

2012 Actuarial Report

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

**For the Plan Year
January 1, 2012 through
December 31, 2012**

**For the City's Fiscal Year
October 1, 2012 through
September 30, 2013**

Prepared By:

**THE NYHART COMPANY, INC.
2000 RiverEdge Parkway/ Suite 540
Atlanta, GA 30328
(770) 933-1933**

June 22, 2012

June 22, 2012

Board of Trustees
City of Fort Lauderdale
Police and Firefighters' Retirement System
CITY OF FORT LAUDERDALE
888 South Andrews Avenue, Suite 202
Fort Lauderdale, Florida 33316

2012 Actuarial Report

Dear Board Members:

Enclosed is our report on the actuarial valuation of the City of Fort Lauderdale Police and Firefighters' Retirement System for the year beginning January 1, 2012.

The report includes:

- Detailed Gain/Loss Analysis for the period January 1, 2011 through December 31, 2011;
- Cost Calculation Results;
- Asset Summary.

The rate of return on the market value of assets for the year ending December 31, 2011 was (0.3%); the rate of return on the actuarial value of assets was 5.0%. The expected rate of return on the actuarial value of assets was 7.75%, resulting in an experience loss.

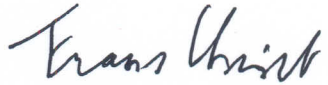
In total, there was a net experience loss of \$14,047,611 in 2011. The unfavorable investment experience (smoothed basis) was the primary cause of the experience loss during the year.

The 18-year average rate of return on the actuarial value of assets has been 7.3%.

Respectfully Submitted,

THE NYHART COMPANY, INC.


Randall L. Stanley, FSA, FCA, MAAA, EA
Actuary


Frans Christ, FSA, MAAA, EA
Actuary


David H. Harris, ASA, MAAA, EA
Actuary

RLS/FC/DHH/di
501301/701

Enclosures (1 electronic, 12 bound)

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

2012 ACTUARIAL REPORT

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**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Comparative Summary of Principal Valuation Results

	Actuarial Valuation Prepared as of	
	<u>01/01/2012</u>	<u>01/01/2011</u>
A. <u>Participant Data</u> (Ex. 7)		
Active Members	798	802
Covered Payroll	\$65,318,290	\$62,571,391
Members in DROP	83	84
DROP Payroll	\$7,992,269	\$7,148,161
Total Annualized Benefits	\$5,162,440	\$4,968,029
Projected Total Payroll (Ex. 1, p. 2 of 4)	\$77,229,656	\$73,473,835
Retired Members and Beneficiaries	847	845
Total Annualized Benefits	\$34,786,342	\$34,167,667
Disabled Members	22	20
Total Annualized Benefits	\$788,435	\$708,303
Terminated Vested Members	18	16
Total Annualized Benefits	\$618,615	\$452,515
B. <u>Assets</u>	-\$-	-\$-
Actuarial Value (Ex. 4)	505,318,753	482,181,230
Market Value (Ex. 3)	452,786,999	455,378,727
C. <u>Liabilities</u> (Ex. 1)		
Present Value of Benefits		
Active Members – Retirement	381,015,731	355,607,836
Death	3,414,442	4,324,043
Disability	11,948,950	13,853,449
Turnover	7,270,857	6,811,239
Return of Contributions	<u>1,514,340</u>	<u>785,725</u>
Total	405,164,320	381,382,292
Inactive Members – Retired and Beneficiaries	434,745,021	417,060,315
Disabled	7,966,637	8,085,070
Terminated Vested	6,925,119	4,231,879
DROP Accounts	<u>15,700,664</u>	<u>13,012,300</u>
Total	465,337,441	442,389,564
Total	<u><u>870,501,761</u></u>	<u><u>823,771,856</u></u>
Actuarial Accrued Liability	724,112,813	674,229,902
Unfunded Actuarial Accrued Liability	218,794,060	192,048,672

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Comparative Summary of Principal Valuation Results
(Continued)

	Actuarial Valuation Prepared as of	
	<u>01/01/2012</u>	<u>01/01/2011</u>
	-\$-	-\$-
D. <u>Pension Cost</u> (Exhibit 1)		
Normal Cost	17,729,936	17,220,891
Payment to Amortize Unfunded Liability	21,276,992	18,633,141
Administrative Expenses	506,000	471,000
Interest	587,649	2,228,692
Expected Member Contribution	5,395,802	5,162,140
As % of Payroll	8.26%	8.25%
Expected State Contribution	2,724,071	2,724,071
As % of Payroll	4.2%	4.4%
Expected City Contribution	31,980,704	30,667,513
As % of Covered Payroll	49.0%	49.0%
As % of Total Payroll	41.4%	41.7%
	Year Ending	Year Ending
E. <u>Past Contributions</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
	-\$-	-\$-
Required Plan Sponsor and State Contribution	33,391,584	32,957,020
Required Member Contributions	5,202,719	5,247,391
Actual Contributions		
Plan Sponsor and State	33,098,391	33,250,882
Members	5,202,719	5,247,391
F. <u>Net Actuarial (Gain)/Loss</u>	14,047,611	(854,077)
G. <u>Other Disclosures</u>		
Active Members:		
Present Value Future Salaries (at attained age)	540,318,000	544,225,938
Present Value Future Member Contributions (at attained age)	43,082,223	43,298,905
Present Value Future Contributions (City, State)	322,100,785	298,291,721

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

REVIEW OF COSTS

SUMMARY DISCUSSION

This is the actuarial report for the plan year beginning January 1, 2012 for the Board of Trustees of the City of Fort Lauderdale Police and Firefighters' Retirement System. This report is intended to reflect the provisions and requirements of Ordinance No. 72-94, as amended by City ordinances through December 31, 2011. This is the tenth annual actuarial valuation report prepared by The Nyhart Company, Inc. (previously Stanley, Holcombe & Associates, Inc.).

COMPARISON OF COSTS

The cost components and costs for 2012 compare to those for 2011 as follows:

	2012		2011
	Revised Assumptions	Prior Assumptions	
	-\$-	-\$-	-\$-
Total Normal Cost	17,729,936	18,030,524	17,220,891
Past Service Cost	21,276,992	20,131,275	18,633,141
Expected Expenses	506,000	506,000	471,000
Interest ¹	587,649	558,409	2,228,692
Total	40,100,577	39,226,208	38,553,724
Member Contributions	5,395,802	5,395,802	5,162,140
Expected State Contribution	2,724,071 ²	2,724,071 ²	2,708,872 ³
Net City Contribution	31,980,704	31,106,335	30,667,513

As may be noted, the City contribution amount of \$31,980,704 is \$1,313,191 more than the \$30,667,513 for the prior year. The details of the change in City contribution are discussed under "Analysis of Cost Changes."

The \$31,980,704 is calculated to be payable October 15, 2012. If deposited later, additional interest at the 7.5% annual rate must be added.

¹ For the 2010/2011 fiscal year, interest was included to October 15, 2011. For the 2011/2012 fiscal year, the City made a contribution of \$28,088,083 on December 15, 2011 leaving \$3,892,621 due on October 15, 2012. This reduced the interest charge to \$587,649.

² Adjusted Base Amount of \$3,000,946, reduced by 175 Supplemental Fire shortfall of \$276,875.

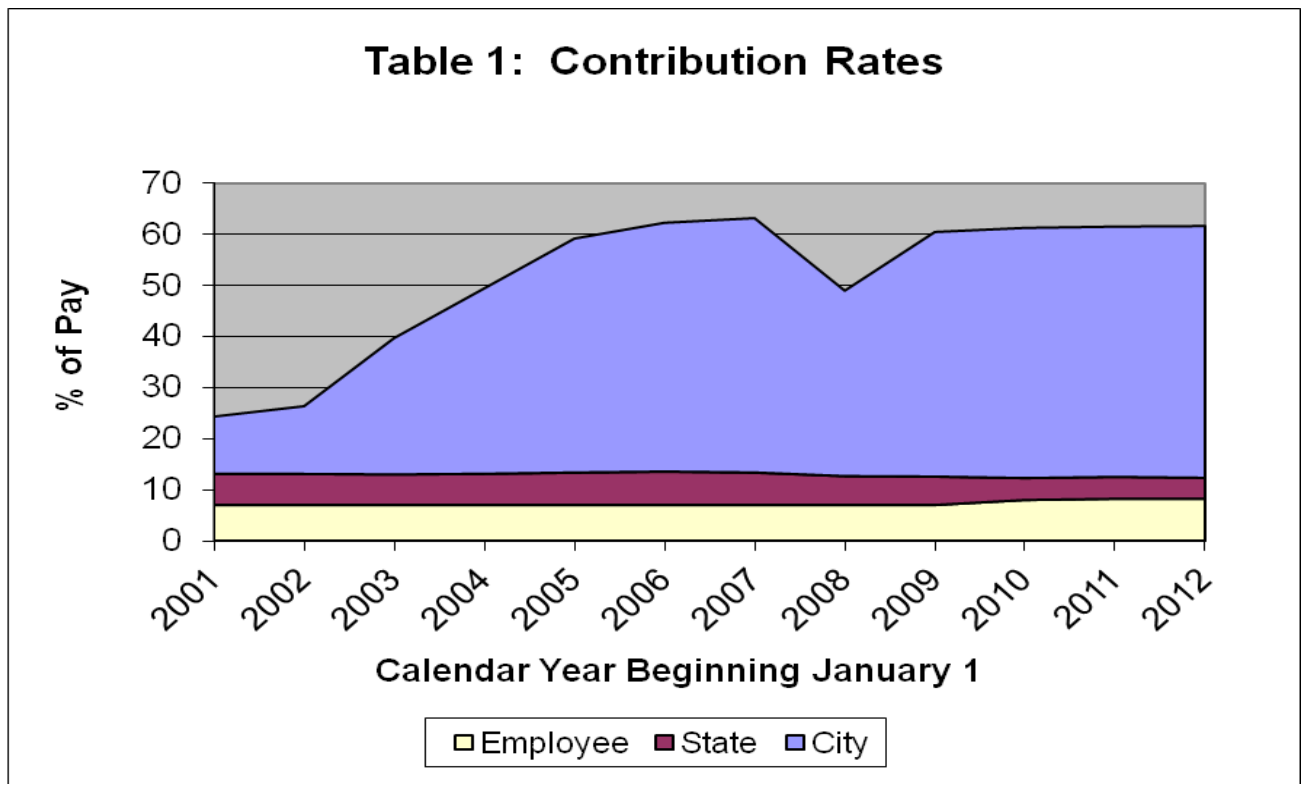
³ Adjusted Base Amount of \$3,000,946, reduced by 175 Supplemental Fire shortfall of \$276,875 plus interest to July 1, 2010 of \$15,199.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

REVIEW OF COSTS

SUMMARY DISCUSSION

Table 1 shows the contribution rates for the City, State, and members since 2001. The delayed recognition (due to asset smoothing) of adverse asset returns for 2000, 2001, and 2002 had driven up City costs from 2002-2007. Costs for 2008 declined due to favorable investment experience, revised actuarial assumptions, and a change to the asset valuation method. Costs for 2009 through 2012 have increased primarily due to unfavorable investment experience.



