

CITY OF LEESBURG
MUNICIPAL FIREMEN'S RETIREMENT PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2011

CONTRIBUTIONS APPLICABLE TO THE PLAN
YEAR ENDED SEPTEMBER 30, 2013



December 12, 2011

Board of Trustees
City of Leesburg
Municipal Firemen's Retirement Plan
PO Box 490630
Leesburg, FL 34749

Re: City of Leesburg
Municipal Firemen's Retirement Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Leesburg Municipal Firemen's Retirement Plan. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapters 112, and 175, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the City, the Board's Administrator and Attorney, and the State of Florida, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

Board of Trustees
December 12, 2011
Page Two

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Leesburg, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Leesburg Municipal Firemen's Retirement Plan. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Patrick T. Donlan, M.A.A.A.
Enrolled Actuary #11-6595

PTD\rv

Enclosures

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SECTION I
INTRODUCTION

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Leesburg Municipal Firemen's Retirement Plan, performed as of October 1, 2011, has been completed and the results are presented in this Report. The results of this valuation are applicable to the Plan year ending September 30, 2013.

The contribution requirements, compared with the amounts set forth in the December 12, 2011 Actuarial Impact Statement, determined as of October 1, 2010, are as follows:

Valuation Date	10/1/2011	10/1/2010
Applicable Plan Year End	<u>9/30/2013</u>	<u>9/30/2012</u>
Total Required Contribution		
% of Projected Annual Payroll	39.0%	37.2%
Members Contributions (Est.)		
% of Projected Annual Payroll	6.5%	6.5%
Required City and State		
% of Projected Annual Payroll	32.5%	30.7%
State Contribution *	110,449	110,449
% of Projected Annual Payroll	3.6%	3.6%
Balance from City ***		
% of Projected Annual Payroll	28.9%	27.1%

* "Frozen", per Chapter 175, Florida Statutes, until further benefit improvements are implemented.

** Please note the City has a contribution shortfall of \$62,919.91 (see Page 13) in addition to the above stated requirement for fiscal 2012.

*** As requested by the Division of Retirement, the required contribution from the City and State for the year ending September 30, 2013, is 32.5% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 28.9% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received.

As can be seen, the Total Required Contribution has increased when expressed as a percentage of Projected Annual Payroll. This increase is attributable to net unfavorable actuarial experience during the past 12 months. The primary component of unfavorable experience was an investment return of -2.1% (Actuarial Asset Basis), which was significantly less than the assumed rate of 7.75%. This loss was partially offset by the effects of average salary increases that were less than the assumed rate and larger than expected turnover.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Plan. The undersigned would be pleased to meet with the Board of Trustees to discuss the Report and answer any pending questions concerning its contents.

Respectfully submitted,
FOSTER & FOSTER, INC.

By: 
Patrick T. Donlan, EA, ASA, MAAA

By: 
Drew Ballard

Plan Changes Since Prior Valuation

There has been one plan change since the prior report. The Supplemental Benefit was amended. Please see our Actuarial Impact Statement dated December 12, 2011 for details.

Actuarial Assumption/Method Changes Since Prior Valuation

There have been no changes to the actuarial assumptions or methods since the prior report.

Comparative Summary of Principal Valuation Results

A. Participant Data	<u>10/1/2011</u>	<u>10/1/2010</u>
Number Included		
Actives	58	61
Service Retirees	19	17
Beneficiaries	2	2
Terminated Vested	0	3
Disability Retirees	0	0
Total	<u>79</u>	<u>83</u>
Total Annual Payroll	\$3,073,457	\$3,106,945
Payroll Under Assumed Ret. Age	3,073,457	3,106,945
Annual Rate of Payments to:		
Service Retirees	644,336	575,157
Beneficiaries	34,030	34,030
Terminated Vested	0	34,369
Disability Retirees	0	0
 B. Assets		
Actuarial Value	11,797,716	11,574,175
Market Value	10,739,624	10,692,387
 C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	13,994,445	13,476,723
Disability Benefits	489,178	495,058
Death Benefits	209,249	209,562
Vested Benefits	1,194,460	1,186,555
Refund of Contributions	81,447	94,864
Service Retirees	6,367,804	5,658,197
Beneficiaries	304,207	311,318
Terminated Vested	0	296,197
Disability Retirees	0	0
Funding Standard Account	0	30,007
Excess State Monies Reserve	0	0
Total	<u>22,640,790</u>	<u>21,758,481</u>

	<u>10/1/2011</u>	<u>10/1/2010</u>
C. Liabilities - (Continued)		
Present Value of Future Salaries	29,073,800	28,911,344
Present Value of Future Member Contributions	1,889,797	1,879,237
FIL Normal Cost	954,485	880,064
Present Value of Future Normal Costs (Entry Age)	5,525,485	5,822,968
Actuarial Accrued Liability	13,611,707	13,569,138
Unfunded Actuarial Accrued Liability (UAAL) (O/B less Credit Balance)	1,813,991	1,994,963
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	6,672,011	6,265,712
Actives	4,370,618	3,508,534
Member Contributions	1,617,881	1,495,351
	<hr/>	<hr/>
Total	12,660,510	11,269,597
Non-vested Accrued Benefits	478,149	337,633
	<hr/>	<hr/>
Total Present Value Accrued Benefits	13,138,659	11,607,230
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	1,441,785	
Benefits Paid	(779,703)	
Interest	869,347	
Other	0	
	<hr/>	
Total:	1,531,429	

