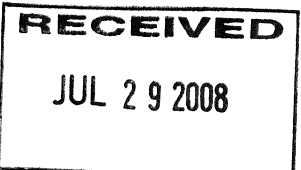


**CITY OF HOLLY HILL
POLICE OFFICERS' RETIREMENT TRUST FUND**

**ACTUARIAL VALUATION
AS OF OCTOBER 1, 2007
(Revised July 23, 2008)**

**CONTRIBUTIONS APPLICABLE TO THE PLAN/
FISCAL YEAR ENDED SEPTEMBER 30, 2009**



July 23, 2008

Mr. Joseph Borelli, Chairman
City of Holly Hill
Police Officers' Pension Board
1065 Ridgewood Avenue
Holly Hill, FL 32117

Re: Holly Hill Police Officers' Retirement Trust Fund

Dear Joe:

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

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

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

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


Joe Borelli
July 23, 2008
Page Two

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

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

Respectfully submitted,

Foster & Foster, Inc.

By: 
Patrick T. Donlan
Enrolled Actuary #08-6595

PTD\kob

Enclosures

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SECTION I
INTRODUCTION

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Holly Hill Police Officers' Retirement Trust Fund, performed as of October 1, 2007, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended September 30, 2009.

The contribution requirements, compared with those developed in the December 11, 2007, Actuarial Impact Statement, determined as of October 1, 2006, are as follows:

Valuation Date	10/1/06	10/1/07
Applicable Plan/Fiscal Year End	<u>9/30/08</u>	<u>9/30/09</u>
Total Required Contribution	\$459,643	\$469,904
% of Total Annual Payroll	36.7%	40.6%
Member Contributions (Est.)	62,703	57,888
Applicable State Contribution *	74,699	74,699
Balance from City	322,241	337,317
% of Total Annual Payroll	25.7%	29.1%

* State Contribution shown is the amount received by the City during the fiscal year ended September 30, 2007. The City may use up to \$250,592 in State Monies, if received, in determining their bottom line requirement.

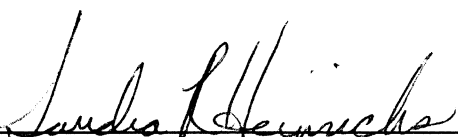
During the past 12 months actuarial experience has been slightly unfavorable. The primary components of unfavorable experience was average increases in pensionable earnings that exceeded the assumed rate and larger than expected lump sum sick and vacation payouts at retirement. These losses were partially offset by the effects of larger than expected employee turnover and an 8.6% investment return (Actuarial Asset basis) that exceeded the 8.0% assumption. There was also an increase in the level of

administrative expenses. Additionally, there were several assumption changes as a result of the experience study dated July 23, 2008. These changes are described on Page 3 of this report.

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

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 
Sandra Heinrichs, ASA

By: 
Patrick T. Donlan, MAAA

Plan Changes Since Prior Valuation

Ordinance No. 2820 was adopted and effective December 11, 2007. This ordinance provided for Normal Retirement upon the attainment of age 55 with 6 years of Credited Service, Early Retirement upon the attainment of age 50 with 6 years of Credited Service, and full vesting upon the completion of 6 years of Credited Service. As shown in our Actuarial Impact Statement dated December 11, 2007, the annual cost of this improvement was \$8,031, or 0.6% of payroll.

Actuarial Assumption/Method Changes Since Prior Valuation

Several assumption changes were made in conjunction with this valuation.

The investment return assumption was changed from 8.0% to 7.5% per year, net of investment related expenses.

The individual final salary load assumption was increased from 20% to 40% per year.

The non-retirement termination table was modified to more closely reflect anticipated experience.

Finally, the assumed mortality rates were updated to use a more recently created table.

Please see our experience study report dated July 23, 2008 and the assumptions on Page 10 of this report for more information regarding these changes.

In addition, the payroll growth assumption is limited to the actual historical 10 year average. Therefore, the assumption changed from 3.42% to 2.32% this year.

