

Village of Key Biscayne Police Officers and Firefighters Retirement Plan

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2010

ANNUAL EMPLOYER CONTRIBUTION IS DETERMINED BY THIS VALUATION FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2012

January 25, 2011

Board of Trustees
Key Biscayne Police Officers &
Firefighters Retirement Plan
Key Biscayne, Florida

Dear Board Members:

We are pleased to present our October 1, 2010 Actuarial Valuation Report for the Plan. The purpose of the Report is to set forth required contribution levels, to disclose plan assets and actuarial liabilities, to comment on funding progress and to provide supporting information regarding the operation of the Plan. This Report is also designed to comply with requirements of the State.

The valuation was performed on the basis of employee, retiree and financial information supplied by the Board. We did not audit this information.

The benefits valued are outlined at the end of the Report. Actuarial assumptions and the actuarial cost method are also described herein.

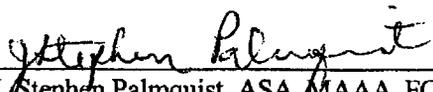
This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate. In my opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. 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.

As indicated below, the undersigned is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the Academy of Actuaries to render the actuarial opinion herein.

We will be pleased to answer any questions pertaining to the valuation and to meet with you to review this Report.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 
J. Stephen Palmquist, ASA, MAAA, FCA
Enrolled Actuary No. 08-1560

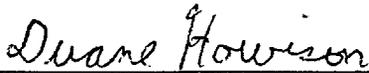
By 
Duane Howison, FSA
Enrolled Actuary No. 08-6169

TABLE OF CONTENTS

<u>Section</u>	<u>Title</u>	<u>Page</u>
A	1. Discussion of Valuation Results	1
	2. Chapter Revenue	4
B	Valuation of Results	
	1. Participant Data	5
	2. Annual Required Contribution (ARC)	6
	3. Actuarial Value of Benefits & Assets	7
	4. Calculation of Employer Normal Cost	8
	5. Liquidation of the Unfunded Actuarial Accrued Liability	9
	6. Actuarial Gains and Losses	10
	7. Actual Compared to Expected Decrements	13
	8. Recent History of Valuation Results	14
	9. Recent History of Required Contributions	15
	10. Actuarial Assumptions and Cost Method	16
11. Glossary of Terms	20	
C	Pension Fund Information	
	1. Summary of Assets	23
	2. Summary of Fund's Income and Disbursements	24
	3. Investment Rate of Return	27
D	Financial Accounting Information	
	1. FASB No. 35	28
	2. GASB No. 25	29
	3. GASB No. 27	31
E	Miscellaneous Information	
	1. Reconciliation of Membership Data	33
	2. Age/Service/Salary Distributions	34
F	Summary of Plan Provisions	36

SECTION A
DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Contributions

The following is the required contribution developed in this year's actuarial valuation compared to last year's valuation.

	For FYE 9/30/12 Based on 10/01/10 Valuation	For FYE 9/30/11 Based on 10/01/09 Valuation	Increase (Decrease)
Required Employer/State Contribution	\$ 1,125,811	\$ 1,152,543	\$ (26,732)
As % of Covered Payroll	15.94 %	15.97 %	(0.03) %
Allowable Credit for State Contribution	280,602	232,357	48,245
As % of Covered Payroll	3.97 %	3.22 %	0.75 %
Required Employer Contribution	845,209	920,186	(74,977)
As % of Covered Payroll	11.97 %	12.75 %	(0.78) %

The contribution has been adjusted for interest on the basis that employer contributions are made in equal payments at the end of each month.

Contribution requirements can be met either by contributing the dollar amount or the percentage of payroll shown in the above chart. For the year ending September 30, 2010, the City contributed based on a percentage of payroll. Since this method was used last year, the City should continue this method. The actual employer contribution during the year ending September 30, 2010 was \$705,275, an amount equal to the minimum required payment of \$705,275.

Revisions in Benefits

There have been no revisions in benefits since the last valuation.

Revision in Actuarial Assumptions or Methods

There have been no revisions in actuarial assumptions or methods since the last valuation. We recommend that the investment return assumption be lowered to no greater than 7.5% and that the assumed

mortality rates be changed to a more recent table.

Actuarial Experience

There was a net actuarial gain of \$446,067 for the year. The gain was due to less than expected salary increases. This experience has caused the required contribution to decrease by 0.40% of covered payroll.

Analysis of Change in Employer Contribution

The components of change in the required employer contribution are as follows:

Contribution rate last year	12.75 %
Payment on unfunded liability	0.39
Experience gain/loss	(0.40)
Change in administrative expense	0.15
Change in normal cost rate	(0.17)
Change in State revenue	<u>(0.75)</u>
Contribution rate this year	11.97

Funded Ratio

The funded ratio this year is 72.1% compared to 67.8% last year. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

Variability of Future Contribution Rates

The Actuarial Cost Method used to determine the contribution rate is intended to produce contribution rates which are generally level as a percent of payroll. Even so, when experience differs from the assumptions, as it often does, the employer's contribution rate can vary significantly from year-to-year.

Over time, if the year-to-year gains and losses offset each other, the contribution rate would be expected to return to the current level, but this does not always happen.

The Actuarial Value of Assets exceeds the Market Value of Assets by \$956,572 as of the valuation date (see Section C). This difference will be gradually recognized over the next five years in the absence of offsetting gains. In turn, the computed employer contribution rate will increase by approximately 0.86% of covered payroll over the same period.

Relationship to Market Value

If Market Value had been the basis for the valuation, the City contribution rate would have been 12.83% and the funded ratio would have been 67.4%. In the absence of other gains and losses, the City contribution rate should increase to this value over the next several years.

The remainder of this Report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, and a summary of plan provisions.

CHAPTER REVENUE

Increments in Chapter revenue over that received in 1998 must first be used to fund the cost of compliance with minimum benefits. Once minimums are met, any subsequent additional Chapter revenue must be used to provide extra benefits.

As of the valuation date, all minimum Chapter requirements have been met.

