

CITY OF FORT LAUDERDALE GENERAL EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION REPORT AS OF SEPTEMBER 30, 2014

ANNUAL EMPLOYER CONTRIBUTION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016

OUTLINE OF CONTENTS
REPORT OF SEPTEMBER 30, 2014 ACTUARIAL VALUATION

PAGES	ITEMS
--	Cover Letter
A	<i>Valuation Results Summary</i>
1	Valuation highlights and Certification
B	<i>Detailed Valuation Results</i>
1	Funding objective
2	Contribution requirement
3	Contribution history
4-5	Funding progress indicators
6	Derivation of experience gain/loss
7-8	Unfunded actuarial accrued liability
9	Funding value of assets
10	Actuarial balance sheet
11	Actuarial present values by decrement
C	<i>Benefit Provisions and Data</i>
1-8	Benefit provisions
9	Financial data
10-18	Participant data
19-21	Projected payroll and retirement benefits
D	<i>Actuarial Cost Method, Assumptions and Definitions</i>
1-3	Actuarial valuation process
4-9	Assumptions
10-11	Definitions
E	<i>FASB Statement No. 35 and GASB Statement No. 67 Disclosures</i>

February 11, 2015

The Board of Trustees
City of Fort Lauderdale General
Employees Retirement System
Fort Lauderdale, Florida

The results of the September 30, 2014 Annual Actuarial Valuation of the City of Fort Lauderdale General Employees Retirement System are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board.

The purpose of the valuation is to measure the System's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2016, and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67.

This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data or other information through September 30, 2014. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

The valuation was based upon information furnished by the Plan Administrator and City concerning Retirement Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and City.

This report was prepared using certain assumptions prescribed by the Board as described in Section D.

Melissa Algayer and Jeffrey Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

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.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

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Section A



Summary of Valuation Results
and Certification

VALUATION HIGHLIGHTS

CLOSED PLAN

In reviewing this Report, it is important for the reader to keep in mind that this System has been closed to new members since 2007. City employees hired since 2007 become members of a separate defined contribution retirement program. One consequence of this closure is that the annual payment on the unfunded accrued liability will continue to increase as a percent of covered payroll, as such payroll decreases from year to year.

COVERED PAYROLL

Throughout this Report, the payroll figures shown represent covered payroll for active members of the Retirement System only, excluding DROP members, and all costs shown as a percentage of payroll are determined on this basis.

PLAN AMENDMENTS

There were no Plan amendments since the prior valuation.

OTHER CHANGES

There have been revisions made to the actuarial assumptions and methods since the last actuarial valuation. The Board adopted a reduction in the investment return assumption from 7.75% to 7.5% over three years starting in the September 30, 2013 Valuation. This assumption was lowered from 7.65% to 7.55% for the September 30, 2014 Valuation and will be further lowered to 7.5% for the September 30, 2015 Valuation. Additionally, the amortization period for new Unfunded Actuarial Accrued Liability (UAAL) bases was lowered from 29 years to 28 years and will continue to be lowered by one year for each year in the future.

REQUIRED CITY CONTRIBUTIONS

The required City contribution for the fiscal year beginning October 1, 2015 is 29.59% of payroll, an increase of 0.44% compared to 29.15% for the fiscal year beginning October 1, 2014. The dollar contribution is \$15.08 million next fiscal year compared to \$16.25 million this fiscal year. The required City contribution for the fiscal year beginning October 1, 2015 was 28.30% of payroll, or \$14.42 million, before the assumption and method changes described above.

OBSERVED EXPERIENCE

Year-to-year differences between assumed experience and observed experience are inevitable in the operation of the System. Examples of favorable experience are: higher than anticipated member termination rates; higher than projected investment returns; a low incidence of disability and delayed retirement. Examples of unfavorable experience are: earlier than anticipated retirement; higher than projected pay increases; increases in longevity after retirement and decreases in the number of active members. Each annual actuarial valuation takes observed experience differences into account. If on net balance the differences are favorable, the unfunded actuarial accrued liability is less than projected (an experience gain) otherwise it is more than projected (an experience loss). Specific activity information is located in Sections C and D.

Observed experience during the year was in the aggregate more favorable than expected, resulting in an actuarial experience gain of \$14,431,936 compared to last year's gain of \$2,991,103. The gain was mainly attributable to lower than expected salary increases and greater than expected investment earnings on the actuarial value of assets. The overall net gain has decreased the required contribution by 2.39% of payroll.

The investment return for the year was 11.0% based on market value and 9.6% based on the actuarial value of assets. The assumed rate of return for the fiscal year ending September 30, 2014 was 7.65%. The average salary increase for continuing active members was 1.8% as compared to the average assumed rate of 4.3%.

FUNDED RATIO

The funding progress indicators described on page B-4 and reported on page B-5 indicate that the accrued obligations of the System, as measured by the entry-age actuarial cost method, are 93.3% funded vs. 90.8% funded last year (reflecting the proceeds from the Pension Obligation Bond). The funded ratio was 94.2% before the assumption change described above.

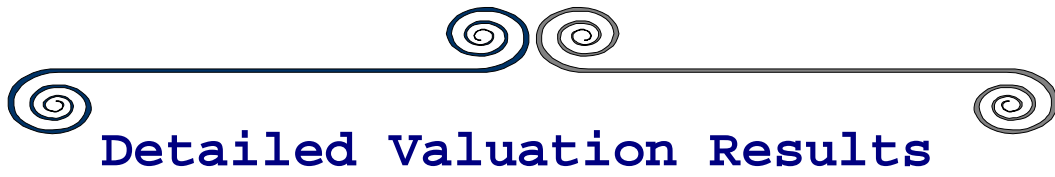
REQUIRED CONTRIBUTION IN LATER YEARS

It is important to keep in mind that under the asset smoothing method, investment gains and losses are recognized over five years. As of September 30, 2014 the market value of assets exceeded the actuarial value by \$40,473,557. If these unrecognized investment gains were immediately recognized in the actuarial asset value, the contribution rate would decrease by roughly 6.6% of this year's payroll.

RELATIONSHIP TO MARKET VALUE

If Market Value had been the basis for the valuation, the City contribution rate would have been 22.99% and the funded ratio would have been 100.1%. In the absence of other gains and losses, the City contribution rate should decrease to that level over the next several years.

Section B



Detailed Valuation Results

FUNDING OBJECTIVE

The funding objective for the Retirement System is to establish and receive contributions, expressed as percentages of active participant payroll, which are inherently level from year-to-year when funding assumptions are realized and benefits are unchanged. This objective meets the requirements of Part VII, Chapter 112, Florida Statutes.

CONTRIBUTION RATES

The Retirement System is supported by participant contributions, City contributions and investment income on Retirement System assets.

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

- (1) cover the costs allocated to the current year (normal cost) by the actuarial cost methods described in Section D; and
- (2) finance over a period of future years the actuarial costs not covered by present assets and anticipated future normal costs (unfunded actuarial accrued liability).

The financing period used for the unfunded actuarial accrued liability at September 30, 2000 was combined into a single period of 23 years. Changes in the unfunded liability after September 30, 2000 are financed over 30 years, with the exception of the change in unfunded liability due to the Bonus Incentive Program, which is being financed over 5 years starting October 1, 2012. Starting October 1, 2013, the amortization period for new bases will be reduced by one year each valuation.

Contribution requirements for the next plan and fiscal year are shown on page B-2.

**CONTRIBUTIONS TO FINANCE BENEFITS OF THE RETIREMENT SYSTEM
TO BE CONTRIBUTED DURING THE FISCAL YEAR
BEGINNING OCTOBER 1, 2015**

Contributions Expressed as	After Changes		Before Changes		From 9/30/2013 Valuation	
	% of 10/1/15 Member Payroll ⁽¹⁾	\$ Contributions ⁽²⁾	% of 10/1/15 Member Payroll ⁽¹⁾	\$ Contributions ⁽²⁾	% of 10/1/14 Member Payroll ⁽¹⁾	\$ Contributions ⁽²⁾
<i>Normal Cost</i>						
Service pensions	14.24 %	\$7,255,571	13.94 %	\$7,102,715	14.04 %	\$7,826,347
Deferred service pensions	2.54	1,294,182	2.49	1,268,706	2.45	1,365,709
Disability pensions	1.81	922,232	1.79	912,042	1.83	1,020,101
Death in service pensions	0.54	275,141	0.53	270,046	0.56	312,162
Refunds of member contributions	0.26	132,475	0.27	137,571	0.27	150,507
Total Normal Cost	19.39	9,879,601	19.02	9,691,080	19.15	10,674,826
<i>Unfunded Actuarial Accrued Liability</i>						
Retired members and beneficiaries	0.00	0	0.00	0	0.00	0
Active and vested terminated members	15.22	7,755,858	14.30	7,286,950	15.16	8,448,762
Total Unfunded Actuarial Accrued Liability	15.22	7,755,858	14.30	7,286,950	15.16	8,448,762
<i>Administrative Expenses</i>	0.96	487,599	0.96	487,834	0.82	458,682
<i>Total Unadjusted Computed Contribution</i>	35.57	18,123,058	34.28	17,465,864	35.13	19,582,270
<i>Adjustments to Computed Contribution</i>						
FS 112.64(5) Compliance	0.00	0	0.00	0	0.00	0
Full funding credit	0.00	0	0.00	0	0.00	0
Total Adjustments	0.00	0	0.00	0	0.00	0
Total Adjusted Contribution Requirement	35.57 %	\$18,123,058	34.28 %	\$17,465,864	35.13 %	\$19,582,270
Member portion	5.98	3,046,932	5.98	3,046,932	5.98	3,333,444
City portion	29.59	15,076,126 ⁽³⁾	28.30	14,418,932	29.15	16,248,826

⁽¹⁾Estimated Covered Payroll (excluding DROP members) for the 2015-16 Fiscal Year is \$50,952,045, compared to \$55,743,211 for the 2014-15 year. These figures represent estimated payroll for active members of the Retirement System only. The System has been closed to new members since 2007. As a result, the required contribution will continue to increase as a percent of covered payroll, as such payroll decreases from year to year.

⁽²⁾Dollar contributions have been projected to allow for projected compensation increases, retirements, employment terminations and deaths. The required Employer contribution has been adjusted for interest on the basis that contributions are made in equal installments at the end of each pay period.

⁽³⁾The required City contribution is \$14,393,012 if paid in full on October 1, 2015.