ANALYSIS OF COST CHANGES

Our detailed gain/loss analysis consists of a series of actuarial valuations, for each element of experience. This quantifies the impact on cost components and costs of the deviations of actual experience from that predicted by each actuarial assumption.

This is intended to provide insight to the Board of the relative importance of each assumption and serve as an audit of the realism of the assumption. It also is intended to provide quality control.

Quantification of the reasons for the changes is as follows:

Table 2 – Detailed Gain/Loss Analysis for January 1, 2011 through December 31, 2011

	Unfunded Actuarial Accrued Liability	Amortization	Normal Cost	City Contribution Percentage	City Contribution
	-\$-	-\$-	-\$-	-%-	
12/31/2010 Valuation	192,048,672	18,633,141	17,220,891	49.0*	30,667,513
12/31/2011 Expected (for continuing members)	186,855,234	19,005,804	17,146,495	50.5	31,061,134
<u>Element of Experience</u>					
Investment Return	13,132,939	1,052,189	0	1.7	1,116,745
Turnover	1,128,918	90,447	183,235	0.2	262,745
New Members	234,069	18,753	601,579	(0.3)	534,400
Mortality	(1,989,603)	(159,404)	15,717	(0.3)	(158,610)
Retirement, DROP	(134,029)	(10,738)	64,026	(1.6)	(86,042)
Salaries	502,650	40,271	15,992	0.0	51,687
Disability	271,322	21,738	3,189	0.0	24,196
Other, Data, Expense	<u>901,345</u>	<u>72,215</u>	<u>291</u>	<u>(2.6)</u>	<u>(1,699,920)</u>
Total Experience	14,047,611	1,125,471	884,029	(2.9)	45,201
Assumption Changes	17,891,215	1,145,717	(300,588)	1.4	874,369
12/31/2011 Actual	218,794,060	21,276,992	17,729,936	49.0* 41.4**	31,980,704

As may be noted from Table 2, of the elements of experience, investment return was by far the largest source of experience loss. The combined net effect on the City annual deposit of all elements of experience was an increase of \$1,859,223. The unfunded actuarial accrued liability increased \$14,047,611 more than expected. The assumption changes increased the unfunded actuarial accrued liability by \$17,891,215 and the City contribution by \$874,369.

* Percentage of Covered Payroll

** Percentage of Total Payroll

Projected Total Payroll of \$77,229,656 is equal to 106% of Covered Payroll of \$65,318,290 plus \$7,992,269 payroll for members in DROP.

Following is a discussion of the elements of experience:

Investment Return – There was a loss due to investment return in 2011, with a rate of return on the actuarial value of assets of 5.0%, compared with an expected return of 7.75%. This increased costs by \$1,116,745 or 1.7% of covered pay. The rate of return for the market value of assets was (0.3%).

Turnover – There were 16 terminations compared with 21.7 expected. This increased the Unfunded Liability by \$1,128,918 and the annual contribution amount by \$262,745 (0.2% of covered payroll).

New Members – The addition of 28 new members increased the annual cost \$534,400. However, the contribution rate decreased 0.3% as a percentage of covered payroll.

Mortality – There were no deaths of active members compared to 0.9 expected. There were 20 deaths among inactives compared to 17.0 expected. This decreased the Unfunded Liability by \$1,989,603 and decreased the annual contribution by \$158,610 (0.3% of covered payroll).

Retirement – There were 14 retirements and DROP entries compared to 31.7 expected. This decreased the Unfunded Liability by \$134,029 and decreased the annual contribution by \$86,042 (1.6% of covered payroll).

Salary Increases – Salaries for continuing actives increased by 6.58%, compared with an expected increase of 6.42%. This salary experience increased the Unfunded Liability by \$502,650 and the contribution amount by \$51,687. As a percentage of covered payroll the contribution rate was unchanged

Disability – There were two disabilities compared with 2.4 expected. This increased the Unfunded Liability by \$271,322 and increased the annual contribution by \$24,196 (0.0% of covered payroll).

Other – The City's advance contribution of \$28,088,083 on December 15, 2011 reduced interest charges by \$1,758,431. Administrative expenses increased from \$471,000 to \$506,000. This item, along with data changes/corrections, increased costs by \$58,511.

CITY CONTRIBUTION REQUIREMENTS (POLICE, FIRE SEPARATELY)

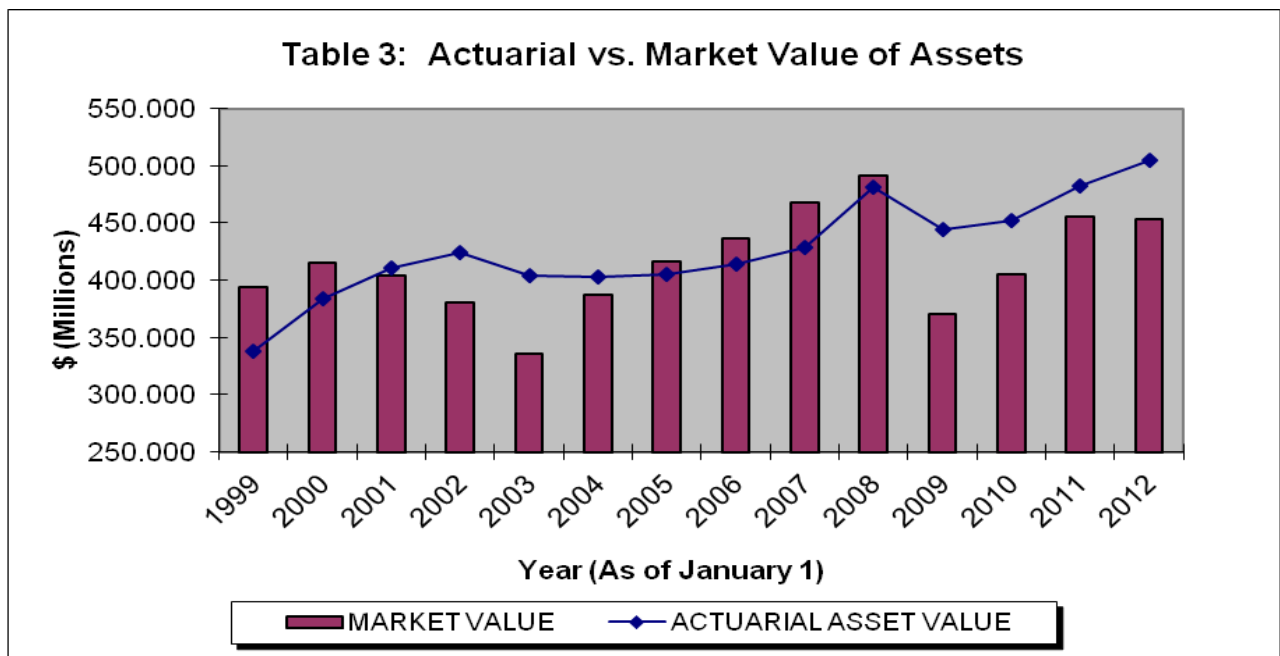
The Division of Retirement has stipulated that Chapters 175 and 185 may be separately maintained only if costs are separately determined. Exhibit 11 reflects the separate cost calculations. Since System assets have not been separately maintained, the December 31, 2011 assets have been allocated in proportion to the separately calculated Actuarial Accrued Liabilities.

PLAN ASSETS

Exhibits 2 and 3 show the asset transactions and investment results during the year. The rate of return on mean market value for the period ending December 31, 2011 was -0.3% (Exhibit 4).

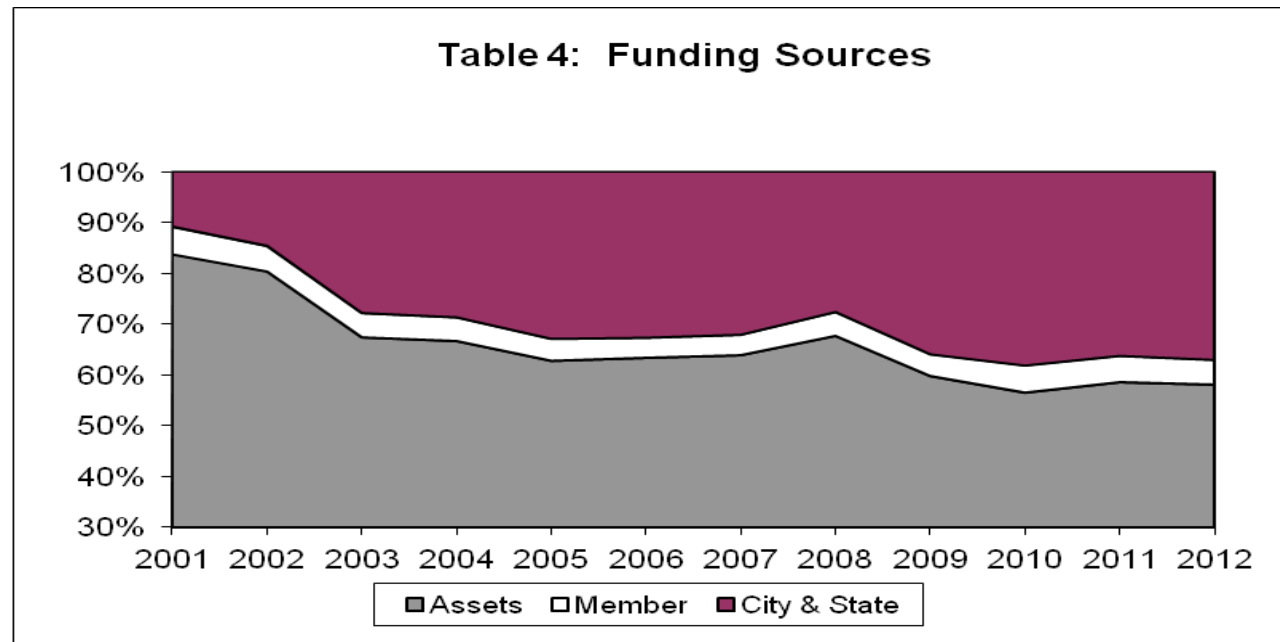
The rate of return on actuarial asset value was 5.0%, as compared to 7.75% expected.

The actuarial asset valuation method (Exhibit 4A) is the 20% Write Up Method. Under this method the actuarial value of assets is equal to expected value (using last year's actuarial value of assets, cash flow, and valuation interest) plus or minus 20% of the difference between the expected actuarial value of assets and the market value of assets. The result cannot be greater than 120% of market value or less than 80% of market value. As of December 31, 2011, the actuarial value of assets was 112% of market value.



Sources of Benefit Funding

Table 4 compares the sources of benefit funding for the past eleven actuarial valuations. The present value of all projected benefits is equal to 100% in the Table. The present value of benefits is provided by three sources; the actuarial value of assets, the present value of future member contributions, and the present value of future City and State contributions.