Actuarial Confirmation of the Use of State Chapter Money			
	Fire	Police	Total
1. Base Amount Previous Plan Year	\$ 235,255	\$ 45,347	280,602
2. Amount Received for Previous Plan Year	249,892	112,304	362,196
3. Benefit Improvements Made in Previous Plan Year	0	0	0
4. Excess Funds for Previous Plan Year: (2) - (1) - (3)	14,637	66,957	81,594
5. Accumulated Excess at Beginning of Previous Year	0	238,559	238,559
6. Prior Excess Used in Previous Plan Year	14,637 *	0	14,637
7. Accumulated Excess as of Valuation Date (Available for Benefit Improvements)	0	305,516	305,516
8. Base Amount This Plan Year	235,255	45,347	280,602

* To Share Plan

The Accumulated Excess shown in line 7 is being held in reserve to pay for additional benefits. The reserve is subtracted from Plan assets (see Section C of this Report). The Base Amount in line 8 is the maximum amount the employer may take as a credit against its required contribution; however, in no event may the employer take credit for more than the actual amount of Chapter revenue received.

SECTION B
VALUATION RESULTS

PARTICIPANT DATA		
	October 1, 2010	October 1, 2009
ACTIVE MEMBERS		
Number	65	67
Covered Annual Payroll	\$ 6,663,025	\$ 6,808,421
Average Annual Payroll	\$ 102,508	\$ 101,618
Average Age	42.5	42.6
Average Past Service	9.8	8.9
Average Age at Hire	32.7	33.7
RETIREES & BENEFICIARIES & DROP		
Number	16	13
Annual Benefits	\$ 240,926	\$ 190,094
Average Annual Benefit	\$ 15,058	\$ 14,623
Average Age	63.9	63.6
DISABILITY RETIREES		
Number	0	0
Annual Benefits	\$ 0	\$ 0
Average Annual Benefit	\$ 0	\$ 0
Average Age	0.0	0.0
TERMINATED VESTED MEMBERS		
Number	3	3
Annual Benefits	\$ 60,849	\$ 60,849
Average Annual Benefit	\$ 20,283	\$ 20,283
Average Age	44.4	43.4

ANNUAL REQUIRED CONTRIBUTION (ARC)		
A. Valuation Date	October 1, 2010	October 1, 2009
B. ARC to Be Paid During Fiscal Year Ending	9/30/2012	9/30/2011
C. Assumed Date of Employer Contrib.	Monthly	Monthly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 354,062	\$ 362,404
E. Employer Normal Cost	662,950	678,462
F. ARC if Paid on the Valuation Date: D+E	1,017,012	1,040,866
G. ARC Adjusted for Frequency of Payments	1,062,081	1,086,992
H. ARC as % of Covered Payroll	15.94 %	15.97 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	6.00 %	6.00 %
J. Covered Payroll for Contribution Year	7,062,807	7,216,926
K. ARC for Contribution Year: H x J	1,125,811	1,152,543
L. Credit for Baseline State Revenue	280,602	232,357
M. Required Village Contribution	845,209	920,186
N. Village Contribution as % of Payroll	11.97 %	12.75 %

ACTUARIAL VALUE OF BENEFITS AND ASSETS		
A. Valuation Date	October 1, 2010	October 1, 2009
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 22,546,506	\$ 21,720,354
b. Vesting Benefits	1,951,278	1,950,603
c. Disability Benefits	1,699,720	1,735,771
d. Preretirement Death Benefits	488,269	483,112
e. Return of Member Contributions	51,371	61,683
f. Total	26,737,144	25,951,523
2. Inactive Members		
a. Service Retirees & Beneficiaries	2,293,237	1,800,893
b. Disability Retirees	-	-
c. Terminated Vested Members	289,196	265,999
d. Total	2,582,433	2,066,892
3. Total for All Members	29,319,577	28,018,415
C. Actuarial Accrued (Past Service) Liability per GASB No. 25	20,284,931	18,495,824
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	15,415,621	13,216,144
E. Plan Assets		
1. Market Value	13,668,534	11,140,505
2. Actuarial Value	14,625,108	12,548,462
F. Unfunded Actuarial Accrued Liability: C - E2	5,659,823	5,947,362
G. Actuarial Present Value of Projected Covered Payroll	48,958,328	51,198,469
H. Actuarial Present Value of Projected Member Contributions	5,140,625	5,375,839

CALCULATION OF EMPLOYER NORMAL COST		
A. Valuation Date	October 1, 2010	October 1, 2009
B. Normal Cost for		
1. Service Retirement Benefits	\$ 953,315	982,518
2. Vesting Benefits	129,731	127,751
3. Disability Benefits	170,824	182,977
4. Preretirement Death Benefits	22,161	21,843
5. Return of Member Contributions	24,920	25,050
6. Total for Future Benefits	1,300,951	1,340,139
7. Assumed Amount for Administrative Expenses	61,617	53,207
8. Total Normal Cost	1,362,568	1,393,346
C. Expected Member Contribution	699,618	714,884
D. Employer Normal Cost: B8-C	662,950	678,462
E. Employer Normal Cost as a % of Covered Payroll	9.95%	9.97%

LIQUIDATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

A. UAAL Amortization Period and Payments

Original UAAL			Current UAAL		
Date	Source	Amount	Years Remaining	Amount	Payment
10/1/2005	New Method	\$ 3,675,960	25	\$ 4,089,412	\$ 259,659
10/1/2006	Exp. (Gain)/Loss	(239,898)	26	(261,609)	(16,253)
10/1/2007	Exp. (Gain)/Loss	(250,274)	27	(270,290)	(16,453)
10/1/2007	Plan Amendment	953,229	27	1,029,463	62,664
10/1/2008	Exp. (Gain)/Loss	969,816	28	1,018,019	60,788
10/1/2009	Exp. (Gain)/Loss	969,817	29	500,897	29,374
10/1/2010	Exp. (Gain)/Loss	(446,069)	30	(446,069)	(25,717)
				5,659,823	354,062

B. Amortization Schedule

The UFAAL is being amortized as a level percent of payroll over the number of years remaining in the amortization period. The expected amortization schedule is as follows:

Amortization Schedule	
Year	Expected UAAL
2010	\$ 5,659,823
2011	5,756,757
2012	5,846,558
2013	5,928,011
2014	5,999,767
2015	6,060,338
2020	6,131,744
2025	5,593,288
2030	3,997,889
2035	642,977
2040	-

ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gain (loss) for the past year has been computed as follows:

A. Derivation of the Current UAAL	
1. Last Year's UAAL	\$ 5,947,362
2. Last Year's Employer Normal Cost	611,486
3. Last Year's Contributions	985,877
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	557,502
b. 3 from dates paid	24,581
c. a - b	<u>532,921</u>
5. This Year's Expected UAAL: 1 + 2 - 3 + 4c	6,105,892
6. This Year's Actual UAAL (Before any changes in benefits and assumptions)	5,659,823
7. Net Actuarial Gain (Loss): (5) - (6)	446,069
8. Gain (Loss) due to investments	(481,486)
9. Gain (Loss) due to other sources	927,555

Actuarial gains in previous years have been as follows:

Year Ending	Gain (Loss)
9/30/2003	\$ (101,019)
9/30/2004	154,345
9/30/2005	420,933
9/30/2006	239,897
9/30/2007	250,274
9/30/2008	(969,816)
9/30/2009	(486,402)
9/30/2009	446,069

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they are in line with actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last few years:

Year Ending	Investment Return		Salary Increases	
	Actual	Assumed	Actual	Assumed
9/30/1998	4.6 %	9.0 %	NA %	6.0 %
9/30/1999	9.2	9.0	13.8	6.0
9/30/2000	7.1	9.0	14.9	6.0
9/30/2001	(25.1)	9.0	7.8	6.0
9/30/2002	(5.0)	9.0	11.1	6.0
9/30/2003	2.7	9.0	9.4	6.0
9/30/2004	4.3	9.0	15.8	6.0
9/30/2005	5.5	9.0	3.2	6.0
9/30/2006	7.2	8.5	8.6	7.7
9/30/2007	9.5	8.5	7.6	7.5
9/30/2008	5.0	8.5	12.6	7.7
9/30/2009	4.7	8.5	6.0	7.7
9/30/2010	5.0	8.5	1.1	7.7
Averages	2.2 %	NA	9.2 %	NA

The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuation both at the beginning and at the end of each year.

Actual (A) Compared to Expected (E) Decrements Among Active Employees													
Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Vested	Other	Totals		
											A	E	
9/30/2002	5	5	1	0	0	0	1	0	0	3	3	3	57
9/30/2003	9	5	2	0	0	0	0	0	1	2	3	3	61
9/30/2004	15	10	0	0	0	0	0	0	4	6	10	3	66
9/30/2005	6	4	0	0	0	0	0	0	1	3	4	3	68
9/30/2006	7	11	2	0	0	0	0	0	3	6	9	3	64
9/30/2007	11	10	1	0	0	0	0	0	2	7	9	2	65
9/30/2008	4	3	0	0	0	0	0	0	0	3	3	3	66
9/30/2009	2	1	0	0	0	0	0	0	0	1	1	3	67
9/30/2010	1	3	3	0	0	0	0	0	0	0	0	3	65
9/30/2011				0		0		0					
9 Yr Totals *	60	52	9	0	0	0	1	0	11	31	42	26	

* Totals are through current Plan Year only

RECENT HISTORY OF VALUATION RESULTS							
Valuation Date	Number of		Covered Annual Payroll	Actuarial Value of Assets	UFAAL	Employer Normal Cost	
	Active Members	Inactive Members				Amount	% of Payroll
10/1/98	54	0	\$ 2,767,854	\$ 436,085	\$ 0	\$ 1,420	0.05 %
10/1/99	53	3	3,050,178	909,074	0	2,500	0.08
10/1/00	56	4	3,472,773	1,296,095	0	42,866	1.23
10/1/01	57	4	3,732,996	1,824,306	0	358,278	9.60
10/1/02	57	6	3,984,900	2,360,957	0	441,532	11.08
10/1/03	61	9	4,278,629	3,309,812	0	488,833	11.42
10/1/04	66	11	5,091,213	4,400,914	0	744,133	14.62
10/1/05	68	11	5,320,018	5,703,772	3,675,960	486,957	9.15
10/1/06	64	14	5,355,088	7,255,222	3,527,604	524,414	9.79
10/1/07	65	16	5,740,991	9,017,393	3,318,314	521,654	9.09
10/1/2007 (AIS)	65	16	5,740,991	9,017,393	4,271,543	577,058	10.05
10/1/08	66	16	6,365,246	10,682,895	5,366,586	611,486	9.61
10/1/09	67	16	6,808,421	12,548,462	5,947,362	678,462	9.97
10/1/10	65	19	6,663,025	14,625,108	5,659,823	662,950	9.95

RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS										
Valuation Date	End of Year To Which Valuation Applies	Required Contributions						Actual Contributions		
		Employer & State		State Credit		Net Remaining *		Employer	State	Total
		Amount	% of Payroll	Amount	% of Payroll	Amount	% of Payroll			
NA	9/30/98	\$ -	0.00 %	\$ 0	0.00 %	\$ 0	0.00 %	\$ 0	\$ 32,525	\$ 32,525
10/1/98	9/30/99	1,497	0.05	32,525	1.17	0	0.00	0	32,525	32,525
10/1/99	9/30/00	2,636	0.09	32,525	1.07	0	0.00	0	0	0
10/1/00	9/30/01	45,199	1.30	66,797	1.92	0	0.00	34,272	99,322	133,594
10/1/01	9/30/02	377,777	10.12	32,525	0.87	345,252	9.25	300,382	32,525	332,907
10/1/02	9/30/03	465,562	11.68	32,525	0.82	433,037	10.86	397,275	68,287	465,562
10/1/03	9/30/04	515,437	12.05	32,525	0.77	482,912	11.28	477,606	96,559	574,165
10/1/04	9/30/05	764,420	15.41	158,284	3.19	606,136	12.22	593,609	158,284	751,893
10/1/05	9/30/06	729,857	13.72	158,284	2.98	571,573	10.74	571,573	158,284	729,857
10/1/05	9/30/07	773,701	13.72	158,284	2.81	615,417	10.91	615,417	158,284	773,701
10/1/06	9/30/08	839,400	14.27	158,284	2.79	651,737	11.48	681,116	158,284	839,400
10/1/07**	9/30/09	920,120	15.12	280,602	4.61	639,518	10.51	726,568	232,357	958,925
10/1/08	9/30/10	968,173	15.32	280,602	4.44	687,571	11.16	705,275	280,602	985,877
10/1/09	9/30/11	1,152,543	15.97	232,357	3.22	920,186	12.75			
10/1/10	9/30/12	1,125,811	15.94	280,602	3.97	845,209	11.97	---	---	---

* To be paid by Employer

** After Plan Changes

ACTUARIAL ASSUMPTIONS AND METHODS

Valuation Methods

Actuarial Cost Method - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

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

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities - Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) percent-of-payroll contributions over a reasonable period of future years.

