

CITY OF LEESBURG
MUNICIPAL FIREMEN'S RETIREMENT PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2013
(Revised March 31, 2014)

CONTRIBUTIONS APPLICABLE TO THE PLAN
YEAR ENDED SEPTEMBER 30, 2015

March 31, 2014

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

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Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Leesburg Municipal Firemen's Retirement Plan, performed as of October 1, 2013, 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, 2015.

The contribution requirements, compared with the amounts set forth in the October 1, 2012 actuarial valuation report are as follows:

Valuation Date	10/1/2013	10/1/2012
Applicable Plan Year End	<u>9/30/2015</u>	<u>9/30/2014</u>
Total Required Contribution		
% of Projected Annual Payroll	32.7%	39.9%
Members Contributions (Est.)		
% of Projected Annual Payroll	6.5%	6.5%
Required City and State		
% of Projected Annual Payroll	26.2%	33.4%
State Contribution ¹	110,449	110,449
% of Projected Annual Payroll	3.7%	3.7%
Balance from City ²		
% of Projected Annual Payroll	22.5%	29.7%

¹ Reflects "traditional" interpretation of Chapter 175, Florida Statutes.

² As requested by the Division of Retirement, the required contribution from the City and State for the year ending September 30, 2015, is 26.2% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 22.5% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received.

*Please note the City has a prepaid contribution of \$3,063.00 (see Page 24), which may be used to help offset the above stated requirement for fiscal 2014.

As can be seen, the Total Required Contribution has decreased when expressed as a percentage of Projected Annual Payroll. This reduction is partially attributable to net favorable actuarial experience during the past 12 months and partially attributable to assumption and method changes enacted in this report. The primary components of favorable experience included the effect of average increases in pensionable earnings that was less than the assumed rate and greater than expected turnover. Partially

offsetting these gains was a 4-year rolling average investment return of 7.5% which was slightly less than the assumed rate of 7.75%. Please note that the one year return for the fiscal year ended September 30, 2013 was 13.41%!

The above funding requirements reflect several assumption and method changes that are described on the following page.

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 M. O'Neal, EA, ASA, MAAA

CHANGES SINCE PRIOR VALUATION

Plan Changes – There have been no plan changes since the prior valuation.

Actuarial Assumption/Method Changes – In consideration of an Actuarial Experience Study dated March 7, 2014, several changes were made to the assumptions and methods in order to better reflect anticipated experience and to produce funding requirements that are more stable and predictable. The assumption changes are outlined below:

	<u>Current</u>	<u>Prior</u>
Investment Return:	7.50%, net of investment expenses	7.75%, net of inv. expenses
Salary Increases:	6.0% in years 1 – 5 5.0% in years 6-10 4.0% in years 11 and up	5.0% per year
Turnover:	25% in year one 10% in years 2 through 5 3% in years 6 through 10 2% in years 11 and up	Age-based
Retirement Rates	5.0% each year eligible for Early Retirement. 50% 1 st year eligible for Normal 50% 2 nd year eligible for Normal 100% 3 rd year eligible for Normal	100% 1 st yr eligible for Normal
Funding Method	Entry Age Normal 20-year amortization of new base 20-year amortization of future assumption & method changes 30-year for future benefit changes 10-year for future gains and losses	Frozen Initial Liability

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

A. Participant Data	New Assums New Method <u>10/1/2013</u>	Old Assums Old Method <u>10/1/2013</u>	Old Assums Old Method <u>10/1/2012</u>
Number Included			
Actives	54	54	56
Service Retirees	20	20	19
Beneficiaries	2	2	2
Terminated Vested	3	3	0
Disability Retirees	1	1	0
Total	<u>80</u>	<u>80</u>	<u>77</u>
Total Annual Payroll	\$3,023,471	\$3,031,562	\$3,004,257
Payroll Under Assumed Ret. Age	3,023,471	3,031,562	3,004,257
Annual Rate of Payments to:			
Service Retirees	644,336	644,336	644,336
Beneficiaries	34,030	34,030	34,030
Terminated Vested	0	0	0
Disability Retirees	0	0	0
B. Assets			
Actuarial Value ¹	14,377,035	14,377,035	13,027,576
Market Value ¹	15,329,767	15,329,767	13,180,704
C. Liabilities			
Present Value of Benefits			
Active Members			
Retirement Benefits	14,139,006	14,615,506	14,491,814
Disability Benefits	393,646	384,330	475,639
Death Benefits	268,888	259,313	204,431
Vested Benefits	1,077,060	1,013,325	1,166,313
Refund of Contributions	59,014	65,612	64,083
Service Retirees	6,516,972	6,388,352	6,247,109
Beneficiaries	294,061	289,432	296,883
Terminated Vested	30,852	30,852	0
Disability Retirees	206,181	201,945	0
Share Account Balances ¹	461,830	461,830	389,047
Total	<u>23,447,510</u>	<u>23,710,497</u>	<u>23,335,319</u>