FS 112.64 requires City contributions to be deposited not less frequently than quarterly. Member contributions, which are in addition to the City contributions, must be deposited not less frequently than monthly.

Comparative contribution amounts for prior fiscal years are shown on page B-3.

CITY CONTRIBUTION REQUIREMENT: HISTORICAL COMPARISON

Valuation Date	Applicable Fiscal Year	Percent of Payroll Contribution					Dollar Contribution	
		Normal Cost	Expenses	UAAL*	Adjustments	Total	Projected	Actual
9/30/1990	90-91	4.51 %	1.50 %	6.26 %	0.00 %	12.27 %	\$ n.a.	\$ n.a.
9/30/1991	91-92	5.67	1.50	4.61	0.00	11.78	n.a.	n.a.
9/30/1992	92-93	6.18	1.52	5.78	0.00	13.48	5,658,572	5,658,572
9/30/1993	93-94	4.73	1.76	5.56	0.00	12.05	5,222,632	5,222,632
9/30/1994 (a)	94-95	7.26	1.77	4.43	1.20	14.66	6,271,026	6,253,916
9/30/1995 (a)	95-96	7.22	0.47	3.97	0.00	11.66	5,091,855	5,091,855
9/30/1996 (a)	96-97	7.62	0.62	5.28	0.13	13.65	6,022,556	6,022,556
9/30/1997 (a)	97-98	8.04	0.54	3.09	0.15	11.82	5,482,994	5,482,994
9/30/1998	98-99	7.89	0.56	2.82	0.09	11.36	5,693,583	5,693,583
9/30/1999 (a)	99-00	7.03	0.52	0.50	(0.01)	8.04	4,187,028	4,291,596
9/30/2000 (a)	00-01	8.22	0.56	0.41	0.00	9.19	5,002,774	5,002,774
9/30/2000 (a)	01-02	8.22	0.56	0.41	0.00	9.19	5,202,885	5,202,884
9/30/2001 (a)	02-03	10.59	0.53	3.33	0.28	14.73	9,012,598	9,012,598
9/30/2002	03-04	10.96	0.58	7.82	0.68	20.04	12,055,085	12,055,085
9/30/2003 (a)	04-05	11.71	0.56	9.73	0.00	21.99	14,036,569	14,036,569
9/30/2004 (a)	05-06	11.87	0.64	11.73	0.14	24.38	14,749,038	14,749,038
9/30/2005	06-07	12.14	0.57	10.91	0.00	23.62	15,221,841	15,221,841
9/30/2006	07-08	12.48	0.62	10.33	0.00	23.43	16,025,608	16,025,608
9/30/2007 (a)	08-09	12.73	0.59	12.44	0.00	25.76	18,363,351	18,363,351
9/30/2008	09-10	13.17	0.59	14.92	0.00	28.68	19,387,067	19,387,067
9/30/2009	10-11	13.21	0.54	17.20	0.00	30.95	21,534,043	21,534,043
9/30/2010	11-12	13.32	0.52	18.91	0.00	32.75	22,379,269	22,379,269
9/30/2011 (a)	12-13	13.91	0.67	8.02	0.00	22.60	12,912,679	13,569,411
9/30/2012 (a)	13-14	12.84	0.72	13.93	0.00	27.49	15,061,353	15,061,353
9/30/2013 (a)	14-15	13.17	0.82	15.16	0.00	29.15	16,248,826	
9/30/2014 (b)	15-16	13.04	0.96	14.30	0.00	28.30	14,418,932	
9/30/2014 (a)	15-16	13.41	0.96	15.22	0.00	29.59	15,076,126	

These percent of payroll contribution figures represent percentages of covered payroll for active members of the Retirement System only, excluding DROP members. The System has been closed to new members since 2007. As a result, the required contribution will continue to increase as a percent of covered payroll, as such payroll decreases from year to year.

* UAAL represents unfunded actuarial accrued liability.

(a) After changes in benefit provisions and/or actuarial assumptions/methods.

(b) Before changes in benefit provisions and/or actuarial assumptions/methods.

FUNDING PROGRESS INDICATORS

There is no single all-encompassing measure of a pension plan's funding progress and current funded status. Understanding of short-term funding progress and status can be achieved using the following indicators:

Indicator (1) - The actuarial present value of gains or losses realized in the operation of the Retirement System. Gains and losses are expected to cancel each other over a period of years but sizable year-to-year fluctuations are common.

Indicator (2) - The ratio of the funding value of assets to the actuarial accrued liability. The ratio is expected to increase over time but the basic trend may be interrupted by benefit improvements.

Indicator (3) - The ratio of the unfunded actuarial accrued liability to participant payroll. In a soundly financed pension fund, the amount of the unfunded actuarial accrued liability will be controlled and prevented from increasing in the absence of benefit improvements. However, in an inflationary environment it is seldom practical to impose this control on dollar amounts which are depreciating in value. The ratio is a relative index of condition where inflation is present in both items. The ratio is expected to decrease over time but the basic trend may be interrupted by benefit improvements.

FUNDING PROGRESS INDICATORS - HISTORICAL COMPARISON

Valuation Date	Indicator (1)		Indicator (2)		Indicator (3)		
	Gain (Loss)	Funding Value of Assets	AAL	Percent Funded	Unfunded AAL	Valuation Payroll	Percent of Payroll
September 30, 1994	N/A	\$147,354,316	\$181,036,056	81.4 %	\$33,681,740	\$41,845,307	80.4 %
September 30, 1995	\$ 4,820,050	163,265,372	192,613,773	84.8	29,348,401	42,718,845	68.6
September 30, 1996 (a)*	3,832,181	175,906,574	215,921,863	81.5	40,015,289	43,160,872	92.8
September 30, 1997 (a)	18,712,125	204,885,033	225,854,296	90.7	20,969,263	45,377,683	46.2
September 30, 1998	1,000,984	228,067,116	247,477,415	92.2	19,410,299	49,012,771	39.6
September 30, 1999 (a)	15,840,796	254,682,660	250,814,531	101.5	(3,868,129)	51,090,800	-
September 30, 2000 (a)	4,955,323	274,896,024	278,433,377	98.7	3,537,353	53,388,461	6.6
September 30, 2001 (a)	(2,664,957)	287,006,880	323,655,373	88.7	36,648,493	57,544,997	63.7
September 30, 2002	(45,658,572)	270,315,139	354,556,913	76.2	84,241,774	56,553,965	149.0
September 30, 2003 (a)	(10,382,467)	268,977,550	369,718,095	72.8	100,740,545	60,095,925	167.6
September 30, 2004 (a)	(11,605,848)	266,240,318	379,814,542	70.1	113,574,224	57,013,914	199.2
September 30, 2005	6,287,063	282,961,210	392,571,293	72.1	109,610,083	60,524,820	181.1
September 30, 2006	3,111,903	301,241,568	408,743,565	73.7	107,501,997	64,239,370	167.3
September 30, 2007 (a)	6,224,383	327,741,369	430,025,194	76.2	102,283,825	69,102,372	148.0
September 30, 2008	(12,696,085)	338,743,156	454,291,730	74.6	115,548,574	69,499,308	166.3
September 30, 2009	(21,592,067)	345,239,176	482,099,968	71.6	136,860,792	71,547,932	191.3
September 30, 2010	(9,398,503)	353,481,376	499,854,210	70.7	146,372,834	71,416,368	205.0
September 30, 2011 (a)	(18,218,973)	491,526,223	536,701,842	91.6	45,175,619	60,621,037	74.5
September 30, 2012 (a)	(14,697,316)	500,032,464	551,357,605	90.7	51,325,141	58,373,182	87.9
September 30, 2013 (a)	2,991,103	519,997,283	572,516,334	90.8	52,519,051	57,216,597	91.8
September 30, 2014 (b)	14,431,936	551,038,675	585,018,042	94.2	33,979,367	53,024,872	64.1
September 30, 2014 (a)	14,431,936	551,038,675	590,876,829	93.3	39,838,154	53,024,872	75.1

* State mandated mortality assumption change.

(a) After changes in benefit provisions and/or actuarial assumptions/methods.

(b) Before changes in benefit provisions and/or actuarial assumptions/methods.

The payroll figures represent covered payroll for active members of the Retirement System only, excluding DROP members, and the Unfunded AAL as a percent of payroll was calculated on this basis.

AAL represents the actuarial accrued liability using the Entry Age actuarial cost method.

DERIVATION OF EXPERIENCE GAIN (LOSS)

Derivation	Year Ended 2014
(1) UAAL at start of year	\$ 52,519,051
(2) Employer normal cost for year	7,790,119
(3) Actual Employer contributions	15,061,353
(4) Interest accrued on (1), (2) and (3)	3,163,486
Interest Rate from previous year valuation:	7.65%
(5) Expected UAAL before changes and experience gain (loss)	48,411,303
(6) Effect of COLA during year	0
(7) Effect of benefit changes	0
(8) Effect of assumption or method changes	5,858,787
(9) Expected UAAL after changes (5) + (6) + (7) + (8)	54,270,090
(10) Actual UAAL at end of year	39,838,154
(11) Experience gain (loss) (9) - (10)	14,431,936
(12) Gain (loss) due to investments	9,878,903
(13) Gain (loss) from other sources	4,553,033

UAAL represents unfunded actuarial accrued liability.