Valuation Date Applicable to Fiscal Year Ending	10/1/2011 <u>9/30/2013</u>	10/1/2010 <u>9/30/2012</u>
E. Pension Cost		
Normal Cost (with interest) % of Projected Annual Payroll*	32.3	29.4
Administrative Expenses (with int.) % of Projected Annual Payroll*	1.2	2.0
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 29 years (as of 10/1/11) % of Projected Annual Payroll*	5.5	5.8
Total Required Contribution % of Projected Annual Payroll*	39.0	37.2
Expected Member Contributions % of Projected Annual Payroll*	6.5	6.5
Expected City & State Contrib. % of Projected Annual Payroll*	32.5	30.7

F. Past Contributions

Plan Years Ending:	<u>9/30/2011</u>
Total Required Contribution	\$1,303,113
City and State Requirement	1,092,933
Actual Contributions Made:	
Members	210,179
City	954,733
State	110,449 **
Total	<u>1,275,361</u>

G. Net Actuarial Gain (Loss) N/A

* Contributions developed as of 10/1/11 are expressed as a percentage of total annual payroll at 10/1/11 of \$3,073,457

** "Frozen" per Chapter 175, Florida Statutes, as amended.

H. Schedule Illustrating the Amortization of the Outstanding Bases as of:

<u>Year</u>	<u>Projected Outstanding Bases</u>
2011	1,813,991
2012	1,779,965
2013	1,738,064
2014	1,687,521
2024	484,665
2040	0

I. (i) 3 Year Comparison of Actual and Assumed Increases in Pensionable Compensation.

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2011	4.1%	5.0%
Year Ended	9/30/2010	3.8%	6.0%
Year Ended	9/30/2009	3.6%	6.0%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

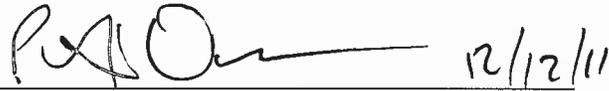
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2011	-2.1%	7.75%
Year Ended	9/30/2010	0.7%	7.75%
Year Ended	9/30/2009	1.0%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2011	\$3,073,457
	10/1/2001	1,335,385
(b) Total Increase		130.2%
(c) Number of Years		10.00
(d) Average Annual Rate		8.7%

Statement by Enrolled Actuary

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.



Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #11-6595

A copy of this Report is to be furnished to the Division of Retirement within 60 days of receipt from the actuary at the following addresses:

Patricia Shoemaker
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

Mr. Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
Post Office Box 9000
Tallahassee, FL 32315-9000

SECTION II
VALUATION INFORMATION

Reconciliation of Unfunded Actuarial Accrued Liabilities

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2010	\$1,994,963
(2)	Sponsor Normal Cost developed as of October 1, 2010	678,113
(3)	Expected Administrative expenses for the fiscal year ending September 30, 2011	58,554
(4)	Interest on (1), (2) and (3)	211,701
(5)	Sponsor contributions to the System during the fiscal year ending September 30, 2011	1,092,933
(6)	Interest on (5)	36,407
(7)	Unfunded Actuarial Accrued Liability as of September 30, 2011 (1)+(2)+(3)+(4)-(5)-(6)	1,813,991

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2011 Amount</u>	<u>Amortization Amount</u>
Initial Base	10/1/2007	16	3,271,359	280,621
Method Change	10/1/2008	17	(1,234,438)	(101,653)
Assumption Changes	10/1/2010	19	(212,870)	(16,309)
Benefit Change	10/1/2010	29	(10,060)	(608)
			1,813,991	162,051

ACTUARIAL ASSUMPTIONS AND FUNDING METHODS

Assumptions

<u>Mortality Rates</u>	RP-2000 (Combined Healthy) Disableds set forward 5 years.
<u>Termination Rates</u>	See Table below.
<u>Disability Rates</u>	See Table below.
<u>Retirement Age</u>	Earlier of age 52 and the completion of 25 years of Credited Service or age 55 and the completion of 10 years of Credited Service. Also, any Member who has reached Normal Retirement Age is assumed to continue employment for one additional year.
<u>Interest Rate</u>	7.75% per year, compounded annually, net of investment-related expenses.
<u>Salary Increases</u>	5.0% per year until the assumed retirement age; see table below.
<u>Early Retirement</u>	None.
<u>Payroll Growth</u>	3.0% for amortizing UAAL.
<u>Administrative Expenses</u>	\$34,679 annually.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>	<u>Current Salary as % of Salary at age 52</u>
20	6.0%	0.05%	21.0%
30	5.0	0.06	34.2
40	2.6	0.12	55.7
50	0.8	0.43	90.7

Funding Method

Frozen Initial Liability Cost Method

VALUATION NOTES

Total Annual Payroll is the actual pensionable earnings for the fiscal year ending on the valuation date of all covered Members (new Members' earnings are annualized).

