

CITY OF LEESBURG
MUNICIPAL FIREMEN'S RETIREMENT PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2012

CONTRIBUTIONS APPLICABLE TO THE PLAN
YEAR ENDED SEPTEMBER 30, 2014



December 11, 2012

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.

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., A.S.A.
Enrolled Actuary #11-6595

PTD\lke

Enclosures

TABLE OF CONTENTS

| Section | Title | Page |
|---------|---|------|
| I | Introduction | |
| | a. Summary of Report | 5 |
| | b. Changes Since Prior Report | 7 |
| | c. Requirements of Chapter 112, Part VII, Florida Statutes | 8 |
| II | Valuation Information | |
| | a. Reconciliation of UAAL | 13 |
| | b. Actuarial Assumptions and Funding Methods | 14 |
| | c. Valuation Notes | 16 |
| | d. Partial History of Premium Tax Refunds | 17 |
| III | Trust Fund | 18 |
| IV | Member Statistics | |
| | a. Eligibility for Retirement | 23 |
| | b. Statistical Data | 24 |
| | c. Age and Service Distribution | 25 |
| | d. Member Reconciliation | 26 |
| V | Summary of Plan Provisions | 27 |
| VI | Governmental Accounting Standards Board Statements No. 25 and No. 27 Disclosure Information | 30 |
| VII | Share Balances Reconciliation | 32 |
| VIII | Senate Bill 1128 Compliance | 34 |

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Leesburg Municipal Firemen's Retirement Plan, performed as of October 1, 2012, 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, 2014.

The contribution requirements, compared with the amounts set forth in the October 1, 2011 actuarial valuation report are as follows:

| Valuation Date Applicable Plan Year End | 10/1/2012 <u>9/30/2014</u> | 10/1/2011 <u>9/30/2013</u> |
|---|-------------------------------|-------------------------------|
| Total Required Contribution % of Projected Annual Payroll | 39.9% | 39.0% |
| Members Contributions (Est.) % of Projected Annual Payroll | 6.5% | 6.5% |
| Required City and State % of Projected Annual Payroll | 33.4% | 32.5% |
| State Contribution * % of Projected Annual Payroll | 110,449 3.7% | 110,449 3.7% |
| Balance from City *** % of Projected Annual Payroll | 29.7% | 28.8% |

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

** Please note the City has a prepaid contribution of \$4,420.43 (see Page 13), which may be used to help offset the above stated requirement for fiscal 2013.

*** As requested by the Division of Retirement, the required contribution from the City and State for the year ending September 30, 2014, is 33.4% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 29.7% 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 4.1% (Actuarial Asset Basis), which was 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.

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: 
Christine O'Neal, EA, MAAA

Plan Changes Since Prior Valuation

There have been no plan changes since the prior report.

Actuarial Assumption/Method Changes Since Prior Valuation

In order to more appropriately portray the fact that the accumulated Share Balances of the Members are both in the Market Value of Assets and represent a liability of an amount payable to the participants when they terminate employment, these balances are now being added both to the assets and the liabilities. In last year's report these balances were not included in the assets or the liabilities. For better comparison between 2011 and 2012, the 2011 column has been amended as such.

Comparative Summary of Principal Valuation Results

| A. Participant Data | <u>10/1/2012</u> | <u>10/1/2011</u> |
|-------------------------------------|-------------------|-------------------|
| Number Included | | |
| Actives | 56 | 58 |
| Service Retirees | 19 | 19 |
| Beneficiaries | 2 | 2 |
| Terminated Vested | 0 | 0 |
| Disability Retirees | 0 | 0 |
| Total | <u>77</u> | <u>79</u> |
| Total Annual Payroll | \$3,004,257 | \$3,073,457 |
| Payroll Under Assumed Ret. Age | 3,004,257 | 3,073,457 |
| Annual Rate of Payments to: | | |
| Service Retirees | 644,336 | 644,336 |
| Beneficiaries | 34,030 | 34,030 |
| Terminated Vested | 0 | 0 |
| Disability Retirees | 0 | 0 |
| B. Assets | | |
| Actuarial Value ¹ | 13,027,576 | 12,106,163 |
| Market Value ¹ | 13,180,704 | 11,048,071 |
| C. Liabilities | | |
| Present Value of Benefits | | |
| Active Members | | |
| Retirement Benefits | 14,491,814 | 13,994,445 |
| Disability Benefits | 475,639 | 489,178 |
| Death Benefits | 204,431 | 209,249 |
| Vested Benefits | 1,166,313 | 1,194,460 |
| Refund of Contributions | 64,083 | 81,447 |
| Service Retirees | 6,247,109 | 6,367,804 |
| Beneficiaries | 296,883 | 304,207 |
| Terminated Vested | 0 | 0 |
| Disability Retirees | 0 | 0 |
| Funding Standard Account | 0 | 0 |
| Share Account Balances ¹ | 389,047 | 308,447 |
| Total | <u>23,335,319</u> | <u>22,949,237</u> |