CUMULATIVE EXPERIENCE GAINS (LOSSES)

Year Ended Sept. 30	Balance at		Gain (Loss) During Year	Value of Cost- of- Living		Amortization Credits or (Charges)	Balance at End of Year
	Beginning of Year	Interest		Adjustment During Year			
1989							\$12,896,673
1990	\$12,896,673	\$ 967,250	\$(10,398,254)	\$3,824,160			(551,941)
1991	(551,941)	(33,116)	10,641,105	-			10,056,048
1992	10,056,048	754,204	4,255,737	2,759,768			12,306,221
1993	12,306,221	922,967	11,535,157	-			24,764,344
1994	24,764,344	1,857,326	-*	1,985,572			24,636,098
1995	24,636,098	1,847,707	4,820,050	-			31,303,856
1996	31,303,856	2,347,789	3,832,152	3,056,940			34,426,857
1997	34,426,857	2,582,014	18,712,125	2,345,000	\$151,209		53,527,205
1998	53,527,205	4,014,540	1,000,984	4,353,000	274,012		54,463,741
1999	54,463,741	4,084,781	15,840,796	1,727,051	501,660		73,163,927
2000	73,163,927	5,487,295	4,955,323	3,074,205	644,539		81,176,879
2001	81,176,879	6,088,266	(2,664,957)	4,222,465	N/A		80,377,723
2002	80,377,723	6,028,329	(45,658,572)	0	N/A		40,747,480
2003	40,747,480	3,056,061	(10,382,467)	0	N/A		33,421,074
2004	33,421,074	2,590,133	(11,605,848)	0	N/A		24,405,359
2005	24,405,359	1,891,415	6,287,063	0	N/A		32,583,837
2006	32,583,837	2,525,247	3,111,903	0	N/A		38,220,987
2007	38,220,987	2,962,126	6,224,383	0	N/A		47,407,496
2008	47,407,496	3,674,081	(12,696,085)	0	N/A		38,385,492
2009	38,385,492	2,974,876	(21,592,067)	0	N/A		19,768,301
2010	19,768,301	1,532,043	(9,398,503)	0	N/A		11,901,841
2011	11,901,841	922,393	(18,218,973)	0	N/A		(5,394,739)
2012	(5,394,739)	(418,092)	(14,697,316)	0	N/A		(20,510,147)
2013	(20,510,147)	(1,589,536)	2,991,103	0	N/A		(19,108,580)
2014	(19,108,580)	(1,461,806)	14,431,936	0	N/A		(6,138,450)

* Gain/loss could not be calculated due to the unavailability of necessary information from the prior actuary.

UNFUNDED ACTUARIAL ACCRUED LIABILITY

	September 30, 2014		September 30, 2013
	After Changes	Before Changes	
A. Actuarial present value of future benefits	\$659,271,207	\$651,690,612	\$648,060,798
B. Actuarial present value of future normal costs	68,394,378	66,672,570	75,544,464
C. Actuarial accrued liability	590,876,829	585,018,042	572,516,334
D. Actuarial value of assets	551,038,675	551,038,675	519,997,283
E. Unfunded actuarial accrued liability	39,838,154	33,979,367	52,519,051

SOURCES AND FINANCING OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

Year Established	Initial Years	Years Remaining	Initial Amount	Current Amount	After Changes		Before Changes		
					Payment	Percent of Payroll	Payment	Percent of Payroll	
Initial Unfunded									
2000	23	9	\$3,537,353	\$390,124	\$59,136	0.11 %	\$59,358	0.12 %	
COLA									
2001	30	17	4,222,465	545,124	55,945	0.11	56,299	0.11	
Experience (Gain)/Loss									
2001	30	17	2,664,957	344,049	35,308	0.07	35,533	0.07	
2002	30	18	45,658,572	5,906,466	589,256	1.16	593,158	1.16	
2003	30	19	10,382,467	1,305,787	126,978	0.25	127,853	0.25	
2004	30	20	11,605,848	1,445,434	137,330	0.27	138,312	0.27	
2005	30	21	(6,287,063)	(775,897)	(72,177)	(0.14)	(72,711)	(0.14)	
2006	30	22	(3,111,903)	(383,134)	(34,961)	(0.07)	(35,228)	(0.07)	
2007	30	23	(6,224,383)	(761,687)	(68,292)	(0.13)	(68,830)	(0.14)	
2008	30	24	12,696,085	1,549,358	136,701	0.27	137,807	0.27	
2009	30	25	21,592,067	2,642,286	229,725	0.45	231,635	0.45	
2010	30	26	9,398,503	1,148,330	98,500	0.19	99,340	0.19	
2011	30	27	18,218,973	2,235,306	189,379	0.37	191,030	0.37	
2012	30	28	14,697,316	15,823,807	1,325,456	2.59	1,337,265	2.62	
2013	29	28	(2,991,103)	(3,007,818)	(251,945)	(0.49)	(254,190)	(0.49)	
2014	28	28	(14,431,936)	(14,431,936)	(1,208,869)	(2.37)	(1,219,639)	(2.39)	
Benefit Changes									
2001	30	17	30,026,528	3,876,450	397,830	0.78	400,353	0.79	
2003	30	19	2,712,567	341,156	33,175	0.07	33,404	0.07	
2011	5	2	17,539,863	9,196,007	4,945,153	9.71	4,949,751	9.71	
Assumption/Cost Method Changes									
2001	30	17	(3,205,872)	(413,880)	(42,475)	(0.08)	(42,745)	(0.08)	
2003	30	19	(589,337)	(74,120)	(7,207)	(0.01)	(7,257)	(0.01)	
2004	30	20	(1,235,509)	(153,876)	(14,620)	(0.03)	(14,724)	(0.03)	
2012	30	28	1,378,571	1,484,233	124,325	0.24	125,432	0.25	
2013	29	28	5,715,854	5,747,798	481,455	0.94	485,744	0.95	
2014	28	28	5,858,787	5,858,787	490,752	0.96	N/A	N/A	
			179,829,670	39,838,154	7,755,858	15.22	7,286,950	14.30	

The annual payment is the level dollar amount needed to amortize the base over the remaining years. The percent of payroll figures represent percentages of covered payroll for active members of the Retirement System only, excluding DROP members. The System has been closed to new members since 2007. As a result, the annual payment on the unfunded accrued liability will continue to increase as a percent of covered payroll, as such payroll decreases from year to year.

The unfunded actuarial accrued liabilities were combined and offset in accordance with the procedure outlined in proposed I.R.S. regulation 1.412(b)-1(d) and was adopted by the Board of Trustees for use in the September 30, 2000 valuation.

DERIVATION OF FUNDING VALUE OF ASSETS

	2010	2011	2012	2013	2014
Beginning of Year					
(1) Market Value	\$287,699,313	\$312,018,770	\$305,318,905	\$496,554,294	\$549,873,979
(2) Funding Value	345,610,889	353,481,376	355,673,852	500,032,464	519,997,283
End of Year					
(3) Market Value	312,018,770	305,318,905	350,173,364	549,873,979	591,512,232
(4) Net Addition to Assets, Excluding Investment Income and Expenses	(3,582,994)	(3,039,192)	(6,842,698)	(18,902,771)	(17,931,426)
(5) Total Net Investment Income# = (3) - (1) - (4)	27,902,451	(3,660,673)	51,697,157	72,222,456	59,569,679
(6) Projected Net Rate of Return#	7.75%	7.75%	7.75%	7.75%	7.65%
(7) Projected Investment Income = (6) x [(2) + .5 x (4)]	26,646,003	27,277,038	27,299,569	38,020,034	39,093,915
(8) Investment Income in Excess of Projected = (5) - (7)	1,256,448	(30,937,711)	24,397,588	34,202,422	20,475,764
(9) Excess Investment Income Recognized					
(9a) From This Year	251,290	(6,187,542)	4,879,518	6,840,484	4,095,153
(9b) From One Year Ago	(4,936,194)	251,290	(6,187,542)	4,879,518	6,840,484
(9c) From Two Years Ago	(16,486,261)	(4,936,194)	251,290	(6,187,542)	4,879,518
(9d) From Three Years Ago	5,313,337	(16,486,261)	(4,936,194)	251,290	(6,187,542)
(9e) From Four Years Ago	665,306	5,313,337	(16,486,261)	(4,936,194)	251,290
(9f) Total	(15,192,522)	(22,045,370)	(22,479,189)	847,556	9,878,903
End of Year					
(10) Funding Value (2) + (4) + (7) + (9f)	353,481,376	355,673,852	353,651,534	519,997,283	551,038,675
(11) Final Funding Value Within 20% of Market Value	353,481,376	355,673,852	353,651,534	519,997,283	551,038,675
(12) Market Value	312,018,770	305,318,905	350,173,364	549,873,979	591,512,232
(13) Proceeds from Pension Obligation Bond	N/A	135,852,371	146,380,930	N/A	N/A
(14) Final Funding Value	353,481,376	491,526,223	500,032,464	519,997,283	551,038,675
(15) Final Market Value	312,018,770	441,171,276	496,554,294	549,873,979	591,512,232
Rate of Return#					
Funding Value	3.4%	1.5%	1.4%	7.9%	9.6%
Market Value	9.8%	-1.2%	17.1%	14.8%	11.0%

Net of investment expenses. In 2011 and 2012, before reflecting proceeds from Pension Obligation Bond.

Recent History of Investment Earnings						
Fiscal Year Ending (September 30)	Year End Market Value of Assets (\$000's)	Actual Net Investment Income (\$000's)	Return on Market Value	Return on Actuarial Value	Expected Investment Income (\$000's)	Actual Less Expected (\$000's)
2000	\$ 301,796	\$ 39,130	14.7 %	10.8 %	\$ 18,839	\$ 20,291
2001	251,699	(43,739)	(14.7)	5.6	20,379	(64,118)
2002	225,263	(18,179)	(7.3)	(3.0)	21,216	(39,395)
2003	250,805	35,883	16.4	2.8	19,942	15,941
2004	266,240	22,923	9.3	1.3	20,556	2,367
2005	291,037	30,507	11.6	8.5	20,412	10,095
2006	309,959	25,020	8.7	8.7	21,693	3,327
2007	355,028	49,732	16.2	10.4	23,166	26,566
2008	292,088	(57,252)	(16.3)	5.1	25,180	(82,432)
2009	287,699	1,349	0.5	3.6	26,030	(24,681)
2010	312,019	27,902	9.8	3.4	26,646	1,256
2011	441,171	(3,661)	(1.2)	1.5	27,277	(30,938)
2012	496,554	51,697	17.1	1.4	27,300	24,397
2013	549,874	72,222	14.8	7.9	38,020	34,202
2014	<u>591,512</u>	<u>59,570</u>	<u>11.0</u>	<u>9.6</u>	<u>39,094</u>	<u>20,476</u>
Total	N/A	\$ 293,104	5.4% (Avg.)	5.1% (Avg.)	\$ 375,750	\$ (82,646)

ACTUARIAL BALANCE SHEET – SEPTEMBER 30, 2014

Present Resources and Expected Future Resources

	After Changes	Before Changes
A. Net assets available for benefits		
1. Funding value	\$551,038,675	\$551,038,675
B. Actuarial present value of expected future City contributions		
1. For normal cost	45,892,852	44,274,292
2. For unfunded actuarial accrued liability	39,838,154	33,979,367
3. Total	85,731,006	78,253,659
C. Actuarial present value of expected future participant contributions	22,501,526	22,398,278
D. Total Present and Expected Future Resources	\$659,271,207	\$651,690,612


