CITY OF LEESBURG
RETIREMENT PLAN FOR GENERAL EMPLOYEES

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2011

CONTRIBUTIONS APPLICABLE TO THE PLAN/
FISCAL YEAR ENDED SEPTEMBER 30, 2013

Foster&Foster Inc.
Actuaries and Consultants

December 5, 2011

Board of Trustees
City of Leesburg
Retirement Plan for General Employees
c/o Barbara Cooper
P. O. Box 64
Lady Lake, FL 32158

Re: City of Leesburg
Retirement Plan for General Employees

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Leesburg Retirement Plan for General Employees. 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(s).

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 Chapter 112, 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 Board of Trustees and the City, financial reports prepared by the custodian bank, 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 Retirement Plan for General Employees. 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

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Enclosures

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SECTION I

INTRODUCTION

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Leesburg Retirement Plan for General Employees, 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/fiscal year ended September 30, 2013.

The funding requirements, compared with the amounts developed in the October 1, 2010 actuarial valuation report (Revised 2/28/11), are as follows:

Valuation Date	10/1/2010	10/1/2011
Applicable Plan/Fiscal Year End	9/30/2012	9/30/2013
Total Recommended Contribution	$986,422	$1,362,439
Valuation Date	10/1/2012	10/1/2013
Applicable Plan/Fiscal Year End	9/30/2014	9/30/2015
Estimated Projected Contribution *	$1,458,869	$1,527,303

* Because the Board utilizes use a 4-year smoothing technique on the Actuarial Value of Assets, it is likely that there will be investment losses relative to the assumption during the next three years. Please see Page 16. If the Fund earns 7.5% for each of fiscal 2012, 2013, and 2014, then the 4-year rolling averages would be 5.33%, 5.96% and 5.94% for each of those respective years. Because the 4-year rolling averages are what is used in the valuations, this would produce investment losses (relative to the 7.5% assumption) of approximately $685,825, $486,715 and $493,036 in the October 1, 2012, 2013 and 2014 valuation reports, respectively. The 10-year amortizations for each of those would increase the Plan's funding requirements by approximately $96,430, $68,434, and $69,323 respectively. Therefore, at the end of the 3-year period, the funding requirements will be approximately $234,187 per year higher than they are now, which represents approximately 1.3% of the current department payroll. It is very important to point out that turnover, retirements, deaths, etc influence the actual funding requirements on an annual basis. The increase of 1.3% of payroll is only resulting from deferred investment losses and makes the assumption that each of the next 3 years the Fund will experience exactly 7.5% returns.

Please note that the Fund has a balance of excess contributions of $614,188. If desired, the City may use any or all of this amount to offset the required contribution. This balance has been created for relief in "lean" years. If the total required contribution is completely offset by the excess contribution balance, the City must contribute at least the administrative expense amount for the coming year.

The pensionable payroll for the fiscal year ended September 30, 2011 was $13,550,400. If we assume that that amount would drop by 5.0% each year (when Members retire they are not replaced in the defined benefit plan), then the dollar amounts stated above would represent approximately the following percentages of the pensionable payroll (please note that the dollar amounts shown above are what is legally required. These percentages are shown only for comparative purposes):

Valuation Date	10/1/2010	10/1/2011
Applicable Plan/Fiscal Year End	9/30/2012	9/30/2013
Total Recommended Contribution	7.6%	11.1%

The approximate total payroll for the City for the fiscal year ended September 30, 2012 is $17,863,911 (this does not include the fire department). If we assume that this amount would stay the same for next year, then the dollar amounts stated above would represent approximately the following percentages of the total payroll of the City's Police and General Employees (please note that the dollar amounts shown above are what is legally required. These percentages are shown only for comparative purposes):

Valuation Date	10/1/2010	10/1/2011
Applicable Plan/Fiscal Year End	9/30/2012	9/30/2013
Total Recommended Contribution	5.5%	7.6%

Net actuarial experience has been unfavorable during the past 12 months. The primary source of unfavorable experience was a -0.5% investment return (Actuarial Asset Value basis) that was less the 7.5% assumption. This loss was partially offset by the effects of favorable active and retiree turnover. The increase in the required contributions was partially offset by a reduction in the Normal Cost.