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Total Required Contribution is equal to the Normal Cost adjusted for interest according to the timing of contributions during the year.

Aggregate Actuarial Cost Method is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above).

Frozen Initial Liability Actuarial Cost Method is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. See the "Reconciliation of Unfunded Actuarial Accrued Liability" for details regarding the current status of the separate liabilities.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1990	48,315.78	_____ %
1991	51,781.38	7.2%
1992	50,598.90	-2.3%
1993	56,751.58	12.2%
1994	63,955.26	12.7%
1995	63,314.22	-1.0%
1996	65,179.45	2.9%
1997	69,719.13	7.0%
1998	97,054.72	39.2%
1999	94,115.90	-3.0%
2000	98,330.96	4.5%
2001	94,572.00	-3.8%
2002	101,495.00	7.3%
2003	114,619.00	12.9%
2004	119,788.00	4.5%
2005	123,857.00	3.4%
2006	138,695.00	12.0%
2007	179,780.63	29.6%
2008	177,356.72	-1.3%
2009	151,617.38	-14.5%
2010	150,459.61	-0.8%
2011	148,365.97	-1.4%

Funding Standard Account - Partial History

	<u>9/30/2006</u>	<u>9/30/2007</u>	<u>9/30/2008</u>	<u>9/30/2009</u>	<u>9/30/2010</u>	<u>9/30/2011</u>
Charges						
(a) Prior year's Accumulated Funding Deficiency	17,784	283,763	266,581	288,524	10,979	0
(b) Employer Normal Cost (City and State)	739,717	645,250	685,458	590,469	810,047	905,388
(c) Amortization Cost	None	None	None	263,245	185,432	187,545
(d) Interest on (a), (b), & (c)	60,600	74,321	73,783	88,523	39,426	42,351
(e) Total Charges	818,101	1,003,334	1,025,822	1,230,762	1,045,884	1,135,284
Credits						
(f) Prior year's Credit Balance	0	0	0	0	0	30,007
(g) Employer Contribution (City and Frozen State)	520,459	712,664	713,914	1,177,713	1,039,627	1,065,182 *
(h) Amortization Credits	0	0	0	0	0	0
(i) Interest on (f), (g), & (h)	13,879	24,089	23,384	42,070	36,264	40,095
(j) Other	0	0	0	0	0	0
(k) Total Credits	534,338	736,753	737,298	1,219,783	1,075,891	1,135,284
Balance						
(1) Accumulated Funding Deficiency (-) or Credit (+) Balance as of Plan Year End	(283,763)	(266,581)	(288,524)	(10,979)	30,007	0

* A shortfall receivable contribution of \$62,919.91 was included to bring the Funding Standard Account to \$0 as of September 30, 2011.

SECTION III
TRUST FUND

City of Leesburg
Municipal Firemen's Retirement Plan

BALANCE SHEET
September 30, 2011

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	739,122.94	739,122.94
Total Cash and Equivalents	739,122.94	739,122.94
Receivable:		
Member Contributions in Transit	7,362.37	7,362.37
Additional City Contributions	62,919.91	62,919.91
Accrued Income	40,717.55	40,717.55
Total Receivable	110,999.83	110,999.83
Investments:		
U S Govt/Govt Sponsored/Agency	1,575,020.42	1,734,397.81
Corporate Bonds/CMOs/REMICs	1,856,618.59	1,934,962.96
Corporate Stocks/REITs	3,735,849.10	3,096,208.17
Municipal Obligations	40,000.00	46,045.60
Mutual Funds:		
Fixed Income	1,216,192.30	1,034,303.27
Equity	2,776,812.38	2,355,821.95
Total Investments	11,200,492.79	10,201,739.76
TOTAL ASSETS	12,050,615.56	11,051,862.53
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Payable:		
Share Payments to Current Retirees	3,791.68	3,791.68
Total Liabilities	3,791.68	3,791.68
Net Assets:		
Active and Retired Members' Equity	11,738,377.17	10,739,624.14
Share Plan Benefits	308,446.71	308,446.71
Total Net Assets	12,046,823.88	11,048,070.85
TOTAL LIABILITIES AND NET ASSETS	12,050,615.56	11,051,862.53