Actuarial Value of Assets - The Actuarial Value of Assets phase in the difference between the expected actuarial value and actual market value of assets at the rate of 20% per year. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Market Value of plan assets and whose upper limit is 120% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

Valuation Assumptions

The actuarial assumptions used in the valuation are shown in this Section. Both the economic and decrement assumptions were established following the Experience Study Report as of October 1, 2006.

Economic Assumptions

The investment return rate assumed in the valuations is 8.5% per year, compounded annually (net after investment expenses).

The **Wage Inflation Rate** assumed in this valuation was 4.00% per year. The Wage Inflation Rate is defined to be the portion of total pay increases for an individual that are due to macro economic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

The assumed **real rate of return** over wage inflation is defined to be the portion of total investment return that is more than the assumed wage inflation rate. Considering other economic assumptions, the 8.50% investment return rate translates to an assumed real rate of return over wage inflation of 4.50%.

The active member population is assumed to remain constant. For purposes of financing the unfunded liabilities, total payroll is assumed to grow at 4.00% per year. The most recent ten year average is 6.73%. This is the assumed payroll growth increase over the long term. In the short term, payroll growth is expected to increase more rapidly. The short term payroll growth assumption is 6.00%.

Pay increase assumptions for individual active members are shown below. Part of the assumption for each age is for merit and/or seniority increase, and the other 4.00% recognizes wage inflation, including price inflation, productivity increases, and other macro economic forces.

The rates of salary increase used for individual members are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which benefits will be based.

Years of Service	% Increase in Salary		
	Merit and Seniority	Base (Economic)	Total Increase
1-10	5.4%	4.0%	9.4%
11-15	2.0%	4.0%	6.0%
16-20	2.5%	4.0%	6.5%
21+	0.0%	4.0%	4.0%

Demographic Assumptions

The mortality table was the 1983 Group Annuity Mortality table for Males and Females.

Sample Attained Ages	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	0.39 %	0.16 %	29.23
55	0.61	0.25	24.87	30.28
60	0.92	0.42	20.68	25.71
65	1.56	0.71	16.73	21.33
70	2.75	1.24	13.22	17.17
75	4.46	2.40	10.20	13.42
80	7.41	4.29	7.68	10.24

This assumption is used to measure the probabilities of each benefit payment being made after retirement. For active members, the probabilities of dying before retirement were based upon the same mortality table as members dying after retirement.

For disabled retirees, the regular mortality tables are set forward 5 years in ages to reflect impaired longevity.

The rate of retirement is 100% for in the first year of eligibility for normal retirement.

The rates of retirement for each year of eligibility for early retirement are as follows:

Number of Years After First Eligibility for Early Retirement	Probability of Early Retirement
0	1.20 %
1	1.05 %
2	0.90 %
3	0.75 %
4	0.60 %

Rates of separation from active membership were as shown below (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	% of Active Members Separating Within Next Year
20	9.00 %
25	8.55
30	7.50
35	5.70
40	3.90
45	2.40
50	1.20
55	0.45
60+	0.30

Rates of disability among active members. (75% of future disability retirements are assumed to be service-connected.)

Sample Ages	% Becoming Disabled within Next Year
20	0.14 %
25	0.15
30	0.18
35	0.23
40	0.30
45	0.51
50	1.00
55	1.55

Miscellaneous and Technical Assumptions

<i>Administrative & Investment Expenses</i>	The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the average of the expenses over the previous 2 years. Assumed administrative expenses are added to the Normal Cost.
<i>Benefit Service</i>	Exact fractional service is used to determine the amount of benefit payable.
<i>Decrement Operation</i>	Disability and mortality decrements operate during retirement eligibility.
<i>Decrement Timing</i>	Decrements of all types are assumed to occur at the beginning of the year.
<i>Eligibility Testing</i>	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.
<i>Forfeitures</i>	For vested separations from service, it is assumed that 0% of members separating will withdraw their contributions and forfeit an employer financed benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions.
<i>Incidence of Contributions</i>	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.
<i>Marriage Assumption</i>	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
<i>Normal Form of Benefit</i>	A ten-year certain and life benefit is the normal form of benefit.
<i>Pay Increase Timing</i>	Middle of fiscal year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
<i>Service Credit Accruals</i>	It is assumed that members accrue one year of service credit per year.

GLOSSARY

<i>Actuarial Accrued Liability (AAL)</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
<i>Actuarial Cost Method</i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value (APV)</i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i>Actuarial Present Value of Future Benefits (APVFB)</i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i>Actuarial Valuation</i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 25, such as the Funded Ratio and the Annual Required Contribution (ARC).
<i>Actuarial Value of Assets</i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution (ARC).

