GRS Gabriel Roeder Smith & Company
Consultants & Actuaries

CITY OF JACKSONVILLE BEACH
POLICE OFFICERS' RETIREMENT SYSTEM

SIXTY-THIRD ANNUAL ACTUARIAL VALUATION REPORT

OCTOBER 1, 2013

OUTLINE OF CONTENTS
REPORT OF OCTOBER 1, 2013 ACTUARIAL VALUATION

GRS
Gabriel Roeder Smith & Company
Consultants & Actuaries
One Towne Square
Suite 800
Southfield, MI 48076-3723
248.799.9000 phone
248.799.9020 fax
www.gabrielroeder.com

May 15, 2014

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

The results of the October 1, 2013 Annual Actuarial Valuation of the City of Jacksonville Beach Police Officers' 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.

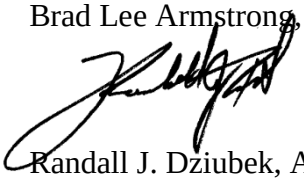
A summary of valuation results in the State format is contained in Section E.

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 Police Officers' 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 Lee Armstrong and Randall J. Dziubek are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,

Brad Lee Armstrong, ASA, EA, MAAA



Randall J. Dziubek, ASA, EA, MAAA

BLA/RJD:dj

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, casualty insurance premium tax monies received from the State pursuant to Chapter 185 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 requirement 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	14.64 %
Disability pensions	0.57
Survivor pensions	
Pre-retirement	0.28
Termination benefits	
Deferred service pensions	2.02
Refunds of member contributions	0.32
Total Normal Cost	17.83
Unfunded Actuarial Accrued Liability (1)	
Retired members and beneficiaries	0.00
Active and vested terminated members	11.87
Total unfunded actuarial accrued liability	11.87
Administrative Expenses	1.66
Total Calculated Contribution Requirement	31.36
Adjustments to Calculated Contribution Requirement	
Temporary full funding credit	0.00
FS 112.64(5) compliance	2.70
Total adjustments	2.70
Total Adjusted Contribution Requirement	34.06 %
Member portion	6.45 %
Estimated Chapter 185 portion (FY 97/98 frozen dollars)	%
and Additional premium tax revenue	4.36 %
City portion	23.25 %

(1) Unfunded actuarial accrued liability was financed as level percents of 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 185.11 requires that Chapter 185 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
A. Additional premium tax revenues as of 9/30/2012	$407,834	
B. Chapter 185 receipts during fiscal year ending 9/30/2013	165,970	$2,382,484
C. Chapter 185 "frozen" receipts during fiscal year ending 9/30/2013	79,233	1,183,899 *
D. Qualifying benefit improvements since Chapter 99-1 effective date	118,192	912,801
E. Additional premium tax revenues as of 9/30/2013 [A + B - C -D] not less than 0	407,834	407,834

** This reflects $74,637 for the first year of implementation per correspondence dated September 7, 1999 from the Division of Retirement.*

Potential Future Benefits

Minimum Compliance

A. None

Extra Benefits

A. None proposed

DETERMINING DOLLAR CONTRIBUTIONS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014

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

Contribute the City/Chapter amount 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	$1,295,114
Less Member Contributions	245,258
Total Employer Contribution Requirement	1,049,856
Less Estimated Chapter 185 Contrib. "frozen" and Funding from Additional Premium Tax Revenue	165,970
Base City Contribution	**$883,886 ***

* *Chapter 185 Florida Statutes. The base City contribution amount may need to be increased if the amount received under the provisions of Chapter 185, Florida Statutes, is not sufficient to meet the total employer contribution requirement. CAUTION: If the amount received under the provisions of Chapter 185, Florida Statutes, exceeds $197,425, 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)

Valuation Date	*Indicator (1)* Gain/(Loss) Amount	*Indicator (1)* Gain/(Loss) % of AAL	*Indicator (2)* Funding Value of Assets	*Indicator (2)* APVCPB	*Indicator (2)* Funded Ratio	*Indicator (3)* Unfunded APVCPB	*Indicator (3)* Member Payroll	*Indicator (3)* 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	5.0	43,678	37,013	118.0	(6,665)	10,536	(63.26)
10/1/1999 #	553	5.3	12,142	10,438	116.3	(1,704)	2,268	(75.13)
10/1/2000 (aa)	545	4.9	13,280	11,234	118.2	(2,047)	2,419	(84.60)
10/1/2001	(268)	(2.2)	13,634	11,603	117.5	(2,031)	2,280	(89.07)
10/1/2002 (a)	(1,137)	(9.0)	13,350	12,402	107.6	(948)	2,535	(37.40)
10/1/2003	(586)	(4.4)	13,162	12,866	102.3	(295)	3,028	(9.76)
10/1/2004 (a)	(492)	(3.5)	12,833	13,244	96.9	411	2,820	14.58
10/1/2005	(965)	(6.7)	13,021	14,466	90.0	1,445	3,231	44.72
10/1/2006	306	1.9	13,707	14,988	91.5	1,281	3,181	40.28
10/1/2007	220	1.3	14,694	15,751	93.3	1,057	3,572	29.59
10/1/2008 (a)	(998)	(5.1)	15,104	17,470	86.5	2,366	3,931	60.19
10/1/2009	(220)	(1.1)	15,342	18,047	85.0	2,705	3,873	69.84
10/1/2010	(103)	(0.5)	15,646	18,602	84.1	2,956	3,896	75.87
10/1/2011	(1,043)	(4.8)	15,458	19,479	79.4	4,021	3,786	106.21
10/1/2012	517	2.4	16,365	19,925	82.1	3,560	3,743	95.10
10/1/2013	**597**	**2.7**	**17,469**	**20,657**	**84.6**	**3,188**	**3,559**	**89.56**