One gauge of the funded status of the Plan is to compare the Market Value of Assets to the Total Present Value of Accrued Benefits. On this basis, the funded ratio as

October 1, 2010 was 80.1% and as of October 1, 2011 it had become 75.2%.

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

Respectfully submitted,

FOSTER & FOSTER, INC.

By:________________________________

Christine Laufer, MSTAT

By:________________________________

Patrick T. Donlan, ASA, MAAA

Plan Changes Since Prior Valuation

There have been no changes to the Plan since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

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

Comparative Summary of Principal Valuation Results

	10/1/2011	10/1/2010
A. Participant Data		
Number Included		
Actives	316	350
Service Retirees	145	140
Beneficiaries	34	30
Terminated Vested	195	179
Disability Retirees	5	5
Total	695	704
Total Annual Payroll	$13,550,400	$14,349,754
Payroll Under Assumed Ret. Age	13,550,400	14,349,754
Annual Rate of Payments to:		
Service Retirees	1,898,471	1,865,278
Beneficiaries	174,710	159,708
Terminated Vested	1,066,628	946,742
Disability Retirees	57,632	63,296
B. Assets		
Actuarial Value	30,735,796	32,543,273
Market Value	28,828,625	30,058,657
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	7,298,274	6,944,092
Disability Benefits	1,472,381	1,599,039
Death Benefits	256,549	245,129
Vested Benefits	3,819,994	4,042,611
Refund of Contributions	0	0
Service Retirees	19,392,696	19,318,908
Beneficiaries	1,443,035	1,294,435
Terminated Vested	4,075,552	3,492,851
Disability Retirees	585,959	595,319
Funding Credit Balance	614,188	988,722
Total	38,958,628	38,521,106

C. Liabilities - (Continued)

	10/1/2011	10/1/2010
Present Value of Future Salaries	N/A	N/A
Present Value of Future Member Contributions	0	0
EAN Normal Cost (Retirement)	125,551	151,082
EAN Normal Cost (Disability)	51,345	70,090
EAN Normal Cost (Death)	7,651	9,279
EAN Normal Cost (Vesting)	49,058	62,344
EAN Normal Cost (Refunds)	0	0
Total Normal Cost	233,605	292,795
Present Value of Future Normal Costs (Entry Age)	773,767	993,181
Accrued Liability (Retirement)	7,005,080	6,587,954
Accrued Liability (Disability)	1,277,579	1,331,600
Accrued Liability (Death)	223,319	202,918
Accrued Liability (Vesting)	3,567,453	3,715,218
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives)	25,497,242	24,701,513
Actuarial Accrued Liability	37,570,673	36,539,203
Unfunded Actuarial Accrued Liability (UAAL)	6,834,877	3,995,930

D. Actuarial Present Value of Accrued Benefits

	10/1/2011	10/1/2010
Vested Accrued Retirement Benefits		
Inactives	25,497,242	24,701,513
Actives	12,680,548	12,430,084
Member Contributions	20,102	20,102
Total	38,197,892	37,151,698
Non-vested Accrued Ret. Benefits	146,548	380,685
Total Present Value Accrued Benefits	38,344,440	37,532,384

Increase (Decrease) in Present Value of Accrued Benefits Attributable to:

Plan Amendments	0
Assumption Changes	0
New Accrued Benefits	218,061
Benefits Paid	(2,140,659)
Interest	2,734,654
Other	0
Total:	812,056

Valuation Date Applicable Fiscal Year End	10/1/2011 9/30/2013	10/1/2010 9/30/2012
E. Pension Cost		
Normal Cost	$233,605	$292,795
% of Projected Annual Payroll	N/A	N/A
Administrative Expenses	57,300	47,700
% of Projected Annual Payroll	N/A	N/A
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/11)	1,060,420	677,028
% of Projected Annual Payroll	N/A	N/A
Total Recommended Contribution *	1,362,439	986,422
% of Projected Annual Payroll	N/A	N/A
Expected Member Contributions	0	0
% of Projected Annual Payroll	N/A	N/A
Expected City Contrib.	1,362,439	986,422
% of Projected Annual Payroll	N/A	N/A
F. Past Contributions		
Plan Years Ending:	9/30/2011	
Total Recommended Contribution	924,086	
Actual Contributions Made:		
City	564,298	
Members	-	
G. Net Actuarial Gain (Loss)	(2,683,271)	

* Total recommended contribution equals the total normal cost plus administrative expenses plus amortization payment for unfunded accrued liabilities, all adjusted for timing (end of each month), less a full year's interest on the Funding Credit Balance.

