Gabriel Roeder Smith & Company
Consultants & Actuaries

CITY OF JACKSONVILLE BEACH
FIREFIGHTERS' RETIREMENT SYSTEM

SIXTY-THIRD ANNUAL ACTUARIAL VALUATION

OCTOBER 1, 2013

OUTLINE OF CONTENTS
REPORT OF OCTOBER 1, 2013 ACTUARIAL VALUATION

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June 9, 2014

The Board of Trustees
City of Jacksonville Beach
Firefighters' Retirement System
Jacksonville Beach, Florida

The results of the October 1, 2013 Annual Actuarial Valuation of the City of Jacksonville Beach Firefighters' Retirement System are presented in this report. The purpose of the annual valuation is to measure the System's funding progress, to determine the City's contribution rate for the fiscal year beginning October 1, 2014 in accordance with established funding policies, and to determine actuarial information for Governmental Accounting Standards Board (GASB) Statements No. 25 and No. 27. The results of the valuation may not be applicable for other purposes.

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.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

Valuation results, comments, recommendation and our certification are contained in Section A.

The valuation was based upon information, furnished by the Pension Fund Administrator, concerning pension fund benefits, financial transactions, and individual members, terminated members, retired members and beneficiaries. Data was checked for reasonableness and missing information, but was not otherwise audited. This information is summarized in Section B.

A description of the actuarial valuation process, actuarial assumptions and definitions of technical terms are contained in Section C.

Governmental Accounting Standards Board Statement No. 25 information is contained in Section D.

A summary of valuation results in the State format is contained in Section E.

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This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. We certify that the information contained in this report is accurate and fairly presents the actuarial position of the City of Jacksonville Beach Firefighters' Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. The actuarial assumptions used for the valuation produce results which, individually and in the aggregate, are reasonable.

Brad Armstrong and Randall Dziubek are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,

Brad Lee Armstrong

Brad Lee Armstrong, ASA, EA, MAAA

Randall J. Dziubek, ASA, EA, MAAA

BLA/RJD:sc

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SECTION A

VALUATION RESULTS, COMMENTS, CONCLUSION, RECOMMENDATIONS (IF ANY) AND STATEMENT BY ENROLLED ACTUARY

Funding Objective

The funding objective of the Retirement System is to establish and receive contributions, expressed as percents of active member payroll, which will remain approximately level from year-to-year and will not have to be increased for future generations of citizens in the absence of benefit improvements. This objective is stated in the Ordinance and meets the requirements of Part VII, Chapter 112, Florida Statutes.

Contribution Rates

The Retirement System is supported by member contributions, property insurance premium tax monies received from the State pursuant to Chapters 175 Florida Statutes, City contributions, and investment income from Retirement System assets.

Contributions which satisfy the funding objective are determined by the actuarial valuation and are sufficient to:

(1) cover the actuarial costs allocated to the current year (the normal cost) by the actuarial cost methods described in Section C; and

(2) finance over a period of future years the actuarial costs not covered by present assets and anticipated future normal costs (unfunded actuarial accrued liability).

Contribution requirements for the Plan and fiscal year beginning October 1, 2014 are shown on page A-2.

CONTRIBUTIONS TO FINANCE BENEFITS OF THE RETIREMENT SYSTEM FOR THE PLAN YEAR BEGINNING OCTOBER 1, 2014 TO BE CONTRIBUTED DURING THE FISCAL YEAR BEGINNING OCTOBER 1, 2014

Contributions for	Contributions Expressed as Percents of UnDROPed Active Member Payroll	
Normal Cost		
Service pensions	12.10	%
Disability pensions	1.10	
Survivor pensions		
Pre-retirement	0.27	
Termination benefits		
Deferred service pensions	3.13	
Refunds of member contributions	0.62	
Total Normal Cost	17.22	
Unfunded Actuarial Accrued Liability (1)		
Retired members and beneficiaries	0.00	
Active and vested terminated members	17.09	
Total unfunded actuarial accrued liability	17.09	
Administrative Expenses	2.67	
Total Calculated Contribution Requirement	36.98	
Adjustments to Calculated Contribution Requirement		
Temporary full funding credit	0.00	
FS 112.64(5) compliance	0.33	
Total adjustments	0.33	
Total Adjusted Contribution Requirement	37.31	%
Member portion	6.45	%
Estimated Chapter 175 and Additional Premium Tax Revenue monies	10.38	%
Estimated City portion	20.48	%

(1) *Unfunded actuarial accrued liability was financed as level percents of unDROPed member payroll. Please refer to page A-9 for a schedule of financing periods.*

FS 112.64 requires that City contributions be deposited not less frequently than quarterly. FS 175.131 requires that Chapter 175 monies be deposited within 5 days of receipt from the State. Member contributions, which are in addition to the City/Chapter contributions, must be deposited immediately after each pay period.

Procedures for determining dollar contributions are shown on page A-3.

Comparative contribution amounts for prior fiscal years are shown on page A-11.

CHAPTER 99-1, LAWS OF FLORIDA
MINIMUM COMPLIANCE AND EXTRA BENEFITS

	Prior Year			Cumulative		
	Premium Tax Distributions	**Supplemental Compensation Fund**	**Total**	**Premium Tax Distributions**	**Supplemental Compensation Fund**	**Total**
A. Additional premium tax revenues as of 9/30/2012			$ 66,160			
B. Chapter 175 receipts during fiscal year ending 9/30/2013	$130,635	$54,785	185,420	$1,797,727	$779,674	$2,577,401
C. Chapter 175 "frozen" receipts during fiscal year ending 9/30/2013	77,527	3,082	80,609	1,162,905	42,965	1,205,870
D. Qualifying benefit improvements since Chapter 99-1 effective date	129,254	0	129,254	1,302,862	51,395	1,354,257
E. Additional premium tax revenues as of 9/30/2013 [A + B - C - D] not less than 0			66,160			17,274

DETERMINING DOLLAR CONTRIBUTIONS

For any period of time, the percent-of-payroll contribution rate needs to be converted to dollar amounts. We recommend the following procedure.

The City/Chapter contribution amount is indicated in the following schedule. Included in these amounts is the projected increase in salary level between the valuation date and the fiscal year in which the contribution is made. The projection factor of 1.068254 [$(1.045)^{1.5}$] is consistent with that used to calculate the actuarial liability. The member contribution amounts may be used as projected dollar contributions for purposes of the CAFR, but should not be used to reconcile actual member contributions.

Total Contribution Requirement	$ 731,819
Less Member Contributions	126,514
Total Employer Contribution Requirement	605,305
Less Estimated Chapter 175 and Additional Premium Tax Revenue Monies	190,625
Estimated Base City Contribution	**$ 414,680 ***

* *Chapter 175 Florida Statutes. The base City contribution amount may need to be increased if the amount received under the provisions of Chapter 175, Florida Statutes, is not sufficient to meet the total employer contribution requirement. CAUTION: If the amount received under the provisions of Chapter 175, Florida Statutes, exceeds $209,863 the City may NOT use any of the excess to reduce the City contribution shown.*

The above City/Chapter contribution amounts are estimated to be contributed, on average, halfway through the fiscal year. If contributions are made on a later schedule, interest should be added at the rate of .64% (.0064) for each month of delay.

FUNDING PROGRESS ACHIEVEMENT INDICATORS

There is no single all-encompassing measure of a retirement system's funding progress and current funded status.

A traditional measure has been the relationship of valuation assets to unfunded actuarial accrued liability - a measure that is influenced by the choice of actuarial cost method. This relationship is shown on page A-10.

We believe a better understanding of funding progress and status can be achieved using the following indicators.

Indicator (1) ***The actuarial present value of gains or losses realized in the operation of the retirement system.*** Gains and losses are expected to cancel each other over an economic cycle but sizable year-to-year fluctuations are common. An experience gain can result from assets increasing in value by more than anticipated, or by the system's obligation increasing by less than anticipated, or by other favorable combinations or deviation from expected asset and liability changes. Further details on the derivation of the gain (loss) are shown on page A-8.

Indicator (2) ***The ratio of valuation assets to the actuarial present value of credited projected benefits*** allocated in the proportion credited service is to projected total service. The ratio is expected to increase over time, but the basic trend may be interrupted by benefit improvements.

Indicator (3) ***The ratio of the unfunded actuarial present value of credited projected benefits to member payroll.*** The unfunded actuarial present value of credited projected benefits is controlled by the funding program. The ratio to payroll is a relative index of condition where inflation is present in both components. The ratio is expected to decrease over time, but the basic trend may be interrupted by benefit improvements.