<i>Amortization Method</i>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<i>Amortization Payment</i>	That portion of the plan contribution or ARC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Annual Required Contribution (ARC)</i>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB No. 25. The ARC consists of the Employer Normal Cost and Amortization Payment.
<i>Closed Amortization Period</i>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<i>Experience Gain/Loss</i>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<i>GASB</i>	Governmental Accounting Standards Board.
<i>GASB No. 25 and GASB No. 27</i>	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 27 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 25 sets the rules for the systems themselves.
<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<i>Open Amortization Period</i>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<i>Valuation Date</i>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

SECTION C
PENSION FUND INFORMATION

Statement of Plan Assets at Market Value

Item	September 30	
	2010	2009
A. Cash and Cash Equivalents (Operating Cash)	\$ -	\$ -
B. Receivables:		
1. Member Contributions	\$ -	\$ -
2. Employer Contributions	85,608	7,857
3. State Contributions	23,723	105,880
4. Investment Income and Other Receivables	-	-
5. Prepaid Expenses	-	-
6. Total Receivables	\$ 109,331	\$ 113,737
C. Investments		
1. Short Term Investments	\$ 292,257	\$ 944,108
2. Domestic Equities	6,880,175	5,964,889
3. International Equities	1,294,891	1,088,153
4. Domestic Fixed Income	5,412,033	4,036,082
5. International Fixed Income	-	-
6. Real Estate	-	-
7. Private Equity	-	-
8. ICMA (DROP Accounts)	32,484	-
9. Total Investments	\$ 13,911,840	\$ 12,033,232
D. Liabilities		
1. Benefits/Refunds Payable	\$ -	\$ -
2. Accrued Expenses and Other Payables	-	-
3. Total Liabilities	\$ -	\$ -
E. Total Market Value of Assets Available for Benefits	\$ 14,021,171	\$ 12,146,969
F. Reserves		
1. State Contribution Reserve	\$ (305,516)	\$ (238,559)
2. Share Plan	(14,637)	(767,905)
3. DROP Accounts	(32,484)	-
4. Total Reserves	\$ (352,637)	\$ (1,006,464)
G. Market Value Net of Reserves	\$ 13,668,534	\$ 11,140,505
H. Allocation of Investments		
1. Short Term Investments	2.1%	7.8%
2. Domestic Equities	49.5%	49.6%
3. International Equities	9.3%	9.0%
4. Domestic Fixed Income	38.9%	33.6%
5. International Fixed Income	0.0%	0.0%
6. Real Estate	0.0%	0.0%
7. Private Equity	0.0%	0.0%
8. ICMA	0.2%	0.0%
9. Total Investments	100.0%	100.0%

Item	September 30	
	2010	2009
A. Market Value of Assets at Beginning of Year	\$ 12,146,969	\$ 10,343,297
B. Revenues and Expenditures		
1. Contributions		
a. Employee Contributions	\$ 663,565	\$ 665,920
b. Employer Contributions	705,275	726,568
c. State Contributions	362,195	292,890
d. Other Income	-	-
e. Total	\$ 1,731,035	\$ 1,685,378
2. Investment Income		
a. Interest, Dividends, and Other Income	\$ 97,906	\$ 105,982
b. Net Realized Gains/(Losses)	601,120	(580,078)
c. Net Unrealized Gains/(Losses)	544,690	1,023,764
d. Investment Expenses	(90,988)	(99,518)
e. Net Investment Income	\$ 1,152,728	\$ 450,150
3. Benefits and Refunds		
a. Refunds	\$ -	\$ (70,088)
b. Regular Monthly Benefits	(190,093)	(190,093)
c. DROP Plan Payments	-	-
d. Share Plan Payments	(767,909)	-
e. Total	\$ (958,002)	\$ (260,181)
4. Administrative and Miscellaneous Expenses	\$ (51,559)	\$ (71,675)
5. Transfers	\$ -	\$ -
C. Market Value of Assets at End of Year	\$ 14,021,171	\$ 12,146,969
D. Reserves		
1. State Contribution Reserve	\$ (305,516)	\$ (238,559)
2. Share Plan	(14,637)	(767,905)
3. DROP Accounts	(32,484)	-
4. Total Reserves	\$ (352,637)	\$ (1,006,464)
E. Market Value Net of Reserves	\$ 13,668,534	\$ 11,140,505

	2006	2007	2008	2009	2010
A. Beginning of Year Assets					
1. Market Value	\$ 6,110,989	\$ 7,854,858	\$ 10,269,233	\$ 10,343,297	\$ 12,146,969
2. Actuarial Value	5,977,863	7,688,578	9,752,707	11,628,826	13,554,926
B. Net of Contributions					
Less Disbursements	1,234,319	1,272,759	1,352,092	1,353,522	721,474
C. Actual Net Investment Earnings	509,550	1,141,616	(1,278,028)	450,150	1,152,728
D. Expected Investment Earnings	560,577	707,621	886,444	1,045,975	1,182,831
E. Excess of Actual Over Expected Investment Earnings: C - D	(51,027)	433,995	(2,164,472)	(595,825)	(30,103)
F. Recognition of Excess Earnings Over 5 Years					
1. From This Year	(10,205)	86,799	(432,894)	(119,165)	(6,021)
2. From One Year Ago	2,068	(10,205)	86,799	(432,894)	(119,165)
3. From Two Years Ago	(8,185)	2,068	(10,205)	86,799	(432,894)
4. From Three Years Ago	13,272	(8,185)	2,068	(10,205)	86,799
5. From Four Years Ago	(81,131)	13,272	(8,185)	2,068	(10,205)
6. Total	(84,181)	83,749	(362,417)	(473,397)	(481,486)
G. End of Year Assets					
1. Market Value	7,854,858	10,269,233	10,343,297	12,146,969	14,021,171
2. Actuarial Value:					
A2 + B + D + F6	7,688,578	9,752,707	11,628,826	13,554,926	14,977,745
3. Final Actuarial Value Within 80% to 120% Of Market Value	7,688,578	9,752,707	11,628,826	13,554,926	14,977,745
4. Less: State, DROP and Share Plan Reserves	433,356	735,314	945,931	1,006,464	352,637
5. Final Actuarial Value	7,255,222	9,017,393	10,682,895	12,548,462	14,625,108

* Net of Investment Related Expenses

RECONCILIATION OF DROP ACCOUNTS	
Value at beginning of year	\$ 0
Payments credited to accounts	+ 31,163
Investment Earnings credited	+ 1,321
Withdrawals from accounts	- <u>0</u>
Value at end of year	32,484

INVESTMENT RATE OF RETURN

The investment rate of return has been calculated on the following bases:

- Basis 1** - Interest, dividends, realized gains (losses) and unrealized appreciation (depreciation) divided by the weighted average of the market value of the fund during the year. This figure is normally called the Total Rate of Return.
- Basis 2** - Investment earnings recognized in the Actuarial Value of Assets divided by the weighted average of the Actuarial Value of Assets during the year.