| | <u>10/1/2012</u> | <u>10/1/2011</u> |
|---|------------------|------------------|
| C. Liabilities - (Continued) | | |
| Present Value of Future Salaries | 26,929,806 | 29,073,800 |
| Present Value of Future Member Contributions | 1,750,437 | 1,889,797 |
| FIL Normal Cost | 944,788 | 954,485 |
| Present Value of Future Normal Costs (Entry Age) | 5,051,022 | 5,525,485 |
| Actuarial Accrued Liability | 14,866,354 | 13,920,154 |
| Unfunded Actuarial Accrued Liability (UAAL) | 1,838,778 | 1,813,991 |
| D. Actuarial Present Value of Accrued Benefits | | |
| Vested Accrued Benefits | | |
| Inactives | 6,543,992 | 6,672,011 |
| Actives | 5,092,001 | 4,370,618 |
| Member Contributions | 1,772,699 | 1,617,881 |
| | <hr/> | <hr/> |
| Total | 13,408,692 | 12,660,510 |
| Non-vested Accrued Benefits | 426,102 | 478,149 |
| | <hr/> | <hr/> |
| Total Present Value Accrued Benefits | 13,834,794 | 13,138,659 |
| Increase (Decrease) in Present Value of Accrued Benefits Attributable to: | | |
| Plan Amendments | 0 | |
| Assumption Changes | 0 | |
| New Accrued Benefits | 440,532 | |
| Benefits Paid | (734,193) | |
| Interest | 989,796 | |
| Other | 0 | |
| | <hr/> | |
| Total: | 696,135 | |

| Valuation Date Applicable to Fiscal Year Ending | 10/1/2012 <u>9/30/2014</u> | 10/1/2011 <u>9/30/2013</u> |
|--|-------------------------------|-------------------------------|
| E. Pension Cost | | |
| Normal Cost (with interest) % of Projected Annual Payroll ² | 32.7 | 32.3 |
| Administrative Expenses (with int.) % of Projected Annual Payroll ² | 1.2 | 1.2 |
| Payment Required to Amortize Unfunded Actuarial Accrued Liability over 28 years (as of 10/1/12) % of Projected Annual Payroll ² | 6.0 | 5.5 |
| Total Required Contribution % of Projected Annual Payroll ² | 39.9 | 39.0 |
| Expected Member Contributions % of Projected Annual Payroll ² | 6.5 | 6.5 |
| Expected City & State Contrib. % of Projected Annual Payroll ² | 33.4 | 32.5 |

F. Past Contributions

| | |
|-----------------------------|----------------------|
| Plan Years Ending: | <u>9/30/2012</u> |
| Total Required Contribution | \$1,131,212 |
| City and State Requirement | 933,554 |
| Actual Contributions Made: | |
| Members | 197,658 |
| City | 823,105 |
| State | 110,449 ³ |
| Total | <u>1,131,212</u> |

G. Net Actuarial Gain (Loss) N/A

¹ The asset values and liabilities include accumulated Share Account Balances as of 10/1/2011 and 10/1/2012.

² Contributions developed as of 10/1/12 are expressed as a percentage of total annual payroll at 10/1/12 of \$3,004,257.

³ 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> |
|-------------|------------------------------------|
| 2012 | 1,838,778 |
| 2013 | 1,795,491 |
| 2014 | 1,743,277 |
| 2015 | 1,681,275 |
| 2025 | 274,594 |
| 2040 | 0 |

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

| | | <u>Actual</u> | <u>Assumed</u> |
|------------|-----------|---------------|----------------|
| Year Ended | 9/30/2012 | 1.0% | 5.0% |
| Year Ended | 9/30/2011 | 4.1% | 5.0% |
| Year Ended | 9/30/2010 | 3.8% | 6.0% |

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

| | | <u>Actual</u> | <u>Assumed</u> |
|------------|-----------|---------------|----------------|
| Year Ended | 9/30/2012 | 4.1% | 7.75% |
| Year Ended | 9/30/2011 | -2.1% | 7.75% |
| Year Ended | 9/30/2010 | 0.7% | 7.75% |

(iii) Average Annual Payroll Growth

| | | |
|-------------------------|-----------|-------------|
| (a) Payroll as of: | 10/1/2012 | \$3,004,257 |
| | 10/1/2002 | 1,388,447 |
| (b) Total Increase | | 116.4% |
| (c) Number of Years | | 10.00 |
| (d) Average Annual Rate | | 8.0% |

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

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112 Florida Statutes:

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

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

Reconciliation of Unfunded Actuarial Accrued Liabilities

| | | |
|-----|---|-------------|
| (1) | Unfunded Actuarial Accrued Liability as of October 1, 2011 | \$1,813,991 |
| (2) | Sponsor Normal Cost developed as of October 1, 2011 | 754,710 |
| (3) | Expected Administrative expenses for the fiscal year ending September 30, 2012 | 34,679 |
| (4) | Interest on (1), (2) and (3) | 201,762 |
| (5) | Sponsor contributions to the System during the fiscal year ending September 30, 2012 | 933,554 |
| (6) | Interest on (5) | 32,810 |
| (7) | Unfunded Actuarial Accrued Liability as of September 30, 2012 (1)+(2)+(3)+(4)-(5)-(6) | 1,838,778 |

| | <u>Date Established</u> | <u>Years Remaining</u> | <u>10/1/2012 Amount</u> | <u>Amortization Amount</u> |
|--------------------|-------------------------|------------------------|-------------------------|----------------------------|
| Initial Base | 10/1/2007 | 15 | 3,328,996 | 298,590 |
| Method Change | 10/1/2008 | 16 | (1,260,905) | (108,162) |
| Assumption Changes | 10/1/2010 | 18 | (218,792) | (17,353) |
| Benefit Change | 10/1/2010 | 28 | (10,521) | (647) |
| | | | <u>1,838,778</u> | <u>172,428</u> |

ACTUARIAL ASSUMPTIONS AND METHODS

Assumptions

| | |
|--------------------------------|---|
| <u>Mortality Rates</u> | RP2000 Combined Healthy - Sex Distinct. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disability mortality is set forward five 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> | \$34,533 annually. |
| <u>Funding Method</u> | Frozen Initial Liability Cost Method. |
| <u>Asset Valuation Method</u> | Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets. |

| <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 |

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> |
|--|---------------|--|
| 1991 | 51,781.38 | _____% |
| 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% |
| 2012 | 163,137.34 | 10.0% |

City of Leesburg
Municipal Firemen's Retirement Plan

BALANCE SHEET
September 30, 2012

| <u>ASSETS</u> | COST VALUE | MARKET VALUE |
|--|----------------------|----------------------|
| Cash and Cash Equivalents: | | |
| Money Market | 1,114,158.02 | 1,114,158.02 |
| Total Cash and Equivalents | 1,114,158.02 | 1,114,158.02 |
| Receivable: | | |
| Accrued Income | 34,693.46 | 34,693.46 |
| Total Receivable | 41,821.04 | 41,821.04 |
| Investments: | | |
| U S Govt/Govt Sponsored/Agency | 1,206,479.20 | 1,272,127.92 |
| Corporate Bonds/CMOs/REMICs | 2,276,970.58 | 2,393,477.67 |
| Corporate Stocks/REITs | 4,255,425.04 | 4,264,817.95 |
| Municipal Obligations | 40,000.00 | 47,307.60 |
| Mutual Funds: | | |
| Fixed Income | 1,266,354.98 | 1,201,411.32 |
| Equity | 2,857,793.82 | 2,855,271.98 |
| Total Investments | 11,903,023.62 | 12,034,414.44 |
| TOTAL ASSETS | 13,059,002.68 | 13,190,393.50 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Liabilities: | | |
| Payable: | | |
| Share Payments to Current Retirees | 5,268.82 | 5,268.82 |
| Prepaid City Contribution | 4,420.43 | 4,420.43 |
| Total Liabilities | 9,689.25 | 9,689.25 |
| Net Assets, including Share Account Balances | 13,049,313.43 | 13,180,704.25 |
| TOTAL LIABILITIES AND NET ASSETS | 13,059,002.68 | 13,190,393.50 |

City of Leesburg
Municipal Firemen's Retirement Plan

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2012
Market Value Basis

REVENUES

| | | |
|---|--------------|-------------------|
| Contributions: | | |
| Member | 197,657.96 | |
| City | 823,104.57 | |
| State | 163,137.34 | |
| Total Contributions | | 1,183,899.87 |
| Earnings from Investments | | |
| Interest & Dividends | 349,547.73 | |
| Net Realized Gain (Loss) | 307,892.12 | |
| Unrealized Gain (Loss) | 1,134,338.10 | |
| Total Earnings and Investment Gains | | 1,791,777.95 |
| | | |
| | EXPENDITURES | |
| Expenses: | | |
| Investment Related ¹ | 74,318.92 | |
| Administrative | 34,532.86 | |
| Total Expenses | | 108,851.78 |
| Distributions to Members: | | |
| Benefit Payments | 673,462.26 | |
| Lump Sum Share Balances | 14,492.98 | |
| Termination Payments | 46,237.40 | |
| Total Distributions | | 734,192.64 |
| Net Assets Beginning of the Year ² | | 11,048,070.85 |
| Net Assets End of the Year | | 13,180,704.25 |

¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets include Share account balances at the beginning of the year.