(a) After 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

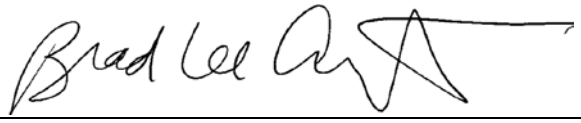
COMMENT: For the fiscal year ended September 30, 2013, the Police System had a $597,024 experience gain. The gain was primarily due to less than expected annual increases in pay (2.5% reported vs. 6.2% assumed) and slightly higher than expected recognized investment return on the funding value of assets (8.6% recognized vs. 8.0% assumed) due to favorable returns in the past two out of four years. In spite of the gain, the contribution rate still increased due to the gradual expiration of a large credit base and the payroll having decreased 4.9% 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 applied to a smaller payroll than it would have been in equivalent circumstances with a larger payroll. The 10-year average payroll growth rate was 1.4% and compliance under Florida Statute 112.64(5) caused an increase in the City's contribution rate of 2% of payroll compared to last year. Additional experience information is reported on pages B-8, B-14, C-4, C-5 and C-6.

LOOKING FORWARD: 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 report. This will exert downward pressure on the City's contribution rate and accelerate the funding progress in the absence of a loss next year. An additional risk factor to the level of contribution rate is the 10-year average annual payroll growth, which has been 1.4%, but is at risk of going lower. If the average payroll growth is lower in subsequent reports, this will increase the City's contribution requirement pursuant to compliance with Florida Statute 112.64(5).

RECOMMENDATION: The Board may wish to combine the existing multiple amortization losses over a period not to exceed 16 years to moderately 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."



5/15/2014
Date

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

EXPERIENCE GAIN (LOSS)
YEAR ENDED OCTOBER 1, 2013

DERIVATION

(1)	UAAL at start of year	$5,806,280
(2)	Normal cost for year (ER normal cost & expenses from the prior corresponding valuation x current valuation pay)	460,243
(3)	Actual City/Chapter contribution made toward ER normal cost, expenses and UAAL	930,958
(4)	Interest accrual .08 x [(1) + 1/2 [(2)-(3)]]	445,674
(5)	Expected UAAL before changes	5,781,239
(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	5,781,239
(10)	Actual UAAL at end of year	5,184,215
(11)	Gain (loss) (9) - (10)	$ 597,024
(12)	% of AAL at start of year	**2.7%**

UAAL represents unfunded actuarial accrued liability.

Valuation Date September 30	Actuarial Gain (Loss) As % of Beginning Accrued Liabilities
2004	(3.5) %
2005	(6.7)
2006	1.9
2007	1.3
2008	(5.7)
2009	(1.1)
2010	1.1
2011	(5.0)
2012	2.4
2013	**2.7**

SOURCES AND FINANCING OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

Unfunded Act. Accrued Liability				Remaining Financing		Contribution		
Source of Unfunded Act. Accrued Liab.	Initial Amount	Initial Fin. Per.	Current Amount	Period 9/30/2013	Amort. Factor	Dollar	% of Payroll	FS112.64(5) Compliance
Initial Unf'd. actuarial accrued liability								
			$ 6,883	5 yrs.	4.609906	$ 1,493	0.04 %	0.01%
Changes from experience deviations								
Pre-9/30/2002	$(2,736,201)	15 yrs.	$ (860,494)	5 yrs.	4.609906	$(186,662)	(5.22) %	(0.41)%
9/30/2002	1,136,957	25	1,271,782	14	11.215479	113,395	3.19 %	0.65%
9/30/2003	586,136	25	660,842	15	11.835720	55,835	1.57 %	0.34%
9/30/2004	492,455	25	557,265	16	12.435860	44,811	1.26 %	0.29%
9/30/2005	964,532	25	1,091,527	17	13.016551	83,857	2.36 %	0.58%
9/30/2006	(306,132)	25	(345,335)	18	13.578424	(25,433)	(0.71) %	(0.19)%
9/30/2007	(220,348)	25	(247,065)	19	14.122087	(17,495)	(0.49) %	(0.14)%
9/30/2008	997,763	25	1,109,138	20	14.648132	75,719	2.13 %	0.61%
9/30/2009	219,770	25	241,655	21	15.157129	15,943	0.45 %	0.13%
9/30/2010	102,832	25	109,169	22	15.649630	6,976	0.20 %	0.06%
9/30/2011	1,043,104	25	1,090,321	23	16.126171	67,612	1.90 %	0.62%
9/30/2012	(516,717)	25	(523,998)	24	16.587268	(31,590)	(0.89)%	(0.30)%
9/30/2013	(597,024)	25	(597,024)	25	17.033422	(35,050)	(0.98)%	(0.35)%
Changes from actuarial assumption and actuarial cost method revisions.								
9/30/1995	$ 291,716	25 yrs.	$ 233,402	7 yrs.	6.25149	$ 37,335	1.05 %	0.11%
9/30/2002	(143,237)	25	(160,224)	14	11.215479	(14,286)	(0.40) %	(0.08)%
Changes from amendments to benefit provisions.								
9/30/1991	$ 765,402	25 yrs.	$ 350,513	3 yrs.	2.856516	$ 122,706	3.45 %	0.15%
9/30/1997	197,204	25	196,661	9	7.7884	25,251	0.71 %	0.09%
9/30/2000	285,181	25	311,184	12	9.911981	31,395	0.88 %	0.16%
9/30/2004	116,892	25	132,276	16	12.43586	10,637	0.30 %	0.07%
9/30/2008	499,931	25	555,737	20	14.648132	37,939	1.07 %	0.30%
Totals			**$5,184,215**			**$420,388**	**11.87 %**	**2.70%**

