

CITY OF FORT PIERCE
RETIREMENT AND BENEFIT SYSTEM
FIFTY-FOURTH ANNUAL ACTUARIAL VALUATION REPORT
FOR THE YEAR ENDING SEPTEMBER 30, 2012

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REPORT OF SEPTEMBER 30, 2012 ACTUARIAL VALUATION

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April 18, 2013

The City Commission and
Retirement Board
Fort Pierce, Florida

Dear Commission and Retirement Board Members:

The results of the September 30, 2012 annual actuarial valuation of the City of Fort Pierce Retirement and Benefit System are presented in this report. The purpose of the valuation was to measure the System's funding progress, provide actuarial information in connection with applicable Governmental Accounting Standards Board Statements and to determine the employer contribution rates for the 2013-2014 fiscal year.

This report should not be relied upon for any other purpose. This report may be distributed to parties other than the System only in its entirety and only with the permission of the Board. This report should not be relied on for any purpose other than those described above. It was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board.

The signing actuaries are independent of the plan sponsor.

The valuation was based upon information, furnished by the City, concerning Retirement System benefits, financial transactions, and individual members, terminated members, retirees and beneficiaries. Data was checked for internal and year to year consistency, but was not otherwise audited by us. As a result, we are unable to assume responsibility for the accuracy or completeness of the data provided.

Future actuarial measurements may differ significantly from those presented in this report due to such factors as experience differing from that anticipated by actuarial assumptions, changes in plan provisions, actuarial assumptions/methods or applicable law. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of future measurements.

To the best of our knowledge, this report is complete and accurate and the valuation was conducted in accordance with standards of practice prescribed by the Actuarial Standards Board and in compliance with the applicable state statutes. The undersigned are Members of the American Academy of Actuaries (MAAA) who meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. It is our opinion that the actuarial assumptions used for the valuation produce results which are reasonable.

Respectfully submitted,



Brad Lee Armstrong, ASA, EA, MAAA



Randall J. Dziubek, EA, MAAA

BLA:mrB

SECTION A

SUMMARY OF VALUATION RESULTS
AND CERTIFICATION

SUMMARY OF VALUATION RESULTS

SEPTEMBER 30, 2012

FUNDING OBJECTIVE

The basic funding objective of the Retirement and Benefit System is to avoid transfer of the cost of benefit obligations between generations of taxpayers. This objective is implemented by contributions sufficient to:

- pay for costs allocated to the current year on account of service rendered by participants in the current year (Normal Cost).
- pay for costs allocated to prior years on account of service rendered by participants in prior years (Unfunded Actuarial Accrued Liability) over a maximum 30-year period.

The annual actuarial valuation measures the relationship between Retirement and Benefit System obligations and assets and determines the contribution rates for the ensuing year.

FUNDING PROGRESS INDICATORS

The September 30, 2012 actuarial valuation indicates that the actuarial accrued liabilities of the Retirement and Benefit System, measured in accordance with Statement No. 25 of the Governmental Accounting Standards Board, are 85% funded by valuation assets. This remained consistent with last year's funded ratio of 85%. Although not historically referred to, the ratio of the market value of assets to the actuarial accrued liabilities is 89%. This is an increase from last year's 80%.

TRENDS TO MONITOR

The market value of assets currently exceeds the funding value of assets by \$6.6 million. If losses from investment returns below the 8% assumed or losses from other sources do not emerge, this will create downward pressure on contribution requirements and a coinciding upward pressure on the funded ratios in next year's report.

SUMMARY OF VALUATION RESULTS

SEPTEMBER 30, 2012

OBSERVED EXPERIENCE

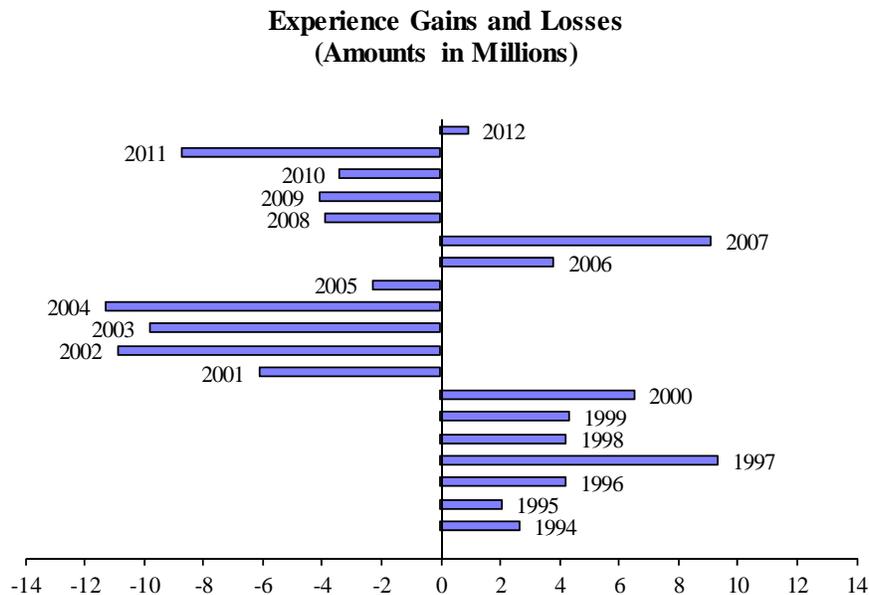
While the investment return on market value was 19.54%, the recognized rate of investment return was 8.03% due to averaging investment experience over the last 4 years. This is consistent with the long-term funding assumption of 8.0% expected. Note that each year's investment experience gain (loss) is spread over four years in equal dollar installments to reduce the effect of market volatility on contribution rates.

Demographic experience varied among the divisions. The principal deviations from projected experience were:

- 3.2% average pay increases across all the divisions vs. 5.8% expected (favorable)
- 16 retirements in all the divisions vs. 18 expected (favorable)
- 10-year average payroll growths were less than the 4.5% assumed
- Reductions in active member workforces (favorable for normal cost; unfavorable for unfunded liability)

The net effect of the preceding experience factors was an aggregate experience gain of \$853,641.

Year-to-year experience variations are expected and normal in the operation of a retirement system as members vary their activities and economic conditions change. The expectation is that the plus years and minus years will tend to cancel over 5 to 10 year periods.



Derivation of the current year's gain is located on Page B-3.

SUMMARY OF VALUATION RESULTS SEPTEMBER 30, 2012

VALUATION RESULTS - CONTRIBUTION REQUIREMENT

The percent of payroll contribution requirements for the 2013-2014 fiscal year are:

| | General | Utilities Authority | Police |
|-----------------|----------------|--------------------------------|---------------|
| Members | | | |
| -Bargaining | 5.16 % | 6.16 % | 5.16 % |
| -Non-Bargaining | 5.16 | 6.16 | 5.16 |
| Employer for | | | |
| -Bargaining | 17.19 % | 18.57 % | 16.17 % |
| -Non-Bargaining | 17.19 | 18.57 | 16.17 |
| -Illustrative | \$1,619,255 | \$2,393,183 | \$956,205 |

For comparison, the percent of payroll contribution requirements for the 2012-2013 fiscal year based on last year's valuation are:

| | General | Utilities Authority | Police |
|-----------------|----------------|--------------------------------|---------------|
| Members | | | |
| -Bargaining | 5.16 % | 6.16 % | 5.16 % |
| -Non-Bargaining | 5.16 | 6.16 | 5.16 |
| Employer for | | | |
| -Bargaining | 16.50 % | 18.51 % | 15.83 % |
| -Non-Bargaining | 16.50 | 18.51 | 15.83 |
| -Illustrative | \$1,529,564 | \$2,404,163 | \$926,811 |

Comparative contribution information is shown on page B-2. Composition of the current contribution rates is shown on page B-1.

SUMMARY OF VALUATION RESULTS

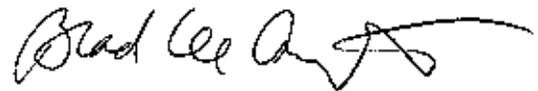
SEPTEMBER 30, 2012

COST-OF-LIVING ADJUSTMENT (COLA)

Section 13 - 43 of the City's Code of Ordinances provides for a COLA if the investment return of the fund exceeds that required to satisfy the actuarial interest assumption, which did happen this year. In addition, the cumulative value of any COLA's granted since 1999 may not exceed the cumulative net actuarial gains since 1999. Page B-11 shows the cumulative value of COLA's and net actuarial gains/(losses) since 1999. The present balance is (\$35,573,134). So even though the recognized rate of investment return for the last fiscal year of 8.03% marginally exceeded the actuarial interest assumption of 8%, no COLA could be provided under Section 13 - 43 until the Retirement and Benefit System's future actuarial gains exceed \$35,573,134 plus interest. Given the cumulative net actuarial loss balance, this COLA provision is not likely to operate for the indefinite future.

CERTIFICATION

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 report. 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 report.



Brad Lee Armstrong, ASA, EA, MAAA
Enrolled Actuary No. 11-5614
April 18, 2013

SECTION B

VALUATION RESULTS

**CONTRIBUTIONS TO FINANCE BENEFITS OF THE
RETIREMENT AND BENEFIT SYSTEM
FOR THE PLAN YEAR BEGINNING OCTOBER 1, 2013
TO BE CONTRIBUTED DURING THE FISCAL YEAR
BEGINNING OCTOBER 1, 2013**

| Contributions for | Contributions Expressed as Percents of Active Member Payroll | | |
|--|---|--------------------------------|---------------------------|
| | General Members | Utilities Authority | Police Members |
| Normal Cost | | | |
| Service pensions | 11.71 % | 11.37 % | 17.91 % |
| Disability pensions | 0.52 | 0.51 | 1.15 |
| Death-in-service pensions | 0.62 | 0.63 | 0.41 |
| Deferred service pensions | 2.28 | 2.28 | 0.97 |
| Refunds of member contributions | 0.51 | 0.59 | 0.32 |
| Total Normal Cost | 15.64 | 15.38 | 20.76 |
| Unfunded Actuarial Accrued Liability (1) | | | |
| Retired members and beneficiaries | 0.00 | 0.00 | 0.00 |
| Active and vested terminated members | 3.31 | 7.26 | 0.00 |
| Total Unf'd. Actuarial Accrued Liability | 3.31 | 7.26 | 0.00 |
| Administrative Expenses | 0.27 | 0.27 | 0.27 |
| Total Unadjusted Computed Contribution | 19.22 | 22.91 | 21.03 |
| Adjustments to Computed Contribution | | | |
| FS 112.64 (5) Compliance | 3.13 | 1.82 | 0.95 |
| Full funding credit (2) | 0.00 | 0.00 | (0.65) |
| Total Adjustments | 3.13 | 1.82 | 0.30 |
| Total Adjusted Contribution Requirement | 22.35 | 24.73 | 21.33 |
| Member portion | 5.16 | 6.16 | 5.16 |
| Employer portion | 17.19 | 18.57 | 16.17 |

(1) Financing period schedules begin on page B-7.

(2) This is a temporary credit toward the contribution requirement; see pages B-7 and B-9.

FS 112.64 requires employer contributions to be deposited not less frequently than quarterly. Member contributions, which are in addition to the Employer contributions, must be deposited immediately after each pay period.

RECOMMENDED AND ACTUAL CONTRIBUTIONS COMPARATIVE STATEMENT

| Fiscal Date | Valuation Date | Percentage of Payroll Contributions | | | Dollar Contributions @ | |
|--------------|----------------|-------------------------------------|---------------------|----------------|---------------------------|------------|
| | | General Members | Utilities Authority | Police Members | Proj. Funding Requirement | Actual \$ |
| 79/80 (b) | | 7.75 % | 8.05 % | 10.21 % | \$ 700,500 | \$ 785,821 |
| 84/85 | 9/83 | 7.61 | 7.82 | 9.59 | 1,189,618 | 1,349,378 |
| 89/90 | 9/88 | 6.02 | 7.76 | 9.17 | 1,779,600 | 2,021,209 |
| 95/96 | 9/94 | 4.74 | 6.41 | 4.54 | 1,737,080 | 2,328,501 |
| 96/97 (b) | 9/95 | 4.79 | 5.34 | 4.98 | 1,877,033 | 2,270,176 |
| 97/98 (b) | 9/96 | 4.67 | 6.77 | 3.03 | 1,875,979 | 2,062,431 |
| 98/99 | 9/97 | 3.58 | 5.18 | 0.00 | 1,513,090 | 1,275,077 |
| 99/00 (b) | 9/98 # | 0.51 | 1.20 | 1.45 | 709,194 | 982,054 |
| 00/01 (b) | 9/99 | 0.00 | 0.26 | 0.00 | 801,012 | 1,195,351 |
| 01/02 (b) | 9/00 | 0.00 | 0.26 | 0.00 | 906,649 | 2,158,784 |
| 02/03 (b) | 9/01 | 2.91 | 1.10 | 0.00 | 2,048,079 | 2,271,079 |
| 03/04 | 9/02 | 4.67 | 3.23 | 1.38 | 2,893,397 | 3,610,663 |
| 04/05 | 9/03 | 6.15 | 4.93 | 3.76 | 3,948,626 | 5,634,357 |
| 05/06 | 9/04 | 8.01 | 6.23 | 6.76 | 6,283,117 | 8,975,380 |
| 06/07 | 9/05 | 11.05 | 11.94 | 14.14 | 3,624,157 | 4,114,963 |
| 07/08 (b) | 9/06 | 11.59 | 11.01 | 14.88 | 3,939,766 | 4,082,846 |
| 08/09 (b) | 9/07 | 9.71 | 10.06 | 12.26 | 3,517,935 | 3,580,089 |
| 09/10 | 9/08 | 10.36 | 10.67 | 12.79 | 3,964,443 | 3,377,350 |
| 10/11 | 9/09 | 11.06 | 11.86 | 12.97 | 3,999,560 | 3,181,447 |
| 11/12 (b) | 9/10 | 12.59 | 14.08 | 13.51 | 3,937,037 | 3,566,751 |
| 12/13 (b) | 10/11 | 16.50 | 18.51 | 15.83 | 4,860,538 | |
| 13/14 | 11/12 | 17.19 | 18.57 | 16.17 | 4,968,643 | |

* Prior to 9/30/96 the minimum employer contribution required in accordance with Sec. 21.3 of the Retirement and Benefit System Ordinance was 7.60% for General and Utilities Authority, 9.61% for Police.

@ Actual Employer contributions are determined by applying the Employer's contribution rate to the emerging payroll. Projected funding requirement is derived from the City portion of the contribution rates on page B-1. The payroll was increased by a factor of 1.092 (1.045²) to reflect projected payroll growth to the beginning of the fiscal year during which the contribution will be made. Prior to the valuation date of 9/30/2005, dollar contributions included Fire members.

(a) Before changes in benefit provisions and/or actuarial assumptions and cost methods.

(b) After changes in benefit provisions and/or actuarial assumptions and cost methods.

Prior to the 9/98 actuarial valuation reimbursement of investment expenses (approx. 2% of payroll) were included in the contribution requirement. The plan was amended 4/98 to allow payment of investment expenses out of investment income.