Actuarial Present Value of Expected Future Benefit Payments and Reserves

	After Changes	Before Changes
A. To retired participants and beneficiaries	\$363,162,854	\$360,312,001
B. To vested terminated participants	19,456,599	19,180,250
C. To present active participants		
1. Allocated to service rendered prior to valuation date	208,257,376	205,525,791
2. Allocated to service likely to be rendered after valuation date	68,394,378	66,672,570
3. Total	276,651,754	272,198,361
D. Total Actuarial Present Value of Expected Future Benefit Payments	\$659,271,207	\$651,690,612

ACTUARIAL PRESENT VALUE OF FUTURE BENEFITS BY DECREMENT

	9/30/2014		9/30/2013
	After Changes	Before Changes	
(i) Actuarial present value of active member benefits:			
Service retirement	\$253,474,046	\$249,446,000	\$254,593,413
Vested termination benefits	15,248,094	14,914,850	16,908,249
Disability retirement	4,191,122	4,136,606	4,859,126
Survivor benefits (pre-retirement)	3,642,612	3,605,562	4,000,236
Termination benefits - refunds	95,880	95,343	101,493
Totals	276,651,754	272,198,361	280,462,517
(ii) Actuarial present value of terminated vested members	19,456,599	19,180,250	15,560,797
(iii) Actuarial present value of retired members & beneficiaries:			
Service retirement & survivors	351,001,487	348,250,668	340,323,406
Disability retirement	12,161,367	12,061,333	11,714,078
Totals	363,162,854	360,312,001	352,037,484
(iv) Total actuarial present value of future benefit payments	659,271,207	651,690,612	648,060,798
(v) Present value of active member future payroll	376,102,833	374,378,177	421,665,030
(vi) Present value of future active member contributions	22,501,526	22,398,278	25,231,909
(vii) Active member accumulated contributions	34,845,734	34,845,734	34,770,268

Section C



Summary of Benefit Provisions and Valuation Data

SUMMARY OF PROVISIONS CONSIDERED FOR ACTUARIAL VALUATION (AS OF SEPTEMBER 30, 2014)

A. Ordinances

The Plan was established under the Code of Ordinances for the City of Ft. Lauderdale, Florida, Chapter 20, Article IV, Division 2, and was most recently amended under Ordinance No. C-11-34 passed and adopted on December 6, 2011. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

B. Effective Date

January 3, 1973

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

The plan is closed to new members hired on or after the following dates:

- (1) October 1, 2007 for employees represented by the Teamsters Union,
- (2) November 7, 2007 for employees represented by the Federation of Public Employees, and
- (3) March 5, 2008 for employees not covered by a Bargaining Unit and including new Police Cadets.

Prior to closure of the plan, all general employees were eligible to become members including those previously excluded due to age at hire (over age 55) or due to classification. Firefighters and Police Officers were excluded.

F. Credited Service

Service is measured as the period of uninterrupted service from the date of employment until the date of entry into the DROP, termination, retirement, or voluntary withdrawal from the plan. No service is credited for any periods of employment for which the member received a refund of employee contributions.

G. Earnings

Base wages, including assignment pay, regular longevity pay, and member contributions “picked-up” pursuant to section 20-112(a) of the Code. All irregular payments such as those for unused vacation time, sick leave, overtime and severance pay are excluded.

H. Average Monthly Earnings (AME)

Group I Members: One twenty-fourth (1/24) of Earnings for the highest 2 years out of the last 5 years of Credited Service prior to termination or retirement.

Group II Members: One thirty-sixth (1/36) of Earnings for the highest 3 years of Credited Service prior to termination or retirement.

I. Normal Retirement/Service Retirement

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

Group I Members:

- (1) Age 55 regardless of Credited Service if hired prior to January 21, 2004; Age 55 with 5 years of Credited Service if hired on or after January 21, 2004, or
- (2) 30 years of Credited Service regardless of age.

Group II Members: Age 65 regardless of Credited Service.

Group II Members may also retire under Service Retirement on the first day of the month coincident with or next following 30 years of Credited Service regardless of age.

Benefit: Group I Members: 3% of AME multiplied by years of Credited Service up to 25 years, plus 2.5% of AME multiplied by years of Credited Service in excess of 25 years. Benefit is limited to 90% of AME and subject to the provisions of Section 415 of the Internal Revenue Code.

Group II Members: 1.5% of AME multiplied by years of Credited Service up to 30 years. Benefit is subject to the provisions of Section 415 of the Internal Revenue Code. If the member is retiring under Service Retirement with Credited Service less than 35 years, the benefit is reduced as shown below:

<u>Service at Retirement</u>	<u>Pension Reduction</u>
35 & up	None
34	2 %
33	5
32	9
31	14
30	19

Normal Form of Benefit: Life annuity with the following survivor benefits for Group I Members only; other options are also available.

- (1) Surviving Spouse and children: If married at time of retirement, 100% of pension continues for 1 year; 60% continues thereafter until remarriage or death. In addition, each unmarried child under age 18 receives 20% of retired member's pension. Maximum payable to spouse and children is 100% of retired member's pension.

- (2) Children (no spouse receiving): Each unmarried child under age 18 receives 25% of retired member's pension. Maximum total of all pensions is 100% of retired member's pension.
- (3) No spouse or children (at time of retirement): If the retired member was hired prior to 1973, the designated beneficiary receives a lump sum equal to the difference, if any, between 60 times the retired member's monthly pension and the amount paid the retired member; otherwise, the designated beneficiary receives a lump sum equal to the difference, if any, between the amount contributed as a member and the amount received as a retired member.

COLA: There are currently no annual cost of living increases, but ad hoc increases may be provided at the discretion of the Board of Trustees along with the approval of the City Commission. Also see Section V, Cost of Living Increases.

J. Early Retirement

Eligibility: A member may elect to retire earlier than the Normal Retirement Eligibility upon attainment of age 50 with 15 years of Credited Service for Group I Members and age 55 with 15 years of Credited Service for Group II Members.

Benefit: Group I Members: The Normal Retirement Benefit is reduced by five-twelfths (5/12) percent for each month by which the Early Retirement date the Normal Retirement date.

Group II Members: The Normal Retirement Benefit is reduced by one-third (1/3) percent for each of the first 60 months by which the Early Retirement date precedes the Normal Retirement date and one-half (1/2) percent for each month over 60 months.

Normal Form of Benefit: Life annuity with the following survivor benefits for Group I Members only; other options are also available.

- (1) Surviving Spouse and children: If married at time of retirement, 100% of pension continues for 1 year; 60% continues thereafter until remarriage or death. In addition, each unmarried child under age 18 receives 20% of retired member's pension. Maximum payable to spouse and children is 100% of retired member's pension.
- (2) Children (no spouse receiving): Each unmarried child under age 18 receives 25% of retired member's pension. Maximum total of all pensions is 100% of retired member's pension.
- (3) No spouse or children (at time of retirement): If the retired member was hired prior to 1973, the designated beneficiary receives a lump sum equal to the difference, if any, between 60 times the retired member's monthly pension and the amount paid the retired member; otherwise, the designated beneficiary receives a lump sum equal to the difference, if any, between the amount contributed as a member and the amount received as a retired member.

COLA: There are currently no annual cost of living increases, but ad hoc increases may be provided at the discretion of the Board of Trustees along with the approval of the City Commission. Also see Section V, Cost of Living Increases.

K. Delayed Retirement

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

L. Service Connected Disability

Eligibility: Any member who becomes totally incapacitated and unable to perform regular and continuous duty as an employee as a result of a service-connected injury, disease or disability is eligible for a disability benefit commencing on the 91st day of disability.

Benefit: Sixty-five (65) percent of the member's monthly Earnings at time of disability less, to the extent permitted by law, Worker's Compensation benefits.

Normal Form

of Benefit: Payable until the Normal Retirement date, death, or recovery from disability. In the event a disability benefit is being paid after the Normal Retirement date and is greater than the accrued Normal Retirement Benefit, the disability benefit shall be extended until 5 years after the Normal Retirement date or until total service credit (including service credit granted for disability period) provides a Normal Retirement Benefit greater than or equal to the disability benefit.

COLA: There are currently no annual cost of living increases, but ad hoc increases may be provided at the discretion of the Board of Trustees along with the approval of the City Commission. Also see Section V, Cost of Living Increases.

M. Non-Service Connected Disability

Eligibility: Any member who becomes totally incapacitated and unable to perform regular and continuous duty as an employee as a result of a non-service connected injury, disease or disability is eligible for a disability benefit commencing on the 91st day of disability.

Benefit: Group I Members: Fifty (50) percent of the member's monthly Earnings at time of disability less, to the extent permitted by law, primary Social Security benefits.

Group II Members: Five (5) percent of the member's monthly Earnings at time of disability multiplied by Credited Service up to 13 years less, to the extent permitted by law, primary Social Security benefits.

Normal Form

of Benefit: Payable until the Normal Retirement date, death, or recovery from disability. In the event a disability benefit is being paid after the Normal Retirement date and is greater than the accrued Normal Retirement Benefit, the disability benefit shall be extended until 5 years after the Normal Retirement date or until total service credit (including service credit granted for disability period) provides a Normal Retirement Benefit greater than or equal to the disability benefit.

COLA: There are currently no annual cost of living increases, but ad hoc increases may be provided at the discretion of the Board of Trustees along with the approval of the City Commission. Also see Section V, Cost of Living Increases.

N. Death in the Line of Duty

Eligibility: Any member who dies while employed from causes directly related to employment with the City is eligible for the following survivor benefits.

Benefit: The survivor benefits are payable monthly as described below.

- (1) The spouse is paid 50% of the member's monthly Earnings at the time of death.
- (2) While the spouse is receiving, each eligible child is paid 10% of the member's monthly Earnings at the time of death with a maximum of 80% between both spouse and children. If there is no spouse receiving, 50% of the monthly Earnings at the time of death is equally distributed to the eligible children.
- (3) If there is no eligible spouse or children, 50% of the member's monthly Earnings at the time of death are paid to the member's beneficiary(s).

Normal Form of Benefit: Spouse's benefits are payable until remarriage or death; children's benefits are payable until age 18, marriage or death. For beneficiaries other than spouses or children, benefits are payable until the earlier of 96 months or the death of the last surviving beneficiary.

COLA: There are currently no annual cost of living increases, but ad hoc increases may be provided at the discretion of the Board of Trustees along with the approval of the City Commission. Also see Section V, Cost of Living Increases.