FUNDING PROGRESS INDICATORS - HISTORICAL DEVELOPMENT
($ AMOUNTS IN THOUSANDS)

	Indicator (1)		*Indicator (2)*			*Indicator (3)*		
	Gain/(Loss)		Funding					
Valuation Date	**Amount**	**% of AAL**	**Value of Assets**	**APVCPB**	**Funded Ratio**	**Unfunded APVCPB**	**Member Payroll**	**Ratio to Payroll**
10/1/1994	$ (474)	(1.9) %	$ 27,316	$ 26,290	103.9 %	$ (1,026)	$ 10,391	(9.90) %
10/1/1995 (a)	1,315	4.5	30,791	28,889	106.6	(1,902)	10,601	(17.90)
10/1/1996	431	1.4	34,171	31,653	108.0	(2,518)	10,537	(23.90)
10/1/1997 (a)	2,494	6.7	38,554	34,623	111.4	(3,931)	10,658	(36.88)
10/1/1998	2,670	0.4	43,678	37,013	118.0	(6,665)	10,536	(63.26)
10/1/1999 #	249	0.6	7,324	7,032	104.2	(292)	1,318	(22.15)
10/1/2000 (aa)	321	4.4	8,055	7,792	103.4	(263)	1,408	(18.69)
10/1/2001	29	(3.1)	8,257	8,222	100.4	(36)	1,174	(3.03)
10/1/2002 (a)	(638)	(7.5)	8,242	8,502	96.9	260	1,196	21.78
10/1/2003	49	0.5	8,049	8,213	98.0	164	1,345	12.21
10/1/2004	(705)	(8.0)	7,549	8,521	88.6	972	1,468	66.23
10/1/2005	(592)	(6.5)	7,483	8,998	83.2	1,515	1,651	91.74
10/1/2006	151	1.6	7,502	9,083	82.6	1,581	1,768	89.41
10/1/2007 (a)	289	3.0	8,044	9,356	86.0	1,312	1,726	76.00
10/1/2008	(248)	(2.5)	8,366	9,711	86.2	1,345	1,928	69.76
10/1/2009 (a)	(229)	(2.1)	8,468	10,588	80.0	2,120	1,985	106.80
10/1/2010	(457)	(4.0)	8,434	10,960	77.0	2,526	2,079	121.50
10/1/2011	(507)	(4.2)	8,363	11,421	73.2	3,058	2,120	144.26
10/1/2012	303	2.4	8,888	11,679	76.1	2,791	2,066	135.11
10/1/2013	**242**	**1.9**	**9,701**	**12,119**	**80.1**	**2,418**	**1,836**	**131.67**

(a) Before changes in benefit provisions and/or actuarial assumptions and actuarial cost methods.
(aa) After Minimum Benefit changes.
 # Prior to 1999 valuation, results include General, Police and Fire.

COMMENTS AND CONCLUSION

COMMENT A: For the fiscal year ended September 30, 2013, the Firefighters' System had a $242,486 experience gain. The gain was attributed to less than expected pay increases (-1.5% recognized vs. 6.5% assumed). Higher than expected recognized investment return on the funding value of assets (8.6% recognized vs. 8.0% assumed) created a small gain as well. Amortization of the experience gain caused a decrease in the City's contribution rate. In spite of the gain, the contribution rate still increased (although the contributions *amount* decreased) due to the gradual expiration of a large credit base and the payroll having decreased 11.1% over the last year, whereas it was assumed to increase 4.5%. In order to generate the appropriate dollar contribution to amortize the unfunded actuarial accrued liability, the UAAL rate must be higher than it would have been in equivalent circumstances with a larger payroll. Additional experience information is reported on pages B-6, B-12, C-4 and C-5.

COMMENT B: This valuation determines contributions for the 2014/2015 fiscal year. The last funding contribution for Section 2-164.9(b) minimum monthly benefits is expected to be contributed during the 2013/2014 fiscal year.

LOOKING FORWARD: Please refer to page A-13 for a projection of future funded ratios and employer contributions. Due to the Board's use of a four-year smoothed market asset valuation method, greater than expected market returns during 2012 and 2013 have only been partially recognized in developing the funding value of assets as of September 30, 2013. This means that investment gains are scheduled to be recognized in the next three years' reports. This will exert downward pressure on the City's contribution rate and a coinciding upward pressure on funded ratios for the subsequent three years in the absence of future investment losses. An additional risk factor to the level of contribution rate is the 10 year average payroll growth, which was 4.2% for the 10 years ending September 30, 2013. If the average payroll growth is lower than this in subsequent reports, this will increase the City's contribution requirement pursuant to compliance with Florida Statute 112.64(5). GASB 67 compliance and Florida Senate Bill 534 reporting will be discussed in separate correspondence.

RECOMMENDATION: The Board may wish to combine the existing multiple amortization bases over a period not to exceed 14 years to moderate contribution rate fluctuations due to the current schedule.

CONCLUSION: It is the actuary's opinion that the required contribution rates determined by the most recent actuarial valuation are sufficient to meet the Retirement System's funding objective, presuming continued timely receipt of required contributions

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."

June 9, 2014

Date | Brad Lee Armstrong, ASA, MAAA, EA [14-5614]

EXPERIENCE GAIN (LOSS)
YEAR ENDED OCTOBER 1, 2013

DERIVATION

(1)	UAAL* at start of year	$3,891,450
(2)	Normal cost for year (ER normal cost & expenses from the prior corresponding valuation x current valuation pay)	264,586
(3)	Actual City/Chapter contribution	639,810
(4)	Interest accrual .08 x [(1) + 1/2 [(2)-(3)]]	296,307
(5)	Expected UAAL before changes	3,812,533
(6)	Effect of timing/accounting	0
(7)	Effect of assumption/cost method changes	0
(8)	Effect of benefit changes	0
(9)	Expected UAAL after changes	3,812,533
(10)	Actual UAAL at end of year	3,570,047
(11)	Gain (loss): (9) - (10)	$ 242,486
(12)	% of AAL at start of year	1.9%

**UAAL represents unfunded actuarial accrued liability.*

Valuation Date September 30	Actuarial Gain (Loss) As % of Beginning Accrued Liabilities
2004	(8.0) %
2005	(6.5)
2006	1.6
2007	3.0
2008	(2.5)
2009	(2.1)
2010	(4.0)
2011	(4.2)
2012	2.4
2013	**1.9**

SOURCES AND FINANCING OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

Unfunded Actuarial Accrued Liability				Remaining Financing		Contribution		
Source of Unfunded Act. Accrued Liab.	Initial Amount	Fin. Per.	Current Amount	Period 9/30/2013	Amort. Factor	Dollar	% of Payroll	FS112.64(5) Compliance
Initial unfunded actuarial accrued liability								
			$ (21,974)	5 yrs.	4.609906	$ (4,767)	(0.26)%	0.00%
Changes from experience deviations.								
Pre-9/30/2002	$ (966,974)	15 yrs.	(303,309)	5 yrs.	4.609906	(65,796)	(3.57)%	(0.04)%
9/30/2002	637,858	25	706,085	14	11.215479	62,956	3.43%	0.06%
9/30/2003	(48,620)	25	(54,353)	15	11.835720	(4,592)	(0.25)%	(0.01)%
9/30/2004	704,589	25	791,882	16	12.435860	63,677	3.47%	0.07%
9/30/2005	591,854	25	666,217	17	13.016551	51,182	2.79%	0.06%
9/30/2006	(151,158)	25	(169,837)	18	13.578424	(12,508)	(0.68)%	(0.02)%
9/30/2007	(289,183)	25	(323,354)	19	14.122087	(22,897)	(1.25)%	(0.03)%
9/30/2008	248,390	25	275,662	20	14.648132	18,819	1.02%	0.03%
9/30/2009	228,877	25	251,508	21	15.157129	16,593	0.90%	0.03%
9/30/2010	457,120	25	483,686	22	15.649630	30,907	1.68%	0.05%
9/30/2011	506,544	24	523,164	23	16.126171	32,442	1.77%	0.05%
9/30/2012	(302,804)	25	(312,856)	24	16.587268	(18,861)	(1.03)%	(0.03)%
9/30/2013	(242,486)	25	(242,486)	25	17.033422	(14,236)	(0.78)%	(0.02)%
Changes from actuarial assumption and actuarial cost method revisions.								
9/30/1995	251,036	25 yrs.	211,339	7 yrs.	6.251490	33,806	1.84%	0.02%
9/30/2002	(152,905)	25	(169,260)	14	11.215479	(15,092)	(0.82)%	(0.02)%
Changes from amendments to benefit provisions.								
9/30/1991	420,623	25 yrs.	196,884	3 yrs.	2.856516	68,925	3.75%	0.02%
9/30/1997	161,519	25	155,058	9	7.788400	19,909	1.08%	0.02%
9/30/2000	359,387	25	379,075	12	9.911981	38,244	2.08%	0.04%
9/30/2007	111,694	25	124,893	19	14.122087	8,844	0.48%	0.01%
9/30/2009	365,850	25	402,023	21	15.157129	26,524	1.44%	0.04%
Totals			**$3,570,047**			**$314,079**	**17.09%**	**0.33%**

Weighted average remaining financing period: 16.2

UNFUNDED ACTUARIAL ACCRUED LIABILITY

	October 1, 2013	October 1, 2012
A. Actuarial present value of future benefits	**$15,861,267**	$15,548,016
B. Actuarial present value of future normal costs	**2,589,901**	2,768,940
C. Actuarial accrued liability	**13,271,366**	12,779,076
D. Funding value of assets	**9,701,319**	8,887,626
E. Unfunded actuarial accrued liability	**$ 3,570,047**	$ 3,891,450

Unfunded actuarial accrued liability is not a good measure of the System's funded status because the amount is dependent upon the actuarial cost method (please refer to page C-1). The funding progress indicators (2) and (3) on pages A-4 and A-5 are less dependent of the actuarial cost method and are a better guide to funded status and funding progress.