**EXPERIENCE GAIN (LOSS)
YEAR ENDED SEPTEMBER 30, 2012**

| | Divisions | | | Total |
|---|--------------------|------------------------|-------------------|--------------|
| | General Members | Utilities Authority | Police Members | |
| DERIVATION | | | | |
| (1) UAAL* at start of year | \$7,947,025 | \$13,407,167 | \$3,866,445 | \$25,220,637 |
| (2) Employer normal cost for year | 930,739 | 1,115,227 | 858,839 | 2,904,805 |
| (3) Employer contributions | 1,098,760 | 1,695,258 | 772,733 | 3,566,751 |
| (4) Interest accrued: .08 x [(1) + ½ [(2) – (3)]] | 629,041 | 1,049,372 | 312,760 | 1,991,173 |
| (5) Expected UAAL before changes: [(1) + (2) - (3) + (4)] | 8,408,045 | 13,876,508 | 4,265,311 | 26,549,864 |
| (6) Effect of assumption changes | 0 | 0 | 0 | 0 |
| (7) Effect of cost method changes/ accounting and timing differences | 0 | 0 | 0 | 0 |
| (8) Effect of benefit changes | 0 | 0 | 0 | 0 |
| (9) Expected UAAL after changes | 8,408,045 | 13,876,508 | 4,265,311 | 26,549,864 |
| (10) Actual UAAL | 8,236,328 | 12,874,991 | 4,584,904 | 25,696,223 |
| (11) Gain (loss): (9) - (10) | 171,717 | 1,001,517 | (319,593) | 853,641 |

* UAAL represents unfunded actuarial accrued liability.

**DEVELOPMENT OF FUNDING VALUE OF
RETIREMENT SYSTEM ASSETS**

| Year Ended September 30: | 2009 | 2010 | 2011 | 2012 |
|--|----------------|------------------|--------------------|--------------------|
| A. Funding Value Beginning of Year | \$143,467,320 | \$147,093,735 | \$148,690,936 | \$142,462,557 |
| B. Market Value End of Year | 129,119,322 | 138,853,804 | 134,533,659 | 154,199,397 |
| C. Market Value Beginning of Year | 126,932,071 | 129,119,322 | 138,853,804 | 134,533,659 |
| D. Non-Investment Net Cash Flow | (2,137,055) | (4,487,610) | (6,003,229) | (6,034,911) |
| E. Investment Income | | | | |
| E1. Market Total: B - C - D | 4,324,306 | 14,222,092 | 1,683,084 | 25,700,649 |
| E2. Amount for Immediate Recognition (8.0%) | 11,391,903 | 11,587,994 | 11,655,146 | 11,155,608 |
| E3. Amount for Phased-In Recognition: E1 - E2 | (7,067,597) | 2,634,098 | (9,972,062) | 14,545,041 |
| F. Phased-In Recognition of Investment Income | | | | |
| F1. Current Year: 0.25 x E3 | (1,766,899) | 658,525 | (2,493,016) | 3,636,260 |
| F2. First Prior Year | (8,278,908) | (1,766,899) | 658,525 | (2,493,016) |
| F3. Second Prior Year | 3,884,099 | (8,278,908) | (1,766,899) | 658,525 |
| F4. Third Prior Year | <u>533,275</u> | <u>3,884,099</u> | <u>(8,278,906)</u> | <u>(1,766,900)</u> |
| F5. Total Recognized Investment Gain | (5,628,433) | (5,503,183) | (11,880,296) | 34,869 |
| G. Funding Value End of Year: A + D + E2 + F5 | 147,093,735 | 148,690,936 | 142,462,557 | 147,618,123 |
| H. Difference between Market & Funding Value | (17,974,413) | (9,837,132) | (7,928,898) | 6,581,274 |
| I. Recognized Rate of Return | 4.05% | 4.20% | (0.15)% | 8.03% |
| J. Market Value Return | 3.44% | 11.21% | 1.24% | 19.54% |

The Funding Value of Assets recognizes assumed investment income (Line E2) fully each year. Differences between actual and assumed investment income (Line E3) are phased-in over a closed 4 year period. During periods when investment performance exceeds the assumed rate, the Funding Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, the Funding Value of Assets will tend to be greater than Market Value. If assumed rates are exactly realized for 4 consecutive years, it will become equal to Market Value.

FUNDING INDICATORS # – HISTORICAL COMPARISON
(\$ AMOUNTS IN THOUSANDS)

| Valuation Date | Indicator (1) | | Indicator (2) | | | Indicator (3) | |
|----------------|---------------|------------------|----------------|--------------|---------------|----------------|------------------|
| | Gain (Loss) | Valuation Assets | AAL* | Funded Ratio | Unfunded AAL | Member Payroll | Ratio to Payroll |
| 9/92 | \$ 2,068 | \$ 67,717 | \$ 69,355 | 98 % | \$ 1,638 | \$24,913 | 7 % |
| 9/93 | 4,360 | 75,833 | 72,883 | 104 | (2,950) | 23,602 | (12) |
| 9/94 | 2,627 | 83,023 | 77,060 | 108 | (5,963) | 24,137 | (25) |
| 9/95 (b) | 2,031 | 92,515 | 86,560 | 107 | (5,955) | 26,174 | (23) |
| 9/96 (b) | 4,188 | 103,164 | 93,874 | 110 | (9,290) | 27,529 | (34) |
| 9/97 | 9,324 | 119,224 | 100,121 | 119 | (19,103) | 29,986 | (64) |
| 9/98 (b) | 4,181 | 132,975 | 109,210 | 122 | (23,765) | 30,296 | (78) |
| 9/99 (b) | 4,315 | 146,903 | 120,514 | 122 | (26,389) | 31,688 | (83) |
| 9/00 (b) | 6,465 | 162,020 | 129,969 | 125 | (32,051) | 33,312 | (96) |
| 9/01 (b) | (6,086) | 165,023 | 137,067 | 120 | (27,955) | 35,600 | (79) |
| 9/02 (b) | (10,908) | 167,050 | 149,437 | 112 | (17,610) | 37,037 | (48) |
| 9/03 | (9,845) | 168,943 | 162,127 | 104 | (6,816) | 40,313 | (17) |
| 9/04 | (11,328) | 171,558 | 186,671 | 92 | 15,113 | 43,544 | 35 |
| 9/05 | (2,296) | 185,776 | 216,534 | 86 | 30,758 | 48,880 | 63 |
| 9/06 (b) | 3,801 | 120,062 | 130,861 | 92 | 10,800 | 30,532 | 35 |
| 9/07 (b) | 9,087 | 135,944 | 138,610 | 98 | 2,666 | 30,984 | 9 |
| 9/08 | (3,888) | 143,467 | 150,475 | 95 | 7,008 | 32,952 | 21 |
| 9/09 | (4,060) | 147,094 | 158,755 | 93 | 11,661 | 31,016 | 38 |
| 9/10 (b) | (3,429) | 148,691 | 164,865 | 90 | 16,174 | 26,779 | 60 |
| 10/11 (b) | (8,690) | 142,463 | 167,683 | 85 | 25,220 | 25,744 | 98 |
| 11/12 | 854 | 147,618 | 173,314 | 85 | 25,696 | 25,842 | 99 |

Excludes Fire after 9/05 valuation date.

* Actuarial Accrued Liabilities.

(a) Before changes in benefit provisions and/or actuarial assumptions.

(b) After changes in benefit provisions and/or actuarial assumptions.

UNFUNDED ACTUARIAL ACCRUED LIABILITY
(\$ AMOUNTS IN THOUSANDS)*

| | September 30, 2012 | | | September 30, 2011 | | |
|---|--------------------|------------------------|-------------------|--------------------|------------------------|-------------------|
| | General Members | Utilities Authority | Police Members | General Members | Utilities Authority | Police Members |
| A. Actuarial present value of future benefits | \$63,857 | \$90,496 | \$53,025 | \$62,477 | \$89,057 | \$51,267 |
| B. Actuarial present value of future normal costs | 10,537 | 13,485 | 10,041 | 10,778 | 13,847 | 10,493 |
| C. Actuarial accrued liability | 53,320 | 77,011 | 42,984 | 51,699 | 75,210 | 40,774 |
| D. Actuarial value of assets | 45,084 | 64,136 | 38,399 | 43,752 | 61,803 | 36,907 |
| E. Unfunded actuarial accrued liability | 8,236 | 12,875 | 4,585 | 7,947 | 13,407 | 3,866 |
| F. Funded Ratio | 84.6% | 83.3% | 89.3% | 84.6% | 82.2% | 90.5% |

* Totals may be off due to rounding.

**SOURCES AND FINANCING OF
UNFUNDED ACTUARIAL ACCRUED LIABILITY
GENERAL MEMBERS**

| Year Established | Initial Years | Years Remaining | Unfd. Act. Accr. Liab. | | Amortization Factor | Amortization Payment* | % of Payroll Contribution* |
|---------------------------|------------------|--------------------|------------------------|--------------------|------------------------|--------------------------|-------------------------------|
| | | | Initial Amount | Current Amount | | | |
| Initial Unfunded | | | | | | | |
| 1981 | 34 | 3 | \$ 823,833 | \$ (189,982) | 2.8565 | \$ (70,919) | (0.83) % |
| Experience Changes | | | | | | | |
| 1983 | 30 | 1 | (366,497) | (75,693) | 0.9837 | (78,643) | (0.92) |
| 1984 | 30 | 2 | (99,400) | (38,415) | 1.9355 | (20,724) | (0.24) |
| 1985 | 30 | 3 | (188,808) | (102,400) | 2.8565 | (38,225) | (0.45) |
| 1986 | 30 | 4 | (1,082,703) | (729,226) | 3.7477 | (211,805) | (2.47) |
| 1987 | 30 | 5 | (7,872) | (6,595) | 4.6099 | (1,589) | (0.02) |
| 1988 | 30 | 6 | 435,310 | 381,444 | 5.4442 | 79,378 | 0.92 |
| 1989 | 30 | 7 | (529,751) | (504,402) | 6.2515 | (93,201) | (1.09) |
| 1990 | 30 | 8 | 292,576 | 296,523 | 7.0326 | 49,639 | 0.58 |
| 1991 | 30 | 9 | (8,308) | (8,873) | 7.7884 | (1,366) | (0.02) |
| 1992 | 30 | 10 | (260,310) | (289,275) | 8.5197 | (41,473) | (0.48) |
| 1993 | 30 | 11 | (1,200,305) | (1,374,293) | 9.2273 | (185,193) | (2.16) |
| 1994 | 30 | 12 | (298,407) | (349,127) | 9.9120 | (44,568) | (0.52) |
| 1995 | 30 | 13 | (571,245) | (680,256) | 10.5745 | (82,798) | (0.96) |
| 1996 | 30 | 14 | (328,506) | (395,865) | 11.2155 | (46,193) | (0.54) |
| 1997 | 30 | 15 | (1,697,188) | (2,059,182) | 11.8357 | (231,435) | (2.69) |
| 1998 | 30 | 16 | (1,095,283) | (1,332,071) | 12.4359 | (144,776) | (1.69) |
| 1999 | 30 | 17 | (888,248) | (1,078,634) | 13.0166 | (113,758) | (1.32) |
| 2000 | 30 | 18 | (1,366,921) | (1,651,762) | 13.5784 | (169,551) | (1.97) |
| 2001 | 30 | 19 | 1,108,179 | 1,332,706 | 14.1221 | 133,500 | 1.55 |
| 2002 | 30 | 20 | 2,074,314 | 2,476,018 | 14.6481 | 242,608 | 2.82 |
| 2003 | 30 | 21 | 2,097,459 | 2,479,105 | 15.1571 | 238,093 | 2.77 |
| 2004 | 30 | 22 | 2,013,373 | 2,351,268 | 15.6496 | 221,744 | 2.58 |
| 2005 | 30 | 23 | 208,003 | 239,534 | 16.1262 | 22,219 | 0.26 |
| 2006 | 30 | 24 | (1,561,550) | (1,769,944) | 16.5873 | (161,720) | (1.88) |
| 2007 | 30 | 25 | (3,153,776) | (3,512,829) | 17.0334 | (316,577) | (3.69) |
| 2008 | 30 | 26 | 1,535,312 | 1,677,891 | 17.4651 | 149,321 | 1.74 |
| 2009 | 30 | 27 | 1,306,244 | 1,398,735 | 17.8828 | 123,053 | 1.43 |
| 2010 | 30 | 28 | 301,258 | 315,675 | 18.2870 | 27,480 | 0.32 |
| 2011 | 30 | 29 | 3,140,943 | 3,216,954 | 18.6781 | 277,347 | 3.23 |
| 2012 | 30 | 30 | (171,717) | (171,717) | 19.0565 | (14,674) | (0.17) |
| Benefit Changes | | | | | | | |
| 1985 | 30 | 3 | 307,194 | 166,606 | 2.8565 | 62,193 | 0.72 |
| 1990 | 30 | 8 | 919,717 | 932,123 | 7.0326 | 156,042 | 1.82 |
| 1996 | 30 | 14 | (126,041) | (151,887) | 11.2155 | (17,724) | (0.21) |
| 1998 | 30 | 16 | (4,204) | (5,114) | 12.4359 | (556) | (0.01) |
| 2000 | 30 | 18 | 416,125 | 502,838 | 13.5784 | 51,616 | 0.60 |
| 2004 | 30 | 22 | 603,572 | 704,866 | 15.6496 | 66,475 | 0.77 |
| 2005 | 30 | 23 | 2,422,727 | 2,789,982 | 16.1262 | 258,797 | 3.01 |
| 2006 | 30 | 24 | 1,820,155 | 2,063,059 | 16.5873 | 188,502 | 2.19 |
| 2010 | 30 | 28 | 421,454 | 441,624 | 18.2870 | 38,444 | 0.45 |
| 2011 | 30 | 29 | (604,106) | (618,725) | 18.6781 | (53,343) | (0.62) |
| Assumption Changes | | | | | | | |
| 1985 | 30 | 3 | (213,316) | (115,692) | 2.8565 | (43,187) | (0.50) |
| 1987 | 30 | 5 | 1,460,488 | 1,145,177 | 4.6099 | 275,922 | 3.21 |
| 1990 | 30 | 8 | 84,603 | 85,745 | 7.0326 | 14,354 | 0.17 |
| 1995 | 30 | 13 | 822,391 | 979,329 | 10.5745 | 119,200 | 1.39 |
| 2001 | 30 | 19 | (571,357) | (687,121) | 14.1221 | (68,830) | (0.80) |
| 2011 | 30 | 29 | 154,468 | 158,206 | 18.6781 | 13,640 | 0.16 |
| Totals | | | | \$8,236,328 | | \$556,739 | 6.44 % |

* Actual wage growth over the past 10 years has been (0.32)%, versus the 4.5% assumed. FS 112 requires use of the 10-year average if less than assumed. This has been used in the above calculation as required.