O. Other Pre-Retirement Death

Eligibility: Any member who dies while employed from causes not directly related to employment with the City is eligible for the following survivor benefits. Group II Members must be at least age 55 with 15 years of Credited Service to be eligible.

Benefit: Group I Members: 50% of the member's monthly Earnings at the time of death are paid to the member's beneficiary(s).

Group II Members: 50% of the member's monthly Early Retirement Benefit is paid to the member's spouse.

Normal Form of Benefit: Payable until the earlier of 96 months or the death of the last surviving beneficiary. In lieu of the Normal Form of Benefit, Group I members prior to January 3, 1973 may elect a death benefit equal to 4 times their annual compensation paid in a lump sum.

COLA: There are currently no annual cost of living increases, but ad hoc increases may be provided at the discretion of the Board of Trustees along with the approval of the City Commission. Also see Section V, Cost of Living Increases.

Beneficiaries of Group II Members who die prior to age 55 will receive a refund of the member's accumulated contributions with interest.

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 the 10 Years Certain and Life Thereafter or the Joint and Last Survivor options.

R. Vested Termination

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 5 years of Credited Service for Group I Members and 10 years of Credited Service for Group II Members.

Benefit: The benefit is the member's accrued Normal Retirement Benefit as of the date of termination. Benefit begins at age 55 for Group I Members and age 65 for Group II Members.

Members with 15 or more years of Credited Service can elect to receive an Early Retirement benefit beginning at age 50 or later for Group I Members and age 55 or later for Group II Members. If so elected, the benefit will be reduced for Early Retirement.

Normal Form of Benefit: Single life annuity; other options are also available.

COLA: There are currently no annual cost of living increases, but ad hoc increases may be provided at the discretion of the Board of Trustees along with the approval of the City Commission. Also see Section V, Cost of Living Increases.

Members terminating employment with less than 5 years of Credited Service for Group I Members and 10 years of Credited Service for Group II Members will receive a refund of their own accumulated contributions with interest.

S. Refunds

Eligibility: All members terminating employment with less than 5 years of Credited Service for Group I Members and 10 years of Credited Service for Group II Members are eligible. Optionally, vested members may elect a refund in lieu of the vested benefits otherwise due.

Benefit: A refund of the member's contributions with interest. Interest is currently credited at a rate of 3% per annum.

T. Member Contributions

Group I Members: 6% of Earnings.

Group II Members: 4% of Earnings.

U. Employer Contributions

The amount determined by the actuary needed to fund the plan properly according to State laws.

V. Cost of Living Increases

Pensions may be adjusted at the end of each fiscal year at the discretion of the Board of Trustees and with the approval of the City Commission if investment earnings have exceeded the funding assumption during the prior fiscal year. The amount of adjustment cannot exceed the percentage change in the Consumer Price Index during the preceding calendar year. If adjustments in the 3 previous plan years were less than the change in the CPI, an additional amount up to 4% may be given. Cumulative adjustments cannot have a value greater than net cumulative experience gains or losses from all sources.

W. Deferred Retirement Option Plan (DROP)

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

Group I Members:

- (1) Age 55 regardless of Credited Service, or
- (2) 30 years of Credited Service regardless of age.

Group II Members: age 65 regardless of Credited Service.

Members who meet eligibility must submit a written election to participate in the DROP at least 3 months prior to the Normal Retirement date; otherwise the member will not be eligible to participate for the maximum period.

Benefit: The member's Credited Service and AME 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 AME.

**Maximum
DROP Period:** 36 months

**Interest
Credited:** The member's DROP account is credited with simple interest at a rate equal to the assumed rate of investment return of the fund (currently 7.75%).

**Normal Form
of Benefit:** Lump Sum; member may also elect that the DROP distribution be rolled over to another qualified retirement plan or any combination of the two options.

COLA: There are currently no annual cost of living increases, but ad hoc increases may be provided at the discretion of the Board of Trustees along with the approval of the City Commission. Also see Section V, Cost of Living Increases.

X. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed a City of Fort Lauderdale General Employees' Retirement Plan liability if continued beyond the availability of funding by the current funding source.

Y. Changes from Previous Valuation

There were no changes from the previous valuation.

ACCOUNTING INFORMATION SUBMITTED FOR VALUATION

Revenues and Expenditures

	Year Ended	
	9/30/2014	9/30/2013
REVENUES:		
a. Member contributions	\$ 3,264,583	\$ 3,509,882
b. City contributions	15,061,353	13,562,595
c. County contributions	0	6,816
d. Proceeds from Pension Obligation Bond	0	0
e. Investment income		
Interest and dividends	11,823,294	11,246,085
Net appreciation (depreciation) in fair value of investments	51,410,862	63,877,980
Investment expenses	(3,664,477)	(2,901,609)
Total investment income	59,569,679	72,222,456
f. Other	22,162	28,587
g. Total revenues	77,917,777	89,330,336
EXPENDITURES:		
a. Refunds of member contributions	153,598	133,231
b. Benefits paid	36,087,008	35,844,478
c. Administrative expenses	469,862	441,784
d. Increase/(decrease) in DROP Accounts	(430,944)	(408,842)
e. Other - transfer to Police and Fire Fund	0	0
f. Total expenditures	36,279,524	36,010,651
NET INCOME:		
Total revenues minus total expenditures	41,638,253	53,319,685

Summary of Assets - Market Value

	Year Ended	
	9/30/2014	9/30/2013
Cash	\$ 45,486	\$ 3,117
Money Market Fund	10,636,632	10,770,931
US Government Securities	57,841,031	37,421,326
Corporate Obligations	6,060,494	29,879,347
Common Stock & Mutual Funds	496,099,958	472,098,778
Real Estate	24,982,590	2,910,000
Payable/Accr. Exp.	(9,158,678)	(5,155,411)
DROP Accounts	(1,538,075)	(1,969,019)
Receivables	6,547,618	3,914,844
Other	(4,824)	66
Total Assets	\$591,512,232	\$549,873,979

RETIRED MEMBER AND BENEFICIARY DATA HISTORICAL SCHEDULE

Year Ended	Number Added	Number Removed	Net Increase		End of Year		Expected
			No.	Annual Pensions	No.	Annual Pensions	Removals No.
9/30/1992					798	\$ 8,337,926	
9/30/1993	61	28	33	\$ 683,103	831	9,021,029	*
9/30/1994	39	28	11	122,207 #	842	9,143,236	*
9/30/1995	62	39	23	670,491	865	9,813,727	31
9/30/1996	84	29	55	1,241,354 #	920	11,055,081	33
9/30/1997	51	42	9	479,123 #	929	11,534,204	29
9/30/1998	65	46	19	1,162,788 #	948	12,696,992	30
9/30/1999	63	48	15	502,643 #	963	13,199,635	30
9/30/2000	49	39	10	939,163 #	973	14,138,798	32
9/30/2001	31	38	(7)	912,634 #	966	15,051,432	32
9/30/2002	181	41	140	5,249,292 #	1,106	20,300,724	35
9/30/2003	43	33	10	664,524	1,116	20,965,248	35
9/30/2004	61	48	13	1,113,564	1,129	22,078,812	31
9/30/2005	62	20	42	1,196,352	1,171	23,275,164	32
9/30/2006	58	46	12	760,248	1,183	24,035,412	34
9/30/2007	63	31	32	1,054,572	1,215	25,089,984	35
9/30/2008	46	39	7	785,640	1,222	25,875,624	41
9/30/2009	35	46	(11)	523,008	1,211	26,398,632	41
9/30/2010	45	44	1	939,720	1,212	27,338,352	41
9/30/2011 (b)	53	44	9	1,394,052	1,221	28,732,404	42
9/30/2011 (a)	187	44	143	7,088,808	1,355	34,427,160	42
9/30/2012	32	43	(11)	333,283	1,344	34,760,443	44
9/30/2013	43	33	10	692,591	1,354	35,453,034	44
9/30/2014	55	39	16	991,082	1,370	36,444,116	47

* Not available.

Includes post-retirement increases granted during the year.

(b) Before plan change.

(a) After plan change.

RETIREE DATA

Sept. 30	Normal and Early Retirement Recipients*				New Retirements**		
	Number	Averages			Number	Averages	
		Attained Age	Retirement Age	Annual Pension		Age	Annual Pension
1994	661	67.6 yrs.	58.3 yrs.	\$12,213	26	60.3 yrs.	\$16,803
1995	686	68.7	59.2	12,688	58	60.8	16,747
1996	701	69.1	58.6	13,613	38	59.3	19,357
1997	694	70.7	59.9	14,067	24	59.2	15,156
1998	697	70.7	59.8	15,220	40	59.8	21,405
1999	707	70.9	59.8	15,464	35	60.6	17,704
2000	706	71.2	59.7	14,531	29	59.0	27,097
2001	769	68.8	58.5	15,581	33	56.0	25,739
2002	839	69.4	59.4	20,967	165	58.8	32,288
2003	834	69.5	59.2	21,845	30	55.9	37,480
2004	862	69.3	58.9	22,469	57	56.9	30,787
2005	882	69.3	58.8	23,024	46	57.8	27,986
2006	895	69.4	58.7	23,473	48	57.9	26,558
2007	912	69.6	58.6	23,891	47	58.2	27,368
2008	924	69.7	58.4	24,306	38	56.4	30,244
2009	923	69.9	58.3	24,846	32	58.1	33,443
2010	927	69.9	58.3	25,711	39	58.2	35,893
2011	(b) 942	70.0	58.2	26,689	46	57.8	37,948
2011	(a) 1,076	68.7	58.4	28,658	180	59.0	41,336
2012	1,066	69.0	58.3	29,085	28	58.4	33,208
2013	1,085	69.4	58.3	29,244	39	57.4	28,399
2014	1,105	69.5	58.2	29,587	51	58.7	29,589

* Excludes beneficiaries and disability retirements.

** Normal and early retirees plus vested terminations whose benefit started during the year.

(b) Before plan change.

(a) After plan change.