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

Year	Projected Unfunded Accrued Liability
2011	$7,449,065
2012	6,867,794
2013	6,242,925
2018	2,341,229
2023	(251,582)
2028	(1,413,324)
2041	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		Actual	Assumed
Year Ended	9/30/2011	N/A	N/A
Year Ended	9/30/2010	N/A	N/A
Year Ended	9/30/2009	N/A	N/A

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

		Actual	Assumed
Year Ended	9/30/2011	-0.5%	7.5%
Year Ended	9/30/2010	2.3%	7.5%
Year Ended	9/30/2009	2.4%	7.5%

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.

12/5/11

Patrick T. Donlan, EA, 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 address:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Cedars Executive Center, Bldg. C
P.O. Box 9000
Tallahassee, FL 32315-9000

SECTION II

VALUATION INFORMATION

Reconciliation of Unfunded Actuarial Accrued Liabilities
And Illustration of Amortization of Outstanding Bases

(1)	Unfunded Actuarial Accrued Liability (UAAL) Plus Credit Balance as of October 1, 2010	$4,984,652
(2)	City and State Normal Cost Applicable for the year *	340,495
(3)	Interest on (1) and (2)	399,386
(4)	Sponsor Contributions to the System during the year ending September 30, 2011	924,086
(5)	Interest on (4)	34,653
(6)	Expected UAAL Plus Credit Balance as of October 1, 2011 (1)+(2)+(3)-(4)-(5)	4,765,794
(7)	Actual UAAL Plus Credit Balance as of October 1, 2011	7,449,065
(8)	Change in UAAL Plus Credit Balance due to Actuarial (Gain) or Loss	2,683,271

	Date Established	Years Remaining	10/1/2011 Amount	Amortization Amount
"A"	10/1/1978	7	$550,722	$96,722
"B"	10/1/1990	9	273,438	39,875
"C"	10/1/1991	10	187,882	25,462
"D"	10/1/1993	12	214,416	25,785
"E"	10/1/1995	14	291,747	31,969
"F"	10/1/1999	18	289,300	27,727
"G"	10/1/2000	19	(251,366)	(23,479)
"H"	10/1/2001	20	(2,321,690)	(211,851)
Method Change	10/1/2004	23	(156,121)	(13,439)
Benefit Change	10/1/2005	24	595,389	50,428
Benefit Change	10/1/2006	25	3,385,366	282,515
Method & Assum	10/1/2007	26	4,003,346	329,576
Prior Losses **	10/1/2007	17	3,116,757	307,327
Benefit Changes	10/1/2007	26	(8,990,418)	(740,138)
Actuarial Loss	10/1/2008	7	57,620	10,120
Method Change	10/1/2008	17	1,338,638	131,996
Actuarial Loss	10/1/2009	8	1,176,911	186,912
Assum Change	10/1/2009	18	142,465	13,654
Actuarial Loss	10/1/2010	9	861,392	125,617
Actuarial Loss	10/1/2011	10	2,683,271	363,642
			7,449,065	1,060,420

* $396,557 Normal Cost plus $39,900 Administrative Expenses from 10/1/09 Val.

** It is assumed that 50% of the cost method portion of the change base from 2007 was attributable to unfavorable actuarial experience prior to that date. This loss will be amortized over a 20 year period effective October 1, 2008 (compared to 29 years). Additionally, prior gain and loss bases are amortized over 20 years (compared to 30 years), and new gain and loss bases on and after October 1, 2008 will be amortized over 10 years.