**SOURCES AND FINANCING OF
UNFUNDED ACTUARIAL ACCRUED LIABILITY
UTILITIES AUTHORITY MEMBERS**

| Year Established | Initial Years | Years Remaining | Unfd. Act. Accr. Liab. | | Amortization Factor | Amortization Payment* | % of Payroll Contribution* |
|---------------------------|------------------|--------------------|------------------------|-------------------|------------------------|--------------------------|-------------------------------|
| | | | Initial Amount | Current Amount | | | |
| Initial Unfunded | | | | | | | |
| 1981 | 34 | 3 | \$1,760,177 | \$ 635,938 | 2.8565 | \$ 230,445 | 1.98 % |
| Experience Changes | | | | | | | |
| 1983 | 30 | 1 | 347,917 | (73,770) | 0.9837 | (75,873) | (0.65) |
| 1984 | 30 | 2 | (359,556) | 6,064 | 1.9355 | 3,206 | 0.03 |
| 1985 | 30 | 3 | 15,796 | (67,448) | 2.8565 | (24,441) | (0.21) |
| 1986 | 30 | 4 | (125,200) | (414,158) | 3.7477 | (115,675) | (0.99) |
| 1987 | 30 | 5 | (619,038) | (191,794) | 4.6099 | (44,030) | (0.38) |
| 1988 | 30 | 6 | (246,244) | 245,467 | 5.4442 | 48,234 | 0.41 |
| 1989 | 30 | 7 | 280,129 | (124,031) | 6.2515 | (21,452) | (0.18) |
| 1990 | 30 | 8 | (130,266) | 412,907 | 7.0326 | 64,149 | 0.55 |
| 1991 | 30 | 9 | 407,412 | (254,596) | 7.7884 | (36,085) | (0.31) |
| 1992 | 30 | 10 | (238,416) | (432,252) | 8.5197 | (56,575) | (0.49) |
| 1993 | 30 | 11 | (388,969) | (1,607,089) | 9.2273 | (196,152) | (1.68) |
| 1994 | 30 | 12 | (1,360,632) | (1,145,377) | 9.9120 | (131,419) | (1.13) |
| 1995 | 30 | 13 | (978,978) | (1,160,087) | 10.5745 | (125,971) | (1.08) |
| 1996 | 30 | 14 | (974,186) | (1,133,422) | 11.2155 | (117,141) | (1.01) |
| 1997 | 30 | 15 | (940,560) | (2,660,183) | 11.8357 | (262,951) | (2.26) |
| 1998 | 30 | 16 | (2,192,535) | (3,082,600) | 12.4359 | (292,651) | (2.51) |
| 1999 | 30 | 17 | (2,534,640) | (1,386,747) | 13.0166 | (126,907) | (1.09) |
| 2000 | 30 | 18 | (1,141,977) | (1,581,945) | 13.5784 | (140,002) | (1.20) |
| 2001 | 30 | 19 | (1,309,143) | 1,916,643 | 14.1221 | 164,501 | 1.41 |
| 2002 | 30 | 20 | 1,593,737 | 3,413,656 | 14.6481 | 284,858 | 2.44 |
| 2003 | 30 | 21 | 2,859,829 | 3,182,501 | 15.1571 | 258,784 | 2.22 |
| 2004 | 30 | 22 | 2,692,574 | 1,838,914 | 15.6496 | 146,005 | 1.25 |
| 2005 | 30 | 23 | 1,574,647 | 260,081 | 16.1262 | 20,200 | 0.17 |
| 2006 | 30 | 24 | 225,846 | (3,054,880) | 16.5873 | (232,474) | (2.00) |
| 2007 | 30 | 25 | (2,695,199) | (3,540,486) | 17.0334 | (264,385) | (2.27) |
| 2008 | 30 | 26 | (3,178,605) | 1,948,868 | 17.4651 | 143,001 | 1.23 |
| 2009 | 30 | 27 | 1,783,264 | 2,433,008 | 17.8828 | 175,640 | 1.51 |
| 2010 | 30 | 28 | 2,272,126 | 2,796,399 | 18.2870 | 198,836 | 1.71 |
| 2011 | 30 | 29 | 2,668,679 | 4,806,076 | 18.6781 | 336,942 | 2.89 |
| 2012 | 30 | 30 | (1,001,517) | (1,001,517) | 19.0565 | (69,296) | (0.59) |
| Benefit Changes | | | | | | | |
| 1985 | 30 | 3 | 393,236 | 211,847 | 2.8565 | 76,767 | 0.66 |
| 1996 | 30 | 14 | 1,797,497 | 2,166,072 | 11.2155 | 223,867 | 1.92 |
| 1998 | 30 | 16 | (6,868) | (8,353) | 12.4359 | (793) | (0.01) |
| 2000 | 30 | 18 | 217,608 | 262,952 | 13.5784 | 23,271 | 0.20 |
| 2005 | 30 | 23 | 5,714,128 | 6,580,320 | 16.1262 | 511,072 | 4.39 |
| 2007 | 30 | 25 | 879,772 | 979,933 | 17.0334 | 73,176 | 0.63 |
| 2011 | 30 | 29 | (859,973) | (880,784) | 18.6781 | (61,750) | (0.53) |
| Assumption Changes | | | | | | | |
| 1985 | 30 | 3 | (313,763) | (169,033) | 2.8565 | (61,253) | (0.53) |
| 1987 | 30 | 5 | 2,484,163 | 1,934,875 | 4.6099 | 444,184 | 3.81 |
| 1990 | 30 | 8 | (71,195) | (72,153) | 7.0326 | (11,210) | (0.10) |
| 1995 | 30 | 13 | 1,262,801 | 1,503,784 | 10.5745 | 163,293 | 1.40 |
| 2001 | 30 | 19 | (1,106,750) | (1,330,987) | 14.1221 | (114,236) | (0.98) |
| 2011 | 30 | 29 | 695,546 | 712,378 | 18.6781 | 49,943 | 0.43 |
| Totals | | | \$12,874,991 | | | \$1,057,652 | 9.08 % |

* Actual wage growth over the past 10 years has been 2.07%, versus the 4.5% assumed. FS 112 requires use of the 10-year average if less than assumed. This has been used in the above calculation as required.

**SOURCES AND FINANCING OF
UNFUNDED ACTUARIAL ACCRUED LIABILITY
POLICE MEMBERS**

| Year Established | Initial Years | Years Remaining | Unfd. Act. Accr. Liab. | | Amortization Factor | Amortization Payment* | % of Payroll Contribution* |
|---------------------------|------------------|--------------------|------------------------|--------------------|------------------------|--------------------------|-------------------------------|
| | | | Initial Amount | Current Amount | | | |
| Initial Unfunded | | | | | | | |
| 1981 | 34 | 3 | \$ 387,782 | \$ (230,662) | 2.8565 | \$ (82,605) | (1.50) % |
| Experience Changes | | | | | | | |
| 1983 | 30 | 1 | (111,519) | (23,032) | 0.9837 | (23,594) | (0.43) |
| 1984 | 30 | 2 | (94,576) | (36,551) | 1.9355 | (19,174) | (0.35) |
| 1985 | 30 | 3 | (179,528) | (97,367) | 2.8565 | (34,869) | (0.63) |
| 1986 | 30 | 4 | (625,033) | (420,975) | 3.7477 | (115,762) | (2.10) |
| 1987 | 30 | 5 | 59,331 | 46,522 | 4.6099 | 10,476 | 0.19 |
| 1988 | 30 | 6 | 411,907 | 360,936 | 5.4442 | 69,314 | 1.26 |
| 1989 | 30 | 7 | (756,895) | (720,677) | 6.2515 | (121,380) | (2.21) |
| 1990 | 30 | 8 | 125,313 | 127,003 | 7.0326 | 19,147 | 0.35 |
| 1991 | 30 | 9 | (203,783) | (217,610) | 7.7884 | (29,827) | (0.54) |
| 1992 | 30 | 10 | (212,982) | (236,681) | 8.5197 | (29,857) | (0.54) |
| 1993 | 30 | 11 | (924,672) | (1,092,165) | 9.2273 | (128,058) | (2.33) |
| 1994 | 30 | 12 | (461,122) | (539,499) | 9.9120 | (59,274) | (1.08) |
| 1995 | 30 | 13 | (631,047) | (751,472) | 10.5745 | (77,889) | (1.42) |
| 1996 | 30 | 14 | (985,977) | (1,188,151) | 11.2155 | (116,850) | (2.12) |
| 1997 | 30 | 15 | (2,131,299) | (2,585,885) | 11.8357 | (242,490) | (4.41) |
| 1998 | 30 | 16 | 769,031 | 935,286 | 12.4359 | 83,987 | 1.53 |
| 1999 | 30 | 17 | (1,200,250) | (1,457,512) | 13.0166 | (125,799) | (2.29) |
| 2000 | 30 | 18 | (597,465) | (721,967) | 13.5784 | (60,090) | (1.09) |
| 2001 | 30 | 19 | 578,886 | 696,173 | 14.1221 | 56,038 | 1.02 |
| 2002 | 30 | 20 | 1,258,164 | 1,501,817 | 14.6481 | 117,217 | 2.13 |
| 2003 | 30 | 21 | 1,317,638 | 1,557,390 | 15.1571 | 118,136 | 2.15 |
| 2004 | 30 | 22 | 2,033,822 | 2,375,149 | 15.6496 | 175,466 | 3.19 |
| 2005 | 30 | 23 | (40,822) | (47,010) | 16.1262 | (3,389) | (0.06) |
| 2006 | 30 | 24 | 455,702 | 516,515 | 16.5873 | 36,391 | 0.66 |
| 2007 | 30 | 25 | (2,754,392) | (3,067,975) | 17.0334 | (211,601) | (3.85) |
| 2008 | 30 | 26 | 569,652 | 622,553 | 17.4651 | 42,093 | 0.77 |
| 2009 | 30 | 27 | 481,424 | 515,512 | 17.8828 | 34,214 | 0.62 |
| 2010 | 30 | 28 | 458,881 | 480,843 | 18.2870 | 31,363 | 0.57 |
| 2011 | 30 | 29 | 856,807 | 877,542 | 18.6781 | 56,314 | 1.02 |
| 2012 | 30 | 30 | 319,593 | 319,593 | 19.0565 | 20,198 | 0.37 |
| Benefit Changes | | | | | | | |
| 1985 | 30 | 3 | 168,462 | 91,365 | 2.8565 | 32,720 | 0.59 |
| 1996 | 30 | 14 | (52,503) | (63,270) | 11.2155 | (6,222) | (0.11) |
| 1998 | 30 | 16 | 866,643 | 1,054,001 | 12.4359 | 94,647 | 1.72 |
| 2000 | 30 | 18 | 154,856 | 187,125 | 13.5784 | 15,575 | 0.28 |
| 2002 | 30 | 20 | (2,757) | (3,291) | 14.6481 | (257) | (0.00) |
| 2005 | 30 | 23 | 3,376,647 | 3,888,505 | 16.1262 | 280,298 | 5.10 |
| 2006 | 30 | 24 | 21,867 | 24,785 | 16.5873 | 1,746 | 0.03 |
| 2010 | 30 | 28 | 144,060 | 150,954 | 18.2870 | 9,846 | 0.18 |
| 2011 | 30 | 29 | (576,034) | (589,974) | 18.6781 | (37,860) | (0.69) |
| Assumption Changes | | | | | | | |
| 1985 | 30 | 3 | (117,742) | (63,857) | 2.8565 | (22,869) | (0.42) |
| 1987 | 30 | 5 | 409,545 | 321,127 | 4.6099 | 72,311 | 1.31 |
| 1990 | 30 | 8 | 194,195 | 196,814 | 7.0326 | 29,672 | 0.54 |
| 1995 | 30 | 13 | 576,369 | 686,358 | 10.5745 | 71,140 | 1.29 |
| 2000 | 30 | 18 | 93,418 | 112,884 | 13.5784 | 9,395 | 0.17 |
| 2001 | 30 | 19 | 418,050 | 502,751 | 14.1221 | 40,469 | 0.74 |
| 2011 | 30 | 29 | 577,020 | 590,984 | 18.6781 | 37,925 | 0.69 |
| Totals | | | | \$4,584,904 | | \$16,382 | 0.30 % |

* Actual wage growth over the past 10 years has been 1.72%, versus the 4.5% assumed. FS 112 requires use of the 10-year average if less than assumed. This has been used in the above calculation as required.

ACTUARIAL BALANCE SHEET - SEPTEMBER 30, 2012
(\$ AMOUNTS IN THOUSANDS)*

PRESENT RESOURCES AND EXPECTED FUTURE RESOURCES

| | General Members | Utilities Authority Members | Police Members | Total |
|---|----------------------------|--|---------------------------|--------------|
| A. Funding value of plan assets: | | | | |
| 1. Net assets from plan financial statements (Market) | \$47,093 | \$66,995 | \$40,111 | \$154,199 |
| 2. Funding value adjustment | (\$2,009) | (\$2,859) | (\$1,712) | (\$6,580) |
| 3. Funding value of assets | \$45,084 | \$64,136 | \$38,399 | \$147,619 |
| B. Actuarial present value of expected future employer contributions: | | | | |
| 1. For normal costs | \$ 6,989 | \$ 8,001 | \$ 7,528 | \$22,518 |
| 2. For unfunded actuarial accrued liability | 8,236 | 12,875 | 4,585 | 25,696 |
| 3. Total | \$15,225 | \$20,876 | \$12,113 | \$48,214 |
| C. Actuarial present value of expected future member contributions | 3,548 | 5,484 | 2,513 | 11,545 |
| D. Total Present and Future Resources | \$63,857 | \$90,496 | \$53,025 | \$207,378 |

**ACTUARIAL PRESENT VALUE OF EXPECTED FUTURE
BENEFIT PAYMENTS AND RESERVES**

| | General Members | Utilities Authority Members | Police Members | Total |
|--|----------------------------|--|---------------------------|--------------|
| A. To retired members and beneficiaries | \$32,794 | \$46,518 | \$25,139 | \$104,451 |
| B. To vested terminated members | 1,389 | 687 | 295 | 2,371 |
| C. To present active members: | | | | |
| 1. Allocated to service rendered prior to valuation date | \$19,137 | \$29,806 | \$17,550 | \$66,493 |
| 2. Allocated to service likely to be rendered after valuation date | \$10,537 | \$13,485 | \$10,041 | \$34,063 |
| 3. Total | \$29,674 | \$43,291 | \$27,591 | \$100,556 |
| D. Total actuarial present value of expected future benefit payments | \$63,857 | \$90,496 | \$53,025 | \$207,378 |

* Totals may be off due to rounding.

CUMULATIVE EXPERIENCE GAINS (LOSSES)

| Year Ended September 30 | Balance at Beginning of Year | Interest | Gain (Loss) During Year | Value of Cost- of-Living Adjustment During Year | Balance at End of Year |
|----------------------------|------------------------------------|-------------|----------------------------|--|---------------------------|
| 1999 | \$ - | \$ - | \$ 4,314,699 | \$ 709,305 | \$ 3,605,394 |
| 2000 | 3,605,394 | 288,432 | 6,465,035 | 1,219,607 | 9,139,254 |
| 2001 | 9,139,254 | 731,140 | (6,086,030) | 1,186,656 | 2,597,708 |
| 2002 | 2,597,708 | 207,817 | (10,907,939) | - | (8,102,414) |
| 2003 | (8,102,414) | (648,193) | (9,844,539) | - | (18,595,145) |
| 2004 | (18,595,145) | (1,487,612) | (11,328,205) | - | (31,410,961) |
| 2005 | (31,410,961) | (2,512,877) | (2,296,402) | - | (36,220,240) |
| 2006* | (18,683,996) | (1,494,720) | 3,801,047 | - | (16,377,668) |
| 2007 | (16,377,668) | (1,310,213) | 9,086,773 | - | (8,601,108) |
| 2008 | (8,601,108) | (688,089) | (3,888,228) | - | (13,177,425) |
| 2009 | (13,177,425) | (1,054,194) | (4,059,794) | - | (18,291,413) |
| 2010 | (18,291,413) | (1,463,313) | (3,428,818) | - | (23,183,544) |
| 2011 | (23,183,544) | (1,854,684) | (8,690,267) | - | (33,728,495) |
| 2012 | (33,728,495) | (2,698,280) | 853,641 | - | (35,573,134) |

* After removing the estimated impact of Fire members.

SECTION C

SUMMARY OF BENEFIT PROVISIONS AND VALUATION DATA SUBMITTED BY RETIREMENT AND BENEFIT SYSTEM

SUMMARY OF BENEFIT PROVISIONS (SEPTEMBER 30, 2012)

Participation: Participation in the retirement and benefit system begins upon employment.

Normal Retirement (no reduction factor for age):

Eligibility - Original members: 20 or more years of service.

All members - General, Utilities Authority: 25 or more years of service regardless of age, or age 60 with 5 or more years of service.

- Police: 25 or more years of service, regardless of age, or age 55 with 5 or more years of service.

Mandatory Retirement Age - None.

Annual Amount - All members: Total service times 3.0% of final average salary.

The normal form of benefit is a benefit payable for life. Optional forms are available on an actuarial equivalent basis.

Type of Final Average Salary - General: Highest 5 consecutive years out of last 10. Police, Fire, Utilities Authority: Highest 5 years out of last 10.