Year Ended	Investment Rate of Return	
	Basis 1 *	Basis 2
9/30/98	5.6 %	4.6 %
9/30/99	9.7	9.2
9/30/00	8.1	7.1
9/30/01	(24.4)	(25.1)
9/30/02	(11.7)	(5.0)
9/30/03	14.3	2.7
9/30/04	8.9	4.3
9/30/05	9.3	5.5
9/30/06	7.6	7.2
9/30/07	13.4	9.5
9/30/08	(11.8)	5.0
9/30/09	4.1	4.7
9/30/10	9.2	5.0
Average Compounded Rate of Return for Number of Years Shown	2.6 %	2.2 %
Average Compounded Rate of Return for Last 5 Years	4.1 %	6.3 %

* Net rates after 2004.

SECTION D
FINANCIAL ACCOUNTING INFORMATION

FASB NO. 35 INFORMATION		
A. Valuation Date	October 1, 2010	October 1, 2009
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	\$ 2,293,237	\$ 1,800,893
b. Terminated Vested Members	289,196	265,999
c. Other Members	<u>12,303,667</u>	<u>10,607,565</u>
d. Total	14,886,100	12,674,457
2. Non-Vested Benefits	529,521	541,687
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	15,415,621	13,216,144
4. Accumulated Contributions of Active Members	4,813,405	4,313,445
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	13,216,144	11,288,633
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment	-	-
b. Change in Actuarial Assumptions	-	-
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	3,157,479	2,187,692
d. Benefits Paid	<u>(958,002)</u>	<u>(260,181)</u>
e. Net Increase	2,199,477	1,927,511
3. Total Value at End of Period	15,415,621	13,216,144
D. Market Value of Assets	13,668,534	11,140,505
E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

SCHEDULE OF FUNDING PROGRESS
(GASB Statement No. 25)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b - a) / c
10/1/1998	\$ 436,085	\$ 1,402,921	\$ 966,836	31.1 %	\$ 2,767,854	34.9 %
10/1/1999	909,074	1,952,060	1,042,986	46.6	3,050,178	34.2
10/1/2000	1,296,095	2,483,593	1,187,498	52.2	3,472,773	34.2
10/1/2001	1,824,306	4,394,237	2,569,931	41.5	3,732,996	68.8
10/1/2002	2,360,957	5,430,198	3,069,241	43.5	3,984,900	77.0
10/1/2003	3,309,812	6,678,603	3,368,791	49.6	4,278,629	78.7
10/1/2004	4,400,914	8,021,413	3,620,499	54.9	4,960,542	73.0
10/1/2005	5,703,772	9,379,732	3,675,960	60.8	5,320,018	69.1
10/1/2006	7,255,222	10,782,826	3,527,604	67.3	5,355,088	65.9
10/1/2007	9,017,393	12,335,707	3,318,314	73.1	5,740,991	57.8
10/1/2007 (AIS)	9,017,393	13,288,936	4,271,543	67.9	5,740,991	74.4
10/1/2008	10,682,895	16,049,481	5,366,586	66.6	6,365,246	84.3
10/1/2009	12,548,462	18,495,824	5,947,362	67.8	6,808,421	87.4
10/1/2010	14,625,108	20,284,931	5,659,823	72.1	6,663,025	84.9

**SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND
THE STATE OF FLORIDA
(GASB Statement No. 25)**

Year Ended September 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
1998	\$ 0	\$ 32,525	N/A %
1999	1,497	32,525	2,173
2000	2,626	0	0
2001	45,199	133,594	100
2002	377,777	332,907	88
2003	465,562	465,562	100
2004	515,437	574,165	111
2005	764,420	751,893	98
2006	729,857	729,857	100
2007	773,701	773,701	100
2008	839,400	839,400	100
2009	958,925	958,925	100
2010	968,173	985,877	102

**ANNUAL PENSION COST AND NET PENSION OBLIGATION
(GASB STATEMENT NO. 27)**

Employer FYE September 30	2011	2010	2009
Annual Required Contribution (ARC)*	\$ 1,152,543	\$ 968,173	\$ 958,925
Interest on Net Pension Obligation (NPO)	(10,973)	(9,889)	(10,329)
Adjustment to ARC	(17,167)	(14,841)	(15,500)
Annual Pension Cost (APC)	1,158,737	973,125	964,096
Contributions made	**	985,877	958,925
Increase (decrease) in NPO	**	(12,752)	5,171
NPO at beginning of year	(129,093)	(116,341)	(121,512)
NPO at end of year	**	(129,093)	(116,341)

* Includes expected State contribution

** To be determined

THREE YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
9/30/2008	\$ 843,538	\$ 839,400	99.5 %	\$ (121,512)
9/30/2009	964,096	958,925	99.5	(116,341)
9/30/2010	973,125	985,877	101.3	(129,093)

REQUIRED SUPPLEMENTARY INFORMATION
GASB Statement No. 25 and No. 27

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

Valuation Date	October 1, 2010
Contribution Rates	
Employer (and State)	15.94%
Plan members	10.50%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay, closed
Remaining Amortization Period	30
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial assumptions	
Investment rate of return	8.5%
Projected salary increases	9.4% to 3.5% variable
Includes inflation and other general increases at	4%
Cost of Living adjustments	Not Applicable

SECTION E
MISCELLANEOUS INFORMATION

RECONCILIATION OF MEMBERSHIP DATA		
	From 10/01/09 To 10/01/10	From 10/01/08 To 10/01/09
A. Active Members		
1. Number Included in Last Valuation	67	66
2. New Members Included in Current Valuation	1	2
3. Non-Vested Employment Terminations	0	(1)
4. Vested Employment Terminations	0	0
5. Service Retirements	0	0
6. DROP Retirements	(3)	0
7. Disability Retirements	0	0
8. Deaths	0	0
9. Number Included in This Valuation	65	67
B. Terminated Vested Members		
1. Number Included in Last Valuation	3	3
2. Additions from Active Members	0	0
3. Lump Sum Payments/Refund of Contributions	0	0
4. Payments Commenced	0	0
5. Deaths	0	0
6. Other--Return to Actives	0	0
7. Number Included in This Valuation	3	3
C. DROP Participants		
1. Number Included in Last Valuation	0	0
2. Additions from Active Members	3	0
3. Payments Commenced	0	0
4. Deaths	0	0
5. Other	0	0
6. Number Included in This Valuation	3	0
D. Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	13	13
2. Additions from Active Members	3	0
3. Additions from Terminated Vested Members	0	0
4. Deaths Resulting in No Further Payments	0	0
5. Deaths Resulting in New Survivor Benefits	0	0
6. End of Certain Period - No Further Payments	0	0
7. Other -- Lump Sum Distributions	0	0
8. Number Included in This Valuation	16	13

