CITY OF VENICE
MUNICIPAL POLICE OFFICERS'
PENSION TRUST FUND

ACTUARIAL VALUATION AND REPORT
AS OF OCTOBER 1, 2013

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDED SEPTEMBER 30, 2015

FOSTER & FOSTER

January 6, 2014

Linda Runkle, Plan Administrator
The Pension Resource Centers, Inc.
815 Nicholas Pkwy
Cape Coral, FL 33915

Re: City of Venice
Municipal Police Officers' Pension Trust Fund

Dear Linda:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Venice Municipal Police Officers' Pension Trust Fund. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapters 112, and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

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

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

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

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

Respectfully submitted,

Foster & Foster, Inc.

By: ______________________________

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #11-7778

DHL/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Venice Municipal Police Officers' Pension Trust Fund, performed as of October 1, 2013, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2015.

The contribution requirements developed in this valuation, compared with amounts developed in the September 16, 2013 Actuarial Impact Statement (determined as of October 1, 2012), are as follows:

Valuation Date	10/1/12	10/1/13
Applicable Plan/Fiscal Yr. End	9/30/14	9/30/15
Total Required Contribution		$2,377,258
% of Total Annual Payroll	71.32%	
Member Contributions (Est.)		$227,184
% of Total Annual Payroll	7.25%	
City and State Required Contribution		$2,150,074
% of Total Annual Payroll	64.07%	
State Contribution *	175,166	$175,166
% of Total Annual Payroll	6.24%	
Balance from City *		$1,974,908
% of Total Annual Payroll	57.83%	

* The City may use up to $339,226 in State Contributions for determining its minimum funding requirements.

Please note that there is a City receivable contribution of $67,810.83 required for the fiscal year ending September 30, 2013. A monthly interest charge of $446 is required for each complete month after September 30, 2013 until this deposit is made. This interest charge is based on the 7.9% valuation assumption for investment return, and is required by the Division of Retirement for approval of the Annual Report.

During the past year the actuarial experience has been more favorable than expected on the basis of the actuarial assumptions. The primary sources of favorable experience are attributable to a 10.3% investment return (Actuarial Asset Basis) that exceeded the 7.9% assumption, and average increases in pensionable compensation that were less than the assumption. These liability gains were partially offset by lower than expected employee turnover, and no inactive mortality. For a detailed analysis that displays the actuarial gain/loss by component, please refer to page 14 of the report.

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

Respectfully submitted,

FOSTER & FOSTER, INC.

By:____________________
Douglas H. Lozen, EA, MAAA

By:____________________
Drew D. Ballard

Plan Changes Since Prior Valuation

The definition of Salary has been amended to limit the payment of overtime and unused sick and vacation time in accordance with the regulations set forth in Senate Bill 1128. The effect of this change is represented in our September 16, 2013 Actuarial Impact Statement.

Actuarial Assumption/Method Changes Since Prior Valuation

In conjunction with this valuation of the Plan, and as approved by the Board of Trustees, funding requirements are based on a dollar funding methodology, applicable to the fiscal year ending September 30, 2015. Plan funding remains on a percentage of payroll methodology for the fiscal year ending September 30, 2014.

Additionally, for compliance with Chapter 112, Part VII, F.S., the payroll growth assumption cannot exceed the ten-year average as of the valuation date. Accordingly, this assumption has been reduced from 2.0% to 0.2% in conjunction with this valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	10/1/2013	10/1/2012
A. Participant Data		
Number Included		
Actives	38	43
Service Retirees	34	29
Beneficiaries	7	7
Terminated Vested	5	5
Disability Retirees	7	7
DROP Retirees	3	2
Total	94	93
Total Annual Payroll	$2,942,176	$3,276,770
Payroll Under Assumed Ret. Age	2,806,799	3,148,604
Annual Rate of Payments to:		
Service Retirees	1,773,574	1,515,920
Beneficiaries	207,109	207,109
Terminated Vested	33,742	93,162
Disability Retirees	196,410	196,410
DROP Retirees	175,105	139,334
B. Assets		
Actuarial Value [1]	28,042,512	25,631,802
Market Value [1]	29,113,419	26,370,246
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	12,379,829	13,735,986
Disability Benefits	750,616	804,222
Death Benefits	184,102	195,698
Vested Benefits	2,186,566	2,216,160
Refund of Contributions	162,815	151,025
Service Retirees	19,401,121	16,634,729
Beneficiaries	1,817,328	1,856,725
Terminated Vested	406,394	977,383
Disability Retirees	2,129,372	2,154,121
DROP Retirees [1]	2,322,012	2,163,247
Excess State Monies Reserve	0	0
Total	41,740,155	40,889,296