Deferred Retirement Option Plan (DROP) Retirement:

Eligibility – General, Police, and Utilities Authority members: Same as Normal Retirement, election may be made on or after normal retirement eligibility, but not after reaching 30 years of service. Participation in the DROP ends after five years.

Annual Amount – Computed as a normal retirement but based upon service and final average salary at time of DROP election. Member contributions cease and monthly benefits (and post-retirement increases, if any) accumulate in a self-directed DROP account and are payable to the member upon termination of employment.

Deferred Retirement (vested benefit):

Eligibility – 5 or more years of service. Benefit begins upon attaining age 60.

Annual Amount – Computed as a normal retirement but based upon service and final average salary at time of termination.

Duty Disability Retirement:

Eligibility - No age or service requirements if the retirement board finds the member to be in receipt of weekly workers' compensation on account of disability in the course of duty.

Annual Amount - Computed as a normal retirement based upon service projected to the end of the duty disability period and final average salary at time of disability. Minimum benefit is 75% of final average salary during the duty disability period. The duty disability period ends on the earlier of the 25th anniversary of the member's hire date or the date the member attains age 65 but not prior to 5 years from the date of duty disability retirement.

Non-Duty Disability Retirement:

Eligibility – 5 or more years of service.

Annual Amount - Computed as a normal retirement but based upon service and final average salary at time of disability.

Duty Death Before Retirement:

Eligibility - No age or service requirements. Benefits begin upon termination of workers' compensation.

Annual Amount - A benefit equal to the same amount that was paid by workers' compensation to the spouse until death, to unmarried children under 18 and dependent parents.

Non-Duty Death Before Retirement:

Eligibility - 5 or more years of service.

Annual Amount - Computed as a normal retirement but actuarially reduced in accordance with a 100% joint and survivor election.

Post-Retirement Increases: COLA may be granted from investment returns in excess of actuarial interest assumption, not to exceed 3%.

Military Service: May be purchased by members who meet the eligibility conditions.

Member Contributions: General: 5.16% of annual salary
 Police : 5.16% of annual salary
 Utilities Authority: 6.16% of annual salary

Employer Contributions: Actuarially determined amounts which together with member contributions are sufficient to at least cover the requirements of the funding objective stated on page A-1.

Changes in Plan Provisions: None.

ACCOUNTING INFORMATION SUBMITTED FOR VALUATION

REVENUES AND EXPENDITURES

| | Year Ended | |
|-------------------------------------|---------------|----------------|
| | 9/30/2012 | 9/30/2011 |
| REVENUES: | | |
| a. Member contributions: | | |
| General | \$ 447,037 | \$ 445,161 |
| Police | 293,935 | 284,502 |
| Utilities Authority | 732,538 | 777,981 |
| b. Employer contributions: | | |
| General | 1,098,760 | 966,571 |
| Police | 772,733 | 707,139 |
| Utilities Authority | 1,695,258 | 1,507,737 |
| c. Investment income: | | |
| 1. Interest and dividends | 2,776,504 | 3,044,151 |
| 2. Gain or loss on sales | 1,960,463 | 4,300,672 |
| 3. Unrealized gain/loss | 21,428,137 | (5,251,193) |
| d. Total revenues | \$ 31,205,365 | \$ 6,782,721 |
| EXPENDITURES: | | |
| a. Refunds of member contributions: | | |
| General | 81,064 | 103,695 |
| Police | 92,250 | 38,815 |
| Utilities Authority | 74,524 | 115,181 |
| b. Benefits paid: | | |
| General | 3,496,700 | 3,418,674 |
| Police | 2,363,058 | 2,310,900 |
| Utilities Authority | 4,734,907 | 4,488,322 |
| c. Investment expenses | 464,454 | 410,546 |
| d. Administrative expenses | 68,924 | 65,000 |
| e. Other | 163,743 | 151,733 |
| f. Total expenditures | \$ 11,539,626 | \$ 11,102,866 |
| ADJUSTMENTS: | \$ - | \$ - |
| RESERVE INCREASE: | \$ 19,665,739 | \$ (4,320,145) |

MARKET VALUE OF ASSETS

| | 9/30/2012 | 9/30/2011 |
|-----------------------------|----------------|----------------|
| Cash | \$ 28,041 | \$ 840,620 |
| Receivables & Accruals | 799,093 | 708,828 |
| Other short-term | 3,439,402 | 4,855,854 |
| Bonds - government | 6,576,421 | 7,042,943 |
| - corporate | 41,046,994 | 38,409,786 |
| Stocks - common | 11,419,701 | 8,803,570 |
| - mutual funds | 90,929,546 | 73,921,938 |
| Other - limited partnership | - | - |
| Other - prepaid expenses | - | - |
| Total assets | 154,239,198 | 134,583,539 |
| Less accounts payable | 39,801 | 49,880 |
| Net assets | \$ 154,199,397 | \$ 134,533,659 |
| Increase in assets | \$ 19,665,739 | \$ (4,320,145) |

RETIRED MEMBER AND BENEFICIARY DATA SEPTEMBER 30, 2012
TABULATED BY VALUATION DIVISIONS

| Valuation Divisions | No. | Annual Benefits | Average Benefit | Actuarial Value of Benefits |
|-----------------------------|------------|---------------------|--------------------|--------------------------------|
| General Members | 187 | \$ 3,522,381 | \$ 18,836 | \$ 32,794,112 |
| Utilities Authority Members | 192 | 4,852,376 | 25,273 | 46,517,689 |
| Police Members | 73 | 2,497,560 | 34,213 | 25,138,551 |
| Totals | 452 | \$10,872,317 | \$24,054 | \$104,450,352 |

| Divisions | All Retirement's Averages | | | New Age and Service Retired Members Added During Year Ended 9-30-2012 Averages | | |
|-----------------------------|---------------------------|-------------------|-------------------------------|---|------|--------------------|
| | Attained Age | Retirement Age | Current Annual Benefits | No. | Age | Annual Benefits |
| | General Members | 69.8 | 60.2 | \$18,836 | 4 | 61.4 |
| Utilities Authority Members | 67.7 | 57.5 | 25,273 | 9 | 57.9 | 29,628 |
| Police Members | 64.0 | 54.0 | 34,213 | 1 | 55.9 | 10,085 |

RETIRED MEMBER AND BENEFICIARY DATA HISTORICAL COMPARISON

| Period | Added | | Removed | | Net Increase | | End of Period | | Expected Removals | |
|----------------|-----------|-----------------|-----------|-----------------|--------------|-----------------|---------------|-------------------|-------------------|----------------|
| | No. | Annual Benefits | No. | Annual Benefits | No. | Annual Benefits | No. | Annual Benefits | No. | Benefits |
| 9/30/78 | 16 | \$ 73,077 | 4 | \$ 6,235 | 12 | \$ 66,842 | 107 | \$ 355,275 | N/A | N/A |
| 9/30/79 | 16 | 78,577 | 6 | 19,040 | 10 | 59,537 | 117 | 414,812 | N/A | N/A |
| 9/30/80 | 14 | 68,014 | 6 | 13,899 | 8 | 54,115 | 125 | 468,927 | N/A | N/A |
| 9/30/81 | 8 | 51,167 | 4 | 9,914 | 4 | 41,253 | 129 | 510,180 | N/A | N/A |
| 9/30/82 | 15 | 102,964 | 3 | 10,568 | 12 | 92,396 | 141 | 602,576 | 3.6 | \$10,800 |
| 9/30/83 | 15 | 94,040 | 9 | 17,784 | 6 | 76,256 | 147 | 678,832 | 4.2 | 12,930 |
| 9/30/84 | 16 | 74,505 | 6 | 14,486 | 10 | 60,019 | 157 | 738,851 | 4.3 | 15,103 |
| 9/30/85 | 11 | 87,916 | 6 | 16,055 | 5 | 71,861 | 162 | 810,712 | 4.8 | 17,129 |
| 9/30/86 | 21 | 237,533 | 8 | 34,936 | 13 | 202,597 | 175 | 1,013,309 | 5.3 | 20,394 |
| 9/30/87 | 17 | 182,208 | 7 | 18,904 | 10 | 163,304 | 185 | 1,176,613 | 5.7 | 25,092 |
| 9/30/88 | 16 | 176,569 | 6 | 18,144 | 10 | 158,425 | 195 | 1,335,038 | 6.0 | 29,181 |
| 9/30/89 | 18 | 210,866 | 7 | 29,378 | 11 | 181,488 | 206 | 1,516,526 | 6.6 | 34,395 |
| 9/30/90 | 19 | 284,294 | 8 | 50,713 | 11 | 233,581 | 217 | 1,750,107 | 7.2 | 40,904 |
| 9/30/91 | 12 | 166,933 | 12 | 40,397 | - | 126,536 | 217 | 1,876,643 | 7.8 | 48,142 |
| 9/30/92 | 19 | 279,791 | 6 | 12,185 | 13 | 267,606 | 230 | 2,144,249 | 7.4 | 46,602 |
| 9/30/93 | 26 | 505,107 | 8 | 102,192 | 18 | 402,915 | 248 | 2,547,164 | 8.1 | 53,142 |
| 9/30/94 | 20 | 319,610 | 8 | 59,627 | 12 | 259,983 | 260 | 2,807,147 | 8.7 | 58,237 |
| 9/30/95 | 22 | 481,651 | 9 | 41,888 | 13 | 439,763 | 273 | 3,246,910 | 9.2 | 64,542 |
| 9/30/96 | 12 | 177,476 | 9 | 54,301 | 3 | 123,175 | 276 | 3,370,085 | 8.4 | 61,052 |
| 9/30/97 | 20 | 311,526 | 11 | 62,949 | 9 | 248,577 | 285 | 3,618,662 | 8.9 | 66,449 |
| 9/30/98 | 35 | 833,113 | 9 | 47,534 | 27 | 785,579 | 311 | 4,404,241 | 9.1 | 72,632 |
| 9/30/99 | 25 | 507,447 | 15 | 126,797 | 10 | 380,650 | 321 | 4,784,891 | 9.7 | 82,380 |
| 9/30/00 | 27 | 646,116 | 14 | 129,198 | 13 | 516,918 | 334 | 5,301,809 | 9.9 | 90,589 |
| 9/30/01 | 23 | 628,192 | 15 | 97,296 | 8 | 530,896 | 342 | 5,832,705 | 9.9 | 97,991 |
| 9/30/02 | 23 | 526,601 | 3 | 33,319 | 20 | 493,282 | 362 | 6,325,987 | 9.7 | 109,931 |
| 9/30/03 | 17 | 313,250 | 5 | 42,129 | 12 | 271,121 | 374 | 6,597,108 | 10.6 | 121,871 |
| 9/30/04 | 25 | 705,692 | 3 | 44,505 | 22 | 661,187 | 396 | 7,258,295 | 11.2 | 132,981 |
| 9/30/05 | 11 | 354,475 | 22 | 266,853 | (11) | 87,622 | 385 | 7,345,917 | 12.4 | 149,279 |
| 9/30/06 * | 37 | 1,017,845 | 99 | 2,907,201 | (62) | (1,889,356) | 323 | 5,456,561 | 10.0 | 109,462 |
| 9/30/07 | 32 | 820,021 | 18 | 202,924 | 14 | 617,097 | 337 | 6,073,658 | 11.0 | 126,496 |
| 9/30/08 | 23 | 635,039 | 12 | 184,195 | 11 | 450,844 | 348 | 6,524,502 | 11.2 | 138,459 |
| 9/30/09 | 55 | 1,551,148 | 16 | 182,856 | 39 | 1,368,292 | 387 | 7,892,794 | 11.7 | 149,577 |
| 9/30/10 | 56 | 2,229,035 | 14 | 177,196 | 42 | 2,051,839 | 429 | 9,944,633 | 12.3 | 170,609 |
| 9/30/11 | 26 | 672,328 | 16 | 239,318 | 10 | 433,010 | 439 | 10,377,643 | 12.9 | 197,045 |
| 9/30/12 | 27 | 746,421 | 14 | 251,747 | 13 | 494,674 | 452 | 10,872,317 | 13.5 | 196,990 |

*Removed 90 Fire retirees and beneficiaries and \$2,811,761 annual benefits in the 9/30/2006 Valuation.

**RETIRED MEMBERS AND BENEFICIARIES
HISTORICAL COMPARISON**

| Valuation Date | % Increase in Annual Benefits | No. of Active Per Retired | Annual Benefits as % of Active Payroll | Average Benefits |
|-------------------|-------------------------------------|------------------------------|---|---------------------|
| 9/30/78 | 23.2 % | 5.9 | 4.9 % | \$ 3,320 |
| 9/30/79 | 16.8 | 5.3 | 5.4 | 3,545 |
| 9/30/80 | 13.0 | 5.0 | 5.6 | 3,751 |
| 9/30/81 | 5.4 | 5.1 | 5.4 | 3,955 |
| 9/30/82 | 8.1 | 5.0 | 5.3 | 4,274 |
| 9/30/83 | 8.0 | 4.9 | 5.5 | 4,618 |
| 9/30/84 | 8.8 | 4.7 | 5.5 | 4,706 |
| 9/30/85 | 9.7 | 4.7 | 5.4 | 5,004 |
| 9/30/86 | 25.0 | 4.4 | 6.1 | 5,790 |
| 9/30/87 | 16.1 | 4.2 | 6.6 | 6,360 |
| 9/30/88 | 13.5 | 4.2 | 6.8 | 6,846 |
| 9/30/89 | 13.6 | 4.0 | 7.5 | 7,362 |
| 9/30/90 | 15.4 | 3.9 | 7.8 | 8,065 |
| 9/30/91 | 7.2 | 3.9 | 7.9 | 8,648 |
| 9/30/92 | 14.3 | 3.6 | 8.6 | 9,323 |
| 9/30/93 | 18.8 | 3.1 | 10.8 | 10,271 |
| 9/30/94 | 10.2 | 3.0 | 11.6 | 10,797 |
| 9/30/95 | 15.7 | 3.0 | 12.4 | 11,893 |
| 9/30/96 | 3.8 | 3.0 | 12.2 | 12,210 |
| 9/30/97 | 7.4 | 3.2 | 12.1 | 12,697 |
| 9/30/98 | 21.7 | 2.8 | 14.5 | 14,162 |
| 9/30/99 | 8.6 | 2.7 | 15.1 | 14,906 |
| 9/30/00 | 10.8 | 2.7 | 15.9 | 15,874 |
| 9/30/01 | 10.0 | 2.7 | 16.4 | 17,055 |
| 9/30/02 | 8.5 | 2.5 | 17.1 | 17,475 |
| 9/30/03 | 4.3 | 2.5 | 16.4 | 17,639 |
| 9/30/04 | 10.0 | 2.4 | 16.7 | 18,329 |
| 9/30/05 | 1.2 | 2.6 | 15.0 | 19,080 |
| 9/30/06 * | 20.3 | 2.0 | 17.9 | 16,893 |
| 9/30/07 | 11.3 | 2.0 | 19.6 | 18,023 |
| 9/30/08 | 7.4 | 2.0 | 19.8 | 18,749 |
| 9/30/09 | 21.0 | 1.7 | 25.4 | 20,395 |
| 9/30/10 | 26.0 | 1.3 | 37.1 | 23,181 |
| 9/30/11 | 4.4 | 1.3 | 40.3 | 23,639 |
| 9/30/12 | 4.8 | 1.2 | 42.1 | 24,054 |

* Removed 90 Fire retirees and beneficiaries, and \$2,811,761 annual benefits in the 9/30/2006 valuation.