City of Leesburg
Municipal Firemen's Retirement Plan

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2011
Market Value Basis

REVENUES

Contributions:		
Member	210,179.44	
City	954,732.91	
State	148,365.97	
Total Contributions		1,313,278.32
Earnings from Investments		
Interest & Dividends	315,443.23	
Net Realized Gain (Loss)	347,878.98	
Unrealized Gain (Loss)	(1,013,084.32)	
Total Earnings and Investment Gains		(349,762.11)
	EXPENDITURES	
Expenses:		
Investment Related*	77,062.72	
Administrative	34,678.61	
Total Expenses		111,741.33
Distributions to Members:		
Benefit Payments	663,061.13	
Lump Sum Share Balances	3,791.68	
Lump Sum PLOP Distributions	62,123.97	
Termination Payments	54,517.54	
Total Distributions		783,494.32
Share Account Net Change		21,043.79
Change in Net Assets for the Year		47,236.77
Net Assets Beginning of the Year		10,692,387.37
Net Assets End of the Year		10,739,624.14

*Investment Related expenses include investment advisory, custodial and performance monitoring fees.

City of Leesburg
Municipal Firemen's Retirement Plan

ACTUARIAL ASSET VALUATION
September 30, 2011

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years, but are limited to 120% of Market Value, if less.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*	
9/30/08	-9.96%	
9/30/09	-0.28%	
9/30/10	6.26%	
9/30/11	-3.80%	
Annualized Rate of Return for prior four (4) years:	-2.12%	
(A) 10/01/10 Actuarial Assets:		\$11,574,175.10
(I) Net Investment Income:		
1. Interest and Dividends		315,443.23
2. Realized Gains (Losses)		347,878.98
3. Change in Actuarial Value		(836,780.30)
4. Investment Related Expenses		(77,062.72)
Total		<u>(250,520.81)</u>
(B) 10/01/11 Actuarial Assets:		\$11,797,715.89
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		-2.12%
10/01/11 Limited Actuarial Assets: (Lesser of Actuarial Assets or 120% of Market Value)		\$11,797,715.89

*Market Value Basis, net of investment related expenses

City of Leesburg
Municipal Firemen's Retirement Plan

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2011
Actuarial Asset Basis

REVENUES

Contributions:		
Member	210,179.44	
City	954,732.91	
State	148,365.97	
Total Contributions		1,313,278.32
Earnings from Investments		
Interest & Dividends	315,443.23	
Net Realized Gain (Loss)	347,878.98	
Change in Actuarial Value	(836,780.30)	
Total Earnings and Investment Gains		(173,458.09)
	EXPENDITURES	
Expenses:		
Investment Related*	77,062.72	
Administrative	34,678.61	
Total Expenses		111,741.33
Distributions to Members:		
Benefit Payments	663,061.13	
Lump Sum Share Balances	3,791.68	
Lump Sum PLOP Distributions	62,123.97	
Termination Payments	54,517.54	
Total Distributions		783,494.32
Share Account Net Change		21,043.79
Change in Net Assets for the Year		223,540.79
Net Assets Beginning of the Year		11,574,175.10
Net Assets End of the Year**		11,797,715.89

*Investment Related expenses include investment advisory, custodial and performance monitoring fees.

**Net Assets may be limited for actuarial consideration

SECTION IV
MEMBER STATISTICS

ELIGIBILITY FOR RETIREMENT

Members are eligible for Normal Retirement based upon the following criteria:

- 1) Attained Age 52 with 25 Years of Credited Service
- or 2.) Attained Age 55 With 10 Years of Credited Service

Members are eligible for Early Retirement based upon the following criteria:

- 1) Attained Age 50 with 10 Years of Credited Service

As of the date of this valuation, the following list of Members are eligible for:

<u>Normal Retirement</u>	<u>Early Retirement</u>
None	Franklin Mikchael R. Quale James Richardson David C.

VESTED TERMINATED MEMBERS

None

STATISTICAL DATA

(Averages for 10/1/2006 and later are salary weighted)

	<u>10/1/2009</u>	<u>10/1/2010</u>	<u>10/1/2011</u>
Number	63	61	58
Average Current Age	39.7	38.9	39.6
Average Age at Employment	30.2	28.4	28.2
Average Past Service	9.5	10.5	11.4
Average Annual Salary	\$50,979	\$50,934	\$52,991

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	1	3	0	1	0	1	0	0	0	0	0	6
25 - 29	0	1	1	0	1	0	0	0	0	0	0	3
30 - 34	0	0	0	0	2	9	0	0	0	0	0	11
35 - 39	0	0	0	0	1	5	2	0	0	0	0	8
40 - 44	0	1	0	0	1	5	5	2	0	0	0	14
45 - 49	0	0	1	0	0	1	4	3	3	1	0	13
50 - 54	0	0	0	0	0	0	1	0	1	1	0	3
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	5	2	1	5	21	12	5	4	2	0	58

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/10	61
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	3
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	1
f. Entered DROP	0
g. Continuing participants	57
h. New entrants	1
i. Total active life participants in valuation	58

2. Non-Active lives (including beneficiaries receiving benefits)

	<u>Service Retirees, Vested Receiving Benefits</u>	<u>Receiving Death Benefits</u>	<u>Receiving Disability Benefits</u>	<u>Vested Deferred</u>	<u>DROP</u>	<u>Total</u>
a. Number prior valuation	17	2	0	3	0	22
b. In	2	0	0	0	0	2
c. Out	0	0	0	3	0	3
d. Number current valuation	19	2	0	0	0	21