TOTAL RETIRED MEMBERS AND BENEFICIARIES
Historical Comparison

Valuation Date	% Incr. in Annual Pensions	No. of Partic. Per Retired	Pensions as % of Partic. Payroll	Average Pensions*
9/30/1994	1.4 %	1.6	21.9 %	\$10,858
9/30/1995	7.3	1.5	23.0	11,345
9/30/1996	12.6	1.4	25.6	12,016
9/30/1997	4.3	1.4	25.4	12,415
9/30/1998	10.1	1.9	25.9	13,393
9/30/1999	4.0	1.4	25.8	13,707
9/30/2000	7.1	1.4	26.5	14,531
9/30/2001	14.0	1.5	26.2	15,581
9/30/2002	34.9	1.2	35.9	18,355
9/30/2003	3.3	1.2	34.9	18,786
9/30/2004	5.3	1.1	38.7	19,556
9/30/2005	5.4	1.2	38.5	19,876
9/30/2006	3.3	1.2	37.4	20,317
9/30/2007	4.4	1.2	36.3	20,650
9/30/2008	3.1	1.1	37.2	21,175
9/30/2009	2.0	1.1	36.9	21,799
9/30/2010	3.6	1.0	38.3	22,556
9/30/2011 (b)	5.1	1.0	41.5	23,532
9/30/2011 (a)	25.9	0.8	56.8	25,407
9/30/2012	1.0	0.7	59.5	25,863
9/30/2013	2.0	0.7	62.0	26,184
9/30/2014	2.8	0.6	68.7	26,602

The System has been closed to new members since 2007. As a result, the pensions as a percentage of payroll will continue to increase, as such payroll decreases from year to year.

* Includes disability retirees and survivor beneficiaries.

(b) Before plan change.

(a) After plan change.

INACTIVE VESTED MEMBERS HISTORICAL SCHEDULE

Valuation Date	No.	Estimated Annual Pensions
9/30/1997	21	\$252,071
9/30/1998	26	336,714
9/30/1999	31	420,912
9/30/2000	33	451,152
9/30/2001	38	516,936
9/30/2002	43	597,276
9/30/2003	56	864,852
9/30/2004	73	1,288,488
9/30/2005	91	1,702,472
9/30/2006	118	2,037,048
9/30/2007	119	2,046,372
9/30/2008	122	2,010,696
9/30/2009	121	2,079,168
9/30/2010	117	2,039,700
9/30/2011	112	1,999,056
9/30/2012	117	2,186,164
9/30/2013	108	1,972,798
9/30/2014	115	2,421,954

**ACTIVE AND VESTED TERMINATED MEMBERS
INCLUDED IN VALUATION**

Val'n Date 9/30	Active Members			Vested Term. Members	Active Member Payroll	Average		
	Group I	Group II	Total			Age	Service	Pay
1988	*	*	1,327	*	\$33,151,794	*	*	\$24,983
1989	*	*	1,354	*	35,629,119	*	*	26,314
1990	*	*	1,403	*	37,886,863	*	*	27,004
1991	*	*	1,450	*	41,548,160	*	*	28,654
1992	*	*	1,412	*	41,989,161	*	*	29,737
1993	*	*	1,395	*	43,345,696	*	*	31,072
1994	1,282	61	1,343	13	41,845,307	43.0	10.1	31,158
1995	1,203	58	1,261	21	42,718,845	43.2	10.6	33,877
1996	1,218	54	1,272	18	43,160,872	43.3	10.5	33,932
1997	1,253	47	1,300	21	45,377,683	43.6	10.5	34,906
1998	1,325	18	1,343	26	49,012,771	43.5	10.5	36,495
1999	1,316	17	1,333	31	51,090,800	43.7	10.6	38,328
2000	1,347	16	1,363	33	53,388,461	44.0	10.7	39,170
2001	1,421	16	1,437	38	57,544,997	43.8	10.3	40,045
2002	1,340	14	1,354	43	56,553,965	42.4	9.0	41,768
2003	1,357	13	1,370	56	60,095,925	44.3	9.3	43,866
2004	1,239	12	1,251	73	57,013,914	45.1	9.9	45,575
2005	1,350	12	1,362	91	60,524,820	44.5	9.0	44,438
2006	1,376	10	1,386	118	64,239,370	44.8	9.0	46,349
2007	1,427	10	1,437	119	69,102,372	45.1	8.8	48,088
2008	1,328	10	1,338	122	69,499,308	46.2	9.9	51,943
2009	1,270	10	1,280	121	71,547,932	47.1	10.8	55,897
2010	1,218	9	1,227	117	71,416,368	47.9	11.6	58,204
2011 (b)	1,160	9	1,169	112	69,251,865	48.6	12.4	59,240
2011 (a)	1,026	9	1,035	112	60,621,037	47.2	11.5	58,571
2012	976	9	985	117	58,373,182	48.0	12.5	59,262
2013	938	9	947	108	57,216,597	48.9	13.5	60,419
2014	865	9	874	115	53,024,872	49.6	14.5	60,669

The payroll figures represent covered payroll for active members of the Retirement System only, excluding DROP members.

* Not available.

(b) Before plan change.

(a) After plan change.

**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	A	A	E	
9/30/2004	46	157	55	44	0	2	2	1	22	78	100	64	1,251
9/30/2005	244	133	42	42	3	2	6	1	43	39	82	52	1,362
9/30/2006	196	172	38	38	1	2	1	1	46	86	132	74	1,386
9/30/2007	186	135	38	40	4	4	2	2	18	73	91	78	1,437
9/30/2008	5	104	30	42	3	4	3	3	19	49	68	82	1,338
9/30/2009	1	59	27	44	3	4	0	3	10	19	29	59	1,280
9/30/2010	0	53	32	52	3	4	1	3	10	7	17	47	1,227
9/30/2011	0	58	37	69	4	3	1	3	8	8	16	37	1,169
9/30/2012	0	0	20	49	2	3	2	2	20	6	26	30	985
9/30/2013	1	0	21	47	1	2	0	2	17	0	17	26	947
9/30/2014	0	0	41	54	2	2	0	2	30	0	30	23	874
9/30/2015				60		2		2				20	
11 Yr Totals **	679	871	381	521	26	32	18	23	243	365	608	572	

* Before reflecting 134 members retiring under the Bonus Incentive Program.

** Totals are through current Plan Year only.

City of Fort Lauderdale General Employees Retirement System
Active Members on October 1, 2014

City of Fort Lauderdale General Employees Retirement System

Age Group	Years of Service to Valuation Date											Totals
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30 +	
20-24 NO.	-	-	-	-	-	-	-	-	-	-	-	-
TOT PAY	-	-	-	-	-	-	-	-	-	-	-	-
AVG PAY	-	-	-	-	-	-	-	-	-	-	-	-
25-29 NO.	-	-	-	-	-	9	-	-	-	-	-	9
TOT PAY	-	-	-	-	-	372,771	-	-	-	-	-	372,771
AVG PAY	-	-	-	-	-	41,419	-	-	-	-	-	41,419
30-34 NO.	-	-	-	-	-	32	11	1	-	-	-	44
TOT PAY	-	-	-	-	-	1,586,165	605,131	75,228	-	-	-	2,266,524
AVG PAY	-	-	-	-	-	49,568	55,012	75,228	-	-	-	51,512
35-39 NO.	-	-	-	-	-	46	24	10	-	-	-	80
TOT PAY	-	-	-	-	-	2,543,218	1,434,333	546,514	-	-	-	4,524,065
AVG PAY	-	-	-	-	-	55,287	59,764	54,651	-	-	-	56,551
40-44 NO.	-	-	-	-	-	43	30	34	4	-	-	111
TOT PAY	-	-	-	-	-	2,549,936	1,866,557	1,987,847	260,831	-	-	6,665,171
AVG PAY	-	-	-	-	-	59,301	62,219	58,466	65,208	-	-	60,047
45-49 NO.	-	-	-	-	-	54	38	40	22	16	-	170
TOT PAY	-	-	-	-	-	3,266,208	2,301,276	2,456,735	1,324,082	1,032,783	-	10,381,084
AVG PAY	-	-	-	-	-	60,485	60,560	61,418	60,186	64,549	-	61,065
50-54 NO.	-	-	-	-	-	60	36	38	26	39	2	201
TOT PAY	-	-	-	-	-	3,731,569	2,265,832	2,367,407	1,628,296	2,671,377	98,900	12,763,381
AVG PAY	-	-	-	-	-	62,193	62,940	62,300	62,627	68,497	49,450	63,499
55-59 NO.	-	-	-	-	-	30	38	27	13	14	2	124
TOT PAY	-	-	-	-	-	1,866,155	2,381,591	1,828,735	812,021	917,515	114,286	7,920,303
AVG PAY	-	-	-	-	-	62,205	62,673	67,731	62,463	65,537	57,143	63,873
60-64 NO.	-	-	-	-	-	32	29	17	9	7	3	97
TOT PAY	-	-	-	-	-	1,765,205	1,811,155	1,086,493	540,439	403,125	209,173	5,815,590
AVG PAY	-	-	-	-	-	55,163	62,454	63,911	60,049	57,589	69,724	59,955
65 + NO.	-	-	-	-	-	17	11	4	2	3	1	38
TOT PAY	-	-	-	-	-	965,348	696,672	237,092	116,491	246,914	53,466	2,315,983
AVG PAY	-	-	-	-	-	56,785	63,334	59,273	58,246	82,305	53,466	60,947
TOT NO.	-	-	-	-	-	323	217	171	76	79	8	874
TOT AMT	-	-	-	-	-	18,646,575	13,362,547	10,586,051	4,682,160	5,271,714	475,825	53,024,872
AVG AMT	-	-	-	-	-	57,729	61,579	61,907	61,607	66,731	59,478	60,669

The payroll figures represent covered payroll for active members of the Retirement System only, excluding DROP members.