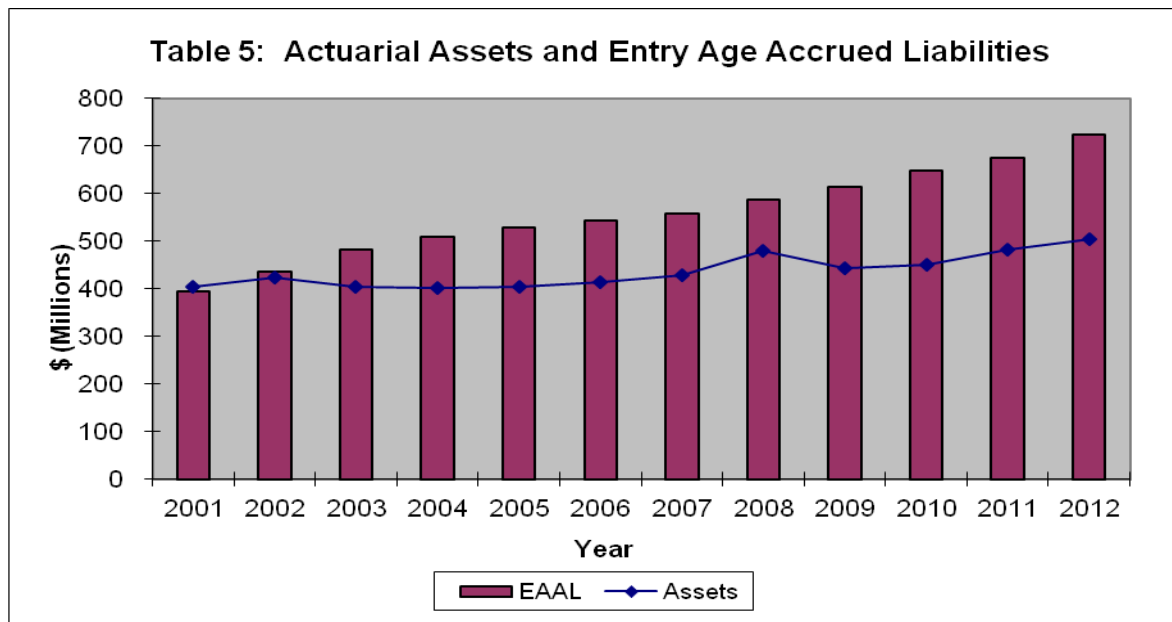
As shown in Table 4, the City and State portion of future benefit costs increased during the early part of the decade as the value of the assets decreased in relation to of the total present value of benefits. The situation had been stable for the past couple of years, as financial markets had recovered, until the large asset losses of 2008. As of January 1, 2012, the actuarial value of assets equals 58.1% of the present value of benefits, the present value of employee contributions equals 4.9%, and the present value of City and State contributions equals 37.0%.

EXPECTED ONGOING COSTS

The expected ongoing (long term) cost of a retirement system is the Normal Cost, expressed as a percentage of payroll. This does not include the amortization of the Unfunded Actuarial Liability, which is attributable to the past. Exhibit 1 (page 2 of 4) shows that the Normal Cost percentage of Total Payroll is 23.0% as of January 1, 2012. This is the expected long-term cost (City, Members, and State) if the future aggregate System experience is the same as the actuarial assumptions.

Funding Progress

Table 5 shows the comparison of the entry age normal accrued liability with the actuarial value of assets over the past twelve actuarial valuations. The unfunded actuarial accrued liability is the difference between the entry age normal accrued liability and the actuarial value of assets. As of January 1, 2012 the ratio of the actuarial asset value to the accrued liability is 69.8%, as compared to 71.5% as of January 1, 2011.



DETERMINATION OF CITY CONTRIBUTIONS

The total (City and State) amount for the 2012 fiscal year is \$34,704,775. The State revenue expected to be credited against the required contribution is as follows:

	<u>Maximum</u>	<u>Expected</u>
Base Year Chapter 185 Revenue:	\$1,567,271	\$1,567,271
Base Year Chapter 175 Revenue:	865,800	865,800
Base Year 175 Supplemental Revenue:	276,875	0
Annual Cost of 175 Benefits Adopted:	26,980	26,980
Annual Cost of 185 Benefits Adopted:	<u>264,020</u>	<u>264,020</u>
	<u>\$3,000,946</u>	<u>\$2,724,071</u>

Except for the Chapter 175 Supplemental Revenue, the amounts above are the maximum amounts that may be credited against the required contribution. The \$2,724,071 State amount would require a downward adjustment if the amounts received in 2012 are lower than the Base Year amounts shown. This happened in 2010 with a \$208,818 shortfall and in 2011 with a \$310,622 shortfall of Chapter 185 revenues. The City made up the Chapter 185 shortfalls during 2011. The Chapter 175 supplemental shortfall is incorporated into the City minimum contribution this year, as shown above in the Expected column.

The \$2,724,071 difference between \$34,704,775 and \$31,980,704 is calculated as of October 15, 2012.

GOVERNMENTAL ACCOUNTING STANDARDS

In November 1994 GASB issued Statement No. 25, Financial Reporting for Defined Benefit pension Plans... and Statement No. 27, Accounting for Pensions by State and Local Governmental Employers.

Statement No. 25 provides parameters for financial reporting and comparison of actual contributions to "actuarially required contributions." Statement No. 27 provides standards for the financial reports of the state and local governmental employers. Statement No. 25 is effective for periods beginning after June 15, 1996; Statement No. 27, for periods beginning after June 15, 1997.

The Statements do not directly impact funding, although they do require calculation of an "actuarially required contribution," or "ARC" and amortization of any deficiency or excess of actual contributions made in relation to the ARC.

This is the GASB standard for disclosures comparing actual funding to GASB requirements. The requirements of GASB 25 include reporting a Schedule of Funding Progress and a Schedule of Employer Contributions (Exhibit 5, pages 2 and 3).

APPLICATION OF GASB 27

The provisions of GASB 27 are virtually identical to those of GASB 25. It is our understanding that the schedules used for GASB 25 disclosure may also be used for GASB 27 purposes.

POTENTIAL COLA INCREASE

Our understanding is that the System may provide for a cost of living adjustment (COLA) payable on the July 1st following the valuation date, if certain requirements are met. The increase is equal to the lesser of:

- the change in the Consumer Price Index (CPI) for the calendar year;
- the increase that can be supported by the net experience gain for the most recent year.

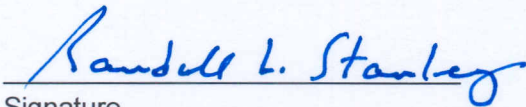
Since the cumulative experience position as of December 31, 2011, is a loss of \$145.7 million (Exhibit 10, page 5), the amount available for an increase is \$0. The State statutes do not permit a gain sharing COLA when the plan is in a cumulative loss position.

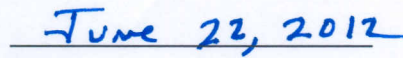
ACTUARY'S STATEMENT

This report has been prepared in accordance with standards established by the American Academy of Actuaries. To the best of our knowledge, it reflects the actuarial condition of the City of Fort Lauderdale Police and Firefighters' Retirement System as of December 31, 2011.

All costs and cost components are calculated on the basis of actuarial assumptions which reasonably reflect the experience of the Fund.

This actuarial valuation and/or cost determination 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.


Signature
Randall L. Stanley, FSA, FCA, MAAA, EA
Enrolled Actuary No. 11-602


Date

Copies of this Report are to be furnished to the Division of Retirement within 60 days of receipt from the actuary at the following addresses:

Ms. Patricia F. Shoemaker
Benefits Administrator
Municipal Police Officers' &
Firefighters' Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

Mr. Keith E. Brinkman
Bureau Chief of Local Retirement Systems
Division of Retirement
Department of Management Services
Post Office Box 9000
Tallahassee, FL 32315-9000

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

City Contribution Requirements

	<u>January 1, 2012</u>		
	<u>Revised</u>	<u>Prior</u>	<u>January 1, 2011</u>
	<u>Assumptions</u>	<u>Assumptions</u>	
	-\$-	-\$-	-\$-
I. <u>Unfunded Actuarial Accrued Liability</u>			
A. Entry Age Reserve			
Active Members	258,775,372	251,075,047	231,840,338
Inactive Members ⁽¹⁾	<u>465,337,441</u>	<u>455,146,551</u>	<u>442,389,564</u>
Total	724,112,813	706,221,598	674,229,902
B. Actuarial Asset Value	505,318,753	505,318,753	482,181,230
C. Unfunded Actuarial Liability (UAAL)	218,794,060	200,902,845	192,048,672
II. <u>Normal Cost</u>			
A. Present Value of Future Benefits			
1. Active Members			
a. Retirement	381,015,731	376,149,456	355,607,836
b. Turnover	7,270,857	6,953,994	6,811,239
c. Disability	11,948,950	14,062,217	13,853,449
d. Death	3,414,442	4,436,623	4,324,043
e. Refunds	<u>1,514,340</u>	<u>1,516,393</u>	<u>785,725</u>
f. Total	405,164,320	403,118,683	381,382,292
2. Retired Members and Beneficiaries			
a. Service Retirements & Beneficiaries	434,745,021	423,821,514	417,060,315
b. Disability Retirements	7,966,637	8,949,522	8,085,070
c. Terminated Vested Members	6,925,119	6,674,851	4,231,879
d. DROP Account Balances	<u>15,700,664</u>	<u>15,700,664</u>	<u>13,012,300</u>
e. Total	465,337,441	455,146,551	442,389,564
3. Total	870,501,761	858,265,234	823,771,856

(1) Including DROP Accounts

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

City Contribution Requirements

	<u>January 1, 2012</u>		
	<u>Revised</u>	<u>Prior</u>	<u>January 1, 2011</u>
	<u>Assumptions</u>	<u>Assumptions</u>	<u>Assumptions</u>
	-\$-	-\$-	-\$-
II. <u>Normal Cost (Cont'd.)</u>			
A. Entry Age Normal Cost	17,729,936	18,030,524	17,220,891
B. Covered Payroll	65,318,290	65,318,290	62,571,391
C. Normal Cost Percentage of Covered Payroll	27.14%	27.60%	27.52%
D. Total Payroll (including DROP members)	77,229,656	77,229,656	73,473,835
E. Normal Cost Percentage of Projected Total Payroll ⁽¹⁾	23.0%	23.3%	23.4%
 III. <u>City Contribution Requirements</u>			
A. Entry Age Normal Cost	17,729,936	18,030,524	17,220,891
B. Amortization of UAAL	21,276,992	20,131,275	18,633,141
C. Expenses	506,000	506,000	471,000
D. Interest	<u>587,649</u>	<u>558,409</u>	<u>2,228,692</u>
E. Total Contribution	40,100,577	39,226,208	38,553,724
F. Expected Member Contributions	5,395,802	5,395,802	5,162,140
G. Expected State Contributions	<u>2,724,071</u>	<u>2,724,071</u>	<u>2,724,071</u>
H. Net Expected City Contribution Requirement	31,980,704	31,106,335	30,667,513

(1) Projected Total Payroll = 106% of Covered Payroll (based on 5.87% salary increase assumption) plus 100% of DROP Payroll.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

City Contribution Requirements

IV. <u>Reconciliation of Unfunded Actuarial Accrued Liability</u>	-\$-
A. Unfunded Actuarial Accrued Liability (UAAL) as of December 31, 2010	192,048,672
B. City and State Normal Cost for 2011 (including administrative expenses)	12,529,751
C. City and State Contributions, less Reserve Account Contribution	(33,391,584)
D. Interest at 7.75%	15,668,395
E. Expected Unfunded Actuarial Accrued Liability as of December 31, 2011	186,855,234
F. 2011 (Gain)/Loss	14,047,611
G. Unfunded Actuarial Accrued Liability as of December 31, 2011	200,902,845
H. Change in Assumptions	17,891,215
I. Change in Asset Valuation Method	N/A
J. Unfunded Actuarial Accrued Liability as of December 31, 2011	218,794,060