Weighted average remaining financing period: 16.1

UNFUNDED ACTUARIAL ACCRUED LIABILITY

	October 1, 2013	October 1, 2012
A. Actuarial present value of future benefits	**$28,193,294**	$28,170,573
B. Actuarial present value of future normal costs	**5,539,864**	5,999,687
C. Actuarial accrued liability	**22,653,430**	22,170,886
D. Funding value of assets	**17,469,215**	16,364,606
E. Unfunded actuarial accrued liability	**$ 5,184,215**	$ 5,806,280

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
90/91	10/1/1989	$ 497,330	$497,330	11.01 %
91/92	10/1/1990	577,667	577,667	11.66
92/93	10/1/1991 (a)	726,300	726,300	12.38
93/94	10/1/1992	793,594	793,594	11.00
94/95	10/1/1993	681,170	716,980	9.27
95/96	10/1/1994	790,417	818,057	10.13
96/97	10/1/1995 (a)	612,267	618,521	7.58
97/98	10/1/1996	563,577	563,577	7.48
98/99	10/1/1996 (a)	242,436	250,954	10.08
99/00	10/1/1998	190,095	228,463	8.12
00/01	10/1/1999	133,981	193,862	5.49
01/02	10/1/2000 (aa)	186,100	186,100	7.15
02/03	10/1/2001	158,486	184,912	6.46
03/04	10/1/2002 (a)	223,716	273,477	8.26
04/05	10/1/2003	335,787	403,589	10.38
05/06	10/1/2004 (a)	376,586	425,205	12.50
06/07	10/1/2005	443,557	532,674	12.85
07/08	10/1/2006	470,310	528,361	13.84
08/09	10/1/2007	503,281	550,995	13.19
09/10	10/1/2008 (a)	713,865	690,515	17.00
10/11	10/1/2009	777,408	777,408	18.79
11/12	10/1/2010	818,251	818,251	19.66
12/13	10/1/2011	930,958	930,958	23.02
13/14	10/1/2012	968,535		24.22
14/15	**10/1/2013**	**1,049,856**		**27.61**

(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)	$18,210,225
2. Funding value adjustment	(741,010)
3. Funding value of assets	17,469,215
B. Actuarial present value of expected future employer contributions:	
1. For normal costs	3,511,543
2. For unfunded actuarial accrued liability	5,184,215
3. Totals	8,695,758
C. Actuarial present value of expected future member contributions	2,028,321
D. Total present and expected future resources	$28,193,294

ACTUARIAL PRESENT VALUE OF EXPECTED FUTURE BENEFIT PAYMENTS AND RESERVES

A. To retired members and beneficiaries	$11,945,563
B. To vested terminated members	208,200
C. To present active members:	
1. Allocated to service rendered prior to valuation date	10,091,833
2. Allocated to service likely to be rendered after valuation date	5,539,864
3. Totals	15,631,697
D. Total actuarial present value of expected future benefit payments	27,785,460
E. Reserve for DROP balances	0
F. Extra benefit reserve	407,834
G. Total actuarial present value of expected future benefit payments and reserves	$28,193,294

5-YEAR PROJECTIONS OF FUTURE EMPLOYER CONTRIBUTIONS

Year Ended 9/30	Active Count	Payroll	Benefit Payments	Actuarial Accrued Liability	Actuarial Value of Assets	Funded Ratio	Total Employer Contribution			Less Estimated Chapter 185 and Additional Premium Tax Revenue	Estimated Base City Contribution
							Fiscal Year	% of Payroll	Dollar Amount		
2013	56	$ 3,559,498	$ 1,277,149	$ 22,653,430	$ 17,469,215	77.1%	2015	27.61%	$ 1,049,856	$ 165,970	$ 883,886
2014	56	3,712,443	1,284,384	23,784,872	18,928,364	79.6%	2016	27.90%	1,106,510	165,970	940,540
2015	56	3,849,191	1,291,832	25,025,776	20,977,769	83.8%	2017	27.74%	1,140,524	165,970	974,554
2016	56	3,970,484	1,322,960	26,355,536	22,932,670	87.0%	2018	24.40%	1,034,820	165,970	868,850
2017	56	4,109,349	1,356,556	27,779,017	24,739,513	89.1%	2019	24.89%	1,092,668	165,970	926,698
2018	56	4,262,419	1,389,240	29,306,889	26,712,267	91.1%	2020	25.45%	1,158,840	165,970	992,870

Chapter 185 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. For service retirements, compensation includes unused accumulated leave time (vacation or sick leave) up to a maximum of 750 hours.