Funding Standard Account

		9/30/2008	9/30/2009	9/30/2010	9/30/2011
Charges					
(a)	Prior year's Accumulated Funding Deficiency	0	0	0	0
(b)	Required City Contribution (For 9/30/11 this equals the Normal Cost plus Admin Expense plus UAL Amort from updated October 1, 2009 Actuarial Valuation Report. See middle column of October 1, 2010 valuation.)	2,417,657	820,432	901,802	961,997
(c)	Interest on (a) & (b)	181,324	61,532	67,635	72,150
(d)	Total Charges	2,598,981	881,964	969,437	1,034,147
Credits					
(e)	Prior year's Credit Balance	1,464,662	1,168,273	1,048,209	988,722
(f)	City Contributions	2,113,487	649,908	801,286	564,298
(g)	Interest on (e) & (f)	189,105	111,992	108,664	95,315
(h)	Total Credits	3,767,254	1,930,173	1,958,159	1,648,335
Balance					
(1)	Accumulated Funding Deficiency (-) or Credit (+) Balance as of Plan Year End	1,168,273	1,048,209	988,722	614,188

ACTUARIAL ASSUMPTIONS AND COST METHODS

Assumptions

Mortality Rates	RP 2000 Combined Healthy.
Termination Rates	See Table below.
Disability Rates	See Table below.

Retirement Rates

Age	Rate Per Year
50 – 54	2.0%
55 – 58	20.0%
59 – 61	20.0%
62	50.0%
63 – 64	25.0%
65	100.0%

Interest Rate	7.5% per year, compounded annually, net of investment related expenses.
Salary Increases	None.
Payroll Increase	None.
Cost of Living Increases	2.0% per year after 3 years (no VT's).
Administrative Expenses	$57,300 added to Normal Cost.

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	25.0%	0.05%
30	12.4	0.05
40	9.5	0.09
50	7.5	0.40
60	5.5	1.74

Funding Method

Entry Age Normal Method

VALUATION NOTES

Total Annual Payroll is the annual rate of pay for the fiscal year preceding 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.

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.

SECTION III

TRUST FUND

City of Leesburg
Retirement Plan for General Employees

BALANCE SHEET
September 30, 2011

ASSETS	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	837,007.42	837,007.42
Pending Trades Receivable	24,319.89	24,319.89
Pending Trades Payable	(30,762.87)	(30,762.87)
Cash	4,838.45	4,838.45
Total Cash and Equivalents	835,402.89	835,402.89
Receivable:		
Accrued Income	62,907.61	62,907.61
Total Receivable	62,907.61	62,907.61
Investments:		
Fixed Income	9,279,726.22	9,671,083.01
Equity	14,575,689.01	14,331,840.09
Mutual Funds:		
Fixed Income	830,031.55	970,938.68
Commingled Funds:		
Alternative Investments	2,850,000.00	2,956,452.92
Total Investments	27,535,446.78	27,930,314.70
TOTAL ASSETS	28,433,757.28	28,828,625.20
LIABILITIES AND NET ASSETS		
Total Liabilities	0.00	0.00
Net Assets:		
Active and Retired Members' Equity	28,433,757.28	28,828,625.20
DROP Plan Benefits	0.00	0.00
Total Net Assets	28,433,757.28	28,828,625.20
TOTAL LIABILITIES AND NET ASSETS	28,433,757.28	28,828,625.20

City of Leesburg
Retirement Plan for General Employees

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

INCOME		
Contributions:		
City	564,298.17	
Total Contributions		564,298.17
Earnings from Investments		
Interest & Dividends	675,981.50	
Miscellaneous Income	1,865.75	
Net Realized Gain (Loss)	2,328,332.99	
Unrealized Gain (Loss)	(2,392,714.72)	
Total Earnings and Investment Gains		613,465.52
EXPENSES		
Administrative Expenses:		
Investment Related*	209,847.81	
Other	57,289.07	
Total Expenses		267,136.88
Distributions to Members:		
Benefit Payments	2,115,646.69	
Lump Sum DROP Balances	0.00	
Lump Sum PLOP Distributions	25,012.37	
Total Distributions		2,140,659.06
DROP Account Net Change		0.00
Change in Net Assets for the Year		(1,230,032.25)
Net Assets Beginning of the Year		30,058,657.45
Net Assets End of the Year		28,828,625.20