SECTION V
SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS
(Through Ordinance 11-20)

<u>Credited Service</u>	Total years and completed months of service as a full-time firefighter with the City. No credit is received for service for which Member Contributions have been withdrawn.
<u>Basic Compensation</u>	Compensation actually paid to a participant in a calendar year, but excluding overtime pay, shift differential, commissions, bonus payments, accrued annual leave, accrued sick leave, accrued compensatory time, expense allowances, working out of class pay and all other forms of extraordinary compensation, plus all tax deferred or tax exempt items of compensation.
<u>Average Monthly Compensation</u>	Average of monthly rate of Basic Compensation during the highest 3 successive calendar years during the 5 years preceding termination.
<u>Normal Retirement</u>	
Date	Earlier of a.) Age 52 and the completion of 25 years of Credited Service, or b.) Age 55 and the completion of 10 years of Credited Service.
Benefit Amount	3.00% of Average Monthly Earnings <u>times</u> Credited Service.
Form of Benefit	10 Year Certain and Life thereafter.
<u>Early Retirement</u>	
Date	Age 50 and 10 years of Credited Service.
Benefit Amount	Accrued benefit, reduced 3% for each year prior to Normal Retirement Date.
<u>Disability</u>	
Eligibility	Total and permanent as determined by Board of Trustees, and for at least a period of 5 months if not service-incurred.
Exclusions	Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

SUMMARY OF PLAN PROVISIONS
(continued)

Benefit Amount

Non-Line-of-Duty

Less than 10 Years

The monthly income which can be provided by the greater of (A) or (B), where:

(A) is the actuarial present value of the accrued benefit at date of disability, and

(B) is two times the Basic Compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 60% of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

More than 10 Years

The monthly income which is the greater of (A) or (B), where:

(A) is the monthly income which can be provided by the actuarial present value of the accrued benefit at date of disability, and

(B) is 30% (.3) of the Participant's Basic Compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 100% of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

Line-of-Duty

A monthly income equal to 50% of the Basic Compensation paid in the calendar year preceding the date of disability. This amount is limited to the actuarial present value of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

Duration

Benefit commences upon Board approval and is paid on a 10 year Certain and Life thereafter basis or until recovery if such recovery occurs prior to Normal Retirement Date. Optional forms available.

SUMMARY OF PLAN
(continued)

Death

Pre-Retirement	<p>The monthly income, payable to designated Beneficiary for 10 years certain and life thereafter, which can be provided by the greater of (A) or (B), where:</p> <p>(A) is the actuarial present value of the accrued benefit at date of death, and</p> <p>(B) is two times the Basic Compensation paid in the calendar year preceding the date of death, but no greater than the actuarial present value of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.</p>
Post-Retirement	According to option selected, if any.

Vesting (Termination)

Less than 10 years of Credited Service	Refund of Member Contributions, with 5.0% interest.
10 years or more	Accrued benefit payable at the Member's election, at age 52 (unreduced) or as early as age 45 (reduced) or refund of Member Contributions, with 5.0% interest.

Supplemental Benefit

\$10.50 per month times the years of Credited Service, payable for life, with a maximum of 13 years.

Contributions

Employee	6.5% of Basic Compensation.
Premium Tax	1.85% tax on fire insurance premiums.
City	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability, as provided in Part VII of F.S. Chapter 112.

SECTION VI

GOVERNMENTAL ACCOUNTING STANDARDS
BOARD DISCLOSURE INFORMATION

The schedule provided below has been prepared in accordance with the requirements of paragraph 37 of Statement No. 25 of the Governmental Accounting Standards Board.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Frozen Initial Liab. (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/01/11	11,797,716	13,611,707	1,813,991	1,813,991	86.67%	3,073,457	59.02%
10/01/10	11,574,175	13,580,057	2,005,882	2,005,882	85.23%	3,106,945	64.56%
10/01/09	11,011,597	13,231,246	2,219,649	2,219,649	83.22%	3,211,696	69.11%
10/01/08	10,447,796	12,905,892	2,458,096	2,458,096	80.95%	2,993,793	82.11%
10/01/07	9,833,153	13,446,697	3,613,544	3,613,544	73.13%	2,895,956	124.78%

The schedule provided below has been prepared in accordance with the requirements of paragraph 38 of Statement No. 25 of the Governmental Accounting Standards Board.

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended September 30	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
2011	1,092,933	954,733	110,449 *	97.46%
2010	992,226	929,178	110,449 *	104.78%
2009	886,875	1,067,264	110,449 *	132.79%
2008	712,875	603,464 **	110,449 *	100.15%
2007	672,524	602,215 **	110,449 *	105.97%

* Frozen per Chapter 175, Florida Statutes, as amended.