EARLY RETIREMENT:

Eligibility - Age 50 with 10 or more years of service, or after completion of 20 years of service, but before the member's earliest projected normal retirement date.

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 for all years prior to Normal Retirement.

SUMMARY OF BENEFIT PROVISIONS (CONTINUED)

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.

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.

SUMMARY OF BENEFIT PROVISIONS (CONTINUED)

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.

PREMIUM TAX MONIES: A distribution of casualty insurance premium tax monies collected by the State pursuant to Chapter 185, 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 185.185, 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.

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.

SUMMARY OF BENEFIT PROVISIONS (CONCLUDED)

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 Police Officers' 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	**$ 243,230**		$ 241,911	
b. City contributions	**764,988**		653,602	
c. Premium taxes from State	**165,970**		164,649	
d. Total contributions to System		**$ 1,174,188**		$1,060,162
e. Investment income:				
1. Interest and dividends	**390,257**		358,270	
2. Realized gain on investments	**1,066,111**		430,761	
3. Unrealized gain on investments	**575,463**		1,600,937	
4. Investment expense	**(58,080)**		(60,948)	
f. Total investment income		**1,973,751**		2,329,020
g. Total revenues		**3,147,939**		3,389,182
Expenditures:				
a. Refunds of member contributions	**41,103**		9,282	
b. Benefits paid	**1,367,454**		1,131,140	
c. Administrative expenses	**58,950**		54,521	
d. Total expenditures		**1,467,507**		1,194,943
Reserve Increase:				
Total revenues minus total expenditures		**$ 1,680,432**		$2,194,239

Summary of Assets (Market Value)

		September 30, 2013	September 30, 2012
Cash and equivalents		**$ 455,947**	$ 733,754
Receivables less payables		**24,758**	34,970
Certificates of deposit & savings		**none**	none
U.S. Government Securities		**2,627,979**	3,302,712
Bonds	- government	**none**	none
	- corporate	**3,499,262**	2,756,931
Stocks	- common	**none**	none
	- preferred	**none**	none
Other (Equity Mutual Funds)		**11,602,279**	9,701,426
Total assets		**$18,210,225**	$16,529,793

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	$14,335,554	$16,529,793			
(2) Funding Value	15,457,681	16,364,606			
End of Year					
(3) Market Value	16,529,793	18,210,225			
(4) Net Addition to Assets Excluding Investment Income#	(134,781)	(293,319)			
(5) Total Net Investment Income# =(3)-(1)-(4)	2,329,020	1,973,751			
(6) Projected Net Rate of Return#	8.00%	8.00%			
(7) Projected Investment Income =(6) x [(2)+0.5 x (4)]	1,231,223	1,297,436			
(8) Investment Income in Excess of Projected	1,097,797	676,315			
Excess Investment Income Recognized					
(9a) From Current Year = .25 x (8)	274,449	169,079			
(9b) From One Year Prior	(315,127)	274,449	$ 169,079		
(9c) From Two Years Prior	(27,909)	(315,127)	274,449	$169,079	
(9d) From Three Years Prior	(120,930)	(27,909)	(315,125)	274,450	$169,078
(9e) Total Cap. Val. Change Recogn. = (9a)+(9b)+(9c)+(9d)	(189,517)	100,492	128,403	443,529	169,078
(10) Increase(Decr.) in Funding Value = (4) + (7) + (9e)	906,925	1,104,609			
End of Year					
(11) Market Value	16,529,793	18,210,225			
(12) Funding Value = (2)+(10)	16,364,606	17,469,215			
(13) Market Value Rate of Return	16.3%	12.0%			
(14) Funding Value Rate of Return	6.8%	8.6%			
(15) Ratio of Market Value to Funding Value	101.0%	104.2%			

 # 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)	**$ 2,742,755**	$ 2,710,421
City/State Contributions (Pension Reserve Fund)	**0**	0
Retired Members and Beneficiaries (Retirement Reserve Fund)	**15,467,470**	13,697,563
DROP Balances (Pension Payments Fund)	**0**	121,809
Total Reserve Accounts	**18,210,225**	16,529,793
Funding Value Adjustment	**(741,010)**	(165,187)
Funding Value of Assets	**$17,469,215**	$16,364,606

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

	9/30/2013	9/30/2012
DROP Reconciliation		
Beginning of Period	$ 121,809	$ 52,926
Accrual of Monthly Benefits	35,761	64,576
Interest	961	4,922
Actual Disbursements	(158,325)	0
Administrative Expenses	(206)	(615)
End of Period	$ -	$121,809

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
9/30/1984	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 #							18	468,055	2.0	16,685
9/30/1999	3	63,905	1	25,870	2	38,035	20	506,090	0.2	4,687
9/30/2000	2	100,698		3,890	2	96,808	22	602,898	0.3	5,328
9/30/2001	2	83,928			2	83,928	24	686,826	0.3	6,281
9/30/2002	3	75,810 *			3	75,810	27	761,435	0.3	7,492
9/30/2003	2	22,825	1	12,935	1	9,890	28	771,325	0.4	8,401
9/30/2004	2	45,760			2	45,760	30	817,085	0.5	9,148
9/30/2005	2	78,914	1	3,600	1	75,314	31	892,399	0.5	10,221
9/30/2006	2	54,624			2	54,624	33	947,023	0.5	11,512
9/30/2007	0	0	1	3,600	(1)	(3,600)	32	943,423	0.6	13,132
9/30/2008	2	69,969	1	34,909	1	35,060	33	978,483	0.6	14,333
9/30/2009	2	63,898		2,303 @	2	61,595	35	1,040,078	0.7	16,425
9/30/2010	1	3,895			1	3,895	36	1,043,973	0.7	18,502
9/30/2011	6	171,322	2	32,490	4	138,832	40	1,182,805	0.7	19,567
9/30/2012	2	69,773	2	72,887	0	(3,114)	40	1,179,691	0.9	22,884
9/30/2013	**2**	**97,458**			**2**	**97,458**	**42**	**1,277,149**	**0.9**	**24,431**
Expected for **9/30/2014**									**1.0**	**27,155**