C. Liabilities - (Continued)	10/1/2013	10/1/2012
Present Value of Future Salaries	20,121,368	22,216,493
Present Value of Future Member Cont.	1,458,799	1,610,696
Normal Cost (Entry Age Normal)		
Service Ret	388,060	443,723
Disability Benefits	71,789	78,081
Death Benefits	18,193	20,019
Vest Benefits	133,403	141,027
Refunds	28,068	23,886
Total Normal Cost	639,513	706,736
Present Value of Future Normal Costs	4,234,494	4,609,617
Actuarial Accrued Liability		
Service Ret	9,709,547	10,779,116
Disability Benefits	255,385	282,986
Death Benefits	58,688	62,498
Vest Benefits	1,358,615	1,324,290
Refunds	47,199	44,584
Inactives plus Excess State Reserve [1]	26,076,227	23,786,205
Total Actuarial Accrued Liability	37,505,661	36,279,679
Unfunded Actuarial Accrued Liability	9,463,149	10,647,877

D. Actuarial Present Value of Accrued Benefits

Vested Accrued Benefits		
Inactives [1]	26,076,227	23,786,205
Actives	6,565,285	7,406,388
Member Contributions	1,717,986	1,862,578
Total	34,359,498	33,055,171
Non-vested Accrued Benefits	660,045	727,243
Total Present Value Accrued Benefits	35,019,543	33,782,414
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	989,037	
Benefits Paid	(2,328,734)	
Interest	2,576,826	
Other	0	
Total:	1,237,129	

Valuation Date Applicable to Fiscal Year Ending	10/1/2013 9/30/2015	10/1/2012 9/30/2014
E. Pension Cost		
Normal Cost [2]	$713,967	
% of Total Annual Payroll		23.33
Administrative Expense [2]	$62,004	
% of Total Annual Payroll		2.23
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/13) [2]	$1,601,287	
% of Total Annual Payroll		45.76
Total Required Contribution	$2,377,258	
% of Total Annual Payroll		71.32
Expected Member Contributions [2]	$227,184	
% of Total Annual Payroll		7.25
Expected City & State Contrib.	$2,150,074	
% of Total Annual Payroll		64.07

F. Past Contributions

Plan Year Ending:	9/30/2013
Total Required Contribution	2,163,723
City and State Requirement	1,933,371
Actual Contributions Made:	
Members	230,352
City	1,758,205
State	175,166
Total	2,163,723

G. Net Actuarial Gain (Loss) 611,211

[1] The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/12 and 9/30/13.

[2] Contributions developed as of 10/1/13 have been adjusted to account for assumed interest and salary increase components.

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

Year	Projected Unfunded Accrued Liability
2013	$9,463,149
2014	8,663,127
2015	7,796,807
2020	3,326,749
2025	2,043,293
2035	39,589
2043	0

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

		Actual	Assumed
Year Ended	9/30/2013	3.1%	7.8%
Year Ended	9/30/2012	1.0%	7.8%
Year Ended	9/30/2011	0.5%	7.0%

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

		Actual	Assumed
Year Ended	9/30/2013	10.3%	7.9%
Year Ended	9/30/2012	6.2%	7.9%
Year Ended	9/30/2011	-2.5%	8.0%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2013	$2,942,176
	10/1/2003	2,885,531
(b) Total Increase		2.0%
(c) Number of Years		10.00
(d) Average Annual Rate		0.2%

STATEMENT BY ENROLLED ACTUARY

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

1/6/13

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #11-7778

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

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

Ms. Sarah Carr
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2012	$10,647,877
(2)	Sponsor Normal Cost devloped as of October 1, 2012	478,462
(3)	Expected Administrative Expenses during fiscal 2013	67,684
(4)	Interest on (1), (2), and (3)	881,654
(5)	Sponsor Contributions to the System during the year ending September 30, 2013	1,933,371
(6)	Interest on (5)	67,946
(7)	Expected UAAL as of October 1, 2013 (1)+(2)+(3)+(4)-(5)-(6)	10,074,360
(8)	Change in UAAL due to Actuarial (Gain)/Loss	(611,211)
(9)	Actual UAAL as of October 1, 2013 (7)+(8)	9,463,149