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

City Contribution Requirements

V. Unfunded Actuarial Accrued Liability

<u>Date Established</u>	<u>Description</u>	<u>-----Initial-----</u>		<u>-----01/01/12-----</u>		<u>2% Increasing Payment</u>
		<u>Amount</u>	<u>Period</u>	<u>Current Amount</u>	<u>Remaining Period</u>	
		<u>-\$-</u>		<u>-\$-</u>		<u>-\$-</u>
01/01/2003	Re-initialized Base	78,732,560	20	59,791,461	11	6,971,326
01/01/2004	Actuarial (Gain)/Loss	28,715,070	20	23,153,938	12	2,533,820
01/01/2005	Software Change	(3,016,264)	20	(2,545,292)	13	(263,203)
01/01/2005	Actuarial (Gain)/Loss	23,810,048	20	20,092,243	13	2,077,698
01/02/2006	Share Plan Gain	(317,323)	20	(279,741)	14	(27,491)
01/01/2006	Actuarial (Gain)/Loss	8,973,681	20	7,910,920	14	777,435
01/01/2007	Actuarial (Gain)/Loss	3,123,728	20	2,863,407	15	268,737
01/01/2008	Actuarial (Gain)/Loss	(169,648)	20	(161,050)	16	(14,496)
01/01/2008	Assumption Change	2,918,826	20	2,770,908	16	249,409
01/01/2008	Asset Smoothing Change	(22,041,532)	20	(20,924,525)	16	(1,883,411)
01/01/2009	Actuarial (Gain)/Loss	66,572,825	20	64,313,615	17	5,572,381
01/01/2010	Plan Amendment	4,041,812	20	3,960,710	18	331,412
01/01/2010	Actuarial (Gain)/Loss	27,303,032	20	26,755,178	18	2,238,739
01/01/2011	Actuarial (Gain)/Loss	(854,077)	20	(846,538)	19	(68,604)
01/01/2012	Actuarial (Gain)/Loss	14,047,611	20	14,047,611	20	1,105,395
01/01/2012	Assumption Change	17,891,215	20	17,891,215	20	1,407,845
	Total			<u>218,794,060</u>		<u>21,276,992</u>

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Summary of Asset Transactions*
for Years Ending
December 31, 2011 and December 31, 2010
(Total Fund)

	<u>2011</u>	<u>2010</u>
	-\$-	-\$-
A. Market Value as of January 1	470,339,338	416,587,706
Adjustment to match Final Audit	<u>0</u>	<u>0</u>
Adjusted Market Value	470,339,338	416,587,706
 B. Additions During Year		
1. City Contributions	30,684,942	30,735,629
2. Member Contributions	5,202,719	5,247,391
3. State Contributions	4,735,930	4,816,576
4. Dividends, Interest, and other income	10,441,009	7,308,370
5. Gains (Losses)	(10,065,380)	43,570,058
6. Miscellaneous	<u>0</u>	<u>0</u>
7. Total	40,999,220	91,678,024
 C. Deductions During Year		
1. Benefit Payments	39,061,925	35,797,791
2. Contribution Refunds	149,752	139,800
3. Investment Expenses	1,829,421	1,486,530
4. Administrative Expenses	<u>536,958</u>	<u>502,271</u>
5. Total	41,578,056	37,926,392
 D. Market Value as of December 31		
(A)+(B) - (C)	469,760,502	470,339,338

* Based on Draft of Auditor's Report

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Summary of Asset Transactions
for Year Ending
December 31, 2011*
(Total Fund)

	Regular <u>Fund</u>	Chapter 185 <u>Reserve Account</u>	FF Share <u>Plan</u>	<u>Total</u>
	-\$-	-\$-	-\$-	-\$-
A. Market Value as of January 1	455,378,727	705,212	14,255,399	470,339,338
Adjustment to Match Final Audit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Market Value	455,378,727	705,212	14,255,399	470,339,338
B. Additions During Year				
1. City Contributions	30,684,942			30,684,942
2. Member Contributions	5,202,719			5,202,719
3. State Contributions	2,413,449	0	2,322,481	4,735,930
4. Dividends and Interest	8,469,453			8,469,453
5. Gains (Losses)	(10,090,263)		24,883	(10,065,380)
6. Investment Return Allocation	(55,452)	55,452	0	0
7. Other Income	<u>1,971,556</u>	<u>0</u>	<u>0</u>	<u>1,971,556</u>
8. Total	38,596,404	55,452	2,347,364	40,999,220
C. Deductions During Year				
1. Benefit Payments	38,702,860		359,065	39,061,925
2. Contribution Refunds	149,752			149,752
3. Investment Expenses	1,829,421			1,829,421
4. Administrative Expenses	<u>506,099</u>	<u>0</u>	<u>30,859</u>	<u>536,958</u>
5. Total	41,188,132	0	389,924	41,578,056
D. Market Value as of December 31				
(A)+(B)-(C)	452,786,999	760,664	16,212,839	469,760,502

* Based on Draft of Auditor's Report with additional transfer of \$9,300 in State Contributions from Regular Fund to Share Plan to match State's Premium Tax Distribution report.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Distribution of Assets *

<u>Description</u>	<u>December 31, 2011</u>	<u>December 31, 2010</u>
	-\$-	-\$-
Marketable Securities		
U.S. Government Securities	72,847,040	41,811,410
Corporate Bonds and Debentures	71,062,855	38,212,053
Equities - Common Stock	127,021,150	150,247,621
Mutual Funds	105,952,435	163,581,214
Partnerships	30,588,166	31,714,279
Real Estate Funds	<u>41,054,901</u>	<u>31,022,300</u>
A. Sub-Total	448,526,547	456,588,877
B. Cash and Equivalents	49,595,331	15,243,915
Receivables:		
City Contributions	0	0
Accounts Receivable	0	0
Member Contributions	0	0
Accrued Interest and Dividends	1,665,123	1,028,314
Unsettled Trades	<u>520,796</u>	<u>879,804</u>
C. Sub-Total	2,185,919	1,908,118
D. Fixed Assets, Net	942	1,415
Payables:		
Accounts Payable & Accrued Liabilities	371,142	407,978
Deferred Revenue	28,088,083	0
Member Contribution Refunds	0	0
Due to City of Fort Lauderdale	521,564	577,121
Unsettled Trades	<u>1,567,448</u>	<u>2,417,888</u>
E. Sub-Total	30,548,237	3,402,987
F. Total (A+B+C+D-E)	469,760,502	470,339,338
G. State Distributions – Reserves		
Police - Ch. 185	760,664	705,212
Fire-Share Plan	<u>16,212,839</u>	<u>14,255,399</u>
	16,973,503	14,960,611
H. Net Assets Available for Benefits (F-H)	<u>452,786,999</u>	<u>455,378,727</u>

* Based on Draft of Auditor's Report

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Reserve Account For Future Benefit Improvements Under F.L. 99-1

Adjusted Base Amount for 2011 Year

Year <u>Established</u>	<u>Description</u>	Ch. 185 <u>Police</u> -\$-	Ch. 175 <u>Fire</u> -\$-	Suppl. <u>Fire</u> -\$-
1998	Base Year Tax Distribution	1,567,271	865,800	276,875
2000	Fire: 55, 10 NRD; minimum disability = accrued	0	26,980	0
2001	Police: 55, 10 NRD	29,665	0	0
2007	Police: 40 hours overtime	234,355	0	0
	Adjusted Base Amount	1,831,291	892,780	276,875

Reserve Account for 2011

	Ch. 185 <u>Police</u> -\$-	Ch. 175 <u>Fire</u> -\$-	Suppl. <u>Fire</u> -\$-
A. Reserve Account at December 31, 2010	705,212	0	0
B. Interest on (A) to September 30, 2011	40,878	0	0
C. Increase in Reserve Account			
1. Premium Tax Distribution for 2010	1,520,669	3,215,261	0
2. Date received	10/01/2010	10/01/2010	N/A
3. Adjusted Base Amount	1,831,291	892,780	276,875
Premium Tax Shortfall	310,622	0	276,875
4. Increase in Reserve Distribution	0	2,322,481	0
D. Interest on C (4) to September 30, 2011	0	0	0
E. Reserve Account at September 30, 2011 (A) + (B) + (C4) + (D)	746,090	2,322,481	0
F. Transfer to Firefighters' Share Plan	0	2,322,481	0
G. Transfer to Retirement System	0	0	0
H. Interest on (E) to December 31, 2011	14,574	0	0
I. Reserve Account at December 31, 2011 (E) – (F) + (G)	760,664	0	0

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Development of Actuarial Asset Value

I. Determination of Actuarial Asset Value as of December 31, 2011 – 20% Write Up Method

	-\$-
A. Actuarial Value of Assets December 31, 2011	482,181,230
B. Contributions and Transfers (Net of Excess Premium Taxes)	38,301,110
C. Benefits and Administrative Expenses	39,358,711
D. Expected Return at 7.75%	<u>37,328,063</u>
E. Expected Actuarial Value of Assets (A+B-C+D)	518,451,692
F. Market Value of Assets	452,786,999
G. Difference	(65,664,693)
H. 20% of Difference	(13,132,939)
I. Preliminary Actuarial Asset Value (E+H)	505,318,753
J. Application of 20% Corridor	
80% of Market Value	362,229,599
120% of Market Value	543,344,399
K. Actuarial Asset Value	505,318,753

II. Rate of Return on Actuarial Asset Value

	-\$-
A. Actuarial Asset Value at Beginning of Year	482,181,230
B. Contributions	
1. Employer	30,684,942
2. Members	5,202,719
3. State (limited to Adjusted Base)	<u>2,413,449</u>
4. Total	38,301,110
C. Benefits and Administrative Expenses	39,358,711
D. Actuarial Asset Value at End of Year	505,318,753
E. Net Return on Investment [D+C-B-A]	24,195,124
F. Rate of Return [2 x E/(A+D-E)]	5.0%

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Investment Results

I. Yield of Mean Market Value and Actuarial Value for Year Ending December 31, 2011

	<u>Actuarial</u>	<u>Market</u>
	-\$-	-\$-
A. Value at End of Year	505,318,753	452,786,999
B. Benefit Payments, Contribution Refunds, Admin. Expenses	39,358,711	39,358,711
C. Contributions by Members, City, and State	38,301,110	38,301,110
D. Value at Beginning of Year	482,181,230	455,378,727
E. Return on Investments (A + B - C - D)	24,195,124	(1,534,127)
F. Rate of Return [2E/(A+D-E)]	5.0%	(0.3)%