City of Fort Lauderdale General Employees Retirement System
Schedule of Inactive Participant Data as of October 1, 2014

Age	<u>Terminated Vested</u>		<u>Disabled</u>		<u>Retired</u>		<u>Beneficiaries</u>	
	Total		Total		Total		Total	
	Number	Benefits	Number	Benefits	Number	Benefits	Number	Benefits
Under 20	0	0	0	0	0	0	3	18,558
20 - 24	0	0	0	0	0	0	2	11,358
25 - 29	0	0	0	0	0	0	3	13,773
30 - 34	4	39,478	1	23,789	0	0	2	11,042
35 - 39	7	87,204	0	0	0	0	2	35,275
40 - 44	17	321,224	0	0	0	0	1	14,929
45 - 49	36	826,949	4	80,706	0	0	0	0
50 - 54	45	1,095,391	11	227,640	37	1,728,589	15	234,123
55 - 59	5	50,587	12	302,888	172	6,425,559	9	131,512
60 - 64	1	1,121	12	298,136	201	7,345,163	9	181,960
65 - 69	0	0	8	145,231	223	6,914,418	21	441,446
70 - 74	0	0	5	76,142	158	4,106,290	20	245,833
75 - 79	0	0	0	0	118	2,589,299	23	297,721
80 - 84	0	0	0	0	92	1,958,401	34	393,700
85 - 89	0	0	0	0	72	1,187,762	39	387,661
90 - 94	0	0	0	0	27	388,086	20	118,661
95 - 99	0	0	0	0	5	49,616	8	56,745
100 & Over	0	0	0	0	0	0	1	2,104
Total	115	2,421,954	53	1,154,532	1,105	32,693,183	212	2,596,401
Average Age		48		59		70		75
Liability		19,456,599		12,161,367		332,840,105		18,161,382

RECONCILIATION OF MEMBERSHIP DATA

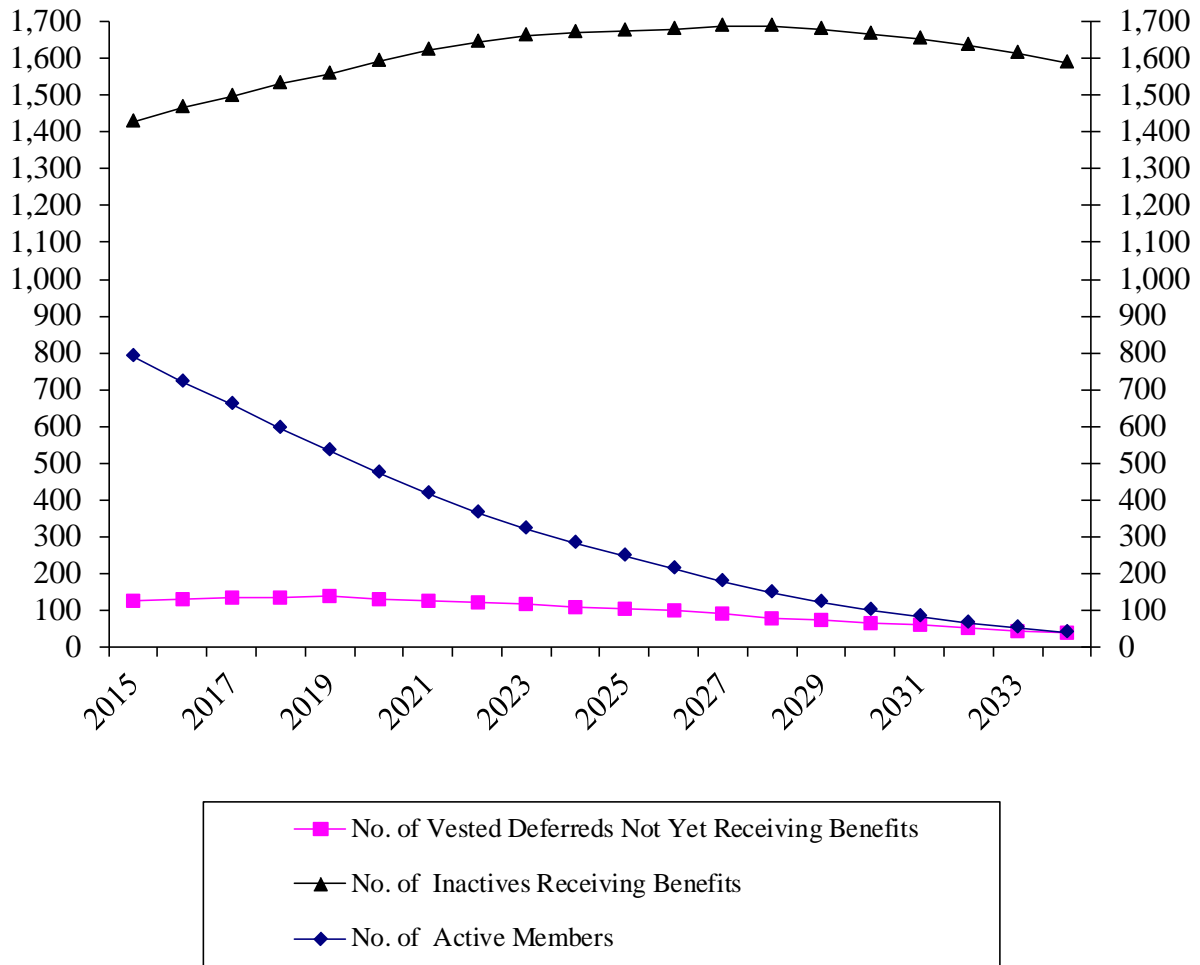
	From 10/1/13 To 9/30/14	From 10/1/12 To 9/30/13
A. Active Members		
1. Number Included in Last Valuation	947	985
2. New Members Included in Current Valuation	0	0
3. Non-Vested Employment Terminations	0	0
4. Vested Employment Terminations	(27)	(17)
5. Service, Normal and Early Retirements	(34)	(16)
6. DROP Retirements	(7)	(5)
7. Disability Retirements	(2)	(1)
8. Deaths	0	0
9. Transfers	(3)	0
10. Other - Rehired Members	0	1
11. Number Included in This Valuation	874	947
B. Terminated Vested Members		
1. Number Included in Last Valuation	108	117
2. Additions from Active Members	27	17
3. Lump Sum Payments/Refunds	(7)	(7)
4. Payments Commenced	(12)	(19)
5. Deaths	0	0
6. Other - Data Adjustment	(1)	0
7. Number Included in This Valuation	115	108
C. DROP Participants		
1. Number Included in Last Valuation	19	22
2. Additions from Active Members	7	5
3. Retirements	(7)	(8)
4. Deaths Resulting in No Further Payments	0	0
5. Other	0	0
6. Number Included in This Valuation	19	19
D. Retirees and Beneficiaries		
1. Number Included in Last Valuation	1,335	1,322
2. Additions from Active Members	36	17
3. Additions from DROP	7	8
4. Additions from Terminated Vested Members	12	19
5. Removals Resulting in No Further Payments	(39)	(33)
6. Deaths Resulting in New Survivor Benefits	0	0
7. Other - Data Adjustment	0	2
8. Number Included in This Valuation	1,351	1,335

PROJECTED PAYROLL AND RETIREMENT BENEFITS

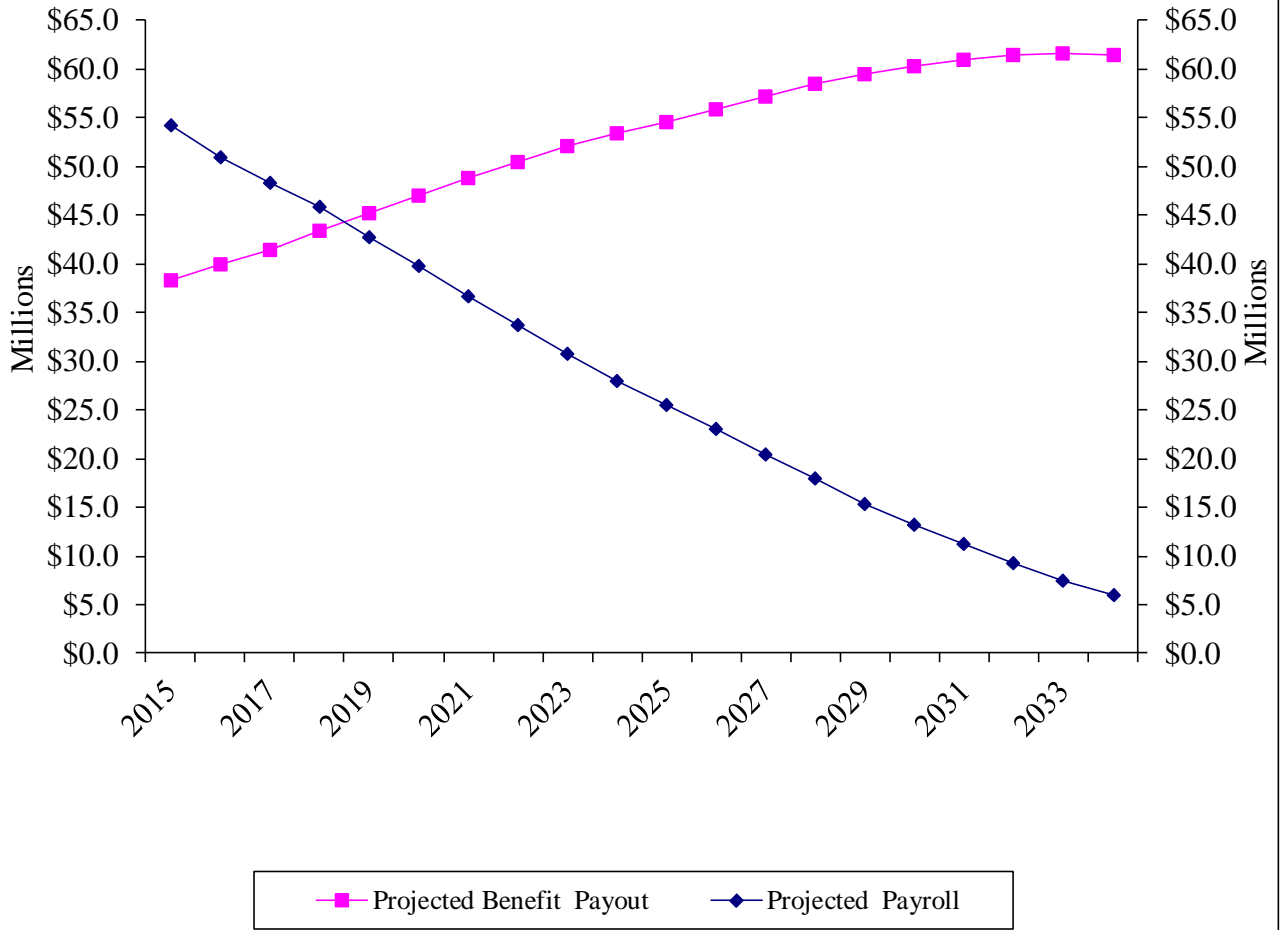
<u>Fiscal Year End</u>	<u>No. of Active Members</u>	<u>Projected Payroll</u>	<u>No. of Vested Deferreds Not Yet Receiving Benefits</u>	<u>No. of Inactives Receiving Benefits</u>	<u>Projected Benefit Payout</u>
2015	790	\$54,146,427	127	1,427	\$38,334,446
2016	722	50,952,045	129	1,465	39,969,520
2017	659	48,354,226	136	1,497	41,493,038
2018	593	45,769,370	137	1,530	43,371,059
2019	532	42,665,431	139	1,557	45,145,214
2020	474	39,725,303	133	1,591	46,936,812
2021	418	36,737,444	128	1,620	48,827,854
2022	367	33,665,524	124	1,643	50,487,902
2023	323	30,706,539	117	1,662	52,026,136
2024	284	27,950,965	111	1,671	53,380,971
2025	248	25,494,372	107	1,674	54,548,379
2026	212	23,088,751	101	1,679	55,887,649
2027	180	20,451,915	90	1,685	57,209,666
2028	149	17,903,159	81	1,686	58,521,765
2029	124	15,303,845	76	1,677	59,444,912
2030	102	13,129,410	67	1,667	60,252,464
2031	83	11,171,408	60	1,653	60,903,399
2032	65	9,288,021	54	1,636	61,472,634
2033	51	7,464,512	46	1,613	61,586,925
2034	41	6,061,928	39	1,586	61,422,387

These projections are based on assumptions involving all decrements. Actual payroll and benefit payouts may differ from the above estimates depending upon actual experience of the plan. However, since the projections are recomputed each valuation date, there is an automatic correction to the extent actual experience varies from expected experience.