 # Prior to 1998 valuation, results include General, Police and Fire.
** Includes changes in benefits due to the minimum benefit requirement.*
@ This amount is being paid from the General Employees' Retirement System.

NORMAL (AGE AND SERVICE) RETIREMENTS

Valuation Year	No.	Average Attained Age	Retirement Age	Annual Pensions	Newly Retired During Year			
						Averages		
					No.	Ret. Age	Service	Annual Pensions
2001	19	61.1 yrs.	55.2 yrs.	$ 32,601	2	56.5 yrs.	27.7 yrs.	$ 41,964
2002	21	61.5	55.1	32,083	3	55.4	17.0	25,531
2003	22	61.7	54.7	31,416	1	44.0	22.8	17,410
2004	23	60.0	52.6	29,586	1	52.5	10.1	34,215
2005	25	60.5	52.5	30,376	2	53.1	22.2	39,457
2006	26	58.8	50.5	30,305	1	54.0	14.2	28,534
2007	26	59.8	51.4	30,305	0	-	-	-
2008	25	62.7	52.8	30,121	0	-	-	-
2009	27	65.4	54.7	30,171	2	55.0	14.5	31,949
2010	28	66.0	54.7	29,233	1	55.0	10.9	3,894
2011	29	62.5	52.4	31,138	4	51.8	14.3	35,881
2012	29	65.4	54.6	30,068	1	55.4	10.2	19,368
2013	**31**	**65.3**	**54.3**	**31,272**	**1**	**49.4**	**20.3**	**47,578**

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	4.0	13.2	11,944
10/1/2000	19.1	2.5	24.9	27,404
10/1/2001	27.8	2.1	30.1	28,618
10/1/2002	26.5	1.8	30.0	28,201
10/1/2003	1.3	2.0	25.5	27,547
10/1/2004	5.9	1.8	29.0	27,236
10/1/2005	9.2	1.8	27.6	28,787
10/1/2006	6.1	1.7	29.8	28,698
10/1/2007	(0.4)	1.9	26.4	29,482
10/1/2008	3.7	1.8	24.9	29,651
10/1/2009	6.3	1.7	26.9	29,717
10/1/2010	0.4	1.6	26.8	28,999
10/1/2011	13.3	1.4	31.2	29,570
10/1/2012	(0.3)	1.4	31.5	29,492
10/1/2013	**8.3**	**1.3**	**35.9**	**30,408**

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

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	5	$ 188,911	$ 37,782	$ 1,370,601
Option I	7	230,434	32,919	2,184,567
Option II	11	402,065	36,551	3,966,610
Option III	7	142,598	20,371	1,666,650
Surviving Beneficiaries	3	112,952	37,651	1,079,653
Total Age and Service Pensions	33	1,076,960	32,635	10,268,081
Disability Pensions				
Regular	2	42,752	21,376	296,527
Option I	3	74,888	24,963	568,253
Option II	1	35,060	35,060	403,676
Option III	1	36,760	36,760	325,533
Total Disability Pensions	7	189,460	27,066	1,593,989
Total New Plan Pensions	**40**	**$1,266,420**	**$31,661**	**$11,862,070**

* *Regular - benefit terminating upon death of retired member.*
Option I - 10-year certain.
Option II - 100% joint and survivor benefit.
Option III - 50%/66.7%/75% 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				
Option II	1	$ 5,415	$ 5,415	$ 58,840
Total Age and Service Pensions	1	5,415	5,415	58,840
Disability Pensions				
Surviving Beneficiaries	1	5,314	5,314	24,653
Total Disability Pensions	1	5,314	5,314	24,653
Total Old Plan Pensions	**2**	**$ 10,729**	**$ 5,365**	**$ 83,493**
Total New & Old Plan **Pensions Being Paid**	**42**	**$1,277,149**	**$30,408**	**$11,945,563**

* *Regular - benefit terminating upon death of retired member.*
Option I - 10 year certain.
Option II - 100% joint and survivor benefit.
Option III - 50%/66.7%/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
45	1	$ 36,247			1	$ 36,247
48	1	33,891			1	33,891
51	2	90,731			2	90,731
54	3	61,751			3	61,751
55	1	34,909			1	34,909
57	1	19,368			1	19,368
58	2	60,879			2	60,879
59	1	35,060			1	35,060
61	2	62,749			2	62,749
62	1	23,168			1	23,168
65			1	$ 5,415	1	5,415
64	3	104,395			3	104,395
66	5	166,085			5	166,085
67	4	202,767			4	202,767
70	1	38,728			1	38,728
71	4	111,435			4	111,435
72	1	38,067			1	38,067
73	2	31,311			2	31,311
74	1	27,638			1	27,638
76	1	23,810			1	23,810
78	2	26,559			2	26,559
86	1	36,872			1	36,872
87			1	5,314	1	5,314
Totals	**40**	**$1,266,420**	**2**	**$10,729**	**42**	**$1,277,149**