	Date Established	Years Remaining	10/1/2013 Amount	Amortization Amount
	10/1/1991	8	$381,852	$60,969
	10/1/1993	10	485,764	66,274
	10/1/1998	15	219,177	23,323
	10/1/1999	16	301,739	31,021
	10/1/2000	17	273,698	27,281
	10/1/2001	18	699,466	67,799
method	10/1/2002	19	1,533,237	144,912
loss	10/1/2002	15	1,457,924	155,141
gain	10/1/2003	15	(313,191)	(33,327)
loss	10/1/2004	15	2,533,522	269,598
gain	10/1/2005	15	(1,169,049)	(124,401)
benefit	10/1/2006	23	670,933	58,544
loss	10/1/2006	15	362,271	38,550
gain	10/1/2007	15	(1,991,148)	(211,882)
loss	10/1/2008	5	1,096,133	252,827
method	10/1/2008	15	(49,625)	(5,281)
loss	10/1/2009	6	2,215,383	440,774
loss	10/1/2010	7	885,164	156,184
assum	10/1/2010	17	295,131	29,417
loss*	10/1/2011	8	981,949	157,762
assums*	10/1/2011	18	(541,810)	(53,208)
gain*	10/1/2012	9	(198,952)	(29,394)
benefit*	10/1/2012	29	(55,208)	(4,543)
gain*	10/1/2013	10	(611,211)	(84,039)
			$9,463,149	$1,434,301

* Beginning with the October 1, 2011 Valuation, all future UAAL bases will be amortized under the level dollar method. All prior bases will be amortized using a level payroll growth assumption, subject to the current 0.2% assumption.

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2012	10,647,877
(2)	Expected UAAL as of October 1, 2013	10,074,360
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(691,254)
	Salary Increases	(267,000)
	Active Decrements	229,262
	Inactive Mortality	100,962
	Other	16,819
	Increase in UAAL due to (Gain)/Loss	(611,211)
(4)	Actual UAAL as of October 1, 2013	9,463,149

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rates	RP2000 Combined Healthy without projection, sex distinct. Disabled lives are set forward five years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.
Termination Rates	See Table below (1304).
Disability Rates	See Table below (1205). It is assumed that 75% of disablements and active deaths that occur are service-related.
Retirement Age	Earlier of age 50 and 10 years of service or 25 years of service regardless of age. Also, any member who has reached Normal Retirement Age is assumed to retire at a rate of 25% for the first three years upon attaining first eligibility, and a rate of 100% thereafter.
Early Retirement	Commencing at the member's eligibility for Early Retirement (20 years of Credited Service), members are assumed to retire with an immediate, subsidized benefit at the rate of 10% per year.
Interest Rate	7.9%, compounded annually, net of investment related expenses.
Salary Increases	10.0% for Members with less than 10 years of service, and 5.5% with 10 or more years of service. Additionally, projected salary at retirement is increased as follows for non-regular payments:

Service as of 10/1/2012	Final Salary Load
10 or more years	20.0%
More than 1, less than 10 years	10.0%
Less than 1 year	0.0%

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	15.0%	0.14%
30	11.0	0.18
40	7.0	0.30
50	3.5	1.00

Payroll Growth	Up to 0.2% or the actual ten-year average payroll growth average for all existing bases as of 10/1/2010. Beginning 10/1/2011, all future bases will be amortized using no payroll growth assumption.
Administrative Expenses	$55,538 annually.
Asset Smoothing Methodology	The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.
Funding Method	Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor dollar funding requirement: Interest – A half year, based on the current 7.9% assumption. Salary – A full year, based on the current 7.4% assumption.

VALUATION NOTES

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

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

Normal (Current Year's) Cost is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost Method (Level Percent of Compensation) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

Received During Fiscal Year	Amount	Increase from Previous Year
1975	17,705	____%
1976	22,337	26.2%
1977	27,689	24.0%
1978	31,956	15.4%
1979	34,280	7.3%
1980	37,580	9.6%
1981	42,989	14.4%
1982	48,727	13.3%
1983	55,672	14.3%
1984	66,493	19.4%
1985	74,901	12.6%
1986	87,690	17.1%
1987	107,582	22.7%
1988	115,526	7.4%
1989	120,129	4.0%
1990	114,205	-4.9%
1991	120,797	5.8%
1992	113,946	-5.7%
1993	111,749	-1.9%
1994	117,626	5.3%
1995	126,466	7.5%
1996	133,635	5.7%
1997	153,289	14.7%
1998	149,125	-2.7%
1999	150,211	0.7%
2000	145,711	-3.0%
2001	152,606	4.7%
2002	169,450	11.0%
2003	195,077	15.1%
2004	199,191	2.1%
2005	205,364	3.1%
2006	219,537	6.9%
2007	220,585	0.5%
2008	205,364	-6.9%
2009	208,681	1.6%
2010	186,898	-10.4%
2011	185,321	-0.8%
2012	175,758	-5.2%
2013	175,166	-0.3%