Comparative Summary of Principal Valuation Results

	New Assump <u>10/1/2007</u>	Old Assump <u>10/1/2007</u>	Old Assump <u>10/1/2006</u>
A. Participant Data			
Number Included			
Actives	25	25	28
Service Retirees	9	9	8
Beneficiaries	1	1	1
Terminated Vested	1	1	0
Disability Retirees	2	2	2
DROP Members	1		0
Total	<u>39</u>	<u>38</u>	<u>39</u>
Total Annual Payroll	\$1,118,612	\$1,118,612	\$1,192,362
Payroll Under Assumed Ret. Age	1,118,612	1,118,612	1,192,362
Annual Rate of Payments to:			
Service Retirees	301,878	301,878	260,607
Beneficiaries	14,283	14,283	14,283
Terminated Vested	0	0	0
Disability Retirees	20,698	20,698	20,698
DROP Members	56,157	56,157	0
B. Assets			
Actuarial Value	6,342,395	6,052,038	5,831,687
Market Value	6,052,038	6,052,038	5,443,125
C. Liabilities			
Present Value of Benefits			
Active Members			
Retirement Benefits	5,043,479	5,843,577	6,473,607
Disability Benefits	59,410	72,205	92,153
Death Benefits	34,691	61,770	66,497
Vested Benefits	808,013	389,785	374,597
Refund of Contributions	38,080	14,819	10,636
Service Retirees	3,467,543	3,285,285	2,652,691
Beneficiaries	149,335	147,788	149,967
Terminated Vested	2,077	2,077	0
Disability Retirees	187,210	174,563	178,970
DROP Members *	733,287	682,693	0
Excess State Monies Reserve	0	0	0
Total	<u>10,523,125</u>	<u>10,674,562</u>	<u>9,999,119</u>

C. Liabilities - (Continued)	<u>10/1/2007</u>	<u>10/1/2007</u>	<u>10/1/2006</u>
Present Value of Future Salaries	6,453,582	8,909,504	8,485,909
Present Value of Future Member Contributions	322,679	445,475	424,295
EAN Normal Cost (Retirement)	185,501	269,734	N/A
EAN Normal Cost (Disability)	3,541	4,201	N/A
EAN Normal Cost (Death)	1,882	3,403	N/A
EAN Normal Cost (Vesting)	55,372	23,899	N/A
EAN Normal Cost (Refunds)	4,643	1,192	N/A
Total Normal Cost (Entry Age Method)	<u>250,939</u>	<u>302,430</u>	<u>322,373</u>
Present Value of Future Normal Costs (Entry Age)	1,399,307	2,360,615	2,285,080
Accrued Liability (Retirement)	3,921,295	3,633,162	N/A
Accrued Liability (Disability)	44,413	52,905	N/A
Accrued Liability (Death)	26,722	46,137	N/A
Accrued Liability (Vesting)	573,518	279,995	N/A
Accrued Liability (Refunds)	18,417	9,342	N/A
Accrued Liability (Inactives)	4,539,453	4,292,407	N/A
Excess State Monies Reserve	0	0	N/A
Total Actuarial Accrued Liability	<u>9,123,817</u>	<u>8,313,947</u>	<u>7,714,039</u>
Unfunded Actuarial Accrued Liability (UAAL)	2,781,422	1,971,552	1,882,352
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	4,539,453	4,292,407	2,981,629
Actives	2,028,423	1,790,773	2,192,556
Member Contributions	<u>678,915</u>	<u>678,915</u>	<u>860,226</u>
Total	7,246,791	6,762,094	6,034,410
Non-vested Accrued Benefits	<u>59,909</u>	<u>39,578</u>	<u>6,247</u>
Total Present Value Accrued Benefits	7,306,700	6,801,672	6,040,657
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	505,028	0	
New Accrued Benefits	0	632,554	
Benefits Paid	0	(341,146)	
Interest	0	469,607	
Other	0	0	
Total:	505,028	761,015	

Valuation Date Applicable to Fiscal Year Ending	New Assump 10/1/2007 <u>9/30/2009</u>	Old Assump 10/1/2007 <u>9/30/2009</u>	Old Assump 10/1/2006 <u>9/30/2008</u>
--	---	---	---

E. Pension Cost

Normal Cost (with interest) % of Total Projected Payroll*	\$266,389 23.0	\$353,429 30.5	\$346,734 27.6
Administrative Expenses (with int.) % of Total Projected Payroll*	31,529 2.7	31,605 2.7	9,357 0.7
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/07) % of Total Projected Payroll*	171,986 14.9	125,368 10.8	104,944 8.4
Total Required Contribution % of Total Projected Payroll*	469,904 40.6	478,796 41.4	459,643 36.7
Expected Member Contributions % of Total Projected Payroll*	57,888 5.0	57,888 5.0	62,703 5.0
Expected City for Member Contr. % of Total Projected Payroll*	0 0.0	0 0.0	0 0.0
Expected City & State Contrib. % of Total Projected Payroll*	412,016 35.6	420,908 36.4	396,940 31.7