** There was an Accumulated Funding Deficiency during these years that has now been funded.

DISCLOSURE INFORMATION PER STATEMENT NO. 27 OF THE
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/11	
City	30.2%
Plan Members	6.5%
Annual pension cost	982,484
Contributions made	954,733
Actuarial valuation date	10/1/2009
Actuarial cost method	Frozen Initial Liability
Amortization method	Level Percent of Pay, Closed
Remaining amortization period	19 Years (as of October 1, 2009)
Asset valuation method	4-Year Smoothed Market (As of October 1, 2009)
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increase*	6.0% (as of October 1, 2009)
* Includes inflation at	3.0%

THREE YEAR TREND INFORMATION

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/11	982,484	97%	N/A *
9/30/10	881,777	105%	N/A *
9/30/09	776,426	137%	N/A *

* See Funding Standard Account (Page 13)

SECTION VII
SHARE BALANCES RECONCILIATION

City of Leesburg Municipal Firemen's Retirement Plan - Supplemental Share Program

Social Security Number	Last Name	FI. & MI. OR First Name & MI	Sex M/F	Date of Birth	1st Date of Hire	1st Date of Entry	Term Date	Initial Shares	9/30/10 Balance	2011 Earnings	2011 Expenses	12 Months in 2011?	2011 Excess State Monies (Collected in 2010)	Foreclosure Allocation	9/30/11 Balance
2621	Allen	Steve	M	05/28/75	07/30/99	07/30/99		8	7,514.97	-285.57	38.13	1	578.39	40.15	7,809.81
8231	Barlow	Nathan	M	7/10/1980	3/6/2006	3/6/2006		1	2,369.29	-90.03	38.13	1	578.40	40.15	2,859.68
9200	Bennett	Jeffery L.	M	06/04/65	07/26/84	07/26/84		10	8,985.17	-341.44	38.13	1	578.39	40.15	9,224.14
1416	Bundy	Jonathan R.	M	4/23/1988	11/3/2009	11/3/2009		0	0.00	0.00	38.13	1	578.40	40.15	580.42
8877	Carroll	Megan Ann	F	6/6/1980	10/2/2005	10/2/2005		2	3,104.40	-117.97	38.13	1	578.40	40.15	3,566.85
0443	Casino	John M.	M	5/16/1984	5/10/2010	5/10/2010		0	0.00	0.00	38.13	1	578.40	40.15	580.42
5543	Creager	Christopher M.	M	8/13/1979	3/6/2006	3/6/2006		0	2,369.29	-90.03	38.13	1	578.40	40.15	2,859.68
8409	Crow	Amanda J.	F	10/06/76	08/05/05	08/05/05		2	3,104.40	-117.97	38.13	1	578.40	40.15	3,566.85
5376	Demino	Il, Frank	M	07/24/65	01/05/87	01/05/87		10	8,985.17	-341.44	38.13	1	578.39	40.15	9,224.14
3718	Evans	Gina	F	3/12/1984	3/6/2006	3/6/2006	10/1/2010	1	0.00	0.00	0.00	0	0.00	-2,369.29	0.00
6053	Franklin	Mikhael R.	M	02/23/61	11/15/84	11/15/84		10	8,985.17	-341.44	38.13	1	578.39	40.15	9,224.14
4743	Giese	Edward	M	10/08/72	03/15/04	03/15/04		3	3,839.47	-145.90	38.13	1	578.40	40.15	4,273.99
3873	Hanes	Jr., Marvin L.	M	06/23/73	01/21/03	01/21/03		4	4,574.57	-173.83	38.13	1	578.40	40.15	4,981.16
1890	Harbison	Jason	M	10/27/68	02/28/00	02/28/00		7	6,779.85	-257.63	38.13	1	578.40	40.15	7,102.64
4845	Harper	Eric D.	M	10/05/70	01/21/03	01/21/03		4	4,574.58	-173.83	38.13	1	578.40	40.15	4,981.17
9965	Hatfield	Art E.	M	06/10/73	01/13/03	01/13/03		4	4,574.58	-173.83	38.13	1	578.39	40.15	4,981.16
4490	Henny	Ryan P.	M	03/21/78	02/24/03	02/24/03		4	4,574.58	-173.83	38.13	1	578.39	40.15	4,981.17
4169	Hogan	Chris	M	04/10/84	12/22/08	12/22/08		4	4,574.58	-173.83	38.13	1	578.39	40.15	4,981.17
4720	Honer	Simeon	M	11/15/66	10/06/94	10/06/94		10	8,985.16	-341.44	38.13	1	578.39	40.15	9,224.14
5829	Hoomstra	Jeremy	M	2/11/1981	5/20/2007	5/20/2007		5	5,309.67	-201.77	38.13	1	578.39	40.15	5,688.31