EXCESS STATE MONIES RESERVE

Year	Actual State Contribution	Applicable "Frozen" Amount	Excess State Monies Reserve Contribution
1998	149,125.30	149,125.30	0.00
1999	150,211.03	208,886.30	0.00
2000	145,710.81	239,231.30	0.00
2001	152,605.61	268,891.30	0.00
2002	169,449.57	339,226.30	0.00
2003	195,076.84	339,226.30	0.00
2004	199,191.27	339,226.30	0.00
2005	205,363.65	339,226.30	0.00
2006	219,537.20	339,226.30	0.00
2007	220,584.55	339,226.30	0.00
2008	205,363.65	339,226.30	0.00
2009	208,681.06	339,226.30	0.00
2010	186,897.62	339,226.30	0.00
2011	185,320.86	339,226.30	0.00
2012	175,757.64	339,226.30	0.00
2013	175,165.97	339,226.30	0.00
		Total:	0.00

BALANCE SHEET
September 30, 2013

ASSETS	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	2,474,144.73	2,474,144.73
Cash	(1,341.26)	(1,341.26)
Total Cash and Equivalents	2,472,803.47	2,472,803.47
Receivable:		
Additional City Contributions	67,810.83	67,810.83
Accrued Income	73,708.74	73,708.74
Total Receivable	141,519.57	141,519.57
Investments:		
U. S. Bonds and Bills	1,548,840.48	1,600,789.01
Federal Agency Guaranteed Securities	459,316.01	453,243.33
Corporate Bonds	4,060,207.33	4,465,868.10
Stocks	14,527,581.49	19,995,762.80
Total Investments	20,595,945.31	26,515,663.24
TOTAL ASSETS	23,210,268.35	29,129,986.28
LIABILITIES AND NET ASSETS		
Liabilities:		
Payable:		
To Other Trust Fund	16,567.11	16,567.11
Total Liabilities	16,567.11	16,567.11
Net Assets, including DROP Account Balances	23,193,701.24	29,113,419.17
TOTAL LIABILITIES AND NET ASSETS	23,210,268.35	29,129,986.28

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

REVENUES

Contributions:		
Member	230,352.30	
City	1,758,204.71	
State	175,165.97	
Total Contributions		2,163,722.98
Earnings from Investments		
Interest & Dividends	618,871.78	
Net Realized Gain (Loss)	2,487,304.30	
Unrealized Gain (Loss)	(1,448.88)	
Total Earnings and Investment Gains		3,104,727.20

EXPENDITURES

Expenses:		
Investment Related[1]	141,004.68	
Administrative	55,538.46	
Total Expenses		196,543.14
Distributions to Members:		
Benefit Payments	1,943,522.49	
Lump Sum DROP Balances	385,211.42	
Termination Payments	0.00	
Total Distributions		2,328,733.91
Change in Net Assets for the Year		2,743,173.13
Net Assets Beginning of the Year		26,370,246.04
Net Assets End of the Year		29,113,419.17

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

ACTUARIAL ASSET VALUATION
September 30, 2013

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*
09/30/2010	12.61%
09/30/2011	-0.08%
09/30/2012	18.24%
09/30/2013	11.29%

Annualized Rate of Return for prior four (4) years:	10.31%	
(A) 10/01/2012 Actuarial Assets:		$25,631,801.70
(I) Net Investment Income:		
1. Interest and Dividends	618,871.78	
2. Realized Gains (Losses)	2,487,304.30	
3. Change in Actuarial Value	(333,911.42)	
4. Investment Related Expenses	(141,004.68)	
Total		2,631,259.98
(B) 10/01/2013 Actuarial Assets:		$28,042,512.29
Actuarial Asset Rate of Return = 2I/(A+B-I):		10.31%
10/01/2013 Limited Actuarial Assets:		$28,042,512.29

*Market Value Basis, net of investment related expenses.