F. Past Contributions

Plan Years Ending:	<u>9/30/2007</u>
Total Required Contribution	404,603
City and State Requirement	348,202
Actual Contributions Made:	
Members	62,687
City	273,503
State	74,699
Total	<u>410,889</u>

G. Net Actuarial Gain (Loss) (5,080)

* Contributions developed as of 10/1/07 are expressed as a percentage of projected annual payroll at 04/1/09 of \$1,157,764

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2007	2,781,422
2008	2,815,806
2009	2,848,726
2014	2,983,617
2019	2,978,983
2029	1,568,483
2037	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2007	9.4%	6.0%
Year Ended	9/30/2006	7.2%	6.0%
Year Ended	9/30/2005	4.7%	6.0%

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

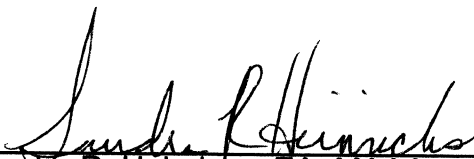
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2007	8.6%	7.5%
Year Ended	9/30/2006	9.2%	8.0%
Year Ended	9/30/2005	5.5%	8.0%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2007	\$1,118,612
	10/1/1997	889,439
(b) Total Increase		25.8%
(c) Number of Years		10.00
(d) Average Annual Rate		2.32%

Statement by Enrolled Actuary

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



Sandra R. Heinrichs, EA, MAAA
Enrolled Actuary #08-6549

A copy of this Report is to be furnished to the Division of Retirement within 60 days of receipt from the actuary at the following address:

Patricia Shoemaker
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

Mr. Charles Slavin, Actuary
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

SECTION II
VALUATION INFORMATION

Reconciliation of Unfunded Actuarial Accrued Liabilities

(1) Unfunded Actuarial Accrued Liability as of October 1, 2006	1,882,352
(2) City and State Normal Cost Applicable for the year *	271,455
(3) Interest on (1) and (2)	172,305
(4) Sponsor Contributions to the System during the year ending September 30, 2007	348,202
(5) Interest on (4)	11,438
(6) Expected UAAL as of October 1, 2007 (1)+(2)+(3)-(4)-(5)	1,966,472
(7) Actual UAAL as of October 1, 2007	2,781,423
(8) Actuarial Gain/(Loss) as of October 1, 2007	(5,080)
(9) Change in UAAL Due to Assumptions Change	(809,871)

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2007 Amount</u>	<u>Amortization Amount</u>
"A"	10/1/2002	25	1,039,998	70,676
"B"	10/1/2003	11	(403,789)	(46,421)
"C"	10/1/2004	27	1,316,806	86,162
"D"	10/1/2005	28	(77,070)	(4,957)
"E"	10/1/2006	29	56,345	3,567
"F"	10/1/2006	29	34,182	2,164
"G"	10/1/2007	30	809,871	50,503
"H"	10/1/2007	30	<u>5,080</u>	<u>317</u>
			2,781,422	162,011

*Includes \$8,700 for administrative expenses.

ACTUARIAL ASSUMPTIONS AND FUNDING METHODS

<u>Assumptions</u>	
<u>Mortality Rate</u>	1983 Group Annuity Mortality Table (Prior) RP 2000 Combined Healthy (Current)
<u>Interest Rate</u>	7.5% (8% prior) per year compounded annually, net of investment related expenses.
<u>Retirement Age</u>	Earlier of age 55 and 6 years of service, or the completion of 20 years of service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
<u>Early Retirement</u>	Commencing with eligibility for Early Retirement Age (age 50 with 6 years of Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
<u>Disability Rate</u>	See table below (1201).
<u>Termination Rate</u>	See table below (1305 current, 1302 prior).
<u>Salary Increases</u>	6.0% per year until the assumed retirement age; see table below. Projected salary at retirement is increased 40% (20% prior) to account for non-regular compensation.
<u>Payroll Increase</u>	Up to 5.0% per year (2.32% for 10/1/07 Val).
<u>Cost of Living Adjustments</u>	2.0% per year for all retirees (including disability retirees & beneficiaries of retirees).
<u>Administrative Expenses</u>	\$29,700 annually.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>	<u>Current Salary as % of Salary at age 50</u>
20	17.2%	0.03%	17.4%
30	15.0	0.04	31.2
40	8.2	0.07	55.8
50	1.7	0.18	100.0

Funding Method

Entry Age Normal Actuarial Cost Method

VALUATION NOTES

Total Annual Payroll is the annual rate of pay for the year preceding the valuation date of all covered members.