RECOMMENDED AND ACTUAL CONTRIBUTIONS COMPARATIVE STATEMENT

Fiscal Year	Valuation Date	City/Chapter Dollar Contributions# Recommended	Actual	Recommended City/Chapter % of Payroll Contributions
85/86	9/30/1984	$372,038	$372,038	11.53 %
86/87	9/30/1985 (a)	303,717	318,278	8.14
87/88	9/30/1986	329,747	331,212	7.11
88/89	9/30/1987	333,644	333,644	6.24
89/90	9/30/1988 (a)	502,658	502,658	9.50
90/91	10/1/1989	497,330	497,330	9.68
91/92	10/1/1990	577,667	577,667	11.09
92/93	10/1/1991 (a)	726,300	726,300	11.32
93/94	10/1/1992	793,594	793,594	12.38
94/95	10/1/1993	681,170	716,980	10.12
95/96	10/1/1994	790,417	818,057	11.20
96/97	10/1/1995 (a)	612,267	618,521	10.01
97/98	10/1/1996	563,577	563,577	10.00
98/99	10/1/1997 (a)	161,897	170,318	13.09
99/00	10/1/1998	157,388	200,849	12.17
00/01	10/1/1999	140,765	154,219	9.93
01/02	10/1/2000 (aa)	188,644	188,644	12.45
02/03	10/1/2001	181,171	210,934	14.34
03/04	10/1/2002 (a)	187,031	200,796	14.64
04/05	10/1/2003 (a)	201,242	195,785	14.01
05/06	10/1/2004	289,937	313,076	18.49
06/07	10/1/2005	345,883	518,567	19.61
07/08	10/1/2006	347,184	584,172	18.38
08/09	10/1/2007 (a)	329,117	425,843	17.85
09/10	10/1/2008	373,810	423,928	18.15
10/11	10/1/2009 (a)	501,859	533,544	23.67
11/12	10/1/2010	573,563	573,563	25.83
12/13	10/1/2011	639,810	639,810	28.25
13/14	10/1/2012	634,488		28.75
14/15	**10/1/2013**	**605,305**		**30.86**

(a) Before changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.
(aa) After Minimum Benefit changes.
 # Prior to the fiscal year ending 9/30/99, results include General, Police and Fire.

ACTUARIAL BALANCE SHEET - OCTOBER 1, 2013

PRESENT RESOURCES AND EXPECTED FUTURE RESOURCES

A. Funding value of system assets:	
1. Net assets from system financial statements (market value)	$ 10,097,893
2. Funding value adjustment	(396,574)
3. Funding value of assets	9,701,319
B. Actuarial present value of expected future employer contributions:	
1. For normal costs	1,619,121
2. For unfunded actuarial accrued liability	3,570,047
3. Totals	5,189,168
C. Actuarial present value of expected future member contributions	970,780
D. Total Present and Expected Future Resources	$15,861,267

ACTUARIAL PRESENT VALUE OF EXPECTED FUTURE BENEFIT PAYMENTS AND RESERVES

A. To retired members and beneficiaries	$ 6,929,439
B. To vested terminated members	241,189
C. To present active members:	
1. Allocated to service rendered prior to valuation date	6,001,510
2. Allocated to service likely to be rendered after valuation date	2,589,901
3. Totals	8,591,411
D. Extra Benefit Reserve	66,160
E. Reserve for DROP balances	33,068
F. Total Actuarial Present Value of Expected Future Benefit Payments	$15,861,267

5 YEAR PROJECTIONS OF FUTURE FUNDED RATIOS AND EMPLOYER CONTRIBUTIONS

Year Ended 9/30	Active Count	Payroll	Benefit Payments	Actuarial Accrued Liability	Actuarial Value of Assets	Funded Ratio	Total Employer Contribution: Fiscal Year	Total Employer Contribution: % of Payroll	Total Employer Contribution: Dollar Amount	Less Estimated Chapter 175 and Additional Premium Tax Revenue	Estimated Base City Contribution
2013	28	$ 1,836,131	$ 727,474	$ 13,271,366	$ 9,701,319	73.1%	2015	30.86%	$ 605,305	$ 190,625	$ 414,680
2014	28	1,870,359	749,056	13,880,535	10,559,662	76.1%	2016	30.92%	617,696	190,625	427,071
2015	28	1,917,889	782,769	14,512,035	11,613,993	80.0%	2017	30.70%	629,006	190,625	438,381
2016	28	1,950,367	805,807	15,177,173	12,596,643	83.0%	2018	27.03%	563,244	190,625	372,619
2017	28	1,985,074	837,390	15,869,519	13,469,364	84.9%	2019	27.26%	578,115	190,625	387,490
2018	28	2,035,161	864,827	16,596,802	14,394,072	86.7%	2020	27.53%	598,517	190,625	407,892

Chapter 175 monies are assumed to stay level in future years. This projection does not reflect any change in past practice related to the May 17, 2013 letter to the City Manager from the Bureau Chief of Local Retirement Systems.
Uses 4.5% wage growth assumption.
We have reflected compliance with F.S. 112.64(5) to remain constant with year ended 9/30/13.
We have not determined any additional possible impact due to F.S. 112.64(5).
Actuarial assumptions were those used for the 9/30/13 valuation.
Future experience was assumed to be consistent with the actuarial assumptions. If experience differs from the actuarial assumptions, future results could be significantly different from the projected results above.
Existing schedule of unrecognized investment gains and losses are reflected in this projection.

SECTION B

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

SUMMARY OF BENEFIT PROVISIONS
(AS OF OCTOBER 1, 2013)

NORMAL RETIREMENT (NO REDUCTION FACTOR FOR AGE):

Eligibility – 30 years of service regardless of age, or age 52 with 25 or more years of service, or age 55 with 5 or more years of service.

Mandatory Retirement Age - None.

Pension Amount - Final average compensation times the sum of a) 3.0% for each of the first 30 years of service, plus, b) 2.0% for each year of service in excess of 30 years. Maximum pension is 100% of final average compensation (FS 112.65).

The normal form of benefit is a benefit payable for the life of the retired member with the first 10 years guaranteed. Optional benefit forms are available on an actuarial equivalent basis.

Final Average Compensation - Highest 5 years out of last 10. Compensation includes overtime, longevity pay and cost-of-living allowances. Payments at termination/retirement for unused accumulated leave time (vacation or sick leave) and uniform allowances are not pensionable.

EARLY RETIREMENT:

Eligibility - After completion of 20 years of service, but before the member's earliest projected normal retirement date or effective October 16, 2007 on the attainment of age 50 with 10 years of service.

Pension Amount – Computed as regular retirement, but reduced to take into account earlier commencement of retirement income payments, as follows:

3.0% per year reduction prior to Normal Retirement

DEFERRED RETIREMENT (VESTED BENEFIT):

Eligibility - 5 or more years of service. Benefit begins at regular retirement age 55.

Pension Amount - Computed as a normal retirement but based upon service and final average compensation at time of termination.

DUTY DISABILITY RETIREMENT:

Eligibility - No age or service requirements.

Pension Amount - Computed as a normal retirement to regular retirement age. Minimum benefit is not less than 50% of final average compensation. At regular retirement age, the participant has the option to have the benefit re-computed as a normal retirement with additional service credit granted from date of retirement to the later of normal retirement age or five years after date of disability. Minimum benefit is not less than 42% of final average compensation.