City of Leesburg
Municipal Firemen's Retirement Plan

ACTUARIAL ASSET VALUATION
September 30, 2012

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. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

| Plan Year End | Rate of Return* |
|---------------|-----------------|
| 9/30/09 | -0.28% |
| 9/30/10 | 6.26% |
| 9/30/11 | -3.80% |
| 9/30/12 | 15.26% |

Annualized Rate of Return
for prior four (4) years: 4.11%

| | |
|--------------------------------|-----------------|
| (A) 10/01/11 Actuarial Assets: | \$12,106,162.60 |
| (I) Net Investment Income: | |
| 1. Interest and Dividends | 349,547.73 |
| 2. Realized Gains (Losses) | 307,892.12 |
| 3. Change in Actuarial Value | (76,881.71) |
| 4. Investment Related Expenses | (74,318.92) |
| Total | 506,239.22 |
| (B) 10/01/12 Actuarial Assets: | \$13,027,576.19 |

Actuarial Asset Rate of Return = $2I/(A+B-I)$: 4.11%

10/01/12 Limited Actuarial Assets: \$13,027,576.19

*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, 2012
Actuarial Asset Basis

REVENUES

| | | |
|---|------------------|-------------------|
| Contributions: | | |
| Member | 197,657.96 | |
| City | 823,104.57 | |
| State | 163,137.34 | |
| Total Contributions | | 1,183,899.87 |
| Earnings from Investments | | |
| Interest & Dividends | 349,547.73 | |
| Net Realized Gain (Loss) | 307,892.12 | |
| Change in Actuarial Value | (76,881.71) | |
| Total Earnings and Investment Gains | | 580,558.14 |
| | EXPENDITURES | |
| Expenses: | | |
| Investment Related ¹ | 74,318.92 | |
| Administrative | 34,532.86 | |
| Total Expenses | | 108,851.78 |
| Distributions to Members: | | |
| Benefit Payments | 673,462.26 | |
| Lump Sum Share Balances | 14,492.98 | |
| Termination Payments | 46,237.40 | |
| Total Distributions | | 734,192.64 |
| Change in Net Assets for the Year | | 921,413.59 |
| Net Assets Beginning of the Year ² | | 12,106,162.60 |
| Net Assets End of the Year ³ | | 13,027,576.19 |

¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets include Share account balances at the beginning of the year.

³Net Assets may be limited for actuarial consideration.

City of Leesburg
Municipal Firemen's Retirement Plan

RECONCILIATION OF CITY'S PREPAID CONTRIBUTION FOR THE
FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2012

| | |
|--|---------------------|
| (1) City and State Required Contribution Rate (from the October 1, 2010 Actuarial Valuation Report) | 30.7% |
| (2) Pensionable Payroll Derived from Member Contributions | \$3,040,891.69 |
| (3) Required City and State Contribution (1) x (2) | 933,553.75 |
| (4) Less Allowable State Contribution | <u>(110,449.18)</u> |
| (5) Equals Required City Contribution | 823,104.57 |
| (6) Less Actual City Contributions | <u>(827,525.00)</u> |
| (7) Equals City's Prepaid Contribution as of September 30, 2012 | \$4,420.43 |

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:

| Normal Retirement | Early Retirement |
|---------------------|--|
| Richardson David C. | Franklin Mikchael R. Muench Gary Quale James |

VESTED TERMINATED MEMBERS

None

STATISTICAL DATA

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

| | <u>10/1/2010</u> | <u>10/1/2011</u> | <u>10/1/2012</u> |
|---------------------------|------------------|------------------|------------------|
| Number | 61 | 58 | 56 |
| Average Current Age | 38.9 | 39.6 | 40.5 |
| Average Age at Employment | 28.4 | 28.2 | 28.0 |
| Average Past Service | 10.5 | 11.4 | 12.5 |
| Average Annual Salary | \$50,934 | \$52,991 | \$53,647 |

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 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 20 - 24 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| 25 - 29 | 0 | 1 | 0 | 1 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 5 |
| 30 - 34 | 1 | 0 | 0 | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 11 |
| 35 - 39 | 0 | 0 | 0 | 0 | 0 | 5 | 1 | 0 | 0 | 0 | 0 | 6 |
| 40 - 44 | 0 | 0 | 0 | 0 | 0 | 3 | 5 | 3 | 0 | 0 | 0 | 11 |
| 45 - 49 | 0 | 0 | 0 | 1 | 0 | 3 | 2 | 4 | 3 | 3 | 0 | 16 |
| 50 - 54 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 4 |
| 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 | 3 | 1 | 1 | 2 | 1 | 23 | 10 | 7 | 3 | 5 | 0 | 56 |

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

| | |
|---|----|
| a. Number in prior valuation 10/1/11 | 58 |
| b. Terminations | |
| i. Vested (partial or full) with deferred benefits | 0 |
| ii. Non-vested or full lump sum distribution received | 5 |
| c. Deaths | |
| i. Beneficiary receiving benefits | 0 |
| ii. No future benefits payable | 0 |
| d. Disabled | 0 |
| e. Retired | 0 |
| f. Entered DROP | 0 |
| g. Continuing participants | 53 |
| h. New entrants | 3 |
| i. Total active life participants in valuation | 56 |

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

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

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 50 (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. |

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 Liability (AAL) (b) | Frozen Initial Liab. (b-a) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|-------------------------------|----------------------------|---------------------------|--------------------|---------------------|--|
| 10/01/12 | 13,027,576 | 14,866,354 | 1,838,778 | 1,838,778 | 87.63% | 3,004,257 | 61.21% |
| 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% |