RETIRED MEMBER AND BENEFICIARY DATA AS OF SEPTEMBER 30, 2012
BY TYPE OF BENEFIT BEING PAID

| <u>Type of Benefit Being Paid</u> | <u>No.</u> | <u>Annual Benefits</u> | <u>Average Benefits</u> |
|--|------------|------------------------|-------------------------|
| Age and Service Benefits | | | |
| Straight Life - benefit terminating at death of retirant | 150 | \$3,640,875 | \$24,273 |
| Option A - 100% joint and survivor benefit | 94 | 2,680,895 | 28,520 |
| Option B/D/E - 50%/75%/67% joint and survivor benefit | 82 | 2,459,865 | 29,998 |
| Option C - 10 year certain and life | 24 | 509,331 | 21,222 |
| Surviving beneficiaries | 66 | 740,088 | 11,213 |
| Other Age and Service Benefits | <u>1</u> | <u>13,155</u> | <u>13,155</u> |
| Total Age and Service Benefits | 417 | 10,044,209 | 24,087 |
| Casualty Benefits | | | |
| Duty Disability | 11 | 368,276 | 33,480 |
| Non-duty Disability | 12 | 189,651 | 15,804 |
| Duty Death | 2 | 47,846 | 23,923 |
| Non-duty Death | <u>10</u> | <u>222,335</u> | <u>22,234</u> |
| Total Casualty Benefits | 35 | 828,108 | 23,660 |
| Total Benefits Being Paid | 452 | \$10,872,317 | \$24,054 |

RETIRED MEMBERS AND BENEFICIARIES AS OF SEPTEMBER 30, 2012
BY ATTAINED AGE

| Age Last Birthday | Age and Service | | Casualty | | Total | |
|-------------------------|-----------------|----------------------|-----------|--------------------|------------|----------------------|
| | No. | Annual Benefits | No. | Annual Benefits | No. | Annual Benefits |
| Under 45 | 4 | \$ 47,172 | 3 | \$ 76,890 | 7 | \$ 124,062 |
| 45-49 | 6 | 202,359 | 4 | 102,507 | 10 | 304,866 |
| 50-54 | 25 | 1,011,203 | 6 | 102,224 | 31 | 1,113,427 |
| 55-59 | 48 | 1,933,740 | 7 | 105,204 | 55 | 2,038,944 |
| 60-64 | 76 | 2,196,235 | 11 | 344,264 | 87 | 2,540,499 |
| 65-69 | 85 | 2,252,422 | | | 85 | 2,252,422 |
| 70-74 | 58 | 1,067,011 | 5 | 67,160 | 63 | 1,134,171 |
| 75-79 | 34 | 496,210 | | | 34 | 496,210 |
| 80-84 | 38 | 505,208 | 1 | 32,015 | 39 | 537,223 |
| 85-89 | 26 | 221,095 | | | 26 | 221,095 |
| 90 & Over | 15 | 109,398 | | | 15 | 109,398 |
| Totals | 415 | \$ 10,042,053 | 37 | \$ 830,264 | 452 | \$ 10,872,317 |

**INACTIVE VESTED MEMBERS AS OF SEPTEMBER 30, 2012
BY ATTAINED AGE**

| Attained Age | General Members | | Utilities Authority | | Police Members | | TOTAL | |
|-------------------------|------------------------|--|----------------------------|--|-----------------------|--|--------------|--|
| | No. | Estimated Annual Benefits | No. | Estimated Annual Benefits | No. | Estimated Annual Benefits | No. | Estimated Annual Benefits |
| 30-34 | 1 | \$ 10,456 | | | | | 1 | \$ 10,456 |
| 35-39 | 1 | 10,337 | | | | | 1 | 10,337 |
| 40-44 | 1 | 9,686 | 2 | \$ 22,405 | 1 | \$ 19,764 | 4 | 51,855 |
| 45-49 | 5 | 98,029 | | | | | 5 | 98,029 |
| 50-54 | 4 | 36,910 | 4 | 44,174 | | | 8 | 81,085 |
| 55-59 | 3 | 23,596 | 4 | 49,834 | 2 | 31,459 | 9 | 104,889 |
| 60-64 | 1 | 61,545 | | | | | 1 | 61,545 |
| TOTALS | 16 | \$ 250,559 | 10 | \$116,413 | 3 | \$51,223 | 29 | \$418,196 |

**ACTIVE MEMBERS INCLUDED IN VALUATION
GENERAL MEMBERS**

| Valuation September 30 | Active Members | Vested Term. Members | Valuation Payroll | Average | | |
|---------------------------|-------------------|----------------------------|----------------------|-------------|------------|-----------------|
| | | | | Age | Service | Pay |
| 1993 | 203 | 2 | \$ 4,734,597 | 44.7 | 9.8 | \$ 23,323 |
| 1994 | 206 | 6 | 5,016,096 | 44.7 | 9.4 | 24,350 |
| 1995 | 221 | 5 | 5,476,618 | 44.9 | 9.0 | 24,781 |
| 1996 | 242 | 4 | 6,231,691 | 44.3 | 8.7 | 25,751 |
| 1997 | 254 | 4 | 6,751,233 | 44.3 | 8.3 | 26,580 |
| 1998 | 249 | 3 | 6,868,334 | 44.6 | 8.5 | 27,584 |
| 1999 | 242 | 2 | 6,892,761 | 45.3 | 8.6 | 28,482 |
| 2000 | 260 | 2 | 7,717,224 | 45.8 | 8.5 | 29,682 |
| 2001 | 268 | 3 | 8,308,758 | 45.1 | 8.3 | 31,003 |
| 2002 | 275 | 7 | 8,901,179 | 45.5 | 8.1 | 32,368 |
| 2003 | 302 | 5 | 9,994,351 | 46.5 | 7.7 | 33,094 |
| 2004 | 294 | 7 | 10,546,747 | 46.1 | 8.1 | 35,873 |
| 2005 | 297 | 7 | 11,854,374 | 46.4 | 8.6 | 39,914 |
| 2006 | 287 | 6 | 11,206,771 | 46.5 | 8.0 | 39,048 |
| 2007 | 289 | 6 | 11,131,329 | 47.3 | 8.3 | 38,517 |
| 2008 | 281 | 6 | 11,949,389 | 47.9 | 9.0 | 42,525 |
| 2009 | 265 | 8 | 11,108,762 | 47.5 | 8.6 | 41,920 |
| 2010 | 226 | 13 | 8,874,396 | 46.8 | 8.0 | 39,267 |
| 2011 | 219 | 16 | 8,488,894 | 47.1 | 8.2 | 38,762 |
| 2012 | 216 | 16 | \$8,625,945 | 47.8 | 8.9 | \$39,935 |

**NUMBER ADDED TO AND REMOVED FROM ACTIVE MEMBERSHIP
GENERAL MEMBERS**

| Year Ended September 30 | Number Added During Year | | Normal Retirement | | Disability Retirement | | Died In Service | | Terminations | | | Active Members End of Year | |
|-------------------------------|-----------------------------------|------------|----------------------|--------------|--------------------------|------------|--------------------|------------|--------------|-----------|------------|-------------------------------------|------------|
| | A | E | A | E | A | E | A | E | Withdrawal | Vested | Totals | | |
| | | | | | | | | | A | A | A | | E |
| 2003 | 57 | 30 | 5 | 9.3 | 2 | 0.4 | 0 | 0.5 | 20 | 3 | 23 | 23.0 | 302 |
| 2004 | 39 | 47 | 7 | 9.3 | 0 | 0.4 | 0 | 0.5 | 36 | 4 | 40 | 23.0 | 294 |
| 2005 | 43 | 40 | 3 | 9.9 | 0 | 0.4 | 0 | 0.5 | 33 | 4 | 37 | 21.8 | 297 |
| 2006 | 62 | 72 | 7 | 12.3 | 0 | 0.4 | 1 | 0.5 | 61 | 3 | 64 | 16.0 | 287 |
| 2007 | 40 | 38 | 5 | 16.1 | 0 | 0.4 | 2 | 0.5 | 31* | 0 | 31 | 21.3 | 289 |
| 2008 | 19 | 27 | 7 | 14.8 | 0 | 0.4 | 0 | 0.5 | 19 | 1 | 20 | 19.7 | 281 |
| 2009 | 20 | 36 | 23 | 18.2 | 0 | 0.4 | 1 | 0.5 | 10 | 2 | 12 | 17.0 | 265 |
| 2010 | 10 | 49 | 23 | 12.9 | 0 | 0.4 | 0 | 0.5 | 21 | 5 | 26 | 16.1 | 226 |
| 2011 | 17 | 24 | 11 | 7.5 | 1 | 0.4 | 1 | 0.5 | 8 | 3 | 11 | 12.3 | 219 |
| 2012 | 10 | 13 | 4 | 7.0 | 0 | 0.5 | 3 | 0.3 | 5 | 1 | 6 | 12.3 | 216 |
| 10 Year Totals | 317 | 376 | 95 | 117.3 | 3 | 4.1 | 8 | 4.8 | 244 | 26 | 270 | 182.5 | |

A represents actual number; E represents expected number.

* Includes 47 General Fire members.

**ACTIVE MEMBERS INCLUDED IN VALUATION
UTILITIES AUTHORITY MEMBERS**

| Valuation September 30 | Active Members | Vested Term. Members | Valuation Payroll | Average | | |
|---------------------------|-------------------|----------------------------|----------------------|-------------|------------|-----------------|
| | | | | Age | Service | Pay |
| 1993 | 273 | 3 | \$ 8,585,822 | 41.8 yrs. | 9.1 yrs. | \$ 31,450 |
| 1994 | 260 | 3 | 8,498,037 | 42.1 | 9.1 | 32,685 |
| 1995 | 252 | 3 | 8,491,889 | 42.5 | 9.6 | 33,698 |
| 1996 | 250 | 2 | 8,697,097 | 43.0 | 10.0 | 34,788 |
| 1997 | 260 | 2 | 9,272,216 | 43.3 | 9.8 | 35,662 |
| 1998 | 230 | 12 | 8,481,126 | 43.7 | 10.0 | 36,874 |
| 1999 | 247 | 10 | 9,431,774 | 44.0 | 9.3 | 38,185 |
| 2000 | 244 | 12 | 9,750,426 | 44.1 | 9.5 | 39,961 |
| 2001 | 257 | 13 | 10,236,646 | 44.1 | 9.0 | 39,831 |
| 2002 | 253 | 9 | 10,675,070 | 44.9 | 9.7 | 42,194 |
| 2003 | 248 | 10 | 10,744,695 | 45.3 | 10.0 | 43,325 |
| 2004 | 245 | 11 | 11,193,220 | 45.8 | 10.1 | 45,687 |
| 2005 | 256 | 12 | 12,754,845 | 46.5 | 10.1 | 49,824 |
| 2006 | 263 | 11 | 12,551,346 | 46.6 | 9.6 | 47,724 |
| 2007 | 278 | 10 | 13,494,349 | 46.5 | 9.3 | 48,541 |
| 2008 | 282 | 12 | 13,970,069 | 46.5 | 9.1 | 49,539 |
| 2009 | 266 | 7 | 13,244,000 | 46.0 | 9.3 | 49,789 |
| 2010 | 248 | 8 | 12,119,371 | 46.2 | 9.3 | 48,868 |
| 2011 | 237 | 10 | 11,893,916 | 47.0 | 9.9 | 50,185 |
| 2012 | 237 | 10 | \$11,801,344 | 47.2 | 9.9 | \$49,795 |

**NUMBER ADDED TO AND REMOVED FROM ACTIVE MEMBERSHIP
UTILITIES AUTHORITY MEMBERS**

| Year Ended September 30 | Number Added During Year | | Normal Retirement | | Disability Retirement | | Died In Service | | Terminations | | | | Active Members End of Year |
|-------------------------------|-----------------------------------|------------|----------------------|-------------|--------------------------|------------|--------------------|------------|--------------|-----------|------------|--------------|-------------------------------------|
| | A | E | A | E | A | E | A | E | Withdrawal | Vested | Totals | | |
| 2003 | 17 | 22 | 5 | 4.3 | 0 | 0.4 | 0 | 0.5 | 8 | 9 | 17 | 14.9 | 248 |
| 2004 | 21 | 24 | 5 | 4.3 | 0 | 0.4 | 1 | 0.5 | 13 | 5 | 18 | 14.9 | 245 |
| 2005 | 30 | 19 | 5 | 6.2 | 0 | 0.4 | 0 | 0.5 | 8 | 6 | 14 | 14.3 | 256 |
| 2006 | 36 | 29 | 12 | 7.6 | 0 | 0.5 | 0 | 0.6 | 17 | 0 | 17 | 15.2 | 263 |
| 2007 | 40 | 25 | 6 | 6.7 | 1 | 0.5 | 0 | 0.6 | 18 | 0 | 18 | 17.0 | 278 |
| 2008 | 27 | 23 | 11 | 9.2 | 0 | 0.5 | 0 | 0.6 | 9 | 3 | 12 | 18.7 | 282 |
| 2009 | 11 | 27 | 13 | 8.2 | 2 | 0.5 | 1 | 0.5 | 10 | 1 | 11 | 18.3 | 266 |
| 2010 | 11 | 29 | 19 | 9.7 | 0 | 0.5 | 0 | 0.5 | 9 | 1 | 10 | 15.3 | 248 |
| 2011 | 5 | 16 | 7 | 5.8 | 0 | 0.5 | 0 | 0.5 | 7 | 2 | 9 | 13.4 | 237 |
| 2012 | 20 | 20 | 8 | 8.6 | 0 | 0.6 | 0 | 0.4 | 11 | 1 | 12 | 11.0 | 237 |
| 10 Year Totals | 218 | 234 | 91 | 70.6 | 3 | 4.8 | 2 | 5.2 | 110 | 28 | 138 | 153.0 | |

A represents actual number; E represents expected number

**ACTIVE MEMBERS INCLUDED IN VALUATION
POLICE MEMBERS**

| Valuation September 30 | Active Members | Vested Term. Members | Payroll | Average | | |
|---------------------------|-------------------|----------------------------|--------------------|-------------|------------|-----------------|
| | | | | Age | Service | Pay |
| 1993 | 94 | 0 | \$ 3,093,896 | 38.5 yrs. | 9.4 yrs. | \$ 32,914 |
| 1994 | 102 | 0 | 3,333,068 | 38.4 | 9.0 | 32,677 |
| 1995 | 103 | 0 | 3,626,231 | 39.2 | 9.6 | 35,206 |
| 1996 | 103 | 2 | 3,663,859 | 38.8 | 9.3 | 35,571 |
| 1997 | 105 | 2 | 3,717,397 | 39.0 | 9.2 | 35,404 |
| 1998 | 111 | 3 | 4,234,703 | 37.7 | 7.9 | 38,150 |
| 1999 | 106 | 2 | 4,224,186 | 38.1 | 8.4 | 39,851 |
| 2000 | 112 | 2 | 4,503,739 | 38.6 | 7.9 | 40,212 |
| 2001 | 107 | 1 | 4,418,980 | 38.5 | 8.1 | 41,299 |
| 2002 | 102 | 2 | 4,567,931 | 39.7 | 9.0 | 44,784 |
| 2003 | 103 | 3 | 4,921,744 | 39.9 | 9.1 | 47,784 |
| 2004 | 103 | 3 | 5,496,631 | 40.3 | 9.9 | 53,365 |
| 2005 | 105 | 3 | 5,943,309 | 40.9 | 10.6 | 56,603 |
| 2006 | 111 | 2 | 6,773,879 | 39.3 | 9.4 | 61,026 |
| 2007 | 106 | 2 | 6,358,225 | 38.9 | 9.4 | 59,983 |
| 2008 | 117 | 2 | 7,032,172 | 39.2 | 9.4 | 60,104 |
| 2009 | 111 | 3 | 6,663,530 | 38.6 | 9.2 | 60,032 |
| 2010 | 102 | 3 | 5,785,106 | 38.4 | 9.0 | 56,717 |
| 2011 | 101 | 4 | 5,361,391 | 38.9 | 9.7 | 53,083 |
| 2012 | 99 | 3 | \$5,415,125 | 39.0 | 9.8 | \$54,698 |