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

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Actuarial Accrued Liability (UAAL) is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service. Under the Entry Age Normal Actuarial Cost Method, there is also a new UAAL created each year equal to the actuarial gain or loss for that year.

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

Entry Age Normal Actuarial Cost Method is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Actuarial Accrued (Past Service) Liability.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1986	32,117.88	_____%
1987	39,150.60	21.9%
1988	39,450.32	0.8%
1989	39,967.33	1.3%
1990	41,108.50	2.9%
1991	42,016.95	2.2%
1992	40,235.97	-4.2%
1993	42,044.77	4.5%
1994	43,894.29	4.4%
1995	48,205.39	9.8%
1996	47,682.87	-1.1%
1997	51,189.90	7.4%
1998	51,838.81	1.3%
1999	48,759.83	-5.9%
2000	45,177.19	-7.3%
2001	45,612.78	1.0%
2002	51,038.21	11.9%
2003	60,740.83	19.0%
2004	71,624.61	17.9%
2005	74,699.30	4.3%
2006	74,699.30	0.0%
2007	74,699.30	0.0%

EXCESS STATE MONIES RESERVE

	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve</u>
1998	\$51,838.81	\$51,838.81	\$0.00
1999	48,759.83	51,838.81	0.00
2000	45,177.19	107,245.81	0.00
2001	45,612.78	108,155.81	0.00
2002	51,038.21	108,155.81	0.00
2003	60,740.83	108,155.81	0.00
2004	71,624.61	108,155.81	0.00
2005	74,699.30	108,155.81	0.00
2006	74,699.30	242,560.81	0.00
2007	74,699.30	242,560.81	<u>0.00</u>
Total State Monies Reserve			\$0.00

SECTION III
TRUST FUND

City of Holly Hill
Police Officers' Retirement Trust Fund

BALANCE SHEET
September 30, 2007

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	126,920.90	126,920.90
Pending Trades Receivable	75,581.96	75,581.96
Pending Trades Payable	(69,869.23)	(69,869.23)
Cash	87,144.87	87,144.87
Total Cash and Equivalents	219,778.50	219,778.50
Receivable:		
Member Contributions	2,074.79	2,074.79
City Contributions	35,402.00	35,402.00
Accrued Income	29,901.12	29,901.12
Total Receivable	67,377.91	67,377.91
Investments:		
U.S. Gov't. & Agency	1,278,885.06	1,306,333.06
Corporate Bonds	1,063,909.53	1,062,732.80
Domestic Common Stocks	2,578,499.32	3,101,687.85
International Common Stocks	260,929.32	332,847.33
Total Investments	5,182,223.23	5,803,601.04
TOTAL ASSETS	5,469,379.64	6,090,757.45
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts Payable	9,775.87	9,775.87
Total Liabilities	9,775.87	9,775.87
Net Assets:		
Active and Retired Members' Equity	5,430,660.55	6,052,038.36
DROP Plan Benefits	28,943.22	28,943.22
Total Net Assets	5,459,603.77	6,080,981.58
TOTAL LIABILITIES AND NET ASSETS	5,469,379.64	6,090,757.45

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City of Holly Hill
Police Officers' Retirement Trust Fund

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2007
Market Value Basis

INCOME

Contributions:		
Member	62,686.91	
City	273,503.00	
State	74,699.30	
Total Contributions		410,889.21
Earnings from Investments		
Interest & Dividends	167,707.26	
Net Realized Gain (Loss)	220,109.32	
Unrealized Gain (Loss)	265,385.17	
Total Earnings and Investment Gains		653,201.75

EXPENSES

Administrative Expenses:		
Investment Related*	55,422.61	
Other	29,665.56	
Total Expenses		85,088.17
Distributions to Members:		
Benefit Payments	292,152.38	
Lump Sum DROP Balances	0.00	
Return of Contributions	48,993.50	
Total Distributions		341,145.88
DROP Account Net Change		28,943.22
Change in Net Assets for the Year		608,913.69
Net Assets Beginning of the Year		5,443,124.67
Net Assets End of the Year		6,052,038.36

*Investment Related expenses include investment advisory,
custodial and performance monitoring fees.