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 |
|-------------------------|------------------------------|-------------------|--------------------|------------------------|
| 2012 | 933,554 | 823,105 | 110,449 * | 100.00% |
| 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% |

* 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 9/30/12 | |
| City and State | 30.7% |
| Plan Members | 6.5% |
| | |
| Annual pension cost ** | 933,554 |
| Contributions made ** | 933,554 |
| Actuarial valuation date | 10/1/2010 |
| Actuarial cost method | Frozen Initial Liability |
| Amortization method | Level Percent of Pay, Closed |
| Remaining amortization period | 30 Years (as of October 1, 2010) |
| Asset valuation method | 4-Year Smoothed Market |
| Actuarial assumptions: | |
| Investment rate of return | 7.75% |
| Projected salary increase* | 5.0% (as of 10/1/10) |
| * 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> |
|------------------------|--|--|---------------------------------------|
| 9/30/12 | 933,554 ** | 100% | N/A * |
| 9/30/11 | 982,484 | 97% | N/A * |
| 9/30/10 | 881,777 | 105% | N/A * |

* Prior to October 1, 2011 there was a Funding Standard Account.

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

| Social Security Number | Last Name | FI, & MI, OR First Name & MI | Sex | Date of Birth | 1st Date of Hire | 1st Date of Entry | Term Date | Initial Shares | 9/30/2011 Balance | 2012 Distributions | 2012 Earnings | 2012 Expenses | 12 Months in CY 2011? | 2012 Excess State Monies (Collected in 2011) | Foreclosure Allocation | 9/30/2012 Balance |
|------------------------|------------|------------------------------|-----|---------------|------------------|-------------------|-----------|----------------|-------------------|--------------------|---------------|---------------|-----------------------|--|------------------------|-------------------|
| 2621 | Allen | Steve | M | 05/28/75 | 07/30/99 | 07/30/99 | | 8 | 7,809.81 | | 1,191.78 | 42.46 | 1 | 894.70 | 124.45 | 9,976.28 |
| 8231 | Barlow | Nathan | M | 7/10/1980 | 3/6/2006 | 3/6/2006 | | 1 | 2,859.68 | | 436.39 | 42.46 | 1 | 894.70 | 124.45 | 4,272.76 |
| 9200 | Bennett | Jeffery L. | M | 06/04/65 | 07/26/84 | 07/26/84 | | 10 | 9,224.14 | | 1,407.60 | 42.46 | 1 | 894.70 | 124.45 | 11,608.43 |
| 1416 | Bundy | Jonathan R. | M | 4/23/1988 | 11/3/2009 | 12/29/2011 | | 0 | 580.42 | | 0.00 | 0.00 | 0 | 0.00 | -580.42 | 0.00 |
| 8877 | Carroll | Megan Ann | F | 6/6/1980 | 10/2/2005 | 10/2/2005 | | 2 | 3,566.85 | | 544.30 | 42.46 | 1 | 894.70 | 124.45 | 5,087.84 |
| 0443 | Casino | John M. | M | 5/16/1984 | 5/10/2010 | 5/10/2010 | 7/16/2012 | 0 | 580.42 | | 0.00 | 0.00 | 0 | 0.00 | -580.42 | 0.00 |
| 5543 | Creager | Christopher M. | M | 8/13/1979 | 3/6/2006 | 3/6/2006 | | 1 | 2,859.68 | | 436.39 | 42.46 | 1 | 894.70 | 124.45 | 4,272.76 |
| 8409 | Crow | Amanda J. | F | 10/06/76 | 08/05/05 | 08/05/05 | | 2 | 3,566.85 | | 544.30 | 42.46 | 1 | 894.70 | 124.45 | 5,087.84 |
| 5376 | Denimo | Il. Frank | M | 07/24/65 | 01/05/87 | 01/05/87 | | 10 | 9,224.14 | | 1,407.60 | 42.46 | 1 | 894.70 | 124.45 | 11,608.43 |
| 6053 | Franklin | Mikhael R. | M | 02/23/61 | 11/15/84 | 11/15/84 | | 10 | 9,224.14 | | 1,407.60 | 42.46 | 1 | 894.70 | 124.45 | 11,608.43 |