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

City of Leesburg
Retirement Plan for General Employees

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	-14.57%
9/30/09	4.95%
9/30/10	7.63%
9/30/11	1.38%

Annualized Rate of Return
for prior four (4) years: -0.55%

(A) 10/01/10 Actuarial Assets:	$32,543,272.72
(I) Net Investment Income:	
1. Interest and Dividends	677,847.25
2. Realized Gains (Losses)	2,328,332.99
3. Change in Actuarial Value	(2,970,159.13)
4. Investment Related Expenses	(209,847.81)
Total	(173,826.70)
(B) 10/01/11 Actuarial Assets:	$30,735,796.06

Actuarial Asset Rate of Return = 2I/(A+B-I): -0.55%

10/01/11 Limited Actuarial Assets: $30,735,796.06
(Lesser of Actuarial Assets or 120% of Market Value)

*Market Value Basis, net of investment related expenses

City of Leesburg
Retirement Plan for General Employees

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

INCOME		
Contributions:		
City	564,298.17	
Total Contributions		564,298.17
Earnings from Investments		
Interest & Dividends	675,981.50	
Miscellaneous Income	1,865.75	
Net Realized Gain (Loss)	2,328,332.99	
Change in Actuarial Value	(2,970,159.13)	
Total Earnings and Investment Gains		36,021.11
EXPENSES		
Administrative Expenses:		
Investment Related*	209,847.81	
Other	57,289.07	
Total Administrative Expenses		267,136.88
Distributions to Members:		
Benefit Payments	2,115,646.69	
Lump Sum DROP Balances	0.00	
Lump Sum PLOP Distributions	25,012.37	
Total Distributions		2,140,659.06
DROP Account Net Change		0.00
Change in Net Assets for the Year		(1,807,476.66)
Net Assets Beginning of the Year		32,543,272.72
Net Assets End of the Year**		30,735,796.06

*Investment Related expenses include investment advisory, custodial and performance monitoring fees.
**Net Assets may be limited for actuarial consideration

SECTION IV

MEMBER STATISTICS

ELIGIBILTY FOR RETIREMENT

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

1) Attained Age 65 with 5 years of Credited Service.

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

1) Attained Age 50 with 15 years of Credited Service.

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

Normal Retirement	Early Retirement
CAMPBELL, NOEL H	BEAN, EARLL
FALLON, THOMAS J	BOGER, DEIDRE D
JONES, ARMIDA R	BRONSON, JANE E
LANG, LEAH L	BYNUM, JR, HARMON F
RICHARDSON, BETTY M	CAMPMAN, CHERYL R
WELLER, CHARLES M.	CAMPMAN, JR, DAVID C
WILEY JR, WILLIAM O	CHRISMAN, WILLIAM J
	CODY, KENNETH B
	CRAINE, DAREL W
	EVANS, RAY F
	FILLMORE, SAMMIE J
	FRENCH, HOWARD D
	GONZALES, JANICE
	GREENE, LA DONNA M
	HAINES, CATHY M
	HESTER, II, SIDNEY EVANS
	HICKSON, KAREN M
	KEENAN, PATRICK L
	LINDSEY, TIMOTHY E
	MACKEY, PATRICIA L
	MAGAMOLL, KERRY W
	MCMULLEN, JANICE R
	MEIER, V, JOHN H
	MENELEY, JOE
	MYRICK, JESSE J.
	NUNN, ARTHUR
	ROGERS, JR, JACKSON G
	ROWE, WILLIAM
	SAUCIER, LOUIS JR
	THOMAS, DAVID S
	TREVORROW, JAMES H
	VEILLEUX, GREGORY C
	WALKER, HUBERT III
	WHIPP, THOMAS G

STATISTICAL DATA

(After 10/1/08 weighted by 2008 Salary)

	10/1/2008	10/1/2009	10/1/2010	10/1/2011
Number	420	381	350	316
Average Current Age	43.5	44.6	45.2	46.3
Average Age at Employment	34.1	35.1	35.7	36.6
Average Past Service	9.4	9.5	9.5	9.8
Average Annual Salary	$39,398	$39,553	$40,999	$42,881