SUMMARY OF BENEFIT PROVISIONS (CONTINUED)

NON-DUTY DISABILITY RETIREMENT:

Eligibility - 10 or more years of service.

Pension Amount - Computed as a normal retirement. Minimum benefit is not less than 25% of final average compensation.

DUTY DEATH BEFORE RETIREMENT:

Eligibility - No age or service requirements.

Pension Amount - To spouse: 100% of the normal retirement benefit. Minimum benefit is not less than 35% of final average compensation.

NON-DUTY DEATH BEFORE RETIREMENT:

Eligibility - 10 or more years of service.

Pension Amount - To spouse: 100% of the normal retirement benefit.

MEMBER CONTRIBUTIONS: 6.45% of pay.

COST-OF-LIVING ADJUSTMENTS: A one-time, permanent benefit increase of 2% was granted to retirees who retired before January 1, 2009. Retirees who retire after January 1, 2009 will receive on the 2nd anniversary of retirement, a 2% benefit increase and an additional 2% compounded annually, inclusive of certain periods and/or survivor benefits.

PREMIUM TAX MONIES: A distribution of property insurance premium tax monies collected by the State pursuant to Chapter 175, Florida Statutes.

CITY CONTRIBUTIONS: Actuarially determined amounts which together with member contributions and premium tax monies are sufficient to at least cover the requirements of the funding objective.

FORFEITURE OF RETIREMENT BENEFITS: Retirement benefits granted by the Retirement System are subject to forfeiture if an employee is convicted of an offense specified in Sections 112.3173 and 175.195, Florida Statutes, pursuant to the procedures set forth in the cited statute.

PRIOR SERVICE PURCHASES: A former member with credited service who wishes to return to city employment may restore the forfeited credited service to receive credit for prior service within ninety (90) days after return to city employment.

SUMMARY OF BENEFIT PROVISIONS (CONCLUDED)

DEFERRED RETIREMENT OPTION PROGRAM (DROP): Any eligible member of the retirement system who meets the requirements of retirement may elect to participate, deferring receipt of retirement benefits while continuing employment with the City. The deferred monthly benefits shall accrue in the reserve for pension payments fund on behalf of the participant, plus 3.5% annual interest compounded monthly less a service fee, for the specified period of the DROP participation not to exceed 36 consecutive months. Upon termination from the DROP, the participant shall receive all accrued DROP benefits either by lump sum, direct rollover or partial lump sum.

CLAIMS PROCEDURE: Claims for benefits should be filed with the office of the City Clerk. If a claim is denied, you will be notified and informed of the procedure to request a hearing before the Board of Trustees. An applicant for benefits must appeal said denial within 20 days of being informed of the denial by filing an appeal with the Board Secretary. If no appeal is filed within the time period then the denial shall be final.

DISCLAIMER: The preceding summary briefly describes the principle benefits of the Retirement System. Detailed benefit conditions and limitations are contained in the City of Jacksonville Beach Firefighters' Retirement System Ordinance as amended, which establishes the System. The Internal Revenue Code, Florida Statutes, and the Ordinance all govern the operation of the System, and should be consulted before you take any action concerning your membership or benefits. In case of any conflict between this Summary and the Ordinance or other applicable law, the Ordinance or other applicable law will prevail. Copies of the Ordinance are available at the office of the City Clerk.

ACCOUNTING INFORMATION SUBMITTED FOR VALUATION

Revenues and Expenditures

	Year Ended September 30, 2013	Year Ended September 30, 2012
Revenues:		
a. Member contributions	**$ 125,556**	$ 134,216
b. City contributions	**449,185**	388,143
c. Premium taxes from State	**190,625**	185,420
d. Total contributions to System	**765,366**	707,779
e. Investment income:		
1. Interest and dividends	**212,819**	194,523
2. Realized gain on investments	**579,125**	233,142
3. Unrealized gain on investments	**312,599**	866,479
4. Investment expense	**(31,813)**	(33,013)
f. Total investment income	**1,072,730**	1,261,131
g. Total revenues	**1,838,096**	1,968,910
Expenditures:		
a. Refunds of member contributions	**0**	34,813
b. Benefits paid	**670,453**	659,855
c. Administrative expenses	**48,948**	53,911
d. Total expenditures	**719,401**	748,579
Reserve Increase:		
Total revenues minus total expenditures	**$1,118,695**	$1,220,331

Summary of Assets (Market Value)

		September 30, 2013	September 30, 2012
Cash and equivalents		**$ 456,046**	$ 380,794
Receivables less payables		**10,941**	72,125
Certificates of deposit & savings		**none**	none
U.S. Government Securities		**1,427,553**	1,787,535
Bonds	- government	**none**	none
	- corporate	**1,900,844**	1,492,140
Stocks	- common	**none**	none
	- preferred	**none**	none
Other (equity mutual funds)		**6,302,509**	5,246,604
Total assets		**$10,097,893**	$8,979,198

DERIVATION OF FUNDING VALUE OF RETIREMENT SYSTEM ASSETS

	Values as of September 30				
	2012	**2013**	**2014**	**2015**	**2016**
Beginning of Year Values					
(1) Market Value	$7,758,867	$8,979,198			
(2) Funding Value	8,362,564	8,887,626			
End of Year					
(3) Market Value	8,979,198	10,097,893			
(4) Net Addition to Assets Excluding Investment Income#	(40,800)	45,965			
(5) Total Net Investment Income# =(3)-(1)-(4)	1,261,131	1,072,730			
(6) Projected Net Rate of Return#	8.00%	8.00%			
(7) Projected Investment Income =(6) x [(2)+0.5 x (4)]	667,373	712,849			
(8) Investment Income in Excess of Projected	593,758	359,881			
Excess Investment Income Recognized					
(9a) From Current Year = .25 x (8)	148,440	89,970			
(9b) From One Year Prior	(170,217)	148,440	$89,970		
(9c) From Two Years Prior	(13,314)	(170,217)	148,440	$89,970	
(9d) From Three Years Prior	(66,420)	(13,314)	(170,215)	148,438	$89,971
(9e) Total Cap. Val. Change Recogn. = (9a)+(9b)+(9c)+(9d)	(101,511)	54,879	68,195	238,408	89,971
(10) Increase(Decr.) in Funding Value = (4) + (7) + (9e)	525,062	813,693			
End of Year					
(11) Market Value	8,979,198	10,097,893			
(12) Funding Value = (2)+(10)	8,887,626	9,701,319			
(13) Market Value Rate of Return	16.3%	11.9%			
(14) Funding Value Rate of Return	6.8%	8.6%			
(15) Ratio of Market to Funding Value	101.0%	104.1%			

 # Net of expenses paid from investment income.

ACCOUNTING INFORMATION SUBMITTED FOR VALUATION RECONCILIATION TO MARKET VALUE OF ASSETS

Reserve Accounts

	9/30/2013	9/30/2012
Member Contributions (Members' Savings Reserve Fund)	**$1,504,890**	$1,558,122
City/State Contributions (Pension Reserve Fund)	**0**	0
Retired Members and Beneficiaries (Retirement Reserve Fund)	**8,559,935**	7,421,076
DROP Balances (Pension Payments Fund)	**33,068**	0
Total Reserve Accounts	**10,097,893**	8,979,198
Funding Value Adjustment	**(396,574)**	(91,572)
Funding Value of Assets	**$9,701,319**	$8,887,626

Retirement System reserve accounts are maintained and reported on a market value basis by the outside auditor.