| 4743 | Giese | Edward | M | 10/08/72 | 03/15/04 | 03/15/04 | 10/27/11 | 3 | 4,273.99 | | 0.00 | 0.00 | 0 | 0.00 | -4,273.99 | 0.00 |
| 3873 | Hanes | Jr., Marvin L. | M | 06/23/73 | 01/21/03 | 01/21/03 | | 4 | 4,981.16 | | 760.13 | 42.46 | 1 | 894.70 | 124.45 | 6,717.98 |
| 1890 | Harbison | Jason | M | 10/27/68 | 02/28/00 | 02/28/00 | | 7 | 7,102.64 | | 1,083.86 | 42.46 | 1 | 894.70 | 124.45 | 9,163.19 |
| 4845 | Harper | Eric D. | M | 10/05/70 | 01/21/03 | 01/21/03 | | 4 | 4,981.17 | | 760.13 | 42.46 | 1 | 894.70 | 124.45 | 6,717.98 |
| 9965 | Hatfield | Art E. | M | 06/10/73 | 01/13/03 | 01/13/03 | | 4 | 4,981.16 | | 760.13 | 42.46 | 1 | 894.70 | 124.45 | 6,717.98 |
| 4490 | Henry | Ryan P. | M | 03/21/78 | 02/24/03 | 02/24/03 | | 4 | 4,981.17 | | 760.13 | 42.46 | 1 | 894.70 | 124.45 | 6,717.98 |
| 4169 | Hogan | Chris | M | 04/10/84 | 12/22/08 | 12/22/08 | | 1 | 1,497.76 | | 228.56 | 42.46 | 1 | 894.70 | 124.45 | 2,703.00 |
| 4720 | Honer | Simeon | M | 11/15/66 | 10/06/94 | 10/06/94 | | 10 | 9,224.14 | | 1,407.60 | 42.46 | 1 | 894.70 | 124.45 | 11,608.43 |
| 5829 | Hoornstra | Jeremy | M | 2/11/1981 | 5/20/2007 | 5/20/2007 | | 1 | 2,152.52 | | 328.47 | 42.45 | 1 | 894.70 | 124.45 | 3,457.68 |
| 8656 | Hopkins | James T. | M | 10/12/67 | 11/11/91 | 11/11/91 | | 10 | 9,224.15 | | 1,407.61 | 42.45 | 1 | 894.70 | 124.45 | 11,608.46 |
| 3000 | Horton | Rich | M | 5/17/68 | 10/30/96 | 10/30/96 | | 10 | 9,224.16 | 9,224.16 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0.00 |
| 8348 | Jacobs | George M. | M | 3/30/58 | 8/11/88 | 8/11/88 | 1/13/11 | 10 | 9,224.16 | | 1,407.61 | 42.45 | 1 | 894.70 | 124.45 | 11,608.46 |
| 3647 | Johnson | David D. | M | 4/17/70 | 4/1/94 | 4/1/94 | | 10 | 9,224.16 | | 1,407.61 | 42.45 | 1 | 894.70 | 124.45 | 11,608.46 |
| 3034 | Johnson | Leonard T. | M | 11/27/67 | 8/05/05 | 8/05/05 | | 2 | 3,566.85 | | 544.30 | 42.45 | 1 | 894.70 | 124.45 | 5,087.84 |
| 0083 | Jordan | Mark V. | M | 12/25/64 | 08/19/02 | 08/19/02 | | 5 | 5,688.32 | | 866.04 | 42.45 | 1 | 894.70 | 124.45 | 7,533.05 |
| 8466 | Kuharske | Christopher | M | 12/29/1981 | 10/4/2006 | 10/4/2006 | | 1 | 2,859.68 | | 436.39 | 42.45 | 1 | 894.70 | 124.45 | 4,272.76 |
| 0285 | Lindmeier | Thomas | M | 4/17/1967 | 3/6/2006 | 3/6/2006 | | 1 | 2,859.67 | | 436.39 | 42.45 | 1 | 894.70 | 124.45 | 4,272.76 |
| 5617 | Malloy | James M. | M | 07/26/72 | 01/13/03 | 01/13/03 | | 4 | 4,981.17 | | 760.13 | 42.45 | 1 | 894.70 | 124.45 | 6,717.98 |
| 2300 | Martinez | Jr., Ruperto | M | 11/07/78 | 06/28/04 | 06/28/04 | | 3 | 4,274.00 | | 652.21 | 42.45 | 1 | 894.70 | 124.45 | 5,902.90 |
| 0966 | Mathis | Darin | M | 11/03/81 | 06/28/04 | 06/28/04 | | 3 | 4,274.00 | | 652.21 | 42.45 | 1 | 894.70 | 124.45 | 5,902.90 |
| 0268 | Mathis | Marc A. | M | 04/14/88 | 01/05/10 | 01/05/10 | | 0 | 580.41 | | 88.57 | 42.45 | 1 | 894.70 | 124.45 | 1,645.67 |
| 3637 | Meeks | Jeremy | M | 09/22/72 | 11/04/96 | 11/04/96 | | 10 | 9,224.15 | | 1,407.61 | 42.45 | 1 | 894.70 | 124.45 | 11,608.45 |
| 4150 | Mera | Joseph J. | M | 02/25/70 | 02/04/02 | 02/04/02 | | 5 | 5,688.31 | | 866.04 | 42.45 | 1 | 894.70 | 124.45 | 7,533.04 |
| 0147 | Moore | Jeffrey A. | M | 01/14/69 | 01/21/03 | 01/21/03 | | 4 | 4,981.17 | | 760.13 | 42.45 | 1 | 894.70 | 124.45 | 6,717.98 |