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	0	0	0	1	2	0	0	0	0	0	0	3
25 - 29	0	0	0	3	7	13	0	0	0	0	0	23
30 - 34	0	0	0	4	4	14	8	0	0	0	0	30
35 - 39	0	0	0	3	6	18	13	1	0	0	0	41
40 - 44	0	0	0	1	3	13	9	10	7	0	0	43
45 - 49	0	0	0	3	6	17	7	12	14	6	0	65
50 - 54	0	0	0	2	1	18	7	4	10	5	3	50
55 - 59	0	0	0	0	2	9	3	4	3	0	0	21
60 - 64	0	0	0	3	3	17	3	2	4	0	1	33
65+	0	0	0	0	0	4	1	0	0	1	1	7
Total	0	0	0	20	34	123	51	33	38	12	5	316

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/10	350
b. Terminations	
i. Vested (partial or full) with deferred benefits	19
ii. Non-vested or full lump sum distribution received	13
c. Deaths	
i. Beneficiary receiving benefits	1 *
ii. No future benefits payable	0
d. Disabled	0
e. Retired	1
f. Voluntary withdrawal	0
g. Continuing participants	316
h. New entrants	0
i. Total active life participants in valuation	316

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	140	30	5	179	354
b. In	6	4	0	22	32
c. Out	1	0	0	6	7
d. Number current valuation	145	34	5	195	379

* There are 3 Beneficiaries receiving benefits as a result of Mr. Ough's passing.

SECTION V

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS
(Through Ordinance 08-64)

Eligibility	Regular, full-time employees who are not certified Firefighters enter on date of employment (Optional for City Attorney, Assistant City Attorney, Mayor and City Commissioners). Employees hired on or after October 1, 2008 are not eligible.
Salary	Basic compensation, excluding overtime pay, shift differential, stand-by pay, lump sum vacation pay, accrued sick leave pay, severance pay, bonuses, expense allowances and all other extraordinary compensation, and including all tax deferred, tax sheltered or tax exempt items of income.
Average Compensation	Average Salary of the 3 highest consecutive years of the last 10 years of Credited Service (not including any Salary paid after September 30, 2008.)
Credited Service	Years and months of service with the City as a General Employee. For Members who retire after October 1, 1993 with at least 15 years of service, service also includes up to 4 years of prior military service if not receiving a continuing military service pension. For purposes of determining a Member's Normal Retirement Benefit, Credited Service shall not include service with the City after September 30, 2008. Credited Service after September 30, 2008, shall, however, be taken into consideration for vesting and benefit entitlement purposes.
Normal Retirement	
Date	The attainment of age 65 with 5 years of Credited Service.
Benefit	2.0% of Average Compensation times Credited Service prior to October 1, 2008, with a maximum of 45 years of Credited Service.
Form of Benefit	Lifetime benefits, ceasing upon death (options available).

Early Retirement

Date	Attainment of age 50 with 15 years of Credited Service.
Benefit	Accrued Benefit on Early Retirement Date, reduced 3.33% for each year that Early Retirement precedes Age 65.
Form of Benefit	Lifetime benefits, ceasing upon death (options available).

Pre-Retirement Death Benefit

Requirement	Death while in active service.
Benefit	Monthly benefit provided by the greater of (i) or (ii), where (i) is the single sum value of the deferred monthly retirement income commencing at normal retirement date which has accrued to the date of death, and (ii) is the smaller of (a) 18 times Average Final Compensation at the date of death and (b) 100 times the anticipated monthly retirement income at Normal Retirement.

Disability

Eligibility	10 years of Credited Service.
Amount	Prior to normal retirement date, the benefit payable is the lesser of 50% of Average Final Compensation or $1,500. At normal retirement date, the benefit payable is 2% times Average Final Compensation times year and months of Credited Service (to a maximum of 45 years) as if employment had continued from date of disability to normal retirement date.

Death Benefit	The greater of (i) or (ii), where (i) is equal to the single-sum value, as of the date of the participant's death, of the deferred monthly retirement income commencing at normal retirement date that the disabled participant would have accrued to the date of termination of service due to disability, and (ii) is the smaller of (a) 18 times Average Final Compensation at the date of termination due to disability and (b) 100 times the participant's anticipated monthly retirement income at Normal Retirement.