8696	Hopkins	James T.	M	10/12/67	11/11/91	11/11/91		10	8,985.17	-341.44	38.13	1	578.39	40.15	9,224.15
3000	Horton	Rich	M	5/17/68	10/30/96	10/30/96		10	8,985.18	-341.44	38.13	1	578.39	40.15	9,224.15
8348	Jacobs	George M.	M	3/30/58	8/1/88	8/1/88	1/13/11	10	8,985.18	-341.44	38.13	1	578.39	40.15	9,224.16
3647	Johnson	David D.	M	4/17/70	4/1/94	4/1/94		10	8,985.18	-341.44	38.13	1	578.39	40.15	9,224.16
3034	Johnson	Leonard T.	M	11/27/67	8/8/05	8/8/05		2	3,104.40	-117.97	38.13	1	578.39	40.15	3,566.85
0083	Jordan	Mark V.	M	12/25/64	08/19/02	08/19/02		5	5,309.67	-201.77	38.13	1	578.39	40.15	5,688.31
8466	Kuharske	Christopher	M	12/29/1981	10/4/2006	10/4/2006		1	2,369.29	-90.03	38.13	1	578.39	40.15	2,859.67
0285	Lindmeier	Thomas	M	4/17/1967	3/6/2006	3/6/2006		1	2,369.29	-90.03	38.14	1	578.39	40.15	2,859.67
5617	Malloy	James M.	M	07/26/72	01/13/03	01/13/03		4	4,574.59	-173.83	38.14	1	578.39	40.15	4,981.17
2300	Martinez	Jr., Ruperto	M	11/07/78	06/28/04	06/28/04		3	3,839.49	-145.90	38.14	1	578.39	40.15	4,274.00
0996	Mathis	Darin	M	11/03/81	06/28/04	06/28/04		3	3,839.49	-145.90	38.14	1	578.39	40.15	4,274.00
0288	Mathis	Marc A.	M	04/14/88	01/05/10	01/05/10		0	0.00	0.00	38.14	1	578.39	40.15	580.41
3637	Meeks	Derrell	M	09/22/72	11/04/96	11/04/96		10	8,985.18	-341.44	38.14	1	578.39	40.15	9,224.15
4150	Mera	Joseph J.	M	02/25/70	02/04/02	02/04/02		5	5,309.67	-201.77	38.14	1	578.39	40.15	5,688.31
0147	Moore	Jeffrey A.	M	01/14/69	01/21/03	01/21/03		4	4,574.59	-173.83	38.14	1	578.39	40.15	4,981.17
1215	Muench	Gary	M	06/08/62	08/28/00	08/28/00		7	6,779.87	-257.64	38.14	1	578.39	40.15	7,102.64
3740	Neff	Denys	F	04/06/69	10/26/00	10/26/00		7	6,779.87	-257.64	38.14	1	578.39	40.15	7,102.64
5409	Newman	Jeremy	M	4/6/1976	10/3/2006	10/3/2006		1	2,369.29	-90.03	38.14	1	578.39	40.15	2,859.67
0235	Oxendine	Jeremy D.	M	10/20/1987	8/10/2006	8/10/2006		1	2,369.29	-90.03	38.14	1	578.39	40.15	2,859.67
5979	Peroni	Glenn	M	04/27/66	01/31/97	01/31/97		10	8,985.18	-341.44	38.14	1	578.39	40.15	9,224.15
3443	Preiss	Jr., Clifton W.	M	08/26/63	10/06/91	10/06/91		10	8,985.18	-341.44	38.14	1	578.39	40.15	9,224.15
3609	Quale	James	M	03/25/60	06/19/00	06/19/00		7	6,779.87	-257.64	38.14	1	578.39	40.15	7,102.64
4644	Rice	John M.	M	05/10/79	01/31/05	01/31/05		2	3,104.40	-117.97	38.14	1	578.39	40.15	3,566.84
5658	Richardson	David C.	M	07/10/60	06/19/87	06/19/87		10	8,985.18	-341.44	38.14	1	578.39	40.15	9,224.15
1540	Richey	Justin	M	1/9/1984	8/28/2007	8/28/2007		0	1,634.20	-62.10	38.14	1	578.39	40.15	2,152.51
5454	Ricketson	James	M	05/12/71	02/14/00	02/14/00		7	6,779.87	-257.64	38.14	1	578.39	40.15	7,102.64
2654	Rinehart	Kenneth D.	M	01/24/88	05/10/10	05/10/10		0	0.00	0.00	38.14	1	578.39	40.15	580.41
8930	Robison	Robert M.	M	02/13/81	01/31/05	01/31/05		2	3,104.40	-117.97	38.14	1	578.39	40.15	3,566.84
7330	Rothenbeck	Walter	M	06/01/64	03/13/96	03/13/96		10	8,985.18	-341.44	38.14	1	578.39	40.15	9,224.15
3186	Sachs	Michelle	M	9/23/1987	5/7/2008	5/7/2008		0	953.57	-36.24	38.14	1	578.39	40.15	1,497.74
3284	Sapp	Ryan	M	12/14/66	05/05/98	05/05/98		9	8,250.07	-313.50	38.14	1	578.39	40.15	8,516.98
9013	Shaffer	Allen	M	10/28/69	12/08/99	12/08/99		8	7,514.98	-285.57	38.14	1	578.39	40.15	7,809.82
0284	Stafford	Andrew R.	M	11/17/68	05/10/10	05/10/10		0	0.00	0.00	38.14	1	578.39	40.15	580.41