Years of Service to Valuation Date										
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20 & Up	Totals
Age Group										
20-24 NO.	0	0	0	0	0	0	0	0	0	0
TOT PAY	0	0	0	0	0	0	0	0	0	0
AVG PAY	0	0	0	0	0	0	0	0	0	0
25-29 NO.	1	0	1	3	2	1	0	0	0	8
TOT PAY	44,717	0	64,524	198,534	151,662	81,062	0	0	0	540,499
AVG PAY	44,717	0	64,524	66,178	75,831	81,062	0	0	0	67,562
30-34 NO.	0	0	0	4	2	2	0	0	0	8
TOT PAY	0	0	0	297,047	135,041	179,776	0	0	0	611,864
AVG PAY	0	0	0	74,262	67,521	89,888	0	0	0	76,483
35-39 NO.	0	2	0	0	0	2	1	2	0	7
TOT PAY	0	121,230	0	0	0	178,354	85,939	262,350	0	647,873
AVG PAY	0	60,615	0	0	0	89,177	85,939	131,175	0	92,553
40-44 NO.	0	0	0	2	0	0	2	8	0	12
TOT PAY	0	0	0	126,069	0	0	206,917	874,749	0	1,207,735
AVG PAY	0	0	0	63,035	0	0	103,459	109,344	0	100,645
45-49 NO.	0	0	0	0	1	3	0	8	0	12
TOT PAY	0	0	0	0	67,866	311,432	0	993,987	0	1,373,285
AVG PAY	0	0	0	0	67,866	103,811	0	124,248	0	114,440
50-54 NO.	0	0	1	1	1	4	1	3	0	11
TOT PAY	0	0	71,272	62,600	75,361	319,935	93,572	374,297	0	997,037
AVG PAY	0	0	71,272	62,600	75,361	79,984	93,572	124,766	0	90,640
55-59 NO.	0	0	1	0	0	2	1	2	0	6
TOT PAY	0	0	66,314	0	0	245,622	134,576	269,139	0	715,651
AVG PAY	0	0	66,314	0	0	122,811	134,576	134,570	0	119,275
60 & Up	0	0	0	0	0	0	1	0	0	1
TOT PAY	0	0	0	0	0	0	89,081	0	0	89,081
AVG PAY	0	0	0	0	0	0	89,081	0	0	89,081
TOT NO.	1	2	3	10	6	14	6	23	0	65
TOT AMT	44,717	121,230	202,110	684,250	429,930	1,316,181	610,085	2,774,522	0	6,183,025
AVG AMT	44,717	60,615	67,370	68,425	71,655	94,013	101,681	120,631	0	95,123

SCHEDULE OF NON-ACTIVE PARTICIPANTS DATA								
Age	Vested		Disabled		Retired		Other	
	Nbr	Benefits	Nbr	Benefits	Nbr	Benefits	Nbr	Benefits
Under 20								
20 - 24								
25 - 29								
30 - 34								
35 - 39								
40 - 44	2	37,620						
45 - 49	1	23,229						
50 - 54								
55 - 59					4	40,739	1	10,295
60 - 64					4	72,263		
65 - 69					5	87,866		
70 - 74					1	20,847		
75 - 79					1	8,916		
Total	3	60,849	0	0	15	230,631	1	10,295
Average Age		44				64		61

SECTION F
SUMMARY OF PLAN PROVISIONS

**VILLAGE OF KEY BISCAYNE
POLICE OFFICERS AND FIREFIGHTERS RETIREMENT PLAN**

SUMMARY OF PLAN PROVISIONS

A. Ordinances

Plan established under the Code of Ordinances for the Village of Key Biscayne, Florida, Chapter 23, Article II, and was most recently amended under Ordinance No. 2009-3 passed and adopted on March 10, 2009. The Plan is also governed by certain provisions of Chapters 175 and 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

B. Effective Date

October 1, 1997

C. Plan Year

October 1 through September 30

D. Type of Plan

Qualified, governmental defined benefit retirement plan; for GASB purposes it is a single employer plan.

E. Eligibility Requirements

All full-time police officers and firefighters employed on the Effective Date made an irrevocable election of whether or not to become members. All those hired after the Effective Date become members as a condition of employment.

F. Credited Service

Service is measured as the total number of years and fractional parts of years of employment as a police officer or firefighter while making member contributions. No credit is permitted for service prior to August 1, 1993. In addition, no service is credited for any periods of employment for which the member received a refund of employee contributions.

G. Compensation/Salary

Total cash remuneration for services rendered to the Village.

H. Average Final Compensation (AFC)

The average of Compensation over the highest 5 years out of the last 10 years of Credited Service

immediately preceding retirement or termination. Lump sum payments of unused leave pay are not included.

I. Normal Retirement

Eligibility: A member may retire on the first day of the month coincident with or next following the earlier of:

- (1) age 55 with 5 years of Credited Service, or
- (2) age 52 with 25 years of Credited Service.
- (3) For Firefighters, when the sum of age and Credited Service is equal to 75 years.

Benefit: For Police Officers, 3.0% of AFC multiplied by years of Credited Service with a maximum equal to 100% of AFC. For Firefighters, 3.0% of AFC for the first 15 years and 4.0% of AFC in excess of 15 years with a maximum equal to 100% of AFC.

Normal Form of Benefit: 10 Years Certain and Life thereafter; other options are also available.

COLA: None

Supplemental Benefit: Retired members, or their beneficiaries, will be paid their accumulated account balance from the Share Plan in the form of a lump sum upon retirement, disability, or death.