Termination of Employment

Vesting Schedule	Years of Service	Vested %
	Less than 5	0%
	5 or more	100%

Benefit: Vested Accrued benefit payable at age 65 (unreduced) or, if completed 15 years of Credited Service, Early Retirement Date (reduced).

Cost of Living Adjustment: Retirees (other than vested terminated members) and their beneficiaries receive a 2.0% increase in benefits each October 1st commencing 3 years after their otherwise Normal Retirement Date.

Board of Trustees: 1 City of Leesburg resident appointed by Commission, City Manager (or designee), Human Resources Director, one other department head appointed by the City Manager, 2 Members of the Plan who are not certified Police Officers and one Member of the Plan who is a certified Police Officer.

Deferred Retirement Option Plan

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: At Member's election:

(1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or

(2) 6.5% per annum compounded quarterly.

Form of Distribution: Cash lump sum (options available) at termination of employment.

SECTION VI

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 25 AND No. 27 INFORMATION

DISCLOSURE INFORMATION PER STATEMENT NO. 25 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

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) - Entry Age (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	30,735,796	37,570,673	6,834,877	81.81%	13,550,400	50.44%
10/01/10	32,543,273	36,539,202	3,995,930	89.06%	14,349,754	27.85%
10/01/09	33,138,960	36,090,413	2,951,453	91.82%	15,069,783	19.59%
10/01/08	33,832,920	35,542,768	1,709,848	95.19%	16,547,145	10.33%
10/01/07	34,934,262	43,691,883	8,757,621	79.96%	17,757,533	49.32%
10/01/06	31,368,026	33,016,791	1,648,765	95.01%	17,153,906	9.61%

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	Percentage Contributed
2011	924,086	564,298	61.07%
2010	852,340	801,286	94.01%
2009	737,974	649,908	88.07%
2008	2,388,162	2,113,487	88.50%
2007	2,183,267	2,088,648	95.67%
2006	1,745,388	1,900,689	108.90%

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/2011	
City	6.4%
Plan Members	0.0%
Annual Pension Cost	922,605
Contributions made	564,298
Actuarial valuation date	10/1/09
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	28 Years (as of 10/01/09)
Asset valuation method	4 Year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increase*	6.0%
* Includes inflation at	3.0%
Post Retirement COLA	0.0%

THREE YEAR TREND INFORMATION

Year Ending	Annual Pension Cost (APC)	Percentage of (A) Contributed	Net Pension Obligation
9/30/2011	922,605	61%	382,785
9/30/2010	854,051	94%	24,478
9/30/2009	735,327	88%	(28,287)

** Please note that the City has a Funding Credit Balance of $614,188 as of October 1, 2011.

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

DEVELOPMENT OF NET PENSION OBLIGATION (NPO)

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the "Florida Protection of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the sponsor has funded the actuarially determined required contributions for all years from October 1, 1987, through the transition date, October 1, 1997. Thus, the NPO on October 1, 1997, is 0.

The recent development of the Net Pension Obligation to date is as follows:

	9/30/06	9/30/07	9/30/08	9/30/09	9/30/10	9/30/11
Actuarially Determined Contribution (A)	1,745,388	2,183,267	2,388,162	737,974	852,340	924,086
Interest on NPO	(27,434)	(39,185)	(30,216)	(8,528)	(2,122)	1,836
Adjustment to (A)	35,851	56,681	19,534	5,881	3,833	(3,317)
Annual Pension Cost	1,753,805	2,200,763	2,377,480	735,327	854,051	922,605
Contributions Made	1,900,689	2,088,648	2,113,487	649,908	801,286	564,298
Increase in NPO	(146,884)	112,115	263,993	85,419	52,765	358,307
NPO Beginning of Year	(342,930)	(489,814)	(377,699)	(113,706)	(28,287)	24,478
NPO End of Year	(489,814)	(377,699)	(113,706)	(28,287)	24,478	382,785

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	$25,008,973
Actives	12,248,239
Member Contributions	20,102
Total	37,277,314
Non-Vested Accrued Benefits	140,584
Total Present Value of Accrued Benefits	37,417,898