,797,512	2,515,177
Pension plan net investment income	3,077,767	2,628,027
Benefit payments	(9,298,152)	(8,930,543)
Pension plan administrative expense	<u>(369,703)</u>	<u>(1,905,747)</u>
Net change in plan fiduciary net position	(971,883)	(3,186,481)
Plan fiduciary net position - beginning	<u>34,261,206</u>	<u>37,447,687</u>
Plan fiduciary net position - ending	\$ <u><u>33,289,323</u></u>	\$ <u><u>34,261,206</u></u>
Net pension liability - ending	\$ <u><u>204,281,232</u></u>	\$ <u><u>182,080,332</u></u>
Plan fiduciary net position as a percentage of total pension liability	14.01%	15.84%
Covered employee payroll	\$ 37,054,366	\$ 37,054,366
Net pension liability as a percentage of covered employee payroll	551.30%	491.39%

Total employer contributions presented at the Schedule of Employer Contributions does not agree to the employer contributions presented above by \$52,378 and \$9,377 for the years ended September 30, 2014 and 2013, respectively, due to unallocated employer contributions.

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Notes to Schedules
September 30, 2014 and 2013

(5) Average Remaining Service Life

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires that changes arising from differences between expected and actual experience and from changes in actual assumptions be recognized in pension expense over the average remaining service life of all employees provided with benefits through the pension plan (active and inactive). These differences are considered on a pooled basis, rather than an individual basis, in order to reflect the expected remaining service life of the entire pool of employees, with the understanding that inactive employees have no remaining service period. As of September 30, 2014 and 2013, the average of the expected remaining service lives of all employees as calculated by the Fund's independent actuaries was 6.20 and 6.01 years, respectively.

(6) Pension Expense

The components of pension expense for the years ended September 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Service cost	\$ 4,638,484	\$ 5,913,261
Interest on the total pension liability	10,319,767	9,146,830
Current benefit changes	-	(6,941,763)
Member contributions	(2,797,512)	(2,515,177)
Projected earnings on plan investments	(2,417,729)	(2,590,532)
Pension plan administrative expense	369,703	1,905,747
Recognition of inflow of resources due to liabilities	(423,832)	(2,934,948)
Recognition of inflow of resources due to assets	<u>(139,507)</u>	<u>(7,499)</u>
 Total pension expense	 \$ <u>9,549,374</u>	 \$ <u>1,975,919</u>

(7) Deferred Outflows and Inflows of Resources

A summary of deferred outflows and inflows of resources as of September 30, 2014, to be recognized in pension expense in future years is presented below:

<u>Year Ending</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2015	\$ (563,339)
2016	(563,339)
2017	(563,339)
2018	(555,840)
2019	2,481,767
Thereafter	<u>502,223</u>
	 \$ <u>738,133</u>

REPUBLIC OF PALAU
CIVIL SERVICE PENSION TRUST FUND

Notes to Schedules
September 30, 2014 and 2013

(8) Additional Financial and Actuarial Information

Additional financial information supporting the preparation of the schedule of employer allocations, schedule of pension amounts by employer and other pension schedules (including the disclosure of the net pension liability and the unmodified audit opinion of the financial statements) is located in the Fund's financial statements for the years ended September 30, 2013 and 2014. If you have questions about this report or need additional information, please contact the Administrator at the Republic of Palau Civil Service Pension Trust Fund, P.O. Box 1767, Koror, Republic of Palau 96940, or e-mail cspp@palaunet.com or call (680) 488-2523.