J. Early Retirement

Eligibility: A member may elect to retire earlier than the Normal Retirement Eligibility upon attainment of age 50 with 5 years of Credited Service and approval of the City.

Benefit: The Normal Retirement Benefit is reduced by 3.0% for each year by which the Early Retirement date precedes what would have been the member's Normal Retirement date if the member had remained employed.

Normal Form of Benefit: 10 Years Certain and Life thereafter; other options are also available.

COLA: None

Supplemental Benefit: Retired members, or their beneficiaries, will be paid their accumulated account balance from the Share Plan in the form of a lump sum upon retirement, disability, or death.

K. Delayed Retirement

Same as Normal Retirement taking into account compensation earned and service credited until the date of actual retirement.

L. Service Connected Disability

Eligibility: Any member who becomes totally and permanently disabled and unable to render useful and efficient service to the City as a result of an act occurring in the performance of service for the City is immediately eligible for a disability benefit.

Benefit: Accrued Normal Retirement Benefit taking into account compensation earned and service credited until the date of disability with a minimum benefit of 70% of AFC.

Normal Form: 10 Years Certain and Life thereafter.

COLA: None

Supplemental

Benefit: Retired members, or their beneficiaries, will be paid their accumulated account balance from the Share Plan in the form of a lump sum upon retirement, disability, or death.

M. Non-Service Connected Disability

Eligibility: Any member with 5 or more years of Credited Service who becomes totally and permanently disabled and unable to render useful and efficient service to the City is immediately eligible for a disability benefit.

Benefit: Accrued Normal Retirement Benefit taking into account compensation earned and service credited until the date of disability with a minimum benefit of 50% of AFC.

Normal Form: 10 Years Certain and Life thereafter.

COLA: None

Supplemental

Benefit: Retired members, or their beneficiaries, will be paid their accumulated account balance from the Share Plan in the form of a lump sum upon retirement, disability, or death.

N. Death in the Line of Duty

Eligibility: Members who have not reached Normal Retirement are eligible for survivor benefits after the completion of 10 or more years of Credited Service.

Benefit: The survivor benefit payable to the designated beneficiary is a monthly benefit which can be derived from the single sum value of the member's deferred Normal Retirement Benefit accrued as of the date of death.

Normal Form of Benefit: Payable for the life of the beneficiary; with 10 years guaranteed.

COLA: None

Death in the Line of Duty - Continued

The beneficiary of a member with less than 10 years of Credited Service who had not reached Normal Retirement at the time of death will receive a refund of the member's accumulated contributions without interest.

The beneficiary of a member who dies while employed beyond their Normal Retirement date will be paid the member's monthly accrued Normal Retirement benefit as of the date of death. The benefit is payable for 10 years.

Supplemental

Benefit: Beneficiaries of all vested members who die prior to retirement will be paid the member's accumulated account balance from the Share Plan in the form of a lump sum.

O. Other Pre-Retirement Death

Eligibility: Members who have not reached Normal Retirement are eligible for survivor benefits after the completion of 10 or more years of Credited Service.

Benefit: The survivor benefit payable to the designated beneficiary is a monthly benefit which can be derived from the single sum value of the member's deferred Normal Retirement Benefit accrued as of the date of death.

Normal Form

of Benefit: Payable for the life of the beneficiary; with 10 years guaranteed.

COLA: None

The beneficiary of a member with less than 10 years of Credited Service who had not reached Normal Retirement at the time of death will receive a refund of the member's accumulated contributions without interest.

The beneficiary of a member who dies while employed beyond their Normal Retirement date will be paid the member's monthly accrued Normal Retirement benefit as of the date of death. The benefit is payable for 10 years.

Supplemental

Benefit: Beneficiaries of all vested members who die prior to retirement will be paid the member's accumulated account balance from the Share Plan in the form of a lump sum.

P. Post Retirement Death

Benefit determined by the form of benefit elected upon retirement.

Q. Optional Forms

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are a Single Life Annuity option or the 50%, 75% or 100% Joint and Survivor options. A Social Security option is also available for members retiring prior to the time they are eligible for Social

Security retirement benefits.

R. Vested Termination

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 5 years of Credited Service (See vesting table below).

Vesting is determined in accordance with the following table.

Less Than 5	0%
5 or more	100%

Benefit: The benefit is the member's accrued Normal Retirement Benefit as of the date of termination. Benefit begins on the member's Normal Retirement date. Alternatively, members with 5 or more years of Credited Service may elect to receive benefits any time after age 50. The benefit will be reduced for Early Retirement, when applicable.

Plan members with less than 5 years of Credited Service will receive a refund of the member's accumulated contributions without interest.

Normal Form of Benefit: 10 Years Certain and Life thereafter; other options are also available.

COLA: None

Supplemental Benefit: Upon actual retirement, vested members will be paid their accumulated account balance from the Share Plan in the form of a lump sum.

S. Refunds

Eligibility: All members terminating employment with less than 5 years of Credited Service are eligible. Optionally, vested members (those with 5 or more years of credited service) may elect a refund in lieu of the vested benefits otherwise due.

Benefit: Refund of the member's contributions without interest.

T. Member Contributions

10.5% of Compensation.

U. Employer Contributions

Chapters 175 and 185 Premium Tax Refunds and any additional amount determined by the actuary needed to fund the plan properly according to State laws.

V. Cost of Living Increases

Not Applicable

W. Changes from Previous Valuation

None

X. 13th Check

Not Applicable

Y. Deferred Retirement Option Plan

Eligibility: Firefighters that have met one of the following criteria are eligible for the DROP:

- (1) age 55 with 5 years of Credited Service, or
- (2) age 52 with 25 years of Credited Service, or
- (3) the date upon which the sum of age and service is equal to 75 years.

Benefit: The member's Credited Service and FAC are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and FAC.

Maximum

DROP Period: Participation in the DROP is limited to five years.

Interest

Credited: The member's DROP account is credited with interest based upon the irrevocable investment election made at the time of DROP entry.

Normal Form

of Benefit: Options include a lump sum or equal periodic payments.

COLA: None.

Z. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed a Village of Key Biscayne Police Officers and Firefighters Retirement Plan liability if continued beyond the availability of funding by the current funding source.