II. History of Investment Yield Rates

<u>Period Ending</u>	<u>Actuarial</u> <u>Asset Basis</u>	<u>Market Value</u> <u>Basis</u>
	-%-	-%-
12/31/11	5.0	(0.3)
12/31/10	6.3	11.8
12/31/09	5.1	13.9
12/31/08	(4.8)	(22.1)
12/31/07	14.8	7.2
12/31/06	6.3	9.7
12/31/05	3.5	6.4
12/31/04	2.7	9.9
12/31/03	1.5	17.1
12/31/02	(2.7)	(9.2)
12/31/01	6.4	(3.1)
12/31/00	12.2	2.1
12/31/99	15.6	7.0
12/31/98	19.9	18.8
12/31/97	15.9	23.3
12/31/96	11.9	15.0
12/31/95	10.1	26.3
12/31/94	5.8	(0.9)
<u>Averages</u>		
5 Years	5.1	1.2
10 Years	3.6	3.8
18 Years	7.3	6.7

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Summary of Accounting Information

	<u>12/31/2011</u>		<u>12/31/2010</u>
I. <u>Present Value of Vested Accrued Benefits</u>	-\$-	-\$-	-\$-
	FRS 7.75%	(7.5%)	
A. Service Retirements and Beneficiaries	441,261,057	450,445,685	430,072,615
B. Disability Retirements	7,802,850	7,966,637	8,085,070
C. Vested Terminated Members	6,720,040	6,925,119	4,231,879
D. Active Members	<u>177,924,724</u>	<u>183,842,805</u>	<u>161,280,566</u>
E. Total	633,708,671	649,180,246	603,670,130
II. <u>Present Value of Non-Vested Accrued Benefits</u>	<u>18,594,645</u>	<u>19,992,780</u>	<u>18,995,265</u>
III. <u>Present Value of Accrued Benefits</u>	652,303,316	669,173,026	622,665,395
IV. The values of accumulated plan benefits were determined in accordance with the Academy of Actuaries Interpretations and FASB Statement No. 35, <u>Accounting and Reporting by Defined Benefit Pension Plans</u> .			
V. <u>Statement of Changes in Accrued Benefits</u>			
A. Present Value of Accrued Benefits at Beginning of Prior Year		622,665,395	
B. Increase (Decrease) During the Year Attributable to:			
1. Benefits Accumulated		21,271,453	
2. Benefits Paid and Contributions Refunded		(38,852,612)	
3. Assumption Changes		17,337,761	
4. Method Changes		0	
5. Plan Amendments		0	
6. Increase Due to Decrease in Discount Period		<u>46,751,029</u>	
7. Net Increase		46,507,631	
C. Present Value of Accrued Benefits at Valuation Date		669,173,026	

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Funding Progress
(\$000)

	<u>12/31/2011</u>	<u>12/31/2010</u>
	-\$-	-\$-
I. <u>Assets</u>		
A. Actuarial Value	505,319	482,181
B. Market Value	452,787	455,379
II. <u>Liabilities</u>		
A. Retired and Vested	465,337	442,390
B. Active		
Employee Contributions	35,937	32,399
Other Vested	147,906	128,881
Non-Vested Accrued	<u>19,993</u>	<u>18,995</u>
C. Total Accrued	669,173	622,665
III. <u>Ratios</u>	%	%
IA/IIC	75.5	77.4
IB/IIC	67.7	73.1

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Disclosure Information Under GASB 25/27

I. Funding Status and Progress as of December 31, 2011 and 2010

	<u>\$(Millions)</u>	
	<u>2011</u>	<u>2010</u>
Entry Age Actuarial Accrued Liability:		
- Retirees and beneficiaries currently receiving benefits (including DROP accounts) and terminated employees not yet receiving benefits	465.3	442.4
- Current employees	<u>258.8</u>	<u>231.8</u>
Total Entry Age Actuarial Accrued Liability	724.1	674.2
Net assets available for benefits (Market Value)	452.8	455.4
Unfunded Entry Age Actuarial Accrued Liability	<u>271.3</u>	<u>218.8</u>

The Entry Age Actuarial Accrued Liability was determined as part of an actuarial valuation at December 31, 2011. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.50 percent per year for 2011 and 7.75 percent per year for 2010 compounded annually, (b) projected salary increases of 2.75% percent per year for 2011 and 3.25 percent per year for 2010 compounded annually, attributable to inflation, and (c) additional projected salary increases of 0 to 3 percent per year, attributable to seniority/merit.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Disclosure Information Under GASB 25/27 - (continued)

II. Contributions Required and Contributions Made

The funding policy provides for periodic employer contributions at actuarially determined rates that are sufficient to pay benefits when due. Contributions for normal costs are determined using the individual entry age actuarial cost method. This cost method provides for an unfunded actuarial accrued liability. Details of this UAAL are shown on Exhibit 1, pages 3 and 4.

Contributions totaling \$40,623,591 (\$30,684,942 employer, \$4,735,930 State, and \$5,202,719 employees) were made for the year ending December 31, 2011. These contributions consisted of (a) \$17,987,790 normal cost, (b) \$19,776,362 amortization of the unfunded actuarial accrued liability, (c) \$0 contribution to the Reserve Account, (d) \$2,322,481 to the Firefighters share account, and (e) \$536,958 noninvestment expenses.

Significant actuarial assumptions used to compute contribution requirements for the year ending December 31, 2011 are the same as those used to compute the Entry Age Actuarial Accrued Liability as of the beginning of the year.

III. Analysis of Funding Progress for GASB 25/27 (\$ Million)

Fiscal Year	(1) Net Assets Available for Benefits * (\$)	(2) Entry Age Actuarial Liability (\$)	(3) Percent Funded (%)	(4) Unfunded AAL (2)-(1) (\$)	(5) Annual Covered Payroll (\$)	(4)/(5) (%)
1995	222.2	259.8	85.5	37.6	33.0	114
1996	247.8	282.9	87.6	35.0	35.0	100
1997	282.1	311.4	90.6	29.3	33.3	88
1998	331.6	336.4	98.6	4.8	37.1	13
1999	375.4	362.4	103.6	(13.0)	42.1	(31)
2000	405.1	394.2	102.8	(10.9)	44.7	(24)
2001	424.5	436.6	97.2	12.1	44.5	27
2002 (Prior)	403.6	467.1	86.4	63.5	45.1	141
2002 (Revised)	403.6	482.3	83.7	78.7	45.1	175
2003	403.0	508.6	79.2	105.6	44.2	239
2004	405.5	529.4	76.6	123.9	42.3	293
2005	413.8	543.2	76.2	129.4	41.1	315
2006	428.3	557.1	76.9	128.8	42.8	301
2007 (Prior)	458.1	583.6	78.5	125.5	51.3	245
2007 (Revised)	480.9	586.5	82.0	105.5	51.3	206
2008	444.4	614.0	72.4	169.6	52.8	321
2009	451.6	649.0	69.6	197.4	61.7	320
2010	482.2	674.2	71.5	192.0	62.6	307
2011	505.3	724.1	69.8	218.8	65.3	335

Note: Prior to 2001, the Net Assets Available for Benefits and the Entry Age Actuarial Accrued Liability both excluded DROP account balances. For 2001 and later, DROP account balances are included in both.

*Actuarial Asset Values

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

IV. Schedule of Employer Contributions

<u>Fiscal Year</u>	<u>Annual Required Contribution</u> (\$)	<u>Employer Contributed</u> (\$)	<u>State¹ Contribution</u> (\$)	<u>Percentage Contributed</u> (%)	<u>Net Pension Obligation</u> (\$)
1996	9,131,730	7,092,440	2,264,323	102.5	0
1997	9,299,136	6,653,659	2,848,818	102.2	0
1998	8,626,102	6,054,880	2,709,946	101.6	0
1999	7,493,570	4,644,825	3,177,188	104.4	0
2000	6,899,795	4,638,299	2,849,971	108.5	0
2001	8,010,665	5,481,000	3,162,812	107.9	0
2002	8,908,703	6,394,811	3,380,116	109.7	0
2003	14,823,362	12,377,564	3,801,637	109.1	0
2004	18,806,811	16,402,796	4,160,988	109.3	0
2005	22,152,995	19,824,618	4,082,836	107.9	0
2006	22,786,472	20,472,413	4,359,435	108.9	0
2007	24,099,431	21,332,840	2,766,591	100.0	0
2008	21,627,937	19,146,573	3,000,946	102.4	0
2009	28,367,152	25,456,535	2,635,176	99.0	0 ²
2010	32,957,020	30,735,629	2,515,253	100.9	0 ³
2011	33,391,584	30,684,942	2,413,449	99.1	0 ³

1. Starting in 2007, State contribution amount shown is net of reserve account accumulation and fire share plan amount.

2. State contribution for Chapter 175 Fire Supplemental was not received this year; the anticipated amount of \$276,875 was increased with interest to July 1, 2011, and the resulting \$292,075 total was added to the 2011 City contribution requirement.

3. A portion of the State contribution for Chapter 185 was not received in these years; the shortfall was contributed by the City, including interest to the contribution date; the State contribution for Chapter 175 Fire Supplemental was neither anticipated nor received, but was contributed by the City as part of its regular contribution.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

V. Revenues and Expenses

Revenues by Source

<u>Fiscal Year</u>	<u>Employee Contributions</u> (\$)	<u>State Contributions</u> (\$)	<u>Employer Contributions</u> (\$)	<u>Investment Income</u> (\$)	<u>Total</u> (\$)
1995	2,341,221	1,944,969	8,011,268	9,342,093	21,639,551
1996	2,457,240	2,264,323	7,092,440	9,615,306	21,429,309
1997	2,443,703	2,848,818	6,653,659	11,235,906	23,182,086
1998	2,619,544	2,709,946	6,054,880	11,406,938	22,791,308
1999	2,752,294	3,177,188	4,644,825	12,383,761	22,958,068
2000	3,029,401	2,849,971	4,382,348	13,078,341	23,340,061
2001	2,981,342	3,158,761	5,485,051	7,960,515	19,585,669
2002	3,235,782	3,380,116	6,394,811	6,304,049	19,314,758
2003	3,421,577	3,801,637	12,377,564	6,359,805	25,960,583
2004	3,050,660	4,160,988	16,402,796	7,362,361	30,976,805
2005	3,036,448	4,082,836	19,824,618	7,764,218	34,708,120
2006	3,331,601	4,359,435	20,472,413	8,281,777	36,445,226
2007	3,596,451	5,204,949	21,332,840	7,919,695	38,053,935
2008	3,996,724	5,262,367	19,146,573	9,206,242	37,611,906
2009	4,264,471	4,409,900	25,456,535	6,092,184	40,223,090
2010	5,247,391	4,816,576	30,735,629	7,308,370	48,107,966
2011	5,202,719	4,735,930	30,684,942	10,441,009	51,064,600

Expenses by Type

<u>Fiscal Year</u>	<u>Benefits</u> (\$)	<u>Administrative Expenses</u> (\$)	<u>Refunds</u> (\$)	<u>Total</u> (\$)
1995	11,405,626	245,096	32,076	11,682,798
1996	12,258,028	281,344	22,997	12,562,369
1997	13,780,854	379,590	81,384	14,241,828
1998	14,527,306	347,590	117,437	14,992,333
1999	15,643,607	358,240	74,305	16,076,152
2000	29,228,716	432,142	156,476	29,817,334
2001	22,804,945	436,958	160,313	23,402,216
2002	22,027,681	465,054	180,413	22,673,148
2003	25,561,580	468,673	73,173	26,103,426
2004	29,695,131	416,870	224,275	30,336,276
2005	31,345,660	356,565	177,733	31,879,958
2006	37,910,775	422,075	137,338	38,470,188
2007	38,961,484	540,568	299,642	39,801,694
2008	39,516,627	592,611	249,791	40,359,029
2009	47,535,416	520,610	170,406	48,226,432
2010	35,797,791	502,271	139,800	36,439,862
2011	39,061,925	536,958	149,752	39,748,635