City of Holly Hill
Police Officers' Retirement Trust Fund

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CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2007
Actuarial Asset Basis

INCOME

Contributions:		
Member	62,686.91	
City	273,503.00	
State	74,699.30	
Total Contributions		410,889.21
Earnings from Investments		
Interest & Dividends	167,707.26	
Net Realized Gain (Loss)	220,109.32	
Change in Actuarial Value	167,180.03	
Total Earnings and Investment Gains		554,996.61

EXPENSES

Administrative Expenses:		
Investment Related*	55,422.61	
Other	29,665.56	
Total Administrative Expenses		85,088.17
Distributions to Members:		
Benefit Payments	292,152.38	
Lump Sum DROP Balances	0.00	
Return of Contributions	48,993.50	
Total Distributions		341,145.88
DROP Account Net Change		28,943.22
Change in Net Assets for the Year		510,708.55
Net Assets Beginning of the Year		5,831,686.82
Net Assets End of the Year**		6,342,395.37

*Investment Related expenses include investment advisory,
custodial and performance monitoring fees.

**Net Assets may be limited for actuarial consideration

City of Holly Hill
Police Officers' Retirement Trust Fund

ACTUARIAL ASSET VALUATION
September 30, 2007

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years, but are limited to 120% of Market Value, if less.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*
9/30/04	8.41%
9/30/05	8.33%
9/30/06	6.59%
9/30/07	10.94%

Annualized Rate of Return
for prior four (4) years: 8.56%

(A) 10/01/06 Actuarial Assets:	\$5,831,686.82
(I) Net Investment Income:	
1. Interest and Dividends	167,707.26
2. Realized Gains (Losses)	220,109.32
3. Change in Actuarial Value	167,180.03
4. Investment Related Expenses	(55,422.61)
Total	<u>499,574.00</u>
(B) 10/01/07 Actuarial Assets:	\$6,342,395.37

Actuarial Asset Rate of Return = $2I/(A+B-I)$: 8.56%

10/01/07 Limited Actuarial Assets: \$6,342,395.37
(Lesser of Actuarial Assets or 120% of Market Value)

*Market Value Basis, net of investment related expenses

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2006 through September 30, 2007

Name	9/30/06 Balance	Additions	Investment Return	Distributions	9/30/07 Balance
Dees, Mitchell	0.00	28,078.68	864.54	0.00	28,943.22
Total	0.00	28,078.68	864.54	0.00	28,943.22

SECTION IV
MEMBER STATISTICS

ELIGIBILITY FOR RETIREMENT

Members are eligible for Normal Retirement based upon the following criteria:

- 1) Attained Age 55 with 6 Years of Credited Service
- or 2) 20 Years of Credited Service regardless of Age

Members are eligible for Early Retirement based upon the following criteria:

- 1) Attained Age 50 with 6 Years of Credited Service

As of the date of this valuation, the following list of Members are eligible for:

<u>Normal Retirement</u>	<u>Early Retirement</u>
Barker, M. D. Borelli, J. Patton, J. A.	None

STATISTICAL DATA

(Averages are salary weighted)

<u>Active Members</u>	<u>10/1/2004</u>	<u>10/1/2005</u>	<u>10/1/2006</u>	<u>10/1/2007</u>
Number	22	26	28	25
Average Current Age	40.9	40.8	42.4	39.5
Average Age at Employment	30.6	31.5	32.4	30.4
Average Past Service	10.3	9.4	10.0	9.1
Average Annual Salary	\$42,640	\$41,351	\$42,584	\$44,744

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

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

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/06	28
b. Terminations	
i. Vested (partial or full) with deferred benefits	1
ii. Non-vested or full lump sum distribution received	7
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	1
f. Entered DROP	1
g. Continuing participants	18
h. New entrants	7
i. Total active life participants in valuation	25

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

	<u>Service Retirees, Vested Receiving Benefits</u>	<u>Receiving Death Benefits</u>	<u>Receiving Disability Benefits</u>	<u>Vested Deferred</u>	<u>DROP</u>	<u>Total</u>
a. Number prior valuation	8	1	2	0	0	11
b. In	1	0	0	1	1	3
c. Out	0	0	0	0	0	0
d. Number current valuation	9	1	2	1	1	14

SECTION V
SUMMARY OF PLAN PROVISIONS

SUMMARY OF CURRENT PLAN
(Through Ordinance No. 2820)