**NUMBER ADDED TO AND REMOVED FROM ACTIVE MEMBERSHIP
POLICE MEMBERS**

| Year Ended September 30 | Number Added During Year | | Normal Retirement | | Disability Retirement | | Died In Service | | Terminations | | | | Active Members End of Year |
|-------------------------------|-----------------------------------|-----------|----------------------|-------------|--------------------------|------------|--------------------|------------|--------------|----------|-----------|-------------|-------------------------------------|
| | A | E | A | E | A | E | A | E | Withdrawal | Vested | Totals | | |
| | | | | | | | | | A | A | A | E | |
| 2003 | 11 | 10 | 1 | 3.8 | 0 | 0.2 | 0 | 0.1 | 5 | 4 | 9 | 4.6 | 103 |
| 2004 | 6 | 6 | 2 | 3.8 | 0 | 0.2 | 0 | 0.1 | 4 | 0 | 4 | 4.6 | 103 |
| 2005 | 4 | 2 | 0 | 4.5 | 0 | 0.2 | 0 | 0.1 | 2 | 0 | 2 | 3.8 | 105 |
| 2006 | 16 | 10 | 6 | 5.9 | 0 | 0.2 | 1 | 0.1 | 3 | 0 | 3 | 3.5 | 111 |
| 2007 | 5 | 10 | 6 | 5.3 | 0 | 0.2 | 1 | 0.1 | 3 | 0 | 3 | 4.9 | 106 |
| 2008 | 13 | 2 | 0 | 4.7 | 0 | 0.2 | 0 | 0.1 | 2 | 0 | 2 | 4.2 | 117 |
| 2009 | 12 | 18 | 5 | 5.1 | 0 | 0.2 | 0 | 0.1 | 12 | 1 | 13 | 5.1 | 111 |
| 2010 | 4 | 13 | 9 | 4.4 | 0 | 0.2 | 0 | 0.1 | 4 | 0 | 4 | 5.3 | 102 |
| 2011 | 5 | 6 | 1 | 1.7 | 0 | 0.2 | 0 | 0.1 | 4 | 1 | 5 | 5.3 | 101 |
| 2012 | 14 | 16 | 1 | 0.9 | 3 | 0.3 | 0 | 0.1 | 12 | 0 | 12 | 3.7 | 99 |
| 10 Year Totals | 90 | 93 | 31 | 40.1 | 3 | 2.1 | 2 | 1.0 | 51 | 6 | 57 | 45.0 | |

A represents actual number; E represents expected number

**GENERAL MEMBERS
AS OF SEPTEMBER 30, 2012
BY ATTAINED AGE AND YEARS OF SERVICE**

| Attained Age | Years of Service to Valuation Date | | | | | | | Totals | |
|-----------------|------------------------------------|-----------|-----------|-----------|-----------|----------|----------|------------|----------------------|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30 Plus | No. | Valuation Payroll |
| 20-24 | 1 | | | | | | | 1 | \$ 31,984 |
| 25-29 | 8 | 4 | | | | | | 12 | 358,122 |
| 30-34 | 5 | 5 | 2 | | | | | 12 | 384,594 |
| 35-39 | 7 | 10 | 8 | 2 | | | | 27 | 1,158,722 |
| 40-44 | 10 | 11 | 8 | 4 | | | | 33 | 1,312,041 |
| 45-49 | 6 | 18 | 5 | 1 | 3 | | | 33 | 1,334,094 |
| 50-54 | 6 | 11 | 9 | 8 | 2 | | | 36 | 1,525,857 |
| 55-59 | 11 | 10 | 6 | 5 | 7 | | | 39 | 1,656,187 |
| 60 | 1 | 2 | | | | | | 3 | 183,906 |
| 61 | 1 | 1 | | | | | | 2 | 62,191 |
| 62 | 1 | 2 | | | | | | 3 | 122,018 |
| 63 | 1 | 3 | | | | | | 4 | 263,146 |
| 65 | | 2 | | | | | | 2 | 76,176 |
| 67 | | 1 | | | | | | 1 | 31,515 |
| 68 | | | 1 | | | | | 1 | 8,093 |
| 69 | 1 | | | | | | | 1 | 66,926 |
| 71 | | 1 | | | 1 | | | 2 | 15,159 |
| 73 | 1 | | | | | | | 1 | 10,431 |
| 75 | | | 1 | | | | | 1 | 7,812 |
| 76 | | | 1 | | | | | 1 | 8,521 |
| 79 | | | 1 | | | | | 1 | 8,450 |
| Totals | 60 | 81 | 42 | 20 | 13 | 0 | 0 | 216 | \$8,625,945 |

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 47.8 years
Service: 8.9 years
Annual Pay: \$39,935

**UTILITIES AUTHORITY MEMBERS
AS OF SEPTEMBER 30, 2012
BY ATTAINED AGE AND YEARS OF SERVICE**

| Attained Age | Years of Service to Valuation Date | | | | | | | Totals | |
|-----------------|------------------------------------|-----------|-----------|-----------|-----------|----------|----------|------------|----------------------|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30 Plus | No. | Valuation Payroll |
| 20-24 | 2 | | | | | | | 2 | \$ 52,499 |
| 25-29 | 7 | 7 | | | | | | 14 | 556,285 |
| 30-34 | 10 | 7 | 5 | | | | | 22 | 923,464 |
| 35-39 | 7 | 7 | 2 | 1 | | | | 17 | 843,068 |
| 40-44 | 12 | 9 | 6 | 3 | 6 | | | 36 | 1,913,172 |
| 45-49 | 4 | 13 | 4 | 8 | 2 | 2 | | 33 | 1,681,057 |
| 50-54 | 8 | 16 | 10 | 6 | 3 | 2 | | 45 | 2,202,304 |
| 55-59 | 5 | 17 | 4 | 8 | 8 | 2 | 1 | 45 | 2,435,301 |
| 60 | 1 | 2 | 2 | | 1 | | | 6 | 267,157 |
| 61 | | | 2 | | | | | 2 | 141,154 |
| 62 | | 1 | 3 | | | | | 4 | 196,397 |
| 63 | | 1 | 1 | | | | | 2 | 60,042 |
| 64 | | 2 | 1 | 1 | | | | 4 | 271,834 |
| 65 | 1 | 1 | | | | | | 2 | 115,779 |
| 68 | | 1 | | | | | | 1 | 40,769 |
| 71 | | | 1 | | | | | 1 | 33,294 |
| 75 | | 1 | | | | | | 1 | 67,768 |
| Totals | 57 | 85 | 41 | 27 | 20 | 6 | 1 | 237 | \$11,801,344 |

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 47.2 years
Service: 9.9 years
Annual Pay: \$49,795

**POLICE MEMBERS
AS OF SEPTEMBER 30, 2012
BY ATTAINED AGE AND YEARS OF SERVICE**

| Attained Age | Years of Service to Valuation Date | | | | | | | Totals | |
|-----------------|------------------------------------|-----------|-----------|-----------|----------|----------|----------|-----------|----------------------|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30 Plus | No. | Valuation Payroll |
| 20-24 | 4 | | | | | | | 4 | \$ 145,034 |
| 25-29 | 10 | 6 | | | | | | 16 | 629,256 |
| 30-34 | 7 | 4 | 1 | | | | | 12 | 499,004 |
| 35-39 | 6 | 4 | 8 | 1 | | | | 19 | 1,042,517 |
| 40-44 | 3 | 4 | 4 | 7 | 2 | | | 20 | 1,268,397 |
| 45-49 | 3 | | 4 | 6 | 4 | | | 17 | 1,112,099 |
| 50-54 | | 1 | 2 | 3 | 1 | | | 7 | 455,332 |
| 55-59 | | | 1 | 1 | 1 | | | 3 | 201,717 |
| 60 | | | 1 | | | | | 1 | 61,769 |
| Totals | 33 | 19 | 21 | 18 | 8 | 0 | 0 | 99 | \$5,415,125 |

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 39.0 years
Service: 9.8 years
Annual Pay: \$54,698

SECTION D

ACTUARIAL COST METHOD, ACTUARIAL
ESTIMATES AND DEFINITIONS OF TECHNICAL
TERMS

ACTUARIAL COST METHOD USED FOR THE VALUATION

The actuarial cost method is a procedure for allocating the actuarial present value of future benefits and expenses to time periods. The method used for this valuation is the individual entry-age actuarial cost method, and has the following characteristics:

Actuarial Present Value of Future Benefits. Actuarial present values are calculated using the benefit provisions applicable to active members, vested terminated members, and retirees and beneficiaries as of the valuation date using the assumptions summarized elsewhere in this report.

Normal Costs. The actuarial present values for each year of service rendered before and after the valuation date are determined so that:

- (i) the annual normal costs for each individual active member, payable from the member's effective date of employment (or entry age) to projected date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the active member's year-by-year projected pensionable pay.

Actuarial Accrued Liabilities. The actuarial present value of future benefits minus the actuarial present value of normal costs rendered after the valuation date are the actuarial accrued liabilities.

Funding Value of Assets. The accrued assets recognized as of the valuation date for the purpose of determining contribution requirements.

Unfunded Actuarial Accrued Liabilities. The actuarial accrued liabilities minus the funding value of assets are the unfunded actuarial accrued liabilities.

Amortization of Unfunded Actuarial Accrued Liabilities. Unfunded actuarial accrued liabilities were amortized by level (principal & interest combined) percent-of-payroll contributions over periods shown elsewhere in this report. Active member payroll was assumed to increase 4.5% a year for the purpose of determining the level percent contributions.

**LEVEL PERCENT OF ACTIVE MEMBER COVERED PAYROLL
AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY*
(\$ AMOUNTS IN THOUSANDS)
GENERAL MEMBERS**

| Year | Pay | | Unfunded | | Contribution | |
|------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Inflated Dollars | Constant Dollars | Inflated Dollars | Constant Dollars | Inflated Dollars | Constant Dollars |
| 2012 | \$ 8,589 | \$8,589 | \$ 8,236 | \$8,236 | \$ 286 | \$ 286 |
| 2013 | 8,976 | 8,589 | 8,592 | 8,222 | 379 | 363 |
| 2014 | 9,380 | 8,589 | 8,876 | 8,128 | 418 | 383 |
| 2015 | 9,802 | 8,589 | 9,143 | 8,012 | 533 | 467 |
| 2016 | 10,243 | 8,589 | 9,308 | 7,805 | 789 | 662 |
| 2021 | 12,764 | 8,589 | 10,264 | 6,907 | 356 | 240 |
| 2026 | 15,907 | 8,589 | 11,450 | 6,183 | 886 | 478 |
| 2031 | 19,823 | 8,589 | 7,733 | 3,351 | 2,034 | 881 |
| 2041 | 30,784 | 8,589 | (32) | (9) | (32) | (9) |
| 2042 | 32,169 | 8,589 | 0 | 0 | 0 | 0 |

| | | | |
|----------------|---------------|---------------------|---------------|
| * \$ (171,717) | over 30 years | \$ (2,059,182) | over 15 years |
| 2,756,435 | over 29 years | (547,752) | over 14 years |
| 757,299 | over 28 years | 299,073 | over 13 years |
| 1,398,735 | over 27 years | (349,127) | over 12 years |
| 1,677,891 | over 26 years | (1,374,293) | over 11 years |
| (3,512,829) | over 25 years | (289,275) | over 10 years |
| 293,115 | over 24 years | (8,873) | over 9 years |
| 3,029,516 | over 23 years | 1,314,391 | over 8 years |
| 3,056,134 | over 22 years | (504,402) | over 7 years |
| 2,479,105 | over 21 years | 381,444 | over 6 years |
| 2,476,018 | over 20 years | 1,138,582 | over 5 years |
| 645,585 | over 19 years | (729,226) | over 4 years |
| (1,148,924) | over 18 years | (241,468) | over 3 years |
| (1,078,634) | over 17 years | (38,415) | over 2 years |
| (1,337,185) | over 16 years | (75,693) | over 1 year |
| | | \$ 8,236,328 | TOTAL |

Level percent-of-payroll financing of unfunded actuarial accrued liabilities treats each generation of taxpayers equally during the financing period. The alternative, level-dollar financing, produces declining percent-of-payroll contributions and places a greater relative burden on current taxpayers.

The annual rate of increase in member payroll used to compute the level percent-of-payroll contribution is the same rate of payroll growth used to compute actuarial liabilities and costs. It reflects across-the-board salary increases not group size increases.

If future payroll growth is less than the assumed rate due to smaller than projected salary increases, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to decline.

If future payroll growth is less than the assumed rate due to decreases in the number of members, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to increase but dollar contributions will be less than indicated in the preceding schedule.

**LEVEL PERCENT OF ACTIVE MEMBER COVERED PAYROLL
AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY*
(\$ AMOUNTS IN THOUSANDS)
UTILITY AUTHORITY MEMBERS**

| Year | Pay | | Unfunded | | Contribution | |
|------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Inflated Dollars | Constant Dollars | Inflated Dollars | Constant Dollars | Inflated Dollars | Constant Dollars |
| 2012 | \$11,653 | \$11,653 | \$12,875 | \$12,875 | \$ 846 | \$ 846 |
| 2013 | 12,177 | 11,653 | 13,006 | 12,446 | 962 | 921 |
| 2014 | 12,725 | 11,653 | 13,025 | 11,927 | 1,002 | 918 |
| 2015 | 13,297 | 11,653 | 13,002 | 11,393 | 803 | 704 |
| 2016 | 13,896 | 11,653 | 13,189 | 11,060 | 971 | 814 |
| 2021 | 17,317 | 11,653 | 15,428 | 10,381 | 587 | 395 |
| 2026 | 21,580 | 11,653 | 16,891 | 9,121 | 1,132 | 611 |
| 2031 | 26,892 | 11,653 | 12,392 | 5,369 | 2,877 | 1,246 |
| 2041 | 41,763 | 11,653 | (185) | (52) | (188) | (53) |
| 2042 | 43,642 | 11,653 | 0 | 0 | 0 | 0 |

| | | | |
|------------------|---------------|----------------------|---------------|
| * \$ (1,001,517) | over 30 years | \$ (2,660,183) | over 15 years |
| 4,637,670 | over 29 years | 1,032,650 | over 14 years |
| 2,796,399 | over 28 years | 343,697 | over 13 years |
| 2,433,008 | over 27 years | (1,145,377) | over 12 years |
| 1,948,868 | over 26 years | (1,607,089) | over 11 years |
| (2,560,553) | over 25 years | (432,252) | over 10 years |
| (3,054,880) | over 24 years | (254,596) | over 9 years |
| 6,840,401 | over 23 years | 340,754 | over 8 years |
| 1,838,914 | over 22 years | (124,031) | over 7 years |
| 3,182,501 | over 21 years | 245,467 | over 6 years |
| 3,413,656 | over 20 years | 1,743,081 | over 5 years |
| 585,656 | over 19 years | (414,158) | over 4 years |
| (1,318,993) | over 18 years | 611,304 | over 3 years |
| (1,386,747) | over 17 years | 6,064 | over 2 years |
| (3,090,953) | over 16 years | (73,770) | over 1 year |
| | | \$ 12,874,991 | TOTAL |

Level percent-of-payroll financing of unfunded actuarial accrued liabilities treats each generation of taxpayers equally during the financing period. The alternative, level-dollar financing, produces declining percent-of-payroll contributions and places a greater relative burden on current taxpayers.

The annual rate of increase in member payroll used to compute the level percent-of-payroll contribution is the same rate of payroll growth used to compute actuarial liabilities and costs. It reflects across-the-board salary increases not group size increases.

If future payroll growth is less than the assumed rate due to smaller than projected salary increases, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to decline.

If future payroll growth is less than the assumed rate due to decreases in the number of members, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to increase but dollar contributions will be less than indicated in the preceding schedule.