C. Liabilities - (Continued)	New Assums New Method <u>10/1/2013</u>	Old Assums Old Method <u>10/1/2013</u>	Old Assums Old Method <u>10/1/2012</u>
Present Value of Future Salaries	26,121,448	25,854,136	26,929,806
Present Value of Future Member Contributions	1,697,894	1,680,519	1,750,437
EAN Normal Cost (Retirement)	423,966	N/A	N/A
EAN Normal Cost (Disability)	23,883	N/A	N/A
EAN Normal Cost (Death)	14,714	N/A	N/A
EAN Normal Cost (Vesting)	57,767	N/A	N/A
EAN Normal Cost (Refunds)	14,234	N/A	N/A
Normal Cost (FIL in right 2 columns) (EAN in left column)	<u>534,564</u>	<u>876,912</u>	<u>944,788</u>
Present Value of Future Normal Costs (Entry Age)	4,426,318	4,847,942	5,051,022
Accrued Liability (Retirement)	10,527,182	N/A	N/A
Accrued Liability (Disability)	193,568	N/A	N/A
Accrued Liability (Death)	144,558	N/A	N/A
Accrued Liability (Vesting)	639,044	N/A	N/A
Accrued Liability (Refunds)	6,944	N/A	N/A
Accrued Liability (Inactives) ¹	7,048,066	N/A	N/A
Share Account Balances	461,830	N/A	N/A
Total Actuarial Accrued Liability	<u>19,021,192</u>	<u>16,231,911</u>	<u>14,866,354</u>
Unfunded Actuarial Accrued Liability	4,644,157	1,854,876	1,838,778
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	7,048,066	6,910,581	6,543,992
Actives	5,447,263	5,447,263	5,092,001
Share Account Balances	461,830	461,830	389,047
Member Contributions	1,857,334	1,857,334	1,772,699
Total	<u>14,814,493</u>	<u>14,677,008</u>	<u>13,797,739</u>
Non-vested Accrued Benefits	<u>994,198</u>	<u>664,868</u>	<u>426,102</u>
Total Present Value Accrued Benefits	15,808,691	15,341,876	14,223,841
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	466,815	0	
New Accrued Benefits	0	826,397	
Benefits Paid	0	(780,467)	
Interest	0	1,072,105	
Total:	<u>466,815</u>	<u>1,118,035</u>	

	New Assums New Method	Old Assums Old Method	Old Assums Old Method
Valuation Date	10/1/2013	10/1/2013	10/1/2012
Applicable to Fiscal Year Ending	<u>9/30/2015</u>	<u>9/30/2015</u>	<u>9/30/2014</u>

E. Pension Cost

Normal Cost (with interest) % of Projected Annual Payroll ²	18.3	30.0	32.7
Administrative Expenses (with int.) % of Projected Annual Payroll ²	1.2	1.2	1.2
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 27 years (as of 10/1/13) % of Projected Annual Payroll ²	13.2	6.3	6.0
Total Required Contribution % of Projected Annual Payroll ²	32.7	37.5	39.9
Expected Member Contributions % of Projected Annual Payroll ²	6.5	6.5	6.5
Expected City & State Contrib. % of Projected Annual Payroll ²	26.2	31.0	33.4

F. Past Contributions

Plan Years Ending:	<u>9/30/2013</u>
Total Required Contribution	\$1,126,044
City and State Requirement	938,370
Actual Contributions Made:	
Members	187,674
City	827,920
State	110,449 ³
Total	<u>1,126,043</u>

G. Net Actuarial Gain (Loss) N/A

¹ The asset values and liabilities include accumulated Share Account Balances as of 10/1/2012 and 10/1/2013.