Retired Member and Beneficiary Data
Historical Schedule

Year Ended	Added No.	Added Annual Pensions	Removed No.	Removed Annual Pensions	Net Increase No.	Net Increase Annual Pensions	End of Year No.	End of Year Annual Pensions	Expected Removals No.	Expected Removals Pensions
9/30/1975			3	$ 5,238	(3)	$ (5,238)	38	$ 96,998		
9/30/1980	4	$ 12,535	2	6,322	2	6,213	43	126,043		
9/30/1984	6	31,332	4	10,191	2	21,141	51	176,706	1.5	$ 3,616
9/30/1985	6	38,897	3	9,338	3	29,559	54	206,265	1.7	4,085
9/30/1986	8	73,331	2	4,389	6	68,942	60	275,207	1.4	4,092
9/30/1987	3	17,843	2	3,074	1	14,769	61	289,976	1.6	4,955
9/30/1988	1	5,391	1	970		4,421	61	294,397	1.6	5,476
9/30/1989	2	5,579	1	2,946	1	2,633	62	297,030	1.8	6,098
9/30/1990	6	63,868	5	14,043	1	49,825	63	346,855	1.9	6,447
9/30/1991	3	67,943	3	11,449		56,494	63	403,349	1.9	7,388
9/30/1992	16	232,066	5	13,210	11	218,856	74	622,205	1.9	8,303
9/30/1993	6	87,030	7	27,306	(1)	59,724	73	681,929	2.2	11,617
9/30/1994	12	187,409	2	14,164	10	173,245	83	855,174	2.1	12,465
9/30/1995	8	184,693	6	24,617	2	160,076	85	1,015,250	2.3	14,657
9/30/1996	14	247,257	7	33,348	7	213,909	92	1,229,159	1.9	14,218
9/30/1997	5	65,068	4	22,208	1	42,860	93	1,272,018	2.0	16,685
9/30/1998 #							14	289,524	2.0	16,685
9/30/1999							14	289,524	0.2	3,497
9/30/2000	1	32,824			1	32,824	15	322,348	0.2	3,883
9/30/2001	3	136,130			3	136,130	18	458,478	0.2	4,487
9/30/2002	3	147,176 *			3	147,176	21	605,654	0.3	5,710
9/30/2003	1	54,211	2	55,764	(1)	(1,553)	20	604,101	0.3	7,094
9/30/2004	1	60,277			1	60,277	21	664,378	0.3	7,970
9/30/2005	4	70,107	1	15,608	3	54,499	24	718,877	0.4	8,984
9/30/2006							24	718,877	0.4	9,685
9/30/2007							24	718,877	0.4	10,710
9/30/2008							24	718,877	0.5	11,858
9/30/2009	1	42,517	1	28,994		13,523	24	732,400	0.5	13,143
9/30/2010			1	24,355	(1)	(24,355)	23	708,045	0.6	14,312
9/30/2011			2	48,190	(2)	(48,190)	21	659,855	0.6	14,354
9/30/2012							21	659,855	0.6	15,813
9/30/2013	**3**	**82,016**	**1**	**14,397**	**2**	**67,619**	**23**	**727,474**	**0.7**	**17,445**
Expected for **9/30/2014**									**0.7**	**18,427**

 # Prior to 1998 valuation, results include General, Police and Fire.
** Includes changes in benefits due to minimum benefit requirement.*

NORMAL (AGE AND SERVICE) RETIREMENTS

Valuation Year	No.	Average Attained Age	Average Retirement Age	Average Annual Pensions	Newly Retired During Year No.	Newly Retired Averages Retirement Age	Newly Retired Averages Service	Newly Retired Averages Annual Pensions
2001	12	65.4 yrs.	56.3 yrs.	$24,458	3	53.6 yrs.	26.4 yrs.	$45,377
2002	15	64.8	54.0	29,378	3	53.6	27.4	48,959
2003	14	64.8	54.0	31,366	1	53.5	28.6	54,210
2004	15	63.5	55.0	33,293	1	51.0	30.2	60,279
2005	16	63.1	55.0	30,772	1	50.0	10.2	15,057
2006	16	64.1	55.0	30,772				
2007	16	65.1	55.0	30,772				
2008	16	66.1	55.0	30,772				
2009	16	67.1	55.3	31,340				
2010	16	68.1	55.3	31,299				
2011	14	69.1	55.3	34,180				
2012	14	70.1	55.3	34,180				
2013	**16**	**67.7**	**55.5**	**34,134**	**3**	**56.6**	**22.2**	**27,338**

RETIRED MEMBERS AND BENEFICIARIES HISTORICAL COMPARISON

Valuation Date	% Incr. in Annual Pensions#	No. of Active Per Retired	Pension Payroll as % of Active Payroll	Average Pension#
9/30/1985 *	10.5 %			$ 3,274
10/1/1990	16.8			5,506
10/1/1995	18.7	2.7 %	16.7 %	11,944
10/1/2000	11.3	2.2	22.9	21,490
10/1/2001	42.2	1.4	39.0	25,471
10/1/2002	32.1	1.2	50.6	28,841
10/1/2003	(0.3)	1.4	44.9	30,205
10/1/2004	10.0	1.4	45.3	31,637
10/1/2005	8.2	1.2	43.5	29,953
10/1/2006	0.0	1.3	40.7	29,953
10/1/2007	0.0	1.3	41.7	29,953
10/1/2008	0.0	1.3	37.3	29,953
10/1/2009	1.9	1.3	36.9	30,517
10/1/2010	(3.3)	1.3	34.1	30,785
10/1/2011	(6.8)	1.4	31.1	31,422
10/1/2012	0.0	1.4	31.9	31,422
10/1/2013	**10.2**	**1.2**	**39.6**	**31,629**

 # Prior to 1999 valuation, results include General, Police and Fire.
** For the 5 years ending with the valuation date.*

Retired Members and Beneficiaries as of October 1, 2013
By Type of Pension Being Paid*

New Plan Pensions

Type of Pension Being Paid	No.	Annual Pension	Average Pension	Actuarial Liability
Age and Service Pensions				
Regular	2	$ 17,517	$ 8,759	$ 165,931
Option I	3	168,483	56,161	1,558,850
Option II	7	203,454	29,065	2,047,809
Option III	2	87,387	43,694	781,360
DROP	2	69,298	34,649	948,365
Survivor Beneficiaries	2	36,679	18,340	309,138
Total Age and Service Pensions	18	582,818	32,379	5,811,453
Disability Pensions				
Regular	1	25,414	25,414	162,029
Option I	1	34,326	34,326	257,033
Option II	2	76,330	38,165	651,963
Total Disability Pensions	4	136,070	34,018	1,071,025
Total New Plan Pensions	**22**	**$718,888**	**$32,677**	**$6,882,478**

* *Regular - benefit terminating upon death of retired member*
Option I – 10-year certain
Option II - 100% joint and survivor benefit
Option III - 50% joint and survivor benefit
Surviving Beneficiaries - benefit terminating upon death of beneficiary

RETIRED MEMBERS AND BENEFICIARIES AS OF OCTOBER 1, 2013
BY TYPE OF PENSION BEING PAID*

Old Plan Pensions

Type of Pension Being Paid	No.	Annual Pension	Average Pension	Actuarial Liability
Age and Service Pensions				
Survivor Beneficiaries	1	$ 8,585	$ 8,585	$ 46,961
Total Age and Service Pensions	1	8,585	8,585	46,961
Total Old Plan Pensions	**1**	**$ 8,585**	**$ 8,585**	**$ 46,961**
Total New & Old Plan **Pensions Being Paid**	**23**	**$727,473**	**$31,629**	**$6,929,439**

* *Regular - benefit terminating upon death of retired member*
Automatic Spouse Benefit - 75% joint and survivor benefit
Surviving Beneficiaries - benefit terminating upon death of beneficiary

RETIRED MEMBER AND BENEFICIARY DATA AS OF OCTOBER 1, 2013
BY ATTAINED AGES

Attained Ages	New Plan		Old Plan		Totals	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
55	2	$ 53,334			2	$ 53,334
60	2	90,165			2	90,165
61	1	34,326			1	34,326
63	4	174,895			4	174,895
64	1	42,850			1	42,850
65	1	45,013			1	45,013
66	4	148,961			4	148,961
71	1	28,719			1	28,719
72	2	24,466			2	24,466
74	1	4,800			1	4,800
81	1	32,948			1	32,948
83	1	17,077			1	17,077
84			1	$ 8,585	1	8,585
85	1	21,334			1	21,334
Totals	**22**	**$718,888**	**1**	**$8,585**	**23**	**$727,473**

VESTED TERMINATED MEMBERS AS OF OCTOBER 1, 2013
BY ATTAINED AGES

Attained Ages	No.	Annual Benefits
54	1	$24,151
Totals	**1**	**$24,151**

ACTIVE AND VESTED TERMINATED MEMBERS INCLUDED IN VALUATION

Valuation Date	Active Members	Vested Terminated Members	Valuation Payroll	Average Age	Average Service	Average Pay
10/1/1999	29	2	$ 1,317,530	38.0 yrs.	10.5 yrs.	$45,432
10/1/2000	33	2	1,408,284	35.5	8.9	42,675
10/1/2001	26	2	1,174,238	35.2	8.4	45,163
10/1/2002	26	2	1,195,910	32.7	5.8	45,997
10/1/2003	27	3	1,344,644	33.3	5.4	49,802
10/1/2004	29	2	1,467,892	33.2	5.0	50,617
10/1/2005	29	1	1,651,115	33.6	5.6	56,935
10/1/2006	31	2	1,768,236	33.9	5.0	57,040
10/1/2007	30	3	1,725,988	34.0	5.3	57,533
10/1/2008	31	3	1,927,966	35.3	5.9	62,192
10/1/2009	30	2	1,984,765	36.6	7.1	66,159
10/1/2010	30	2	2,078,655	37.4	7.9	69,289
10/1/2011	30	2	2,120,109	38.1	8.8	70,670
10/1/2012	30	2	2,065,908	38.5	9.5	68,864
10/1/2013	**28**	**1**	**1,836,131**	**38.2**	**10.2**	**65,576**