| 1215 | Muench | Gary | M | 06/08/62 | 08/28/00 | 08/28/00 | | 7 | 7,102.64 | | 1,083.86 | 42.45 | 1 | 894.70 | 124.45 | 9,163.20 |
| 3740 | Neff | Denys | F | 04/06/69 | 10/26/00 | 10/26/00 | | 7 | 7,102.64 | | 1,083.86 | 42.45 | 1 | 894.70 | 124.45 | 9,163.20 |
| 5409 | Newman | Jeremy | M | 4/6/1976 | 10/3/2006 | 10/3/2006 | | 1 | 2,859.67 | | 436.39 | 42.45 | 1 | 894.70 | 124.45 | 4,272.77 |
| 0235 | Oxendine | Jeremy D. | M | 10/20/1987 | 8/10/2006 | 8/10/2006 | | 1 | 2,859.67 | | 436.39 | 42.45 | 1 | 894.70 | 124.45 | 4,272.77 |
| 5979 | Peroni | Glenn | M | 04/27/66 | 01/31/97 | 01/31/97 | | 10 | 9,224.15 | | 1,407.61 | 42.45 | 1 | 894.70 | 124.45 | 11,608.47 |
| 3443 | Preiss | Jr., Clifton W. | M | 08/26/63 | 10/06/91 | 10/06/91 | | 7 | 7,102.64 | | 1,083.86 | 42.45 | 1 | 894.70 | 124.45 | 11,608.47 |
| 3609 | Quale | James | M | 03/25/60 | 06/19/00 | 06/19/00 | | 7 | 7,102.64 | | 1,083.86 | 42.45 | 1 | 894.70 | 124.45 | 11,608.47 |
| 4644 | Rice | John M. | M | 05/10/79 | 01/31/05 | 01/31/05 | | 2 | 3,566.84 | | 544.30 | 42.45 | 1 | 894.70 | 124.45 | 5,087.85 |
| 5659 | Richardson | David C. | M | 07/10/60 | 06/19/87 | 06/19/87 | | 10 | 9,224.15 | | 1,407.61 | 42.45 | 1 | 894.70 | 124.45 | 11,608.47 |
| 1540 | Richey | Justin | M | 1/9/1984 | 8/28/2007 | 8/28/2007 | | 0 | 2,152.51 | | 328.47 | 42.45 | 1 | 894.70 | 124.45 | 3,457.69 |
| 5454 | Ricketson | James | M | 05/12/71 | 02/14/00 | 02/14/00 | | 7 | 7,102.64 | | 1,083.86 | 42.45 | 1 | 894.70 | 124.45 | 9,163.21 |
| 2654 | Rinehart | Kenneth D. | M | 01/24/88 | 05/10/10 | 05/10/10 | | 0 | 580.41 | | 88.57 | 42.45 | 1 | 894.70 | 124.45 | 1,645.69 |
| 8930 | Robison | Robert M. | M | 02/13/81 | 01/31/05 | 01/31/05 | | 2 | 3,566.84 | | 544.30 | 42.45 | 1 | 894.70 | 124.45 | 5,087.85 |
| 7330 | Roenbeck | Walter | M | 06/01/64 | 03/13/96 | 03/13/96 | | 10 | 9,224.15 | | 1,407.61 | 42.45 | 1 | 894.70 | 124.45 | 11,608.47 |
| 3186 | Sachs | Mitchell | M | 9/23/1987 | 5/17/2008 | 5/17/2008 | | 0 | 1,497.74 | | 228.56 | 42.45 | 1 | 894.70 | 124.45 | 2,703.01 |
| 3284 | Sepp | Ryan | M | 12/14/66 | 05/05/98 | 05/05/98 | | 9 | 8,516.98 | | 1,299.69 | 42.45 | 1 | 894.70 | 124.45 | 10,793.38 |
| 9013 | Shaffer | Allen | M | 10/28/69 | 12/08/99 | 12/08/99 | | 8 | 7,809.82 | | 1,191.78 | 42.45 | 1 | 894.70 | 124.45 | 9,978.31 |
| 0284 | Stafford | Andrew R. | M | 11/17/68 | 05/10/10 | 05/10/10 | 07/27/12 | 0 | 580.41 | | 0.00 | 0.00 | 0 | 0.00 | -580.41 | 0.00 |
| 2230 | Steele | Raymond | M | 04/01/64 | 09/07/87 | 09/07/87 | | 10 | 9,224.15 | | 1,407.61 | 42.45 | 1 | 894.70 | 124.45 | 11,608.47 |
| 8558 | Straub III | Woody P. | M | 10/17/1978 | 3/6/2006 | 3/6/2006 | | 1 | 2,859.67 | | 436.39 | 42.45 | 1 | 894.70 | 124.45 | 4,272.77 |
| 6564 | Trinder | Brian | M | 05/23/68 | 02/22/04 | 02/22/04 | | 3 | 4,274.00 | | 652.21 | 42.45 | 1 | 894.70 | 124.45 | 5,902.92 |
| 8218 | Walls | Brett A. | M | 07/21/89 | 05/10/10 | 05/10/10 | 02/17/12 | 0 | 580.41 | | 0.00 | 0.00 | 0 | 0.00 | -580.41 | 0.00 |
| 1531 | Watson | Clyde | M | 05/18/64 | 10/08/09 | 10/08/09 | | 0 | 580.41 | | 88.57 | 42.45 | 1 | 894.70 | 124.45 | 1,645.69 |
| 9225 | Watson | Robert | M | 1/8/1968 | 12/26/2006 | 12/26/2006 | | 1 | 2,859.67 | | 436.39 | 42.45 | 1 | 894.70 | 124.45 | 4,272.77 |