² Contributions developed as of 10/1/13 are expressed as a percentage of total annual payroll at 10/1/13 of \$3,023,471.

³ Frozen, per Chapter 175, Florida Statutes, as amended.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2013	4,644,157
2014	4,579,334
2015	4,497,255
2016	4,396,255
2026	1,866,656
2040	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	0.4%	5.0%
Year Ended	9/30/2012	1.0%	5.0%
Year Ended	9/30/2011	4.1%	5.0%

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	7.5%	7.75%
Year Ended	9/30/2012	4.1%	7.75%
Year Ended	9/30/2011	-2.1%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2013	\$3,023,471
	10/1/2003	1,588,088
(b) Total Increase		90.4%
(c) Number of Years		10.00
(d) Average Annual Rate		6.7%

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

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

Ms. Sarah Carr
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, 2012	\$1,838,778
(2)	Sponsor Normal Cost developed as of October 1, 2012	749,511
(3)	Expected Administrative expenses for the fiscal year ending September 30, 2013	34,533
(4)	Interest on (1), (2) and (3)	203,269
(5)	Sponsor contributions to the System during the fiscal year ending September 30, 2013	938,369
(6)	Interest on (5)	32,846
(7)	New UAAL due to Assumption Changes	158,637
(8)	New UAAL due to Method Change	2,630,644
(9)	Unfunded Actuarial Accrued Liability as of September 30, 2013 (1)+(2)+(3)+(4)-(5)-(6)+(7)+(8)	4,644,157

	Date Established	Years Remaining	10/1/2013 Amount	Amortization Amount
Initial Base	10/1/2007	14	3,373,257	313,474
Method Change	10/1/2008	15	(1,283,161)	(113,449)
Assumption Changes	10/1/2010	17	(224,229)	(18,169)
Benefit Change	10/1/2010	27	(10,991)	(672)
Assumption Changes	10/1/2013	20	158,637	11,553
Method Change	10/1/2013	20	2,630,644	191,574
			<hr/> 4,644,157	<hr/> 384,311

ACTUARIAL ASSUMPTIONS AND METHODS

<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>	<p>Current: 25% in year one 10% in years 2 through 5 3% in years 6 through 10 2% in years 11 and up</p> <p>Prior: See Table below.</p>
<u>Disability Rates</u>	See Table below.
<u>Retirement Age</u>	<p>Current: 50% at first eligibility for Normal Retirement. 50% in second year of eligibility. 100% in third year of eligibility.</p> <p>Prior: 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.</p>
<u>Interest Rate</u>	7.50% (previously 7.75%) per year, compounded annually, net of investment-related expenses.
<u>Salary Increases</u>	<p>Current: 6.0% in years 1 – 5 5.0% in years 6-10 4.0% in years 11 and up</p> <p>Prior: 5.0% per year until the assumed retirement age; see table below.</p>
<u>Early Retirement</u>	3.0% per year eligible (previously none).
<u>Payroll Growth</u>	3.0% for amortizing UAAL.
<u>Administrative Expenses</u>	\$34,748 annually.
<u>Funding Method</u>	<p>Current: Entry Age Normal Cost Method (20-Year Amortization of new Base)</p> <p>Prior: Frozen Initial Liability Cost Method.</p>

Asset Valuation Method

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 (Prior)</u>	<u>% Becoming Disabled During the Year</u>	<u>Current Salary as % of Salary at age 52 (Prior)</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
(Current Method)

Total Annual Payroll is the projected annual rate of pay for the fiscal year following the valuation date of all covered Members.

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.

Unfunded Actuarial Accrued Liability (UAAL) is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service. Under the Entry Age Normal Actuarial Cost Method, there is also a new UAAL created each year equal to the actuarial gain or loss for that year.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

VALUATION NOTES
(Prior Method)

Total Annual Payroll is the projected pensionable earnings for the fiscal year following 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.