**LEVEL PERCENT OF ACTIVE MEMBER COVERED PAYROLL
AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY*
(\$ AMOUNTS IN THOUSANDS)
POLICE MEMBERS**

| Year | Pay | | Unfunded | | Contribution | |
|------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Inflated Dollars | Constant Dollars | Inflated Dollars | Constant Dollars | Inflated Dollars | Constant Dollars |
| 2012 | \$ 5,501 | \$5,501 | \$4,585 | \$4,585 | \$ (36) | \$ (36) |
| 2013 | 5,749 | 5,501 | 4,989 | 4,775 | (13) | (12) |
| 2014 | 6,007 | 5,501 | 5,402 | 4,947 | 7 | 7 |
| 2015 | 6,278 | 5,501 | 5,826 | 5,106 | 128 | 112 |
| 2016 | 6,560 | 5,501 | 6,157 | 5,163 | 267 | 224 |
| 2021 | 8,175 | 5,501 | 7,768 | 5,227 | 261 | 175 |
| 2026 | 10,188 | 5,501 | 8,516 | 4,599 | 914 | 494 |
| 2031 | 12,695 | 5,501 | 4,721 | 2,046 | 1,409 | 610 |
| 2041 | 19,716 | 5,501 | 59 | 16 | 60 | 17 |
| 2042 | 20,603 | 5,501 | 0 | 0 | 0 | 0 |

| | | | | |
|------|-------------|---------------|---------------------|---------------|
| * \$ | 319,593 | over 30 years | \$ (2,585,885) | over 15 years |
| | 878,552 | over 29 years | (1,251,421) | over 14 years |
| | 631,797 | over 28 years | (65,114) | over 13 years |
| | 515,512 | over 27 years | (539,499) | over 12 years |
| | 622,553 | over 26 years | (1,092,165) | over 11 years |
| | (3,067,975) | over 25 years | (236,681) | over 10 years |
| | 541,300 | over 24 years | (217,610) | over 9 years |
| | 3,841,495 | over 23 years | 323,817 | over 8 years |
| | 2,375,149 | over 22 years | (720,677) | over 7 years |
| | 1,557,390 | over 21 years | 360,936 | over 6 years |
| | 1,498,526 | over 20 years | 367,649 | over 5 years |
| | 1,198,924 | over 19 years | (420,975) | over 4 years |
| | (421,958) | over 18 years | (300,521) | over 3 years |
| | (1,457,512) | over 17 years | (36,551) | over 2 years |
| | 1,989,287 | over 16 years | (23,032) | over 1 year |
| | | | \$ 4,584,904 | TOTAL |

Level percent-of-payroll financing of unfunded actuarial accrued liabilities treats each generation of taxpayers equally during the financing period. The alternative, level-dollar financing, produces declining percent-of-payroll contributions and places a greater relative burden on current taxpayers.

The annual rate of increase in member payroll used to compute the level percent-of-payroll contribution is the same rate of payroll growth used to compute actuarial liabilities and costs. It reflects across-the-board salary increases not group size increases.

If future payroll growth is less than the assumed rate due to smaller than projected salary increases, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to decline.

If future payroll growth is less than the assumed rate due to decreases in the number of members, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to increase but dollar contributions will be less than indicated in the preceding schedule.

ACTUARIAL ESTIMATES USED FOR THE VALUATION

Funding objective contribution requirements and actuarial present values are calculated by applying estimates of future activities (actuarial estimates) to the benefit provisions and people information of the System.

The principal areas of risk which require estimates of future activities are:

- (i) long-term rates of investment return to be generated by the assets of the System
- (ii) patterns of pay increases to members
- (iii) rates of mortality among members, retirants, and beneficiaries
- (iv) rates of withdrawal of active members
- (v) rates of disability among active members
- (vi) the age patterns of actual retirements

In a valuation, the monetary effect of each activity is calculated for as long as a present covered person survives - - - a period of time which can be as long as a century.

Actual activities of the System will not coincide exactly with estimated activities, due to the nature of the activities. Each valuation provides a complete recalculation of estimated future activities and takes into account the effect of differences between estimated and actual activities to date. The result is a continual series of adjustments (usually small) to the computed contribution rate.

From time to time one or more of the estimates are modified to reflect experience trends (but not random or temporary year to year fluctuations).

Actuarial estimates regarding the net investment return, inflation, real investment return, and salary increase rates are used, in combination with the other assumptions, to (i) determine the present value of amounts expected to be paid in the future and (ii) establish rates of contribution which are expected to remain relatively level as a percent of total valuation payroll.

Net Rate of Investment Return. 8% per annum, compounded annually, net of investment expenses.

Inflation. 4.5% per annum, (5.0% prior to 10-1-95), compounded annually. This is the rate at which growth in the supply of money and credit is estimated to exceed growth in the supply of goods and services. It may be thought of as the rate of depreciation of the purchasing power of the dollar. There are a number of indices for measuring the inflation rate. The recent inflation rate, as measured by the Consumer Price Index, has been:

| | Year Ended September 30 | | | | | Average for Period |
|---------|--------------------------------|-------------|-------------|-------------|-------------|-------------------------------|
| | 2012 | 2011 | 2010 | 2009 | 2008 | |
| Actual | 2.0% | 3.9% | 1.1% | (1.3)% | 4.9% | 2.1% |
| Assumed | 4.5% | 4.5% | 4.5% | 4.5% | 4.5% | 4.5% |

Real Investment Return. 3.5% per annum, compounded annually. This is the rate of return assumed to be produced by investing a pool of assets in an inflation-free environment. Recent real investment return for the Retirement System has been:

| | Year Ended September 30 | | | | | Average for Period |
|-----------------------------|--------------------------------|-------------|-------------|-------------|-------------|-------------------------------|
| | 2012 | 2011 | 2010 | 2009 | 2008 | |
| Total Rate of Return | 8.0% | (0.2)% | 4.2% | 4.0% | 6.2% | 4.4% |
| Less Inflation Rate | 2.0% | 3.9% | 1.1% | (1.3)% | 4.9% | 2.1% |
| Actual Real Rate of Return | 6.0% | (4.1)% | 3.1% | 5.3% | 1.3% | 2.3% |
| Assumed Real Rate of Return | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% |
| Assumed Net Rate of Return | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |

The total investment return rate was computed using the approximate formula $i = I$ divided by $1/2 (A + B - I)$, where I is actual realized investment income plus market value adjustments, A is the beginning of year asset value, and B is the end of year asset value.

The preceding investment return rates reflect the particular characteristics of this Retirement System and should not be used to measure an investment advisor's performance or for comparison with other retirement systems. Such use will usually mislead.

Salary Increases. Employee salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel.

A schedule of estimated rates of increases in individual salaries for sample ages follows:

| Annual Rates of Salary Increases For Sample Ages | | | | | | |
|---|--|------------------|--------------|------------------------------|------------------|--------------|
| Age | General & Utilities Authority | | | Police Officers | | |
| | Merit & Seniority | Inflation | Total | Merit & Seniority | Inflation | Total |
| 20 | 4.2 % | 4.5 % | 8.7 % | 4.0 % | 4.5 % | 8.5 % |
| 30 | 2.5 % | 4.5 % | 7.0 % | 2.8 % | 4.5 % | 7.3 % |
| 40 | 1.8 % | 4.5 % | 6.3 % | 2.2 % | 4.5 % | 6.7 % |
| 50 | 0.9 % | 4.5 % | 5.4 % | 1.2 % | 4.5 % | 5.7 % |
| 55 | 0.5 % | 4.5 % | 5.0 % | 0.7 % | 4.5 % | 5.2 % |
| 60 | 0.1 % | 4.5 % | 4.6 % | 0.2 % | 4.5 % | 4.7 % |

These rates were first used in the September 30, 2001 valuation.

It is estimated that the group size will remain constant and that total payroll for the group will increase at the rate of the general increase in wage levels due to inflation, which in this case is 4.5%.

A schedule of recent salary change experience follows:

| | % Change in Salaries | | | | | Average 5 Year |
|-----------------------------------|--------------------------------|-------------|-------------|-------------|-------------|---------------------------|
| | Year Ended September 30 | | | | | |
| | 2012 | 2011 | 2010 | 2009 | 2008 | |
| Rate of Change in Salaries | | | | | | |
| - Total | 3.2 % | 0.1 % | 1.0 % | 2.5 % | 7.0 % | 2.7 % |
| - General | 3.9 | (0.6) | 0.8 | 1.6 | 11.0 | 3.3 |
| - U.A. | 1.6 | 2.8 | 1.9 | 2.4 | 5.5 | 2.8 |
| - Police | 5.4 | (4.7) | (0.7) | 4.3 | 3.5 | 1.5 |
| Expected | | | | | | |
| - Total | 5.8 | 5.9 | 5.9 | 5.9 | 5.8 | 5.9 % |
| - General | 5.6 | 5.7 | 5.7 | 5.6 | 5.6 | 5.6 |
| - U.A. | 5.7 | 5.7 | 5.7 | 5.7 | 5.7 | 5.7 |
| - Police | 6.8 | 6.8 | 6.8 | 6.8 | 6.8 | 6.8 |

| | % Change in Total Payroll | | | | | | |
|-----------|----------------------------------|-------------|-------------|-------------|-------------|----------------|----------------|
| | Year Ended September 30 | | | | | Average | |
| | 2012 | 2011 | 2010 | 2009 | 2008 | 5 Year | 10 Year |
| - Total | 0.4 % | (3.9) % | (13.7) % | (5.9) % | 6.4 % | (3.6) % | 0.7 % |
| - General | 1.6 | (4.3) | (20.1) | (7.0) | 7.3 | (5.0) | (0.3) |
| - U.A. | (0.8) | (1.9) | (8.5) | (5.2) | 3.5 | (2.7) | 2.1 |
| - Police | 1.0 | (7.3) | (13.2) | (5.2) | 10.6 | (3.2) | 1.7 |

In order to achieve the funding objective of a contribution rate which remains level as a percent of payroll, the total rate of investment return must exceed the rate of average increase in salaries by an amount equal to the estimated real investment return rate.

Mortality Table. The mortality tables used to measure retired life mortality were the RP-2000 Combined healthy mortality table for males and the RP-2000 Combined healthy mortality table for females. The mortality rates used in evaluating disability allowances were the RP-2000 Combined mortality tables, set forward 10 years for males and females. No margin for future mortality improvements are included in these tables.

| Sample Ages | RP-2000 Combined Healthy Table | | | |
|----------------|--------------------------------|----------|--------------------|-------|
| | Value of | | Future | |
| | \$1 Monthly for Life | | Expectancy (Years) | |
| | Men | Women | Men | Women |
| 50 | \$135.60 | \$138.81 | 30.80 | 33.59 |
| 55 | 128.15 | 132.41 | 26.18 | 28.91 |
| 60 | 118.59 | 124.05 | 21.74 | 24.38 |
| 65 | 107.04 | 113.86 | 17.61 | 20.12 |
| 70 | 93.87 | 102.05 | 13.88 | 16.23 |
| 75 | 79.25 | 88.78 | 10.57 | 12.74 |
| 80 | 63.99 | 74.38 | 7.75 | 9.68 |

This estimate is used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement. 100% of the death-in-service retirements were assumed to be non-duty.

Rates of separation from active membership. The rates do not apply to members eligible to retire and do not include separation on account of death or disability. This estimate measures the probabilities of members remaining in employment.

| Samples Ages | Years of Service | Percent Separating Within Next Year | |
|-----------------|---------------------|-------------------------------------|---------|
| | | General and Utilities Authority | Police |
| ALL | 0 | 20.00 % | 15.00 % |
| | 1 | 15.00 | 12.00 |
| | 2 | 10.00 | 10.00 |
| | 3 | 8.00 | 8.00 |
| | 4 | 7.00 | 6.00 |
| 20 | 5 & Over | 7.00 | 5.80 |
| 25 | | 7.00 | 5.80 |
| 30 | | 7.00 | 4.20 |
| 35 | | 7.00 | 2.10 |
| 40 | | 7.00 | 1.40 |
| 45 | | 4.50 | 1.00 |
| 50 | | 2.00 | 1.00 |
| 55 | | 2.00 | 1.00 |
| 60 | | 2.00 | 1.00 |
| 65 | | 2.00 | 1.00 |

The rates for all divisions were first used in the September 30, 2001 valuation.

Rates of Disability. These estimates represent the probabilities of active members becoming disabled.

| Sample Ages | Percent Becoming Disabled Within Next Year | |
|----------------|--|--------|
| | General and Utilities Authority | Police |
| 20 | 0.04 % | 0.07 % |
| 25 | 0.04 | 0.09 |
| 30 | 0.04 | 0.10 |
| 35 | 0.05 | 0.14 |
| 40 | 0.10 | 0.21 |
| 45 | 0.17 | 0.32 |
| 50 | 0.36 | 0.52 |
| 55 | 0.59 | 0.92 |
| 60 | 0.90 | 1.53 |
| 65 | 1.00 | 1.65 |

The mortality table was set forward ten years for projecting disability costs. 100% of the disability retirements were assumed to be non-duty related for General and Utilities Authority members. 75% of the disability retirements were assumed to be non-duty for Police members.

Rates of Retirement. These rates are used to measure the probabilities of an eligible member retiring during the next year.

| Service Years | Service Based | | Age Based | | |
|---------------|---------------------------------|--------|-----------------|---------------------------------|--------|
| | General and Utilities Authority | Police | Retirement Ages | General and Utilities Authority | Police |
| 25 | 40 % | 75 % | 55 | | 35 % |
| 26 | 40 | 75 | 56 | | 30 |
| 27 | 40 | 75 | 57 | | 30 |
| 28 | 40 | 75 | 58 | | 30 |
| 29 | 40 | 75 | 59 | | 30 |
| 30 | 40 | 100 | 60 | 10 % | 30 |
| 31 | 40 | 100 | 61 | 5 | 30 |
| 32 | 40 | 100 | 62 | 12 | 30 |
| 33 | 40 | 100 | 63 | 6 | 30 |
| 34 | 40 | 100 | 64 | 14 | 40 |
| 35 | 100 | 100 | 65 | 65 | 100 |
| | | | 66 | 25 | |
| | | | 67 | 30 | |
| | | | 68 | 40 | |
| | | | 69 | 50 | |
| | | | 70 | 100 | |

These rates were first used for the September 30, 1995 valuation with the exception of the Police service based rates, which were first used for the September 30, 2000 valuation, Police age based rates which were first used for the September 30, 2001 valuation, and Utilities Authority service based rates which were first used for the September 30, 2007 valuation.

Marital Status. It is estimated that 80% of active members who meet the age and service requirements for pre-retirement survivor benefits are married. Female spouses are estimated to be 3 years younger than the male participant. Male spouses are estimated to be 3 years older than the female participant.

Vested members who terminate with a benefit worth less than 100% of their own accumulated contributions were presumed to elect a refund of accumulated contributions and forfeit the vested benefit.

Lump sum payments included in the calculation of the average pay upon which benefits are computed were estimated to increase benefits by the following percents.

| | |
|-----------------------------|-------|
| General and Police Members | 5.0 % |
| Utilities Authority Members | 3.5 |

Administrative Expenses. Administrative expenses for the next year are assumed to be equal to the previous year's amount.

Investment Expenses. Investment expenses are paid out of investment income.

Active Member Group Size. The valuation was based on a constant active member group size.

DEFINITIONS OF TECHNICAL TERMS

Accrued Service. Service credited under the system which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability. The difference between the actuarial present value of future benefit payments and the actuarial present value of future normal costs. Also referred to as "accrued liability" or "past service liability."

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future benefit payments" between future normal costs and actuarial accrued liability. Sometimes referred to as the "actuarial valuation cost method."

Actuarial Equivalent. A single amount or series of amounts of equal actuarial present value to another single amount or series of amounts, computed on the basis of appropriate actuarial activities.