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

| Social Security Number | Last Name | Fl. & Mi. OR First Name & MI | Sex M/F | Date of Birth | 1st Date of Hire | 1st Date of Entry | Term Date | Initial Shares | 9/30/2011 Balance | 2012 Distributions | 2012 Earnings | 2012 Expenses | 12 Months in CY 2011? | 2012 Excess State Monies (Collected in 2011) | Forefuture Allocation | 9/30/2012 Balance |
|------------------------|-----------------------|------------------------------|---------|---------------|------------------|-------------------|-----------|----------------|-------------------|--------------------|---------------|---------------|-----------------------|--|-----------------------|-------------------|
| 0524 | Whitaker | Steven K. | M | 09/18/64 | 10/05/69 | 10/05/69 | | 10 | 9,224.15 | 9,224.16 | 44,654.93 | 2,250.00 | 1 | 894.71 | 124.45 | 11,608.47 |
| | | | | | | | | | 308,446.71 | 9,224.16 | 44,654.93 | 2,250.00 | | 47,419.34 | 0.000 | 389,046.82 |
| Retirees | | | | | | | | | | | | | | | | |
| | Beyer, Geoffrey | | | 7/17/2004 | | | | 6 | | | | | | 250.90 | | 250.90 |
| | Bowers, Brien (VT) | | | 11/1/2010 | | | | 9 | | | | | | 250.90 | | 250.90 |
| | Hoomstra, John | | | 5/31/2006 | | | | 8 | | | | | | 250.90 | | 250.90 |
| | Marshall, James | | | 8/1/2003 | | | | 5 | | | | | | 250.90 | | 250.90 |
| | Neal, Tommy | | | 3/1/2006 | | | | 8 | | | | | | 250.90 | | 250.90 |
| | Pierce, Walter | | | 8/1/2008 | | | | 10 | | | | | | 250.90 | | 250.90 |
| | Ponds, Jerry L. | | | 5/1/2008 | | | | 10 | | | | | | 250.90 | | 250.90 |
| | Ponds, Larry | | | 12/31/2003 | | | | 6 | | | | | | 250.90 | | 250.90 |
| | Yarsbrough, James | | | 12/31/2005 | | | | 8 | | | | | | 250.90 | | 250.90 |
| | Griner, James | | | 6/1/1985 | | | | 1 | | | | | | 250.90 | | 250.90 |
| | Hand, James | | | 10/1/1984 | | | | 1 | | | | | | 250.89 | | 250.89 |
| | Horton, Thomas | | | 11/30/1991 | | | | 1 | | | | | | 250.89 | | 250.89 |
| | Jacobs, George M. | | | 2/1/2011 | | | | 1 | | | | | | 250.90 | | 250.90 |
| | Kirby, Bruce | | | 9/1/2001 | | | | 1 | | | | | | 250.89 | | 250.89 |
| | Reed, William | | | 1/1/1996 | | | | 1 | | | | | | 250.89 | | 250.89 |
| | Taylor, Clyde | | | 8/19/1994 | | | | 1 | | | | | | 250.89 | | 250.89 |
| | Taylor, Robert | | | 4/1/1985 | | | | 1 | | | | | | 250.89 | | 250.89 |
| | Twiss, Eugene | | | 2/1/1988 | | | | 1 | | | | | | 250.89 | | 250.89 |
| | Williamson, Sylvester | | | 4/1/2000 | | | | 1 | | | | | | 250.89 | | 250.89 |
| | Works, Byron | | | 2/1/1989 | | | | 1 | | | | | | 250.90 | | 250.90 |
| | Works, James | | | 1/1/2000 | | | | 1 | | | | | | 250.90 | | 250.90 |
| | | | | | | | | 53 | | | | | | 47,419.34 | | 47,419.34 |
| | | | | | | | | 21 | | | | | | 5,268.82 | | 5,268.82 |

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

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, non-vested, 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 | \$6,543,992 |
| Actives | 5,092,001 |
| Member Contributions | <u>1,772,699</u> |
| Total | 13,408,692 |
| | |
| Non-Vested Accrued Benefits | <u>426,102</u> |
| | |
| Total Present Value of Accrued Benefits | \$13,834,794 |