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

Attained Ages	No.	Annual Benefits
35	1	$ 12,378
41	1	19,318
43	1	25,339
Totals	**3**	**$57,035**

ACTIVE AND VESTED TERMINATED MEMBERS (EXCLUDING DROP MEMBERS)

Valuation Date	Active Members	Vested Terminated Members	Valuation Payroll	Average Age	Average Service	Average Pay
10/1/2004	54	1	$ 2,820,206	37.7	7.5	$ 52,226
10/1/2005	56	2	3,231,262	38.2	7.3	57,701
10/1/2006	55	3	3,181,070	38.0	7.4	57,838
10/1/2007	61	2	3,571,835	38.4	7.5	58,555
10/1/2008	61	2	3,930,907	38.7	7.9	64,441
10/1/2009	59	2	3,873,001	38.9	8.2	65,644
10/1/2010	59	2	3,896,087	39.2	8.4	66,035
10/1/2011	57	1	3,785,736	38.7	8.4	66,416
10/1/2012	57	2	3,743,405	39.4	9.1	65,674
10/1/2013	**56**	**3**	**3,559,498**	**39.8**	**8.8**	**63,562**

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	2	5	1	1.8	1	0.1	0	0.0	0	3	3	3.4	54
2005	7 *	5	2	1.6	0	0.0	0	0.0	1	2	3	3.1	56
2006	6	7	1	0.8	1	0.1	0	0.0	1	4	5	3.2	55
2007	8	2	0	0.5	0	0.1	0	0.0	0	2	2	3.2	61
2008	6	6	0	1.3	1	0.1	0	0.0	0	5	5	3.5	61
2009	5	7	2	1.4	0	0.1	0	0.0	0	5	5	3.4	59
2010	4	4	0	1.2	0	0.1	0	0.0	1	3	4	3.2	59
2011	8	10	2	1.5	1	0.1	0	0.0	1	6	7	2.8	57
2012	5	5	1	0.5	0	0.1	0	0.0	1	3	4	3.0	57
2013	**6**	**7**	**2**	**0.2**	**0**	**0.1**	**0**	**0.0**	**1**	**4**	**5**	**2.9**	**56**
5-yr. Totals 2009 - 2013	28	33	7	4.8	1	0.5	0	0.0	4	21	25	15.3	
Expected for 2014				0.2		0.1		0.0				2.9	

A Represents actual number.
E Represents expected number.
* *Includes two transfer from General.*

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	7	4						11	$ 540,881
30-34	6	1						7	314,597
35-39	1	2	2	1				6	420,015
40-44	1	1	6	4				12	874,043
45-49	2	2	4	4	1			13	967,048
50-54	3	1	1		2			7	442,914
Totals	**20**	**11**	**13**	**9**	**3**			**56**	**$3,559,498**

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

Age: 39.8 years

Service: 8.8 years

Annual Pay: $63,562

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 active status 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)

Year Ended September 30	Payroll Inflated Dollars	Payroll Constant Value	Unfunded Inflated Dollars	Unfunded Constant Value	Contribution Inflated Dollars	Contribution Constant Value
2013	$ 3,559	$3,559	$5,184	$5,184	$ 420	$ 420
2014	3,720	3,559	5,152	4,930	439	420
2015	3,887	3,559	5,098	4,668	459	420
2016	4,062	3,559	5,018	4,397	340	298
2017	4,245	3,559	5,058	4,242	355	298
2022	5,290	3,559	3,966	2,669	625	420
2027	6,592	3,559	1,717	927	537	290
2032	8,215	3,559	184	80	317	138
2036	9,796	3,559	(272)	(99)	(183)	(67)
2037	10,237	3,559	(99)	(34)	(101)	(35)
2038	10,698	3,559	0	0	0	0

*

$ (597,024)	over 25 years	$ 689,541	over 16 years
(523,998)	over 24 years	660,842	over 15 years
1,090,321	over 23 years	1,111,558	over 14 years
109,169	over 22 years	311,184	over 12 years
241,655	over 21 years	196,661	over 9 years
1,664,875	over 20 years	233,402	over 7 years
(247,065)	over 19 years	(853,611)	over 5 years
(345,335)	over 18 years	350,513	over 3 years
1,091,527	over 17 years		
		$5,184,215	**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 their 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%	0.5%	3.6%	3.9%	5.2%	4.6%
Less Inflation Rate	**1.2%**	2.0%	3.9%	1.1%	(1.3)%	2.3%	1.4%
Net Real Rate	**7.4%**	4.8%	(3.4)%	2.4%	5.2%	2.9%	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)	2.5%	0.2%	5.5%	3.1%	3.8%	2.7%	3.0%	4.9%
Assumed	6.2%	6.2%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%
% Change in Total Payroll (2)	(4.9)%	(1.1)%	(2.8)%	0.6%	(1.5)%	(3.0)%	(2.0)%	1.4%