<u>Latest Amendment Date</u>	December 11, 2007.
<u>Eligibility</u>	Full-time employees who are classified as full-time sworn police officers shall participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of continuous employment with the City as a Police Officer.
<u>Earnings</u>	Total W-2 Earnings plus all tax deferred or tax exempt items of income. Additional 10.6% of Earnings included for calculating AFC if employed prior to 10/1/99.
<u>Average Final Compensation (AFC)</u>	Average Earnings for the highest 5 years during the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	5.0% of Earnings.
<u>Member Contributions by City</u>	8.0% of Earnings prior to October 1, 2005; 0.0% thereafter. Members hired on or after 10/1/99 vest in these contributions 16.66% for each complete year of Credited Service to 100% after 6 years of Credited Service. Members hired before 10/1/99 are 100% vested in these contributions.
<u>City and State Contributions</u>	Remaining amount necessary to pay current costs and amortize past service cost if any, over 30 years.
<u>Normal Retirement</u>	
Date	Earlier of Age 55 and 6 years of Credited Service or 20 years of Credited Service.
Benefit	3.0% of Average Final Compensation times Credited Service. Members retiring after 10/1/1999, receive \$150 per month, payable for life.

Form of Benefit

Ten Year Certain and Life Annuity (options available).

Early Retirement**Eligibility**

Age 50 and 6 Years of Credited Service.

Benefit

Accrued benefit, reduced 3% per year.

Cost of Living Adjustment

Annual 2.0% increase for those Members who retire on or after October 1, 2007 (including disability retirees and beneficiaries, but not including those who terminate prior to reaching their Early or Normal Retirement Date and later begin drawing benefits).

Vesting**Schedule**

100% after 6 years of Credited Service.

Benefit Amount

Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability**Eligibility**

Service Incurred: Covered from date of employment. Non-Service Incurred: 10 years of Credited Service.

Benefit

Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).

Duration

Payable for life (with 120 months guaranteed) or until recovery (as determined by the Board). Options are available.

Death Benefits

Pre-Retirement

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years. Non-vested: Refund of accumulated contributions without interest.

Post-Retirement

Benefits payable to beneficiary in accordance with option selected at retirement.

Board of Trustees

- a. Two Commission appointees,
- b. Two Members of the Department elected by the membership, and
- c. Fifth Member elected by other 4 and appointed by Commission.

Deferred Retirement Option Plan

Eligibility

Eligibility for Normal Retirement.

Participation

Not to exceed 36 months.

Rate of Return

Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs).

Form of Distribution

Lump sum at termination of employment.

SECTION VI

**GOVERNMENTAL ACCOUNTING STANDARDS
BOARD STATEMENTS NO. 25 & No. 27 INFORMATION**

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

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

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/01/07	6,342,395	9,123,817	2,781,422	69.51%	1,118,612	248.65%
10/01/06	5,831,687	7,680,476	1,848,789	75.93%	1,192,362	155.05%
10/01/05	5,355,209	7,073,310	1,718,101	75.71%	1,075,136	159.80%
10/01/04	5,164,093	6,201,477	1,037,384	83.27%	956,694	108.43%
10/01/03	5,267,378	5,805,326	537,948	90.73%	894,861	60.12%

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

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended September 30	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
2007	348,202	273,503	74,699	100.00%
2006	268,913	197,266	74,699	101.13%
2005	154,263	79,564	74,699	100.00%
2004	197,098	151,516	71,625	113.21%
2003	75,278	14,537	60,741	100.00%

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/07

City	24.2%
City for Members	0.0%
Plan Members	5.0%

Annual pension cost	273,503
Contributions made	273,503
Actuarial valuation date	10/01/2005
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay, Closed
Remaining amortization period	30 Years
Asset valuation method	4 Year Smooth
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increase*	6.0%
* Includes inflation at	3.0%
Post Retirement COLA	0.0%

THREE YEAR TREND INFORMATION

<u>Year Ending</u>	<u>Actuarially Determined Contribution (A)</u>	<u>Percentage of (A) Contributed</u>	<u>Net Pension Obligation</u>
9/30/2007	273,503	102%	(30,047)
9/30/2006	194,214	100%	(29,409)
9/30/2005	79,564	121%	(25,757)

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

DEVELOPMENT OF NET PENSION OBLIGATION (NPO)

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

The recent development of the Net Pension Obligation is as follows:

	<u>9/30/05</u>	<u>9/30/06</u>	<u>9/30/07</u>
Actuarially Determined			
Contribution (A)	194,214	273,503	
Interest on NPO	(2,061)	(2,353)	
Adjustment to (A)	1,461	1,715	
	-----	-----	
Annual Pension Cost	193,614	272,865	
Contributions Made	197,266	273,503	
	-----	-----	
Increase in NPO	(3,652)	(638)	
NPO Beginning of Year	(25,757)	(29,409)	
	-----	-----	
NPO End of Year	(25,757)	(29,409)	(30,047)