Actuarial Present Value. The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment. Also referred to as "present value."

Amortization. Paying off an interest-discounted amount with periodic payments of interest and principal -- as opposed to paying off with lump sum payment.

Experience Estimates (Assumptions). Estimates of expected future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement estimates (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic estimates (salary increases and investment income) consist of the underlying rates in an inflation-free environment plus a provision for a long-term average rate of inflation.

Experience Gain (Loss). The difference between actual actuarial costs and estimated actuarial costs -- during the period between two valuation dates.

Funding Value of Assets. The actuarial value of assets used to determine contribution amounts.

Normal Cost. The actuarial cost allocated to the current year by the actuarial cost method. Sometimes referred to as "current service cost."

Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and the actuarial value of system assets. Sometimes referred to as "unfunded past service liability," "unfunded accrued liability" or "unfunded supplemental present value."

Most retirement systems have an unfunded actuarial accrued liability. They arise each time new benefits are added and each time an experience loss is realized.

Unfunded actuarial accrued liability does not represent a debt that is payable today. What is important is the ability to control the amount of unfunded actuarial accrued liability and the trend in its amount (after due allowance for devaluation of the dollar).

SECTION E

DISCLOSURES AND SUPPLEMENTARY INFORMATION REQUIRED BY STATEMENT NO. 25 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

This information is presented in draft form for review by the System's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the System's financial statements.

GASB STATEMENT NO. 25

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS (DOLLAR AMOUNTS IN THOUSANDS)

| Valuation Date | Valuation Assets | AAL* | Funded Ratio | Unfunded AAL* | Member Payroll | Ratio to Payroll |
|-------------------|---------------------|----------------|-----------------|------------------|-------------------|---------------------|
| 9/03 | \$ 168,943 | \$ 162,127 | 104 | \$(6,816) | \$40,313 | (17) |
| 9/04 | 171,558 | 186,671 | 92 | 15,113 | 43,544 | 35 |
| 9/05 | 185,776 | 216,534 | 86 | 30,758 | 48,880 | 63 |
| 9/06 (b) | 120,062 | 130,861 | 92 | 10,799 | 30,532 | 35 |
| 9/07 (b) | 135,944 | 138,610 | 98 | 2,666 | 30,984 | 9 |
| 9/08 | 143,467 | 150,475 | 95 | 7,008 | 32,952 | 21 |
| 9/09 | 147,094 | 158,755 | 93 | 11,661 | 31,016 | 38 |
| 9/10 (b) | 148,691 | 164,865 | 90 | 16,174 | 26,779 | 60 |
| 10/11 (b) | 142,463 | 167,683 | 85 | 25,220 | 25,744 | 98 |
| 11/12 | 147,618 | 173,314 | 85 | 25,696 | 25,842 | 99 |

* Actuarial Accrued Liabilities.

(b) After changes in benefit provisions and/or actuarial assumptions.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Fiscal Year | Aggregate Contribution Rates as Percents of Valuation Payroll | Projected Dollar Contribution Based on Valuation Payroll # | Actual Contribution Based on Actual Payroll@ |
|--------------|--|--|--|
| 04/05 | 9.20 | \$ 3,948,626 | \$ 5,634,357 |
| 05/06 | 13.60 | 6,283,117 | 8,975,380 |
| 06/07 | 12.75 | 3,624,157 | 4,114,963 |
| 07/08 | 12.08 | 3,939,766 | 4,082,846 |
| 08/09 | 10.40 | 3,517,935 | 3,580,089 |
| 09/10 | 11.06 | 3,978,173 | 3,377,350 |
| 10/11 | 11.81 | 3,999,560 | 3,181,447 |
| 11/12 | 13.46 | 3,937,037 | 3,566,751 |
| 12/13 | 17.29 | 4,860,538 | |
| 13/14 | 17.61 | 4,968,643 | |

Contribution for 07/08 fiscal year and beyond excludes general fire district.

@ Actual Employer contributions are determined by applying the Employer's contribution rate to the emerging payroll. Projected funding requirement is based on a stable work force and projected salary increases.

GASB STATEMENT No. 25 REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

| | |
|--|----------------------------------|
| Valuation Date | September 30, 2012 |
| Actuarial Cost Method | Individual Entry Age |
| Amortization Method | Level Percent-of-Payroll, Closed |
| Remaining Amortization Periods# | 1-30 years |
| Asset Valuation Method | 4-year smoothed market |
| Actuarial Assumptions: | |
| Investment Rate of Return* | 8.00% |
| Projected Salary Increases* | General & U.A.: 4.5% - 8.7% |
| | Police: 4.5% - 8.5% |
| *Includes Inflation and other general increases at Cost-of-living adjustments | 4.50% None |
| Retirees and beneficiaries receiving benefits | 452 |
| Terminated plan members entitled to but not yet receiving benefits | 35 |
| Active plan members | |
| - Vested | 402 |
| - Non-vested | 150 |
| Total | 1,039 |

The periods are in compliance with Florida Statutes and Actuarial Standards of Practice, but do not necessarily produce an Annual Required Contribution with an aggregate amortization of the unfunded actuarial accrued liability under 30 years.

SECTION F
STATE REQUIRED DATA

ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS (\$ IN THOUSANDS)*

| | September 30, 2012 | | | | September 30, 2011 | | | |
|---|--------------------|------------------------|-------------------|-----------|--------------------|------------------------|-------------------|-----------|
| | General Members | Utilities Authority | Police Members | Total | General Members | Utilities Authority | Police Members | Total |
| (i) Actuarial present value of active member benefits: | | | | | | | | |
| Service retirement | \$24,882 | \$37,200 | \$25,327 | \$ 87,409 | \$23,370 | \$37,392 | \$24,598 | \$ 85,360 |
| Vested termination benefits | 2,892 | 3,571 | 772 | 7,235 | 2,888 | 3,677 | 800 | 7,365 |
| Disability retirement | 781 | 978 | 1,028 | 2,787 | 783 | 1,005 | 1,055 | 2,843 |
| Survivor benefits (pre-retirement) | 1,039 | 1,405 | 422 | 2,867 | 1,015 | 1,415 | 427 | 2,857 |
| Termination benefits - refunds | 81 | 136 | 41 | 258 | 89 | 124 | 36 | 249 |
| Total | 29,674 | 43,291 | 27,591 | 100,556 | 28,145 | 43,612 | 26,916 | 98,673 |
| (ii) Actuarial present value of terminated vested members | 1,389 | 687 | 295 | 2,371 | 1,393 | 684 | 312 | 2,390 |
| (iii) Actuarial present value of retired members & beneficiaries: | | | | | | | | |
| Present value of benefits | 32,794 | 46,518 | 25,139 | 104,450 | 32,939 | 44,761 | 24,039 | 101,738 |
| Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 32,794 | 46,518 | 25,139 | 104,450 | 32,939 | 44,761 | 24,039 | 101,738 |
| (iv) Total actuarial present value of future benefit payments | 63,857 | 90,496 | 53,025 | 207,378 | 62,477 | 89,057 | 51,267 | 202,801 |
| (v) Present value of active member future payroll | 68,755 | 89,020 | 48,692 | 206,467 | 69,935 | 91,535 | 50,912 | 212,382 |
| (vi) Present value of future active member contributions | 3,548 | 5,484 | 2,513 | 11,544 | 3,609 | 5,639 | 2,627 | 11,874 |
| (vii) Active member accumulated contributions | 4,412 | 7,996 | 3,399 | 15,807 | 4,087 | 7,800 | 3,293 | 15,180 |
| (viii) Plan costs for fiscal year beginning October 1, 2013 | | | | | | | | |
| Normal costs | | | | | | | | |
| Service pensions | 11.71% | 11.37% | 17.91% | | 11.76% | 11.35% | 17.94% | |
| Disability pensions | 0.52% | 0.51% | 1.15% | | 0.52% | 0.51% | 1.13% | |
| Death-in-service pensions | 0.62% | 0.63% | 0.41% | | 0.63% | 0.63% | 0.41% | |
| Deferred service pensions | 2.28% | 2.28% | 0.97% | | 2.28% | 2.27% | 0.96% | |
| Refunds of member contributions | 0.51% | 0.59% | 0.32% | | 0.51% | 0.60% | 0.33% | |
| Total normal cost | 15.64% | 15.38% | 20.76% | | 15.70% | 15.36% | 20.77% | |
| Payment to amortize unf'd act. accr. liab. | 3.31% | 7.26% | 0.00% | | 2.79% | 7.12% | 0.00% | |
| Administrative expenses | 0.27% | 0.27% | 0.27% | | 0.25% | 0.25% | 0.25% | |
| FS112.64(5) Requirement/Temporary Funding Credits | 3.13% | 1.82% | 0.30% | | 2.92% | 1.94% | -0.03% | |
| Amount to be paid by participants | 5.16% | 6.16% | 5.16% | | 5.16% | 6.16% | 5.16% | |
| Expected plan sponsor contribution | | | | | | | | |
| % of payroll | 17.19% | 18.57% | 16.17% | 17.61% | 16.50% | 18.51% | 15.83% | 17.29% |
| dollars | 1,619 | 2,393 | 956 | 4,969 | 1,530 | 2,404 | 927 | 4,861 |

* Totals may be off due to rounding.

ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS
(\$ IN THOUSANDS)*

| | September 30, 2012 | | | | September 30, 2011 | | | |
|---|--------------------|------------------------|-------------------|------------|--------------------|------------------------|-------------------|------------|
| | General Members | Utilities Authority | Police Members | Total | General Members | Utilities Authority | Police Members | Total |
| Actuarial Present Value of Accrued Benefits (calculated in accordance with FASB Statement No. 35) | | | | | | | | |
| (i) Vested accrued benefits | | | | | | | | |
| Retired members and beneficiaries | \$ 32,794 | \$ 46,518 | \$ 25,139 | \$ 104,451 | \$ 32,939 | \$ 44,761 | \$ 24,039 | \$ 101,739 |
| Terminated members | 1,389 | 687 | 295 | 2,371 | 1,393 | 684 | 312 | 2,389 |
| Active members (includes non-forfeitable accum. member contributions) | 12,532 | 22,021 | 12,502 | 47,055 | 11,377 | 21,548 | 11,635 | 44,560 |
| Total | \$ 46,715 | \$ 69,226 | \$ 37,936 | \$ 153,877 | \$ 45,709 | \$ 66,993 | \$ 35,986 | \$ 148,688 |
| (ii) Non-vested accrued benefits | 1,197 | 1,335 | 1,054 | 3,586 | 1,356 | 1,906 | 954 | 4,216 |
| (iii) Total actuarial p.v. of accrued benefits | \$ 47,912 | \$ 70,561 | \$ 38,990 | \$ 157,463 | \$ 47,065 | \$ 68,899 | \$ 36,940 | \$ 152,904 |
| (iv) Actuarial p.v. of accrued benefits at begin. of year | \$ 47,065 | \$ 68,899 | \$ 36,940 | \$ 152,904 | \$ 45,862 | \$ 66,071 | \$ 36,324 | \$ 148,257 |
| (v) Changes attributable to: | | | | | | | | |
| Amendments | \$ - | \$ - | \$ - | \$ - | \$ (400) | (\$588) | \$ (412) | \$ (1,400) |
| Assumption change | - | - | - | - | 11 | 444 | 426 | 881 |
| Operation of decrements | 4,425 | 6,471 | 4,505 | 15,401 | 5,114 | 7,576 | 2,952 | 15,642 |
| Benefit payments | (3,578) | (4,809) | (2,455) | (10,842) | (3,522) | (4,604) | (2,350) | (10,476) |
| Other | - | - | - | - | - | - | - | - |
| (vi) Net change | 847 | 1,662 | 2,050 | 4,559 | 1,203 | 2,828 | 616 | 4,647 |
| (vii) Actuarial p.v. of Accr. benefits at end of year | \$ 47,912 | \$ 70,561 | \$ 38,990 | \$ 157,463 | \$ 47,065 | \$ 68,899 | \$ 36,940 | \$ 152,904 |
| Actuarial Present Value of Accrued Benefits Using FRS Interest Rate | | | | | | | | |
| (i) Vested | \$ 47,830 | \$ 70,995 | \$ 38,973 | \$ 157,798 | \$ 46,119 | \$ 67,706 | \$ 36,431 | \$ 150,256 |
| (ii) Non-Vested | 1,233 | 1,380 | 1,097 | 3,710 | 1,402 | 1,973 | 993 | 4,368 |
| (iii) Total | 49,063 | 72,375 | 40,070 | 161,508 | 47,521 | 69,679 | 37,424 | 154,472 |
| (iv) Market Value of Assets (MVA) | 47,093 | 66,995 | 40,111 | 154,199 | 41,317 | 58,364 | 34,853 | 134,534 |
| (v) Funded Ratio Using FRS Interest Rate and MVA | 95.98% | 92.57% | 100.10% | 95.47% | 86.94% | 83.76% | 93.13% | 87.09% |

* Totals may be off due to rounding.

RECONCILIATION OF MEMBERSHIP DATA

| | From 10/1/11 <u>To 9/30/12</u> | From 10/1/10 <u>To 9/30/11</u> |
|---|---|---|
| A. Active Members | | |
| 1. Number Included in Last Valuation | 557 | 576 |
| 2. New Members Included in Current Valuation | 44 | 26 |
| 3. Non-Vested Employment Terminations | (28) | (18) |
| 4. Vested Employment Terminations | (2) | (6) |
| 5. Service Retirements | (13) | (19) |
| 6. Disability Retirements | (3) | (1) |
| 7. Deaths | (3) | (1) |
| 8. Other | <u>0</u> | <u>0</u> |
| 9. Number Included in this Valuation | 552 | 557 |
| B. Terminated Vested Members | | |
| 1. Number Included in Last Valuation | 30 | 24 |
| 2. Additions from Active Members | 2 | 6 |
| 3. Lump Sum Payments | 1 | 0 |
| 4. Payments Commenced | 2 | (1) |
| 5. Deaths | 0 | 0 |
| 6. Other | <u>0</u> | <u>1</u> |
| 7. Number Included in this Valuation | 35 | 30 |
| C. Service Retirees, Disability Retirees and Beneficiaries | | |
| 1. Number Included in Last Valuation | 439 | 429 |
| 2. Additions from Active Members | 17 | 21 |
| 3. Additions from Terminated Vested Members | 2 | 1 |
| 4. Removals Resulting in No Further Payments | (14) | (16) |
| 5. Deaths Resulting in New Survivor Benefits | 7 | 5 |
| 6. Other | <u>1</u> | <u>(1)</u> |
| 7. Number Included in this Valuation | 452 | 439 |

April 18, 2013

Ms. Gloria J. Johnson
Finance Director
City of Fort Pierce Retirement and Benefit System
100 North U.S. Highway 1
Fort Pierce, Florida 34954-1480

Dear Gloria:

Enclosed are 25 copies of the September 30, 2012 Annual Actuarial Valuation of the City of Fort Pierce Retirement and Benefit System.

As directed by the Board, we have sent a copy directly to the following:

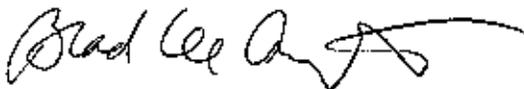
DiBartolomeo, McBee, Hartley & Barnes, P.A.

One copy should be sent, within 60 days to:

| | |
|------------------------------------|--------------------------------------|
| Bureau of Local Retirement Systems | Office of Municipal Police Officers' |
| Division of Retirement | & Firefighters' Retirement Funds |
| P.O. Box 9000 | P.O. Box 3010 |
| Tallahassee, Florida 32315-9000 | Tallahassee, Florida 32315-3010 |

We welcome your questions and comments.

Sincerely yours,



Brad Lee Armstrong, ASA, EA, MAAA

BLA:mr
Enclosures