(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	2012	2011	2010	2009	3-Year	5-Year
Net Investment Return Rate	8.6%	6.8%	0.5%	3.6%	3.9%	5.2%	4.6%
Rate of Change in Average Pay	2.5%	0.2%	5.5%	3.1%	3.8%	2.7%	3.0%
Difference: Actual	6.1%	6.6%	(5.0)%	0.5%	0.1%	2.5%	1.6%
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. Post-disabled mortality is set forward 10 years. 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	12.00%
	1	9.00%
	2	7.00%
	3	5.00%
	4	4.50%
25	5 & Over	9.90%
30		9.68%
35		7.81%
40		4.84%
45		2.53%
50		2.09%
55		2.09%
60		2.09%

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	0.07%
25	0.09%
30	0.10%
35	0.14%
40	0.21%
45	0.32%
50	0.52%
55	0.92%
60	1.53%
65	1.65%

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%	45	5%
53	30%	31	40%	46	5%
54	30%	32	40%	47	5%
55	30%	33	40%	48	5%
56	30%	34	40%	49	5%
57	20%	35	100%	50	5%
58	20%			51	5%
59	20%			52	5%
60	20%			53	5%
61	20%			54	5%
62	100%				

A Police 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 Police 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 final average compensation for benefit purposes with the exception of lump sums for accumulated sick and vacation time.

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. Lump sum payments for accumulated sick leave and vacation time included in the calculation of the average pay upon which service retirement benefits are computed were estimated to increase benefits by 6.6%.

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 (CONCLUDED)

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 3 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 $1,174,188 -- $930,958 employer and $243,230 employee -- were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of October 1, 2011. The employer contributions consisted of $460,243 for normal cost and administrative expenses and $470,715 for amortization of the unfunded actuarial accrued liability and $0 for additional premium tax revenue. Employer contributions represented 26.2% 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
2003	10/01/2002 *	10.0 %	$2,535,390	$ 273,477	$273,477
2004	10/01/2003	10.3	3,028,262	403,589	403,589
2005	10/01/2004 *	12.5	2,820,206	376,586	425,205
2006	10/01/2005 *	12.9	3,231,262	443,557	532,674
2007	10/01/2006	13.8	3,181,070	468,951	528,361
2008	10/01/2007	13.2	3,571,835	503,281	550,995
2009	10/01/2008 *	17.0	3,930,907	713,865	690,515
2010	10/01/2009	18.8	3,873,001	777,408	777,408
2011	10/01/2010	19.7	3,896,087	818,251	818,251
2012	10/01/2011	23.0	3,785,736	930,958	930,958
2013	10/01/2012	24.2	3,743,405	968,535	
2014	**10/01/2013**	**27.6**	**3,559,498**	**1,049,856**	

* *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 $5,184,215 determined as follows:

Actuarial Accrued Liability:	
Active participants (36 vested and 20 non-vested)	$ 10,091,833
Retired participants and beneficiaries currently receiving benefits (42 vested)	11,945,563
Vested terminated participants not yet receiving benefits (3 vested)	208,200
Extra Benefit Reserve	407,834
DROP Balances	0
Total Actuarial Accrued Liability	22,653,430
Actuarial Value of Assets (market value was $18,210,225)	17,469,215
Unfunded Actuarial Accrued Liability	$ 5,184,215

During the year ended September 30, 2013 the plan experienced a net change of $482,544 in the actuarial accrued liability. There were no changes in benefit provisions or actuarial assumptions and 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)
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 @	12,142	11,171	(971)	108.7	2,268	(42.8)
2000 *	13,280	12,005	(1,275)	110.6	2,419	(52.7)
2001	13,634	12,607	(1,026)	108.1	2,280	(45.0)
2002	13,350	13,415	64	99.5	2,535	2.5
2003	13,162	14,023	861	93.9	3,028	28.4
2004 *	12,833	14,497	1,664	88.5	2,820	59.0
2005	13,021	15,867	2,846	82.1	3,231	88.1
2006	13,707	16,513	2,806	83.0	3,181	88.2
2007	14,694	17,434	2,740	84.3	3,572	76.7
2008 *	15,104	19,480	4,376	77.5	3,931	111.3
2009	15,342	20,083	4,741	76.4	3,873	122.4
2010	15,646	20,688	5,042	75.6	3,896	129.4
2011	15,458	21,630	6,172	71.5	3,786	163.0
2012	16,365	22,171	5,806	73.8	3,743	155.1
2013	**17,469**	**22,653**	**5,184**	**77.1**	**3,559**	**145.6**

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, 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	56	57
- annual payroll	$ 3,559	$ 3,743
(ii) Retired members & beneficiaries (excl. disability)		
- number	34	32
- annualized benefit payroll	$ 1,082	$ 985
(iii) Disabled members & beneficiaries		
- number	8	8
- annualized benefit payroll	$ 195	$ 195
(iv) Terminated vested members		
- number	3	2
- annualized deferred benefit payroll	$ 57	$ 45
(b) Assets		
(i) Actuarial value for funding	17,469	16,365
(ii) Market value	18,210	16,530
(c) Actuarial Liability		
(i) Actuarial present value of active member benefits:		
service retirement	$14,362	$15,073
termination benefits - pension	784	889
disability retirement	246	278
survivor benefits (pre-retirement)	218	227
termination benefits - refunds	22	21
extra benefit reserve	408	408
Total	$16,040	$16,896
(ii) Actuarial present value of terminated vested member benefits	208	164
(iii) Actuarial present value of retired member benefits:		
service retirement & survivors	$10,327	$ 9,331
DROP reserve	0	122
disability retirement & survivors	1,619	1,659
Total	$11,946	$11,111
(iv) Total actuarial present value of future benefit payments	28,193	28,171
(v) Payables	0	0
(vi) Actuarial accrued liability	22,653	22,171
(vii) Unfunded actuarial accrued liability(1)	5,184	5,806