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

REVENUES		
Contributions:		
Member	230,352.30	
City	1,758,204.71	
State	175,165.97	
Total Contributions		2,163,722.98
Earnings from Investments		
Interest & Dividends	618,871.78	
Net Realized Gain (Loss)	2,487,304.30	
Change in Actuarial Value	(333,911.42)	
Total Earnings and Investment Gains		2,772,264.66
EXPENDITURES		
Expenses:		
Investment Related[1]	141,004.68	
Administrative	55,538.46	
Total Expenses		196,543.14
Distributions to Members:		
Benefit Payments	1,943,522.49	
Lump Sum DROP Balances	385,211.42	
Termination Payments	0.00	
Total Distributions		2,328,733.91
Change in Net Assets for the Year		2,410,710.59
Net Assets Beginning of the Year		25,631,801.70
Net Assets End of the Year[2]		28,042,512.29

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

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2012 to September 30, 2013

09/30/2012 Balance	542,881.30
Plus Additions	142,972.66
Investment Return Earned	33,946.55
Less Distributions	(385,211.42)
09/30/2013 Balance	334,589.09

Assumption:
Election option assumption for three new DROP participants is the Normal Form

Investment Return Earned is not included for three new DROP participants

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

(1) City and State Required Contribution Rate (from the October 1, 2011 Actuarial Valuation Report)	60.85%
(2) Pensionable Payroll Derived from Member Contributions	$3,177,273.10
(3) Required City and State Contribution (Item 1 times Item 2)	1,933,370.68
(4) Less Allowable State Contribution	(175,165.97)
(5) Equals Required City Contribution	1,758,204.71
(6) Less Actual City Contributions	(1,690,393.88)
(7) Equals City's Shortfall Contribution as of September 30, 2013	$67,810.83

STATISTICAL DATA

	10/1/2010	10/1/2011	10/1/2012	10/1/2013
Active Members *				
Number	43	42	43	38
Average Current Age	39.6	39.3	40.1	39.0
Average Age at Employment	29.4	28.5	28.4	28.5
Average Past Service	10.2	10.8	11.7	10.5
Average Annual Salary	$72,698	$76,389	$76,204	$77,426
Service and DROP Retirees				
Number	33	33	31	37
Total Annual Pensions	1,723,536	1,755,007	1,655,254	1,948,679
Average Monthly Benefit	4,352	4,432	4,450	4,389
Disability Retirees				
Number	7	7	7	7
Total Annual Pensions	196,410	196,410	196,410	196,410
Average Monthly Benefit	2,338	2,338	2,338	2,338
Beneficiaries				
Number	5	5	7	7
Total Annual Pensions	107,357	107,357	207,109	207,109
Average Monthly Benefit	1,789	1,789	2,466	2,466
Terminated Vested				
Number **	7	6	5	5
Total Annual Pensions	90,688	93,162	93,162	33,742
Average Monthly Benefit	2,519	2,588	2,588	2,812

* Prior to October 1, 2013, averages for active Members were salary weighted

** Includes non-vested members awaiting a refund of member contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	1	0	1	4	0	0	0	0	0	0	6
30 - 34	0	0	0	0	0	6	0	0	0	0	0	6
35 - 39	0	0	1	0	0	2	5	0	0	0	0	8
40 - 44	1	0	1	0	0	1	3	1	0	0	0	7
45 - 49	0	0	0	0	0	1	2	1	3	0	0	7
50 - 54	0	0	0	0	0	0	0	2	0	0	0	2
55 - 59	0	0	0	0	0	1	0	0	0	1	0	2
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	1	2	1	4	11	10	4	3	1	0	38

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/12	43
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	2
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	1
f. Entered DROP	3
g. Continuing participants	37
h. New entrants	1
i. Total active life participants in valuation	38

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

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	DROP	Total
a. Number prior valuation	29	7	7	5	2	50
b. In	5	0	0	2	3	10
c. Out	0	0	0	2	2	4
d. Number current valuation	34	7	7	5	3	56

SUMMARY OF PLAN PROVISIONS
(Through Ordinance No. 2013-33)