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>
1992	50,598.90	_____ %
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%
2013	156,635.48	-4.0%

BALANCE SHEET
September 30, 2013

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	994,957.24	994,957.24
Total Cash and Equivalents	994,957.24	994,957.24
Receivable:		
Member Contributions in Transit	7,097.51	7,097.51
City Contributions in Transit	34,663.55	34,663.55
Accrued Income	28,804.60	28,804.60
Total Receivable	70,565.66	70,565.66
Investments:		
U. S. Bonds and Bills	678,613.01	682,247.70
Federal Agency Guaranteed Securities	209,273.61	216,475.26
Corporate Bonds	2,509,151.04	2,464,410.03
Stocks	4,394,477.58	5,217,666.29
Municipal Obligations	40,000.00	44,322.80
Mutual Funds:		
Fixed Income	1,891,369.61	1,979,346.26
Equity	3,166,775.96	3,667,504.42
Total Investments	12,889,660.81	14,271,972.76
TOTAL ASSETS	13,955,183.71	15,337,495.66
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Payable:		
Share Payments to Current Retirees	4,618.63	4,618.63
Prepaid Member Contribution	46.60	46.60
Prepaid City Contribution	3,063.00	3,063.00
Total Liabilities	7,728.23	7,728.23
Net Assets, including DROP Account Balances	13,947,455.48	15,329,767.43
TOTAL LIABILITIES AND NET ASSETS	13,955,183.71	15,337,495.66

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2013
Market Value Basis

REVENUES

Contributions:		
Member	187,673.92	
City	827,920.42	
State	156,635.48	
Total Contributions		1,172,229.82
Earnings from Investments		
Interest & Dividends	357,383.56	
Net Realized Gain (Loss)	247,920.82	
Unrealized Gain (Loss)	1,267,731.60	
Total Earnings and Investment Gains		1,873,035.98
EXPENDITURES		
Expenses:		
Investment Related ¹	80,987.82	
Administrative	34,747.95	
Total Expenses		115,735.77
Distributions to Members:		
Benefit Payments	690,009.97	
Lump Sum Share Distributions	21,112.40	
Lump Sum PLOP Distributions	67,749.82	
Termination Payments	1,594.66	
Total Distributions		780,466.85
Change in Net Assets for the Year		2,149,063.18
Net Assets Beginning of the Year		13,180,704.25
Net Assets End of the Year		15,329,767.43

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

ACTUARIAL ASSET VALUATION
September 30, 2013

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*	
09/30/2010	6.26%	
09/30/2011	-3.80%	
09/30/2012	15.26%	
09/30/2013	13.41%	
Annualized Rate of Return for prior four (4) years:		7.52%
(A) 10/01/2012 Actuarial Assets:		\$13,027,576.19
(I) Net Investment Income:		
1. Interest and Dividends		357,383.56
2. Realized Gains (Losses)		247,920.82
3. Change in Actuarial Value		468,127.11
4. Investment Related Expenses		(80,987.82)
	Total	992,443.67
(B) 10/01/2013 Actuarial Assets:		\$14,377,034.88
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		7.52%
10/01/2013 Limited Actuarial Assets:		\$14,377,034.88

*Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2013
Actuarial Asset Basis

REVENUES

Contributions:		
Member	187,673.92	
City	827,920.42	
State	156,635.48	
Total Contributions		1,172,229.82
Earnings from Investments		
Interest & Dividends	357,383.56	
Net Realized Gain (Loss)	247,920.82	
Change in Actuarial Value	468,127.11	
Total Earnings and Investment Gains		1,073,431.49
EXPENDITURES		
Expenses:		
Investment Related ¹	80,987.82	
Administrative	34,747.95	
Total Expenses		115,735.77
Distributions to Members:		
Benefit Payments	690,009.97	
Lump Sum Share Distributions	21,112.40	
Lump Sum PLOP Distributions	67,749.82	
Termination Payments	1,594.66	
Total Distributions		780,466.85
Change in Net Assets for the Year		1,349,458.69
Net Assets Beginning of the Year		13,027,576.19
Net Assets End of the Year ²		14,377,034.88

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

²Net Assets may be limited for actuarial consideration.