(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	$ 11,946	$ 11,111
	Terminated members	208	164
	Active members (includes non-forfeitable accum. member contributions of $2,518 for 2013 and $2,594 for 2012)	6,591	6,777
	Total	$ 18,745	$ 18,052
	(ii) Non-vested accrued benefits	353	368
	(iii) Total actuarial p.v. of accrued benefits	19,098	18,420
	(iv) Actuarial p.v. of accrued benefits at begin. of year	18,420	17,710
	(v) Changes attributable to:		
	Amendments	0	0
	Assumption change	0	0
	Operation of decrements	2,086	1,851
	Benefit payments and refunds	(1,409)	(1,140)
	Other	none	none
	(vi) Net change	678	710
	(vii) Actuarial p.v. of accr. benefits at end of year	$ 19,098	$ 18,420
(e)	Plan costs for fiscal year beginning October 1, 2014 and October 1, 2013 (EANC)		
	(i) Normal costs		
	Service pensions	14.64%	14.44%
	Disability pensions	0.57%	0.57%
	Survivor pensions (pre-retirement)	0.28%	0.28%
	Deferred service pensions	2.02%	2.06%
	Refunds of member contributions	0.32%	0.32%
	Total normal cost	17.83%	17.67%
	(ii) Payment to amortize unf'd. act. accr. liab.	11.87%	10.81%
	(iii) FS112.64(5) Compliance	2.70%	0.73%
	(iv) Administrative expenses	1.66%	1.46%
	(v) Amount to be paid by members	6.45%	6.45%
	(vi) Expected plan sponsor/Chapter 185 contribution - dollars	27.61% 1,050	24.22% 969

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 185 monies	$ 931	$ 818
	Members	261	268
	Total	$ 1,192	$ 1,086
	(ii) Actual:		
	Plan sponsor/Chapter 185 monies	931	818
	Members	243	242
	Total	$ 1,174	$ 1,060
(g)	Net Experience Gain (Loss)	597	517
(h)	Other Disclosures		
	(i) Present value of active member future salaries		
	from attained age	$31,447	$34,136
	from entry age	not applicable to individual EANC method	
	(ii) Present value of active member future contribs.		
	from attained age	$ 2,028	$ 2,202
	from entry age	not applicable to individual EANC method	
(i)	Actuarial Present Value of Accrued Benefits Using FRS Interest Rate		
	(i) Vested	$19,229	$18,521
	(ii) Non-Vested	374	394
	(iii) Total	$19,604	$18,915
	(iv) Market Value of Assets (MVA)	18,210	16,530
	(v) Funded Ratio Using FRS Interest Rate and MVA	92.89 %	87.39 %

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	**57**	**2**	**2**	**27**	**7**	**4**
Increase (Decrease) from						
Service Retirement	(2)		(2)	4		
DROP Retirement						
Disability Retirement						
Deaths						
Other Pension Terminations						
Vested Terminations	(1)	1				
Non-Vested Terminations	(4)					
Transfer from another division						
New Entrants/Rehires	6					
No. at End of Year	**56**	**3**	**0**	**31**	**7**	**4**

DROP ACTIVITY

Age	Year Ended 9/30/2013		
	Eligible	Elected to DROP	Elected to Retire
51	1		1
Totals	**1**	**0**	**1**

GRS
Gabriel Roeder Smith & Company
Consultants & Actuaries
One Towne Square
Suite 800
Southfield, MI 48076-3723
248.799.9000 phone
248.799.9020 fax
www.gabrielroeder.com

May 15, 2014

Ms. Ann Meuse
Pension Administrator
City of Jacksonville Beach
11 North Third Street
Jacksonville Beach, Florida 32250

Dear Ann:

Enclosed are 18 copies of the report of the Sixty-Third Annual Valuation of the City of Jacksonville Beach Police Officers' Retirement System. As directed, copies have been sent directly to:

Purvis, Gray and Company
Attention: Mr. Joe Welch
P.O. Box 23999
222 N.E. 1st Street
Gainesville, FL 32602

Attention: Ms. Sarah Carr, Benefits Administrator
Division of Retirement
Municipal Police Officers' & Firefighters'
Retirement Trust Funds Office
P.O. Box 3010
Tallahassee, FL 32315-3010

Mr. Douglas E. Beckendorf, Actuary
Local Retirement Section
Division of Retirement
P.O. Box 9000
Tallahassee, Florida 32315-9000

Sincerely,

Brad Lee Armstrong, ASA, EA, MAAA

BLA:dj
Enclosures

Purvis, Gray and Company
Attention: Mr. Joe Welch
P.O. Box 23999
222 N. E. 1st Street
Gainesville, FL 32602

Attention: Ms. Sarah Carr, Benefits Administrator
Municipal Police Officers' and Firefighters'
Retirement Trust Funds Office
Division of Retirement
P.O. Box 3010
Tallahassee, FL 32315-3010

Mr. Douglas E. Beckendorf, Actuary
Local Retirement Section
Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000