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Member Statistics

I. Active Members

<u>Number of</u>	<u>Valuation Date</u>			
	<u>12/31/2011</u>	<u>12/31/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>
Males	699	707	715	669
Females	<u>99</u>	<u>95</u>	<u>89</u>	<u>85</u>
Total	798	802	804	754
<u>Averages</u>				
Current Age	38.0	37.5	37.1	37.3
Credited Past Service	10.0	9.5	9.1	9.3
Annual Earnings	\$81,852	\$78,019	\$76,702	\$70,061

II. Inactive Members

A. DROP Participants				
Number	83	84	70	N/A
Average Annual Benefit	\$62,198	\$59,143	\$57,450	
Average Age	52.0	51.6	50.7	
B. Retirees and Beneficiaries				
Number	847	845	839	894
Average Annual Benefit	\$41,070	\$40,435	\$40,227	\$41,423
Average Age	65.1	64.4	63.7	62.2
C. Disabled				
Number	22	20	21	19
Average Annual Benefit	\$35,838	\$35,415	\$37,656	\$36,473
Average Age	48.0	47.7	47.9	47.6
D. Vested Terminated				
Number	18	16	18	20
Average Annual Benefit	\$34,368	\$28,282	\$26,867	\$27,106
Average Age	43.8	43.0	42.8	41.8

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Age-Service Distribution - Police

Age	Completed Years of Service									Total	Earnings	
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35+		Total -\$-	Avg -\$-
15-24	10	21	-	-	-	-	-	-	-	31	1,741,224	56,169
25-29	6	48	22	-	-	-	-	-	-	76	4,956,553	65,218
30-34	4	27	45	14	-	-	-	-	-	90	6,806,510	75,628
35-39	1	14	32	32	6	-	-	-	-	85	6,984,620	82,172
40-44	-	6	19	19	40	9	-	-	-	93	8,229,964	88,494
45-49	2	7	9	9	15	15	-	-	-	57	4,966,588	87,133
50-54	-	3	2	4	2	9	-	-	-	20	1,789,901	89,495
55-59	-	-	1	1	1	1	-	3	-	7	741,117	105,874
60-64	-	-	-	-	-	-	-	-	-	-	--	--
65+	-	-	-	1	-	-	-	-	1	2	169,620	84,810
TOTAL	23	126	130	80	64	34	0	3	1	461	36,386,098	78,929

Average Age: 37.1

Average Service: 9.3

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Age-Service Distribution - Firefighters

Age	Completed Years of Service									Total	Earnings	
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35+		Total -\$-	Avg -\$-
15-24	-	5	-	-	-	-	-	-	-	5	323,068	64,614
25-29	2	28	16	-	-	-	-	-	-	46	3,270,642	71,101
30-34	1	14	22	14	-	-	-	-	-	51	4,012,301	78,673
35-39	1	5	19	46	7	-	-	-	-	78	6,829,540	87,558
40-44	-	4	12	45	18	2	-	-	-	81	7,398,921	91,345
45-49	-	2	1	17	22	4	-	-	-	46	4,313,457	93,771
50-54	-	1	2	10	8	2	-	1	-	24	2,148,422	89,518
55-59	-	-	-	3	-	-	-	-	-	3	261,814	87,271
60-64	-	-	-	-	-	-	-	2	1	3	374,028	124,676
65+	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	4	59	72	135	55	8	0	3	1	337	28,932,192	85,852

Average Age: 39.1

Average Service: 10.9

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Age-Service Distribution - Total

<u>Age</u>	<u>Completed Years of Service</u>									<u>Total</u>	<u>Earnings</u>		
	<u><1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35+</u>		<u>Total</u>	<u>Avg</u>	
												<u>-\$-</u>	<u>-\$-</u>
15-24	10	26	2	-	-	-	-	-	-	36	2,064,292	57,341	
25-29	8	76	38	-	-	-	-	-	-	122	8,227,195	67,436	
30-34	5	41	67	28	-	-	-	-	-	141	10,818,811	76,729	
35-39	2	19	51	78	13	-	-	-	-	163	13,814,160	84,749	
40-44	-	10	31	64	58	11	-	-	-	174	15,628,885	89,821	
45-49	2	9	10	26	37	19	-	-	-	103	9,280,044	90,098	
50-54	-	4	4	14	10	11	-	1	-	44	3,938,324	89,507	
55-59	-	-	1	4	1	1	-	3	-	10	1,002,931	100,293	
60-64	-	-	-	-	-	-	-	2	1	3	374,028	124,676	
65+	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>2</u>	<u>169,620</u>	<u>84,810</u>	
TOTAL	27	185	202	215	119	42	0	6	2	798	65,318,290	81,852	

Average Age: 38.0

Average Service: 10.0

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Member Reconciliation

A. Active lives

1. Total number prior valuation (December 31, 2010)	802
2. Terminations	
a. Vested with deferred benefits	4
b. Non-vested or received refund of employee contributions	12
3. Deaths	
a. Beneficiary receiving benefits	0
b. No future benefits payable	0
4. Disabled	2
5. Retired or entered DROP	14
6. Voluntary withdrawal	0
	<hr/>
7. Continuing participants	770
8. New entrants	28
9. Data Corrections/Rehires	<u>0</u>
10. Total active participants in valuation (December 31, 2011)	798

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

	<u>Service Retirees, Beneficiaries, and Vested Receiving Benefits</u>	<u>DROP</u>	<u>Disability</u>	<u>Vested Deferred</u>	<u>Total</u>
1. Number prior valuation	845	84	20	16	965
2. In	31	13	2	4	50
3. Out	29	14	0	2	45
4. Number current valuation	<u>847</u>	<u>83</u>	<u>22</u>	<u>18</u>	<u>970</u>

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Summary of Principal Provisions

Ordinances and Effective Date:	January 3, 1973; (Muni Code updated through C-03-34, enacted September 16, 2003; C-04-13, effective April 1, 2004; C-10-11, enacted April 6, 2010.
Plan Year:	January 1 - December 31.
Membership: [20-128(a)]	Police officers and fire fighters.
Covered Compensation: [20-127]	An employee's base pay, assignment pay, and longevity bonuses, including pick-up contributions, and up to 40 hours of overtime for police officers.
Member Contributions: [20-130(a)]	8% of Compensation increasing to 8.25% on 10/01/2011; for new members hired after April 18, 2010, 8.5%; 3% interest per annum is credited on Member Contributions.
City Contributions: [20-130(c)]	Actuarially determined, reduced by Member contributions and State Premium Tax refunds under Chapters 175 and 185 (up to the amounts received for 1998).
Credited Service: [20-127]	Continuous Service credited under Retirement System, from most recent date of employment.
Average Final Compensation: [20-127]	Average Compensation during the highest 2 years of Credited Service.
Normal Retirement Date: [20-127]	20 Years of Credited Service or age 55 with 10 Years of Credited Service.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Summary of Principal Provisions
(Continued)

Service Retirement: [20–129(b)(1)(b)]	Firefighters Plan 1: 3.38% of Average Final Compensation for each year of Credited Service, with a maximum of 81% of Average Final Compensation; a group of firefighters with 25 or more years of service on October 1, 2002 is subject to a maximum of 91.26%;
[20-129(b)(1)(c)]	Police Officers Plan 1: 3.38% of Average Final Compensation for each year of Credited Service, with a maximum of 81% of Average Final Compensation; a group of officers with 25 or more years of service on January 1, 2002 is subject to a maximum of 91.26%;
[20–129(b)(1)(a)]	Both Groups Plan 2: 3.0% of Average Final Compensation for each of the first 20 years of Credited Service, 2.0% of Average Final Compensation for each year of Credited Service over 20, with a maximum of 100%;
[20–129(b)(1.1)]	Firefighters who were employed before December 11, 1993 receive an additional 2.0% of Average Final Compensation, which is not counted towards the 81% maximum percentage for firefighters under Plan 1.
Early Service Retirement:	Age 50 with 10 years of Creditable Service (Firefighters).
Early Retirement Benefit:	Accrued retirement benefit reduced by 3% for each year member's retirement age precedes member's normal retirement date.
Disability: [20–129(c)(2)]	Non-Service Connected Disability: Immediate benefit of 50% of Average Final Compensation, offset by 100% of Social Security disability benefits and Workers' Compensation benefits, but not reduced below 25% of Average Final Compensation; benefit at the time of Normal Service Retirement, based on Credited Service, including the period of disability.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Summary of Principal Provisions
(Continued)

Disability (continued): [20-129(c)(1)]	<p>Service Connected Disability: Incurred as accident in performance of duties. Total and permanent; completely incapacitated for service to Fire or Police Department of the City, or performing offered employment within the Fire or Police Department.</p> <p>Immediate benefit of 65% of Average Final Compensation, offset by 100% of Social Security disability benefits and Workers' Compensation benefits, not reduced below 42% of Average Final Compensation; benefit terminates upon the earliest of death, recovery, or Normal Service Retirement eligibility;</p> <p>Service Retirement benefit at the time of Normal Service Retirement, based on Credited Service including the period of disability.</p>
Death [20-129(d)(2)]	<p>Non-Service Incurred Death: Death not accidentally incurred in performance of duties. Surviving spouse, or other beneficiary, or the Member's estate, would receive 50% of the Member's monthly Compensation as of date of death for eight years; for Members employed on January 1, 1973, who have made an election, a lump sum of 400% of the member's annual Compensation may be paid in lieu of the member's annual Compensation may be paid in lieu of the monthly payments. Children's benefits (to be completed).</p> <p>For a member with at least 10 years of Credited Service, not less than the benefits otherwise payable at early or normal retirement age.</p>
[20-129(d)(1)]	<p>Service Incurred Death: Incurred in performance of duties. Pension of 50% of Member's monthly Compensation to spouse until death or remarriage. Children's benefits of 10% of Member's monthly benefits per child (50% maximum) until age 18, with a maximum of 80% to spouse and children. For firefighters who are not married and have no children, a 10-year benefit will be paid to the designated beneficiary.</p>
Employment Termination: [20-129(e)]	<p>Refund of member contributions for Members with less than 10 years of Credited Service; Accrued Service Retirement benefit, deferred to time at which 20 years would have been completed and attainment of age 50, for Members with 10 or more years of Credited Service .</p>
Optional Allowances: [20-131]	<p>Normal form is 60% joint & survivor, with an additional 40% death benefit during the first year of retirement, and including children's survivor benefits, if applicable. Optional forms: 100% joint & survivor, life annuity, 10 years certain & life, 75%, 66-2/3%, and 50% joint and survivor with benefit reducing upon first death.</p>

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Summary of Principal Provisions
(Continued)