RECONCILIATION OF CITY'S PREPAID CONTRIBUTION FOR THE
FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2013

(1) City and State Required Contribution Rate (from the October 1, 2011 Actuarial Valuation Report)	32.5%
(2) Pensionable Payroll Derived from Member Contributions	\$2,887,291.08
(3) Required City and State Contribution (1) x (2)	938,369.60
(4) Less Allowable State Contribution	<u>(110,449.18)</u>
(5) Equals Required City Contribution	827,920.42
(6) Less Prepaid Contribution as of September 30, 2012	(4,420.43)
(6) Less Actual City Contributions	<u>(826,562.99)</u>
(7) Equals City's Prepaid Contribution as of September 30, 2013	\$3,063.00

STATISTICAL DATA

(Averages are salary weighted)

	<u>10/1/2010</u>	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>
Number	61	58	56	54
Average Current Age	38.9	39.6	40.5	40.9
Average Age at Employment	28.4	28.2	28.0	27.5
Average Past Service	10.5	11.4	12.5	13.3
Average Annual Salary	\$50,934	\$52,991	\$53,647	\$55,990

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	2	0	0	0	0	0	0	0	0	0	0	2
25 - 29	0	1	1	1	1	2	0	0	0	0	0	6
30 - 34	1	0	0	0	0	9	0	0	0	0	0	10
35 - 39	0	0	0	0	0	4	2	0	0	0	0	6
40 - 44	0	0	0	0	0	0	7	2	0	0	0	9
45 - 49	0	0	0	0	1	3	3	6	2	2	0	17
50 - 54	0	0	0	0	0	0	0	0	1	3	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	1	2	18	12	8	3	5	0	54

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2012	56
b. Terminations	
i. Vested (partial or full) with deferred benefits	1
ii. Non-vested or full lump sum distribution received	2 *
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	1
e. Retired	1
f. Continuing participants	51
g. New entrants	3
h. Total active life participants in valuation	54

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

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
a. Number prior valuation	19	2	0	0	21
b. In	1	0	1	3	5
c. Out	0	0	0	0	0
d. Number current valuation	20	2	1	3	26

*Terminated non-vested awaiting refund of Member contributions.

** One Member was hired and terminated during fiscal 2013, awaiting refund of contributions.

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.

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.

Death

Pre-Retirement

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:

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

(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.

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 Accrued Liability (AAL) Frozen Initial Liab. ¹ (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2013	14,377,035	19,021,192	4,644,157	75.58%	3,031,562	153.19%
10/1/2012	13,027,576	14,866,354	1,838,778	87.63%	3,004,257	61.21%
10/1/2011	11,797,716	13,611,707	1,813,991	86.67%	3,073,457	59.02%
10/1/2010	11,574,175	13,580,057	2,005,882	85.23%	3,106,945	64.56%
10/1/2009	11,011,597	13,231,246	2,219,649	83.22%	3,211,696	69.11%

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
2013	938,370	827,920	110,449 ²	100.00%
2012	933,554	823,105	110,449 ²	100.00%
2011	1,092,933	954,733	110,449 ²	97.46%
2010	992,226	929,178	110,449 ²	104.78%
2009	886,875	1,067,264	110,449 ²	132.79%

¹ Beginning 10/1/2013 reflects Entry Age Normal Actuarial Accrued Liability.

² Reflects "traditional" interpretation of Chapter 175, Florida Statutes, as amended.

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/2013

City and State	32.5%
Plan Members	6.5%

Annual pension cost * 938,370

Contributions made * 938,369

Actuarial valuation date 10/1/2011

Actuarial cost method Frozen Initial Liability (as of 10/1/11)

Amortization method Level Percent of Pay, Closed

Remaining amortization period 29 Years (as of October 1, 2011)

Asset valuation method 4-Year Smoothed Market

Actuarial assumptions:

Investment rate of return 7.75% (as of 10/1/11)

Projected salary increase* 5.0% (as of 10/1/11)

* Includes inflation at 3.0% (as of 10/1/11)

THREE YEAR TREND INFORMATION

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2013	938,370	100%	N/A
9/30/2012	823,105	100%	N/A
9/30/2011	982,484	97%	N/A **

*Beginning with fiscal 2012 the Annual Pension Cost and contributions include both City and State sources.

**Prior to October 1, 2011 there was a funding standard account.

SHARE ACCOUNT ACTIVITY
October 1, 2012 to September 30, 2013

09/30/2012 Balance	389,047
Plus Additions	46,186
Investment Return Earned	49,960
Less Expenses	(2,250)
Less Distributions	(21,113)
09/30/2013 Balance	461,830