City of Leesburg Municipal Firemen's Retirement Plan - Supplemental Share Program

Social Security Number	Last Name	FI. & MI. OR First Name & MI	Sex M/F	Date of Birth	1st Date of Hire	1st Date of Entry	Term Date	Initial Shares	9/30/10 Balance	2011 Earnings	2011 Expenses	12 Months in 2011?	2011 Excess State Monies (Collected in 2010)	Forefuture Allocation	9/30/11 Balance
2230	Steele	Raymond	M	04/01/64	09/07/87	09/07/87		10	8,985.18	-341.44	38.14	1	578.39	40.16	9,224.15
8558	Straub III	Woody P.	M	10/17/1978	3/6/2006	3/6/2006		1	2,369.29	-90.03	38.14	1	578.39	40.16	2,859.67
8564	Trinder	Brian	M	05/23/66	02/22/04	02/22/04		3	3,839.49	-145.90	38.14	1	578.39	40.16	4,274.00
8218	Walls	Brett A.	M	07/21/89	05/10/10	05/10/10		0	0.00	0.00	38.14	1	578.39	40.16	580.41
1531	Watson	Clyde	M	05/18/64	10/08/09	10/08/09		0	0.00	0.00	38.14	1	578.39	40.16	580.41
9225	Watson	Robert	M	1/8/1988	12/26/2006	12/26/2006		1	2,369.29	-90.03	38.14	1	578.39	40.16	2,859.67
0524	Whitaker	Steven K.	M	09/18/64	10/05/89	10/05/89		10	8,985.18	-341.44	38.14	1	578.39	40.16	9,224.15
									287,402.92	-10,831.32	2,250.00		34,125.11	0.00	308,446.71

Retirees

Beneficiary	Retirement Date	Initial Shares	9/30/10 Balance	2011 Earnings	2011 Expenses	12 Months in 2011?	2011 Excess State Monies (Collected in 2010)	Forefuture Allocation	9/30/11 Balance
Beyer, Geoffrey	7/17/2004	6	189.58			1	189.58		189.58
Bowers, Brien (VT)	11/1/2010	9	189.58			1	189.58		189.58
Hoomstra, John	5/31/2006	8	189.58			1	189.58		189.58
Marshall, James	8/1/2003	5	189.58			1	189.58		189.58
Neal, Tommy	3/1/2006	8	189.58			1	189.58		189.58
Pierce, Walter	8/1/2008	10	189.58			1	189.58		189.58
Ponds, Jerry L.	5/1/2008	10	189.58			1	189.58		189.58
Ponds, Larry	12/31/2003	6	189.58			1	189.58		189.58
Yarsbrough, James	12/31/2005	8	189.58			1	189.58		189.58
Griner, James	6/1/1985					1	189.58		189.58
Hand, James	10/1/1984					1	189.58		189.58
Horton, Thomas	11/30/1991					1	189.58		189.58
Kirby, Bruce	9/1/2001					1	189.58		189.58
Reed, William	1/1/1996					1	189.58		189.58
Taylor, Clyde	8/19/1984					1	189.58		189.58
Taylor, Robert	4/1/1985					1	189.58		189.58
Twiss, Eugene	2/1/1988					1	189.58		189.58
Williamson, Sylvester	4/1/2000					1	189.58		189.58
Works, Byron	2/1/1989					1	189.58		189.58
Works, James	1/1/2000					1	189.58		189.58

90% of Excess State Monies
10% of Excess State Monies

59 34,125.11
20 3,791.68

SECTION VII
SENATE BILL 1128 COMPLIANCE

SENATE BILL 1128 COMPLIANCE

Senate Bill 1128 amended Section 112.63 of the Florida Statutes to require that each plan report the plan's accrued vested, nonvested, and total benefits, as adopted by the Financial Accounting Standards Board, using the Florida Retirement System's assumed rate of return, which is currently 7.75%. The bill states that this is to promote comparability of actuarial data between local law plans.

While these calculations are required for compliance purposes, it is the view of Foster & Foster that utilizing this information to compare local law plans is extremely dangerous. There are many other assumptions inherent in the actuarial valuation, and they may differ widely from one plan to another. Additionally, benefit levels, funding policies, asset allocation, and the age of the plan itself all must be considered when comparing defined benefit plans.

Present Value of Accrued Benefits at 7.75% Interest

Vested Accrued Benefits	
Inactives	\$6,672,011
Actives	4,370,618
Member Contributions	<u>1,617,881</u>
Total	12,660,510
Non-Vested Accrued Benefits	478,149
Total Present Value of Accrued Benefits	13,138,659