NUMBER ADDED TO AND REMOVED FROM ACTIVE MEMBERSHIP

Year Ended September 30	Number Added During Year		Terminations During Year: Normal Retirement		Disability Retirement		Died-in Service		Withdrawal: Vested	Withdrawal: Other	Withdrawal: Total		Active Members End of Year
	A	E	A	E	A	E	A	E	A	A	A	E	
2004	4	2	1	0.6	0	0.0	0	0.0	0	1	1	2.9	29
2005	3	3	0	0.0	0	0.0	0	0.0	0	3	3	3.0	29
2006	9	7	0	0.0	0	0.1	0	0.0	1	6	7	3.1	31
2007	4	5	0	0.0	0	0.1	0	0.0	1	4	5	3.6	30
2008	3	2	0	0.4	0	0.0	0	0.0	0	2	2	3.1	31
2009	0	1	0	0.3	0	0.1	0	0.0	0	1	1	3.0	30
2010	1	1	0	0.3	0	0.1	0	0.0	0	1	1	2.4	30
2011	1	1	0	0.8	0	0.1	0	0.0	0	1	1	2.2	30
2012	1	1	0	0.8	0	0.1	0	0.0	0	1	1	2.2	30
2013	**0**	**2**	**2**	**1.7**	**0**	**0.1**	**0**	**0.0**	**0**	**0**	**0**	**2.1**	**28**
5-yr. Totals 2009 - 2013	3	6	2	3.9	0	0.5	0	0.0	0	4	4	11.9	

A represents actual number.
E represents expected number.

ACTIVE MEMBERS AS OF OCTOBER 1, 2013
BY NEAR AGE AND YEARS OF SERVICE
(EXCLUDING DROP MEMBERS)

Near 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
25-29	3							3	$ 148,727
30-34		4						4	242,910
35-39		5	3	2				10	653,931
40-44		4	3	1				8	517,452
45-49								0	0
50-54			1		1	1		3	273,111
55-59								0	0
Totals	**3**	**13**	**7**	**3**	**1**	**1**		**28**	**$1,836,131**

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

Age: 38.2 years

Service: 10.2 years

Annual Pay: $65,576

SECTION C

ACTUARIAL COST METHOD, ACTUARIAL ASSUMPTIONS AND DEFINITIONS OF TECHNICAL TERMS

ACTUARIAL COST METHOD

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

(i) The annual normal costs for each individual active member is sufficient to accumulate the value of the member's pension at time of retirement or DROP.

(ii) Each annual normal cost is a constant percentage of the member's year-by-year projected pensionable compensation.

The entry-age actuarial cost method allocates the actuarial present value of each member's projected benefits on a level basis over the member's pensionable compensation between the entry age of the member and the estimated exit ages. This is based on our understanding of the approach preferred by the Florida Division of Retirement.

The portion of the actuarial present value allocated to the valuation year is called the normal cost. The portion of the actuarial present value not provided for by the actuarial present value of future normal costs is called the actuarial accrued liability. Deducting accrued assets from the actuarial accrued liability determines the unfunded actuarial accrued liability. The unfunded actuarial accrued liability was financed as a level percent of member payroll. Please refer to page A-9 for a schedule of financing periods.

The characteristics of this method of financing the unfunded actuarial accrued liability are shown on page C-2.

The sum of active & DROP member payroll was assumed to increase 4.5% a year for the purpose of determining the level percent contributions, except to the extent needed for FS 112.64(5) compliance. This assumption is consistent with the base rate of increase in salaries used to calculate actuarial present values. Expressing contributions, as on page A-2, as a percent of active member payroll excluding DROP members may cause fluctuations due to the level of participation in the DROP.

LEVEL PERCENT OF ACTIVE MEMBER PAYROLL AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY*
(AMORTIZATION SCHEDULE $ AMOUNTS IN THOUSANDS)

	Payroll		Unfunded		Contribution	
Year Ended September 30	**Inflated Dollars**	**Constant Value**	**Inflated Dollars**	**Constant Value**	**Inflated Dollars**	**Constant Value**
2013	$1,836	$1,836	$3,570	$3,570	$320	$320
2014	1,913	1,836	3,516	3,374	334	320
2015	1,994	1,836	3,443	3,171	348	320
2016	2,077	1,836	3,350	2,961	284	251
2017	2,165	1,836	3,317	2,814	296	251
2022	2,659	1,836	2,544	1,756	388	268
2027	3,266	1,836	1,273	716	320	180
2032	4,012	1,836	330	151	207	95
2035	4,539	1,836	(115)	(46)	(2)	(1)
2036	4,730	1,836	(122)	(47)	(88)	(34)
2037	4,929	1,836	(39)	(14)	(39)	(15)

* $ (242,486)	over 25 years	$ 791,882	over 16 years
(312,856)	over 24 years	(54,353)	over 15 years
523,164	over 23 years	536,825	over 14 years
483,686	over 22 years	379,075	over 12 years
653,531	over 21 years	155,058	over 9 years
275,662	over 20 years	211,339	over 7 years
(198,461)	over 19 years	(325,283)	over 5 years
(169,837)	over 18 years	196,884	over 3 years
666,217	over 17 years		
		$ 3,570,047	**TOTAL**

Level percent-of-payroll financing of unfunded actuarial accrued liability 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 participant payroll used to compute the level percent-of-payroll contribution is the same rate of payroll growth used to compute actuarial liability 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 liability will tend to decline.

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

ACTUARIAL ASSUMPTIONS USED FOR THE VALUATION

Funding objective contribution requirements and actuarial present values are calculated by applying estimates of future plan activities (actuarial assumptions) to the benefit provisions and people information of the system, using the actuarial cost method described on page C-1.

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

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

In making 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 its nature. Each valuation provides a complete recalculation of estimated future activities and takes into account the effect of differences between estimated and actual activity 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 assumptions are modified to reflect experience trends (but not random or temporary year-to-year fluctuations).

The actuarial assumptions regarding the INFLATION rate, REAL INVESTMENT RETURN rate and SALARY INCREASE rates were adopted effective October 1, 2002. These actuarial assumptions are used, in combination with the other actuarial 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 covered payroll.

The annual interest rate used in making this valuation was 8.0%. It is composed of inflation and real investment return.

PRICE INFLATION. 3.5% per annum, 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**	
	2013	**2012**	**2011**	**2010**	**2009**	**3-Year**	**5-Year**
Actual	**1.2%**	2.0%	3.9%	1.1%	(1.3)%	2.3%	1.4%
Assumed	**3.5%**	3.5%	3.5%	3.5 %	3.5%	3.5%	3.5%

REAL INVESTMENT RETURN. 4.5% per annum, compounded annually. This is the rate of return estimated 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**	
	2013	**2012**	**2011**	**2010**	**2009**	**3-Year**	**5-Year**
Net Rate	**8.6%**	6.8%	0.4 %	3.6%	4.0%	5.2%	4.6%
Less Inflation Rate	**1.2%**	2.0%	3.9%	1.1%	(1.3)%	2.4%	1.4%
Net Real Rate	**7.4%**	4.8%	(3.5)%	2.5%	5.3%	2.8%	3.2%
Target Real Rate	**4.5%**	4.5%	4.5 %	4.5%	4.5%	4.5%	4.5%

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 funding asset value and B is the end of year funding value of assets.

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 for Salary Increase for Sample Ages				
Attributable to:	**20**	**30**	**40**	**50**	**60**
Merit & Seniority	7.6 %	2.7 %	1.7 %	0.6 %	0.0 %
General Increase in Wage Level Due to:					
Price Inflation	3.5	3.5	3.5	3.5	3.5
Other Factors	1.0	1.0	1.0	1.0	1.0
Total	12.1 %	7.2 %	6.2 %	5.1 %	4.5 %

The valuation is based on a constant group size and total payroll increasing at the rate of the general increase in wage levels due to inflation and other causes, which in this case is 4.5% a year.

A schedule of recent salary change experience, as measured by average reported pay, follows:

	Year Ended September 30					Average		
	2013	**2012**	**2011**	**2010**	**2009**	**3-Year**	**5-Year**	**10-Year**
% Change:								
Actual (1)	(1.5)%	(1.4)%	2.5%	5.5%	5.5%	(0.2)%	2.1%	5.6%
Assumed	6.5%	6.4%	6.4%	6.4%	6.5%	6.4%	6.4%	6.5%
% Change in Total Payroll (2)	(11.1)%	(2.6)%	2.0%	4.7%	2.9%	(4.1)%	(1.0)%	4.2%

(1) Excluding terminations and new members.
(2) Including pays of members electing DROP participation but still working.