- DROP:
[20-129(b)1.2(b.1)]
[20-129(b)(1.2)(a)]
- Members eligible for Normal Service Retirement may elect either a Deferred Retirement Option Plan for up to 96 months or a Benefit Actuarially Calculated Deferred Retirement Option Program for up to 36 months, but not both.
- COLA:
[20-129(f)]
- (1) Adjusted on July 1 ("adjustment date") to reflect increase in cost of living, if benefit is paid (to Beneficiary or deceased Member) on the adjustment date and on July 1 of preceding year.
 - (2) COLA is added to each monthly benefit paid, excluding any previous COLA. Percentage amount is lesser of (a) or (b), but not more than 5%, unless approved by City Commission:
 - (a) Percentage not greater than CPI (all Urban Consumers) for calendar year preceding adjustment date; or
 - (b) Percentage increase, limited to present value of which can be funded by "excess gains" for preceding calendar year.
- "Excess gains":
- (i) 1/3 of sum of all actuarial gains and losses for preceding three calendar years; or
 - (ii) if investment earnings are spread over three or more years, the sum of all actuarial gains and losses for preceding calendar year.
- (3) Excess gains are based on actuarial assumptions as of January 1, excluding changes in benefits and/or assumptions.
 - (4) If cumulative COLA's in previous three adjustment years were less than cumulative CPI, additional COLA (not greater than 4%) may be granted from residual excess gains, subject to 5% overall maximum, unless approved by City Commission.
 - (5) In lieu of percentage increase, Board may utilize graduated percent-age based on length of time a benefit has been paid or a formula which provides an equal dollar monthly benefit.
- The COLA increases may be granted only if the System remains in a net positive experience position, determined on a cumulative basis from January 1, 1987. (in State Statute - not in Ordinance)
- Changes Since
Prior Valuation:
- None.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Summary of Actuarial Basis (Prior Basis)

Valuation Date: January 1, 2012 for Plan Year beginning January 1, 2012 and Fiscal Year beginning October 1, 2012.

Valuation Method: Individual Entry Age Normal Cost Method; Closed Group; Initial amortization period is 20 years; payments increase 2% per year.

Asset Valuation Method: 20% Write-Up method: Actuarial value of assets is equal to expected value (using last year actuarial value of assets, cash flow, and valuation interest) plus or minus 20% of the difference between the expected actuarial value of assets and the market value of assets. The result cannot be greater than 120% of market value or less than 80% of market value.

Actuarial Assumptions:

Investment Discount/
Investment Return: 7.75% compounded annually.

Salary Increases: 3.25% inflation plus service-based rates according to the following schedule:

<u>Service</u>	<u>-%-</u>
1-6	7.5 year
7-10	2.5 year
11-25	1.0 year
26+	0.5 year

An additional 4.5% is included in the year of retirement, primarily to reflect retirements throughout that year.

Mortality: 1994 Group Annuity Mortality Table for healthy lives and the same table set forward five years for disabled lives, producing following specimen rates:

<u>Age</u>	<u>Healthy Male</u>	<u>Healthy Female</u>	<u>Disabled Male</u>	<u>Disabled Female</u>
20	.0507%	.0284%	.0661%	.0291%
30	.0801%	.0351%	.0851%	.0478%
40	.1072%	.0709%	.1578%	.0973%
50	.2579%	.1428%	.4425%	.2294%
60	.7976%	.4439%	1.4535%	.8636%
70	2.3730%	1.3730%	3.7211%	2.2686%

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Summary of Actuarial Basis (Prior Basis)
(Continued)

Retirement: Service based rates as follows:

<u>Service</u>	<u>Police</u>	<u>Fire</u>
20-22	45%	40%
23-24	50%	30%
25-30	15%	15%
30+	100%	100%

None are expected to take reduced early retirement benefits at age 50 with 10 years of service.

Turnover and Disability:

Specimen rates are shown below:

<u>Age</u>	<u>Disability</u>	<u>Turnover*</u>
20	.0014	*
25	.0015	.047
30	.0018	.043
35	.0023	.030
40	.0030	.013
45	.0051	.006
50	.0100	.003
55	.0155	.000

* Select turnover rates apply at all ages for the first five years of employment according to the table below:

<u>Service</u>	<u>-%-</u>
0	10.00
1	6.67
2	6.00
3	5.33
4	4.67

Type of Disability: No turnover or disability assumed after 20 years of service. 75% of the disabilities are expected to be service connected disabilities, and 25% are expected to be non-service connected.

Recovery: No probabilities of recovery are used.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS
RETIREMENT SYSTEM**

Summary of Actuarial Basis (Prior Basis)
(Continued)

Disability Offsets:	It is assumed that there are no offsets for service-incurred or non-service incurred disabilities of active Members; benefits valued for disability retirees are net of all current offsets.
Type of Death:	75% of the assumed deaths are expected to be service-connected deaths and 25% are assumed to be non-service connected.
Remarriage:	No probabilities of remarriage are used.
Spouse's Ages:	Females are assumed to be 3 years younger than males.
Marital Status:	All employed Members and all retired Members are assumed to be married.
State Contributions:	Premium tax refunds under Chapters 175 and 185 are assumed to be the same as in prior year.
Administrative Expenses:	One-year term cost method, based on expected expenses for the year.
Withdrawal of Employee Contributions:	It is assumed that employees withdraw their contribution balances upon employment termination, if not vested. If vested, employees are assumed to not withdraw contributions, with monthly benefit deferred to the time at which 20 years of service would have been completed.
Sources of Data:	Draft audit reports and membership data were furnished by Plan Administrator.
DROP Participation:	No distinction is made between retirement and DROP entry.
Changes Since Prior Valuation:	None.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Summary of Actuarial Basis (Revised Basis)

Valuation Date: January 1, 2012 for Plan Year beginning January 1, 2012 and Fiscal Year beginning October 1, 2012.

Valuation Method: Individual Entry Age Normal Cost Method; Closed Group; Initial amortization period is 20 years; payments increase 2% per year.

Asset Valuation Method: 20% Write-Up method: Actuarial value of assets is equal to expected value (using last year actuarial value of assets, cash flow, and valuation interest) plus or minus 20% of the difference between the expected actuarial value of assets and the market value of assets. The result cannot be greater than 120% of market value or less than 80% of market value.

Actuarial Assumptions:

**Investment Discount/
Investment Return:** 7.50% compounded annually.

Salary Increases: 2.75% inflation plus service-based rates according to the following schedule:

<u>Service</u>	<u>-%</u>
1-6	6.5 year
7-10	2.5 year
11-25	1.0 year
26+	0.5 year

An additional 4.5% is included in the year of retirement, primarily to reflect retirements throughout that year.

Mortality: RP 2000 Mortality Table, Employees and Annuitants combined, projected by scale AA to 2012, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.0274%	.0157%
30	.0418%	.0234%
40	.0980%	.0589%
50	.1719%	.1364%
60	.5560%	.4760%
70	1.8523%	1.5765%

Disabled Mortality: RP 2000 Disable Mortality Table projected by Scale AA to 2012, producing the following specimen rates.

<u>Age</u>	<u>Male</u>	<u>Female</u>
30	2.1253%	.6604%
40	2.0497%	.6214%
50	2.3300%	.9390%
60	3.4644%	2.0564%
70	5.2202%	3.5438%

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Summary of Actuarial Basis (Revised Basis)
(Continued)

Retirement: Service based rates as follows:

<u>Service</u>	<u>Police</u>	<u>Fire</u>
20-22	45%	40%
23-24	50%	30%
25-30	15%	15%
30+	100%	100%

None are expected to take reduced early retirement benefits at age 50 with 10 years of service.

Turnover and Disability:

Specimen rates are shown below:

<u>Age</u>	<u>Disability</u>	<u>Turnover*</u>
20	.0014	*
25	.0015	.047
30	.0018	.043
35	.0023	.030
40	.0030	.013
45	.0051	.006
50	.0100	.003
55	.0155	.000

* Select turnover rates apply at all ages for the first five years of employment according to the table below:

<u>Service</u>	<u>-%-</u>
0	10.00
1	6.67
2	6.00
3	5.33
4	4.67

Type of Disability: No turnover or disability assumed after 20 years of service. 75% of the disabilities are expected to be service connected disabilities, and 25% are expected to be non-service connected.

Recovery: No probabilities of recovery are used.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS
RETIREMENT SYSTEM**

Summary of Actuarial Basis (Revised Basis)
(Continued)

Disability Offsets:	It is assumed that there are no offsets for service-incurred or non-service incurred disabilities of active Members; benefits valued for disability retirees are net of all current offsets.
Type of Death:	75% of the assumed deaths are expected to be service-connected deaths and 25% are assumed to be non-service connected.
Remarriage:	No probabilities of remarriage are used.
Spouse's Ages:	Females are assumed to be 3 years younger than males.
Marital Status:	All employed Members and all retired Members are assumed to be married.
State Contributions:	Premium tax refunds under Chapters 175 and 185 are assumed to be the same as in prior year.
Administrative Expenses:	One-year term cost method, based on expected expenses for the year.
Withdrawal of Employee Contributions:	It is assumed that employees withdraw their contribution balances upon employment termination, if not vested. If vested, employees are assumed to not withdraw contributions, with monthly benefit deferred to the time at which 20 years of service would have been completed.
Sources of Data:	Draft audit reports and membership data were furnished by Plan Administrator.
DROP Participation:	No distinction is made between retirement and DROP entry.
Changes Since Prior Valuation:	The Investment Return assumption was changed to 7.50%. The Salary Scale assumption was changed to 6.5% at 1-6 years of service and the inflation assumption was reduced to 2.75%. The mortality table was updated to the RP 2000 combined mortality projected to 2012. The disabled mortality was updated to the RP 2000 Disabled Mortality projected to year 2012.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Information Under Florida Statutes

Year Ending

	<u>Salary Increases</u>		<u>Investment Return</u>		<u>Payroll Growth</u>	
	<u>Actual</u>	<u>Assumed</u>	<u>Actual</u> ⁽¹⁾	<u>Assumed</u>	<u>Actual</u>	<u>Assumed</u>
	<u>-%-</u>	<u>-%-</u>	<u>-%-</u>	<u>-%-</u>	<u>-%-</u>	<u>-%-</u>
12/31/11	6.6	6.4	5.0	7.75	4.4	2.0
12/31/10	3.2	6.5	6.3	7.75	1.5	2.0
12/31/09	13.8	6.2	5.1	7.75	16.7	2.0
12/31/08	7.7	6.3	(4.8)	7.75	3.0	2.0
12/31/07	7.5	5.8	14.8	7.75	19.7	N.A.
12/31/06	6.0	5.8	6.3	7.75	4.3	N.A.
12/31/05	2.1	4.3	3.5	7.75	(2.8)	N.A.
12/31/04	3.4	5.7	2.7	7.75	(4.4)	N.A.
12/31/03	5.7	5.7	1.5	7.75	(1.9)	N.A.
12/31/02	9.4	6.7	(2.7)	8.00	1.4	5.2
12/31/01	10.1	6.7	6.4	8.00	(0.5)	5.2
12/31/00	5.7	6.7	12.2	8.00	6.1	5.2
12/31/99	7.2	6.4	15.6	8.00	13.5	5.2
12/31/98	7.2	6.4	20.0	8.00	11.3	5.2
12/31/97	6.8	6.2	15.9	8.00	(4.9)	5.2
12/31/96	6.4	6.5	11.9	8.00	6.3	5.2
12/31/95	2.6	6.5	10.1	8.00	5.2	N.A.
12/31/94	4.5	7.0	5.8	8.00	4.2	N.A.
12/31/93	0.8	7.0	8.4	8.00	0.1	N.A.
12/31/92	3.7	7.0	8.3	8.00	(0.7)	N.A.
12/31/91	6.6	7.0	25.2	8.00	2.1	N.A.