Eligibility	Full-time, sworn police officers shall participate in the System as a condition of employment.
Credited Service	Total years and fractional parts of years of service with the City as a police officer.
Salary	Total Compensation. For Credited Service after the "effective date", annual overtime shall not exceed 300 hours. Additionally, payment for unused sick and vacation time shall not be considered pensionable for hours accrued after the effective date.
Average Final Compensation	Average Salary for the best 5 years during the 10 years immediately preceding termination.
Member Contributions	7.25% of Salary
City and State Contributions	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years. In no event will City contributions be less than 12% of the total Salary of the members.
Normal Retirement	
Date	Earlier of age 50 and 10 years of Credited Service, or 25 years of Credited Service.
Benefit	3.50% of Average Final Compensation times Credited Service plus $175 per month supplement.
Form of Benefit	Ten Year Certain and Life Annuity (options available).
Early Retirement	
Eligibility	20 years of Credited Service, regardless of age.
Benefit	Accrued benefit, reduced 2% per year preceding Normal Retirement Date.
Vesting	
Less than 10 years	Refund of Member Contributions.
After 10 years	Accrued benefit payable at Normal Retirement Date or reduced and payable at Early Retirement Date if Member Contributions are left in the Fund.

Disability	
Eligibility	Total and Permanent as determined by the Board.
Service Incurred	Covered from Date of Employment.
Non-Service Incurred	5 years of Credited Service.
Benefit	62.5% (Service Incurred), or 50% (Non-Service Incurred) of Salary (base hourly pay, plus shift differential plus incentive pay) at time of disability plus $175 per month. Paid as a 100% Joint and Survivor Annuity.
Death Benefits	
Pre-Retirement	
Service Incurred	Covered from Date of Employment. 62.5% of earnings paid to spouse until death, or, if no spouse, in equal shares to dependent children.
Non-Service Incurred	Eligible after 5 years of Credited Service. 50% of earnings paid to spouse until death or remarriage, or, if no spouse, in equal shares to dependent children.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.
Board of Trustees	a) Two Council appointees, b) Two Members of the Department elected by the membership, and c) Fifth Member elected by other 4 and appointed by Council.
Deferred Retirement Option Plan	
Eligibility	Satisfaction of Normal Retirement requirements (earlier of 1) Age 50 and 10 years of Credited Service, or 2) 25 years of Credited Service.)
Participation	Not to exceed 60 months
Rate of Return	At member's election: a) an effective annual rate of 6.5%, or b) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.
Form of Distribution	Cash lump sum (options available) at termination of employment.

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

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

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/01/13	28,042,512	37,505,661	9,463,149	74.77%	2,942,176	321.64%
10/01/12	25,631,802	36,334,940	10,703,138	70.54%	3,276,770	326.64%
10/01/11	23,836,025	35,058,254	11,222,229	67.99%	3,208,345	349.78%
10/01/10	25,039,946	35,779,052	10,739,106	69.98%	3,125,995	343.54%
10/01/09	24,800,760	34,159,156	9,358,396	72.60%	3,109,302	300.98%
10/01/08	26,094,342	32,540,029	6,445,687	80.19%	2,856,283	225.67%

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

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended September 30	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
2013	1,933,371	1,758,205	175,166	100.00%
2012	1,672,201	1,496,443	175,758	100.00%
2011	1,444,492	1,259,171	185,321	100.00%
2010	1,154,509	967,612	186,898	100.00%
2009	767,694	562,333	208,681	100.43%
2008	781,352	575,988	205,364	100.00%

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/13	
City and State	60.85%
Plan Members	7.25%
Actuarially Determined Contribution (City and State)	1,933,371
Contributions made	1,933,371
Actuarial valuation date	10/1/2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay, Closed
Remaining amortization period	25 Years (as of 10/1/11)
Asset valuation method	4 Year Smooth
Actuarial assumptions:	
Investment rate of return	7.9%
Projected salary increase*	5.5% to 10% per year
* Includes inflation at	3.0%
Post Retirement COLA	0.0%

THREE YEAR TREND INFORMATION

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/13	1,935,135	100%	(28,399)
9/30/12	1,673,577	100%	(30,163)
9/30/11	1,445,748	100%	(31,539)

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

DEVELOPMENT OF NET PENSION OBLIGATION (NPO)

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

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

		9/30/11	9/30/12	9/30/13
Actuarially Determined Contribution (A)		1,444,492	1,672,201	1,933,371
Interest on NPO		(2,624)	(2,523)	(2,383)
Adjustment to (A)		3,879	3,899	4,147
Annual Pension Cost		1,445,748	1,673,577	1,935,135
Contributions Made		1,444,492	1,672,201	1,933,371
Increase in NPO		1,256	1,376	1,764
NPO Beginning of Year		(32,795)	(31,539)	(30,163)
NPO End of Year	(32,795)	(31,539)	(30,163)	(28,399)