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. The following schedule illustrates the recent history of the relationship between total investment return and average pay changes.

	Year Ended September 30					Average	
	2013	**2011**	**2010**	**2009**	**2008**	**3-Year**	**5-Year**
Net Investment Return Rate	8.6%	6.8%	0.4%	3.6%	4.0%	5.2%	4.6%
Rate of Change in Average Pay	(1.5)%	(1.4)%	2.5%	5.5%	5.5%	(0.2)%	2.1%
Difference: Actual	10.1%	8.2%	(2.1)%	(1.9)%	(1.5)%	5.4%	2.6%
Target	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

RATES OF MORTALITY. The 1994 Group Annuity Mortality Tables, set back 0 years for men and 0 years for women. This table was first used for the October 1, 2002 valuation. No margin for future mortality improvements is included in these tables.

	1994 GAM Table			
	Value of $1 Monthly for Life		**Future Life Expectancy (Years)**	
Ages	**Men**	**Women**	**Men**	**Women**
50	$134.63	$140.32	30.69	34.89
55	127.16	134.40	26.15	30.17
60	117.78	126.60	21.83	25.59
65	106.80	117.13	17.84	21.28
70	94.73	106.11	14.29	17.30
75	81.36	92.79	11.12	13.60
80	67.17	77.98	8.37	10.31

This estimate is used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement. The rates before retirement assume 75% will be duty related and have been multiplied by 50%.

Rates of withdrawal 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 assumption measures the probabilities of members remaining in employment.

Sample Ages	Years of Service	% of Active Members Separating During Next Year
	0	20.00%
	1	15.00%
	2	12.00%
	3	10.00%
	4	7.00%
25	5 & Over	13.95%
30		12.01%
35		9.12%
40		6.66%
45		4.63%
50		3.08%
55		2.01%
60		1.44%

These rates were first used for the October 1, 2002 valuation.

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

Sample Ages	% of Active Members Becoming Diabled During Next Year
20	0.14%
25	0.18%
30	0.20%
35	0.28%
40	0.42%
45	0.64%
50	1.04%
55	1.84%
60	3.06%
65	3.30%

The mortality table was set forward ten years from the age at disability for projecting disability costs. The rates assume 75% of disabilities will be duty related. These rates were first used for the October 1, 1995 valuation.

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

Retirement Ages	Age Based	Yrs. of Service	Service Based	Early Retirement Ages	Early Retirement Rates
52	50%	30	60%	40	5%
53	40%	31	30%	41	5%
54	30%	32	30%	42	5%
55	30%	33	30%	43	5%
56	20%	34	30%	44	5%
57	20%	35	100%	45	5%
58	20%			46	5%
59	20%			47	5%
60	100%			48	5%
				49	5%
				50-54	5%

A Fire member is eligible for normal retirement after 30 years of service, or after attaining age 52 with 25 years of service, or after attaining age 55 with 5 or more years of service.

A Fire member is eligible for early retirement after 20 years of service or after attaining age 50 with 10 years of service.

These rates were first used for the October 1, 2002 valuation.

Administrative Expenses. Administrative expenses are projected to continue at the same percent-of-payroll as experienced during the preceding fiscal year.

Investment Expenses. Investment expenses are offset against gross investment income.

Active Member Group Size. The valuation was based on a constant active member group size. This is unchanged from previous valuations.

Vested members who terminate with a benefit worth less than 100% of their own accumulated contributions were assumed to forfeit their vested benefit.

Compensation reported for the actuarial valuation includes all amounts included in the final average compensation for benefit purposes.

SUMMARY OF ASSUMPTIONS USED
SEPTEMBER 30, 2013

Pensions in an Inflationary Environment

Value of $1,000/month Retirement Benefit
To an Individual Who Retires at Age 52
In an Environment of 3.5% Inflation

Age	Value
52	$1,000
53	966
54	933
55	901
60	759
65	639
70	538
75	453
80	382
85	322

The life expectancy of a 52 year old male retiree is age 79. The life expectancy for a 52 year old female retiree is age 85. Half of the people will outlive their life expectancy. The effects of even moderate amounts of inflation can be significant for those who live to an advanced age.

SUMMARY OF ASSUMPTIONS USED
MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

Marriage Assumption. 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits.

Pay Increase Timing. Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

Decrement Timing. Decrements of all types are assumed to occur mid-year.

Eligibility Testing. Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

Benefit Service. Exact fractional service is used to determine the amount of benefit payable.

Decrement Relativity. Decrement rates are used without adjustment for multiple decrement table effects.

Decrement Operation. Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during retirement eligibility.

Normal Form of Benefit. The normal form of benefit is a benefit payable for the life of the retired member with the first 10 years guaranteed. Optional benefit forms are available on an actuarial equivalent basis.

Loads. None.

Incidence of Contributions. Contributions are assumed to be received continuously throughout the year based upon the computed percent-of-payroll shown in this report, and the actual payroll payable at the time contributions are made. New entrant normal cost contributions are applied to the funding of new entrant benefits.

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 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.

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 liabilities. 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 assumptions.

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 a lump sum payment.

DEFINITIONS OF TECHNICAL TERMS

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

Funding Value of Assets. Also referred to as actuarial value of assets, smoothed market value of assets, or valuation assets.

Valuation assets recognize assumed investment return fully each year. Differences between actual and assumed investment return are phased-in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, valuation assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, valuation assets will tend to be greater than market value. If assumed rates are exactly realized for 3 consecutive years, valuation assets will become equal to market value.

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

Pension Benefit Obligation. A standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The PBO is independent of the actuarial funding method used to determine contributions.

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

Most retirement systems have unfunded actuarial accrued liability. An amount arises each time new benefits are added and each time an experience loss occurs.

The existence of unfunded actuarial accrued liability is not in itself bad, any more than a mortgage on a house is bad. 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 the amount (after due allowance for devaluation of the dollar).

SECTION D

CERTAIN DISCLOSURES 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.

CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an entry-age actuarial funding method. Unfunded actuarial accrued liability is being amortized as a level percent-of-payroll over periods of 2 to 25 years. The periods are in compliance with Florida Statutes and Actuarial Standards of Practice, but do not produce an Annual Required Contribution with an aggregate amortization of the UAAL under 30 years.

During the year ended September 30, 2013 contributions totaling $765,366 -- $639,810 employer and $125,556 employee -- were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of October 1, 2011. The total employer contributions consisted of $264,586 for normal cost and administrative expenses and $375,224 for amortization of the unfunded actuarial accrued liability and $ 0 for additional premium tax revenue. Employer contributions represented 34.9% of covered payroll.

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the actuarial accrued liability.

COMPUTED EMPLOYER CONTRIBUTION COMPARATIVE SCHEDULE

Fiscal Year Beginning October 1	Valuation Date	Contribution Rates As Percents of Valuation Payroll	Valuation Payroll	Dollar Contribution For Fiscal Year	
				Computed	Actual
2005	10/01/2004	18.49 %	$ 1,467,892	$ 289,937	$313,076
2006	10/01/2005	19.61	1,651,115	345,883	518,567
2007	10/01/2006	18.38	1,768,236	347,184	584,172
2008	10/01/2007	17.85	1,725,988	329,117	425,843
2009	10/01/2008	18.15	1,927,966	373,810	423,928
2010	10/01/2009 *	23.67	1,984,765	501,859	533,544
2011	10/01/2010	25.83	2,078,655	573,563	573,563
2012	10/01/2011	28.25	2,120,109	639,810	639,810
2013	10/01/2012	28.75	2,065,908	634,488	
2014	**10/01/2013**	**30.86**	**1,836,131**	**605,305**	

* *After changes in benefit provisions and/or actuarial assumptions.*

ACTUARIAL ACCRUED LIABILITY

The actuarial accrued liability is a measure intended to help users assess (i) a pension fund's funded status on a going concern basis, and (ii) progress being made toward accumulating the assets needed to pay benefits as due. Allocation of the actuarial present value of projected benefits between past and future service was based on service using the individual entry-age actuarial cost method. Assumptions, including projected pay increases, were the same as used to determine the Fund's level percent-of-payroll annual required contribution between entry-age and assumed exit age. Entry-age was established by subtracting credited service from current age on the valuation date.

The preceding methods comply with the financial reporting standards established by the Governmental Accounting Standards Board.