Average Payroll Growth over the last ten years: 3.9

Amortization of Unfunded Liability

<u>Valuation</u>	<u>Unfunded Liability</u>	<u>Amortization</u>
	<u>-\$-</u>	<u>-\$-</u>
01/01/2012	218,794,060	21,276,992
01/01/2013	212,330,846	21,702,533
01/01/2014	204,925,436	22,136,583
01/01/2015	196,498,017	22,579,314

01/01/2032	0	0

⁽¹⁾Based on mean actuarial asset values for periods ending 12/31.

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Cumulative Experience Position (Revised Asset Method)

I. Calculation of Expected Unfunded Actuarial Accrued Liability at 12/31/2007

	-\$-
A. Expected Unfunded Actuarial Accrued Liability at 12/31/2006	96,142,904
B. Entry Age Normal Cost for 2007 Year Paid or Payable by Employer	11,132,203
C. Contributions for 2007 Year Paid or Payable by Employer (Required)	24,333,786
D. Interest	<u>6,680,470</u>
E. Expected Unfunded Actuarial Accrued Liability at 12/31/2007	89,621,791
F. Additional Unfunded Actuarial Accrued Liability due to Assumption and Method Changes	2,918,826
G. Additional Unfunded Actuarial Accrued Liability due to Florida Law 99-1	<u>0</u>
H. Final Expected Unfunded Actuarial Accrued Liability at 12/31/2007	92,540,617

II. Determination of Net Cumulative Experience Position at 12/31/2007

A. Expected Unfunded Actuarial Liability as of December 31, 2007	92,540,617
B. Entry Age Reserve - Actives	189,252,958
- Inactives	<u>397,279,293</u>
- Total	586,532,251
C. Actuarial Asset Value	480,944,264
D. Actual Unfunded Actuarial Liability (B)-(C)	<u>105,587,987</u>
E. Cumulative Experience Gain (Loss) (A)-(D)	(13,047,370)

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Cumulative Experience Position

I. Calculation of Expected Unfunded Actuarial Accrued Liability at 12/31/2008

	-\$-
A. Expected Unfunded Actuarial Accrued Liability at 12/31/2007	92,540,617
B. Entry Age Normal Cost for 2008 Year Paid or Payable by Employer	11,555,203
C. Contributions for 2008 Year Paid or Payable by Employer (Required)	22,147,519
D. Interest	<u>7,010,764</u>
E. Expected Unfunded Actuarial Accrued Liability at 12/31/2008	88,959,065
F. Additional Unfunded Actuarial Accrued Liability due to Assumption and Method Changes	0
G. Additional Unfunded Actuarial Accrued Liability due to Florida Law 99-1	<u>0</u>
H. Final Expected Unfunded Actuarial Accrued Liability at 12/31/2008	88,959,065

II. Determination of Net Cumulative Experience Position at 12/31/2008

A. Expected Unfunded Actuarial Liability as of December 31, 2008	88,959,065
B. Entry Age Reserve - Actives	188,445,472
- Inactives	<u>425,592,486</u>
- Total	614,037,958
C. Actuarial Asset Value	444,447,527
D. Actual Unfunded Actuarial Liability (B)-(C)	<u>169,590,431</u>
E. Cumulative Experience Gain (Loss) (A)-(D)	(80,631,366)

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Cumulative Experience Position

I. Calculation of Expected Unfunded Actuarial Accrued Liability at 12/31/2009

	-\$-
A. (i) Expected Unfunded Actuarial Accrued Liability at 12/31/2008	88,959,065
(ii) Additional Unfunded Actuarial Accrued Liability at 12/31/2008	3,751,102
B. Entry Age Normal Cost for 2009 Year Paid or Payable by Employer	11,000,251
C. Contributions for 2009 Year Paid or Payable by Employer (Required)	28,091,712
D. Interest	<u>7,560,909</u>
E. Expected Unfunded Actuarial Accrued Liability at 12/31/2009	83,179,615
F. Additional Unfunded Actuarial Accrued Liability due to Assumption and Method Changes	0
G. Additional Unfunded Actuarial Accrued Liability due to Florida Law 99-1	<u>0</u>
H. Final Expected Unfunded Actuarial Accrued Liability at 12/31/2009	83,179,615

II. Determination of Net Cumulative Experience Position at 12/31/2009

A. Expected Unfunded Actuarial Liability as of December 31, 2009	83,179,615
B. Entry Age Reserve - Actives	221,933,075
- Inactives	<u>427,040,348</u>
- Total	648,973,423
C. Actuarial Asset Value	451,610,479
D. Actual Unfunded Actuarial Liability (B)-(C)	<u>197,362,944</u>
E. Cumulative Experience Gain (Loss) (A)-(D)	(114,183,329)

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Cumulative Experience Position

I. Calculation of Expected Unfunded Actuarial Accrued Liability at 12/31/2010

	-\$-
A. Expected Unfunded Actuarial Accrued Liability at 12/31/2009	83,179,615
B. Entry Age Normal Cost for 2010 Year Paid or Payable by Employer	12,431,797
C. Contributions for 2010 Year Paid or Payable by Employer (Required)	32,957,020
D. Interest	<u>7,215,820</u>
E. Expected Unfunded Actuarial Accrued Liability at 12/31/2010	69,870,212
F. Additional Unfunded Actuarial Accrued Liability due to Assumption and Method Changes	0
G. Additional Unfunded Actuarial Accrued Liability due to Florida Law 99-1	<u>0</u>
H. Final Expected Unfunded Actuarial Accrued Liability at 12/31/2010	69,870,212

II. Determination of Net Cumulative Experience Position at 12/31/2010

A. Expected Unfunded Actuarial Liability as of December 31, 2010	69,870,212
B. Entry Age Reserve - Actives	231,840,338
- Inactives	<u>442,389,564</u>
- Total	674,229,902
C. Actuarial Asset Value	482,181,230
D. Actual Unfunded Actuarial Liability (B)-(C)	<u>192,048,672</u>
E. Cumulative Experience Gain (Loss) (A)-(D)	<u>(122,178,460)</u>

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

Cumulative Experience Position

I. Calculation of Expected Unfunded Actuarial Accrued Liability at 12/31/2011

	-\$-
A. Expected Unfunded Actuarial Accrued Liability at 12/31/2010	69,870,212
B. Entry Age Normal Cost for 2011 Year Paid or Payable by Employer	12,529,751
C. Contributions for 2011 Year Paid or Payable by Employer (Required)	33,391,584
D. Interest	<u>6,199,564</u>
E. Expected Unfunded Actuarial Accrued Liability at 12/31/2011	55,207,943
F. Additional Unfunded Actuarial Accrued Liability due to Assumption and Method Changes	17,891,215
G. Additional Unfunded Actuarial Accrued Liability due to Florida Law 99-1	<u>0</u>
H. Final Expected Unfunded Actuarial Accrued Liability at 12/31/2011	73,099,158

II. Determination of Net Cumulative Experience Position at 12/31/2011

A. Expected Unfunded Actuarial Liability as of December 31, 2011	73,099,158
B. Entry Age Reserve - Actives	258,775,372
- Inactives	<u>465,337,441</u>
- Total	724,112,813
C. Actuarial Asset Value	505,318,753
D. Actual Unfunded Actuarial Liability (B)-(C)	<u>218,794,060</u>
E. Cumulative Experience Gain (Loss) (A)-(D)	<u>(145,694,902)</u>

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

City Contribution Requirements
(Police, Fire Separately)

	<u>Total (1)</u>	<u>Police (2)</u>	<u>Fire (3)</u>
	-\$-	-\$-	-\$-
I. <u>Unfunded Actuarial Accrued Liability</u>			
A. Entry Age Reserve			
Active Members	258,775,372	137,853,467	120,921,905
Inactive Members	<u>465,337,441</u>	<u>282,461,199</u>	<u>182,876,242</u>
Total	724,112,813	420,314,666	303,798,147
B. Actuarial Asset Value	505,318,753	293,314,632 ⁽¹⁾	212,004,121 ⁽²⁾
C. Unfunded Actuarial Liability (UAAL)	218,794,060	127,000,034	91,794,026
II. <u>Normal Cost</u>			
A. Present Value of Future Benefits			
1. Active Members			
a. Retirement	381,015,731	208,218,555	172,797,176
b. Turnover	7,270,857	3,997,520	3,273,337
c. Disability	11,948,950	6,740,296	5,208,654
d. Death	3,414,442	1,848,761	1,565,681
e. Refunds	<u>1,514,340</u>	<u>1,009,858</u>	<u>504,482</u>
f. Total	405,164,320	221,814,990	183,349,330
2. Retired Members and Beneficiaries			
a. Service Retirements & Beneficiaries	434,745,021	266,272,549	168,472,472
b. Disability Retirements	7,966,637	5,353,189	2,613,448
c. Terminated Vested Members	6,925,119	4,037,243	2,887,876
d. DROP Account Balances	<u>15,700,664</u>	<u>6,798,218</u>	<u>8,902,446</u>
e. Total	465,337,441	282,461,199	182,876,242
3. Total	870,501,761	504,276,189	366,225,572

(1) [1 (I (B)/I (A))] X 2 (I (A))

(2) [1 (I (B)/I (A))] X 3 (I (A))

**CITY OF FORT LAUDERDALE
POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM**

City Contribution Requirements
(Police, Fire Separately)

	<u>Total (1)</u>	<u>Police (2)</u>	<u>Fire (3)</u>
	-\$-	-\$-	-\$-
II. <u>Normal Cost (Cont'd.)</u>			
A. Entry Age Normal Cost	17,729,936	9,915,719	7,814,217
B. Covered Payroll	65,318,290	36,386,098	28,932,192
C. Entry Age Normal Cost Percentage	27.14%	27.25%	27.01%
III. <u>City Contribution Requirements</u>			
A. Entry Age Normal Cost	17,729,936	9,915,719	7,814,217
B. Amortization of UAAL	21,276,992	12,350,329 ⁽³⁾	8,926,663 ⁽⁴⁾
C. Expenses*	506,000	301,654	204,346
D. Interest	<u>587,649</u>	<u>335,634</u>	<u>252,015</u>
E. Total Contribution	40,100,577	22,903,336	17,197,241
F. Expected Member Contributions	5,395,802	3,005,777	2,390,025
G. Expected State Contributions	<u>2,724,071</u>	<u>1,831,291</u>	<u>892,780</u>
H. Net Expected City Contribution Requirement	31,980,704	18,066,268	13,914,436

*Allocated based on member count.

Notes:

(3) $1(\text{III (B)}) \times (2 (\text{I (C)})/1 (\text{I (C)}))$

(4) $1(\text{III (B)}) \times (3 (\text{I (C)})/1 (\text{I (C)}))$