The entry age actuarial accrued liability was determined as part of an actuarial valuation of the plan as of October 1, 2013. Significant actuarial assumptions used in determining the entry age actuarial accrued liability include (a) a rate of return on the investment of present and future assets of 8% per year compounded annually, (b) projected salary increases of 4.5% per year compounded annually, 3.5% attributable to inflation and 1.0% attributable to other causes, (c) additional projected salary increases of 7.6% to 0.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement.

As of October 1, 2013, the unfunded actuarial accrued liability was $3,570,047 determined as follows:

Actuarial Accrued Liability:	
Active participants (25 vested and 3 non-vested)	$ 6,001,510
Retired participants and beneficiaries currently receiving benefits (23 vested)	6,929,439
Vested terminated participants not yet receiving benefits (1 vested)	241,189
Extra Benefit Reserve	66,160
DROP Reserve	33068
Total Actuarial Accrued Liability	13,271,366
Actuarial Value of Assets (market value was $10,097,893)	9,701,319
Unfunded Actuarial Accrued Liability	$ 3,570,047

During the year ended September 30, 2013 the Plan experienced a net change of $492,290 in the actuarial accrued liability. There were no changes in benefit provisions, actuarial assumptions or methods.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date October 1	Actuarial Value of Assets# (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b)-(a)	Funded Ratio (a)/(b)	Active Participant Covered Payroll (c)	Unfunded AAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
1994	$27,316	$28,864	$1,548	94.6 %	$10,391	14.9 %
1995 *	30,791	31,423	632	98.0	10,601	6.0
1996	34,171	34,336	165	99.5	10,537	1.6
1997 *	38,554	37,440	(1,114)	103.0	10,658	(10.5)
1998	43,678	39,897	(3,781)	109.5	10,536	(35.9)
1999 @	7,324	7,294	(30)	100.4	1,318	(2.3)
2000 *	8,055	8,011	(44)	100.6	1,408	(3.2)
2001	8,257	8,467	210	97.5	1,174	17.9
2002	8,242	9,001	759	91.6	1,196	63.5
2003	8,049	8,816	767	91.3	1,345	57.0
2004	7,549	9,058	1,509	83.3	1,468	102.8
2005	7,483	9,707	2,224	77.1	1,651	134.7
2006	7,502	9,662	2,160	77.6	1,768	122.2
2007 *	8,044	10,099	2,055	79.7	1,726	119.1
2008 *	8,366	10,726	2,360	78.0	1,928	122.4
2009 *	8,468	11,472	3,004	73.8	1,985	151.4
2010	8,434	11,987	3,553	70.4	2,079	170.9
2011	8,363	12,512	4,149	66.8	2,120	195.7
2012	8,888	12,779	3,891	69.6	2,066	188.3
2013	**9,701**	**13,271**	**3,570**	**73.1**	**1,836**	**194.4**

Dollar amounts are in thousands.

* *After changes in benefits and/or actuarial assumptions and/or actuarial cost methods.*
\# *The actuarial value of assets is four-year smoothed market value.*
@ *Prior to 1999 valuation, results include General, Police and Fire.*

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, or unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the System's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

SECTION E

SUMMARY OF VALUATION RESULTS IN STATE FORMAT

SUMMARY OF VALUATION RESULTS IN STATE FORMAT
($ AMOUNTS IN THOUSANDS)

	October 1, 2013	October 1, 2012
(a) Participant Data		
(i) Active members - number	28	30
- annual payroll	$ 1,836	$ 2,066
(ii) Retired members & beneficiaries (excl. disability)		
- number	19	17
- annualized benefit payroll	591	524
(iii) Disabled members & beneficiaries		
- number	4	4
- annualized benefit payroll	136	136
(iv) Terminated vested members		
- number	1	2
- annualized deferred benefit payroll	24	37
(b) Assets		
(i) Actuarial value for funding	9,701	8,888
(ii) Market value	10,098	8,979
(c) Actuarial Liability		
(i) Actuarial present value of active member benefits:		
service retirement	7,402	7,849
termination benefits - pension	783	816
disability retirement	284	296
survivor benefits (pre-retirement)	116	119
termination benefits - refunds	6	7
extra benefit reserve	66	66
Total	8,657	9,153
(ii) Actuarial present value of terminated vested member benefits	241	357
(iii) Actuarial present value of retired member benefits:		
service retirement & survivors	5,859	4,939
DROP reserve	33	0
disability retirement & survivors	1,071	1,099
Total	6,963	6,038
(iv) Total actuarial present value of future benefit payments	15,861	15,548
(v) Payables	0	0
(vi) Actuarial accrued liability	13,271	12,779
(vii) Unfunded actuarial accrued liability(1)	$ 3,570	$ 3,891

(1) Please refer to page A-9 for requested detail.

SUMMARY OF VALUATION RESULTS IN STATE FORMAT
($ AMOUNTS IN THOUSANDS)

		October 1, 2013	October 1, 2012
(d)	Actuarial Present Value of Accrued Benefits (calculated in accordance with FASB Statement No. 35)		
	(i) Vested accrued benefits		
	Retired members and beneficiaries	$ 6,963	$ 6,038
	Terminated members	241	357
	Active members (includes non-forfeitable accum. member contributions of $1,440 for 2013 and $1,445 for 2012)	3,938	4,215
	Total	11,142	10,610
	(ii) Non-vested accrued benefits	30	112
	(iii) Total actuarial p.v. of accrued benefits	11,172	10,722
	(iv) Actuarial p.v. of accrued benefits at begin. of year	10,722	10,388
	(v) Changes attributable to:		
	Amendments	0	0
	Assumption change	0	0
	Operation of decrements	1,120	1,029
	Benefit payments	(670)	(695)
	Other	none	none
	(vi) Net change	450	334
	(vii) Actuarial p.v. of accr. benefits at end of year	11,172	10,722
(e)	Plan costs for fiscal year beginning October 1, 2014 and October 1, 2013 (EANC)		
	(i) Normal costs		
	Service pensions	12.10%	12.75%
	Disability pensions	1.10%	1.08%
	Survivor pensions (pre-retirement)	0.27%	0.28%
	Deferred service pensions	3.13%	2.98%
	Refunds of member contributions	0.62%	0.64%
	Total normal cost	17.22%	17.73%
	(ii) Payment to amortize unf'd. act. accr. liab.	17.09%	14.86%
	(iii) FS112.64(5) Compliance	0.33%	0.00%
	(iv) Administrative expenses	2.67%	2.61%
	(v) Amount to be paid by members	6.45%	6.45%
	(vi) Expected plan sponsor/Chapter 175 contribution	30.86%	28.75%
	- dollars	$ 605	$ 634

SUMMARY OF VALUATION RESULTS IN STATE FORMAT
($ AMOUNTS IN THOUSANDS)

		October 1, 2013	October 1, 2012
(f)	Past Contributions (fiscal year ending 9/30/2013 & 2012)		
	(i) Required minimum:		
	Plan sponsor / Chapter 175 monies	$ 640	$ 574
	Members	146	134
	Total	786	708
	(ii) Actual:		
	Plan sponsor / Chapter 175 monies	640	574
	Members	126	134
	Total	766	708
(g)	Net Experience Gain (Loss)	242	303
(h)	Other Disclosures		
	(i) Present value of active member future salaries		
	from attained age	$ 15,051	$ 15,957
	from entry age	not applicable to individual EANC method	
	(ii) Present value of active member future contribs.		
	from attained age	$ 971	$ 1,029
	from entry age	not applicable to individual EANC method	
(i)	Actuarial Present Value of Accrued Benefits Using FRS Interest Rate		
	(i) Vested	$ 11,425	$ 10,892
	(ii) Non-Vested	33	120
	(iii) Total	11,458	11,012
	(iv) Market Value of Assets (MVA)	10,098	8,979
	(v) Funded Ratio Using FRS Interest Rate and MVA	88.13 %	81.54 %

RECONCILIATION OF MEMBERSHIP
FOR THE PLAN YEAR ENDED SEPTEMBER 30, 2013

	Active Members	Vested Terminated Members	Pension Recipients			
			Active DROP	Service Retired	Disability Retired	All Beneficiaries
No. at Start of Year	**30**	**2**	**0**	**14**	**4**	**3**
Increase (Decrease) From						
Service Retirement		(1)		1		
DROP Retirement	(2)		2			
Disability Retirement						
Deaths				(1)		
Other Pension Terminations						
Vested Terminations						
Non-Vested Terminations						
New Entrants/Rehires						
No. at End of Year	**28**	**1**	**2**	**14**	**4**	**3**

DROP ACTIVITY

Age	Year Ended 9/30/2013		
	Eligible	**Elected to DROP**	**Elected to Retire**
54	1		
55	1	1	
60	1	1	
	3	**2**	