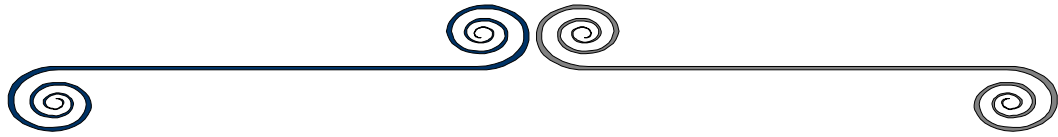
Population Projection



Cash Flow Projection



Section D



**The Actuarial Valuation Process
Summary of Actuarial Assumptions
and Definition of Technical Terms**

THE ACTUARIAL VALUATION PROCESS

An actuarial valuation is the mathematical process by which a pension fund contribution requirement is determined and its actuarial condition is measured.

The flow of activity constituting the valuation may be summarized as follows:

- A. ***Covered Person Data***, furnished by the fund administrator including:
 - Retired members and beneficiaries now receiving benefits
 - Former members with vested benefits not yet payable
 - Active members
- B. + ***Asset Data*** (cash & investments), furnished by the System Administrator
- C. + ***System Description Data***, furnished by the System Administrator
- D. + ***Assumptions about various future activities of the System*** (risk elements)
- E. + ***The Actuarial Cost Method*** for allocating costs to time periods and determining the long-term planned pattern for employer contributions
- F. + ***Mathematically combining the Data, the Estimates of Future Activities, and the Cost Method***
- G. = Determination of:
 - Employer Contribution Requirement and Actuarial Condition

Items A, B and C constitute the current “knowns” about the System. A good deal of System activity which will result in benefit payments has yet to occur. Accordingly, certain assumptions must be made about future System activity. These assumptions (Item D) may be classified as demographic or fiscal. Demographic assumptions include future mortality rates, disability rates, rates of pre-retirement withdrawal from employment, and retirement ages. Fiscal assumptions consist of future salary increases and rates of investment return.

Demographic assumptions are generally selected on the basis of the System's historical activity, modified for expected future differences. Past activity of funds which are similar in nature to the fund being valued may be utilized if fund data or activities are insufficient to be reliable.

Fiscal assumptions, on the other hand, do not lend themselves to prediction on the basis of historical activity -- the reason being that both salary increases and investment return are impacted by inflation. Inflation defies reliable prediction. Fiscal assumptions are generally selected on the basis of what would be expected to occur in an inflation-free environment and then both are increased by some provision for long-term inflation.

Once items A, B, C and D are available, the actuarial valuation process begins. The first step is to determine the plan's *total actuarial present value* for individuals in each of the 3 covered person categories.

Retired members now receiving monthly payments;

Vested terminated members not yet at retirement age;

Active members.

The actuarial present value is the value today after taking into account the probabilities of payment and the effect of time, of System promises to pay benefits in the future on the basis of both service already completed and projected future service.

The total actuarial present value is allocated between projected future service and completed service by the actuarial cost method (Item E) -- the *individual entry-age* method is being utilized for this valuation. The portion of the total actuarial present value allocated to projected future service is the *actuarial present value of future normal costs* -- normal cost being the series of annual costs, from entry-age to retirement age, which will accumulate to the actuarial present value of the individual's benefit at the time of retirement or death. The remainder of the total actuarial present value is the actuarial accrued liability.

At this stage determination has been made of:

1. The total actuarial present value;
2. The actuarial present value of future normal cost; and
3. The actuarial accrued liability.

In the typical fund, the actuarial accrued liability may not be covered by the System's accrued assets -- leaving an *unfunded actuarial accrued liability*.

The next step in the valuation process is a determination of the contribution rate (Item G) required to support System benefits in accordance with the funding objective.

The contribution rate is determined in two basic components:

1. The normal cost component; and
2. The component which will finance (pay off) the unfunded actuarial accrued liability over the period indicated on page B-8.

The unfunded actuarial accrued liability is being amortized as a level dollar amount.

The actuarial estimates regarding the INVESTMENT RETURN rate, INFLATION rate, REAL INVESTMENT RETURN rate, and SALARY INCREASE rates are used, in combination with the other estimates, to (i) determine the present value of amounts expected to be paid in the future and (ii) establish rates of contribution which are expected to remain relatively level as a percent of total valuation payroll.

INVESTMENT RETURN. 7.55% per annum, compounded annually; net rate after investment related expenses (previously, 7.65%).

INFLATION. 3.25% per annum, compounded annually. This is the rate at which growth in the supply of money and credit is estimated to exceed growth in the supply of goods and services. The recent inflation rate as measured by the Consumer Price Index has been:

	Year Ended September 30					Average For Period 5 Years
	2014	2013	2012	2011	2010	
Actual	1.7%	1.2%	2.0%	3.9%	1.1%	2.0%
Assumed	3.25	3.25	3.25	3.25	3.25	3.25

NET REAL INVESTMENT RETURN. 4.4% per annum net of investment expenses, compounded annually based on the funding value of assets (previously, 4.5%). This is the rate of return estimated to be produced by investing a pool of assets in an inflation-free environment. Recent real rates of investment return on the funding value of assets have been:

	Year Ended September 30					Average For Period 5 Years
	2014	2013	2012	2011	2010	
Net Total Rate	9.6%	7.9%	1.4%	1.5%	3.4%	4.7%
less inflation rate	1.7	1.2	2.0	3.9	1.1	2.0
Actual Real Rate	7.9	6.7	(0.6)	(2.4)	2.3	2.7
Projected Real Rate	4.4	4.5	4.5	4.5	4.5	4.5
Assumed Total Rate	7.65	7.75	7.75	7.75	7.75	7.73

The total investment return rate was computed on the funding value of assets using the approximate formula $i = I$ divided by $1/2 (A + B - I)$, where I is investment income net of investment expenses, A is the beginning of year asset funding value, and B is the end of year asset funding value.

The preceding investment return rates reflect the particular characteristics of this Retirement System and the method of determining the funding value of assets. They should not be used to measure an investment advisor's performance or for comparison with other retirement systems. Such use will usually mislead.

SALARY INCREASES. Member salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation-related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel. A schedule of rates of increases in individual salaries for sample service years follows:

Annual Rates of Salary Increase for Years of Service				
<u>Attributable to:</u>	General Increase in Wage Level Due to:			
<u>Merit & Seniority:</u>	<u>Inflation:</u>	<u>Other Causes:</u>	<u>TOTAL:</u>	
Yrs of Svc:				
1	6.25%	3.25%	0.00%	9.50%
2	5.55	3.25	0.00	8.80
3	4.45	3.25	0.00	7.70
4	4.05	3.25	0.00	7.30
5	3.45	3.25	0.00	6.70
6	2.55	3.25	0.00	5.80
7	1.85	3.25	0.00	5.10
8	1.75	3.25	0.00	5.00
9	1.65	3.25	0.00	4.90
10	1.35	3.25	0.00	4.60
11	0.75	3.25	0.00	4.00
12	0.75	3.25	0.00	4.00
13	0.75	3.25	0.00	4.00
14	0.75	3.25	0.00	4.00
15	0.75	3.25	0.00	4.00
16	0.75	3.25	0.00	4.00
17	0.75	3.25	0.00	4.00
18	0.75	3.25	0.00	4.00
19	0.75	3.25	0.00	4.00
20	0.75	3.25	0.00	4.00
21	0.75	3.25	0.00	4.00
22	0.75	3.25	0.00	4.00
23	0.75	3.25	0.00	4.00
24	0.75	3.25	0.00	4.00
25	0.75	3.25	0.00	4.00
26+	0.75	3.25	0.00	4.00

The valuation is based on the number of active members remaining constant, and the total payroll for the group increasing at the rate of 3.25% a year (the estimated general increase in wage levels due to inflation and other causes).

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

	Year Ended September 30					Average for Period
	2014	2013	2012	2011	2010	5 Years
% Change: Actual Average *	1.8 %	2.5 %	2.2 %	2.2 %	6.2 %	3.0%
Projected	4.3	4.4	5.0	5.4	5.7	5.0
% Change in Total Payroll	(7.3)	(2.0)	(3.7)	(3.0) **	(0.2)	(3.3)

The percent change in total payroll represents the change in covered payroll for active members of the Retirement System only, excluding DROP members.

* Based on members active at both the beginning and end of year.

** Before the plan change. The % Change in Total Payroll was -15.1% after the plan change.

MORTALITY TABLE. The mortality table used for active and retired lives valuation is the RP-2000 Combined Healthy Participant Mortality Tables for males and females. The provision for future mortality improvements is being made by using Scale AA after 2000.

Sample Attained Ages (in 2014)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	0.17 %	0.13 %	34.26
55	0.28	0.24	29.14	30.66
60	0.54	0.47	24.21	25.89
65	1.05	0.90	19.60	21.40
70	1.80	1.56	15.41	17.28
75	3.11	2.51	11.63	13.56
80	5.59	4.16	8.41	10.25

The mortality table is used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement.

RATES OF SEPARATION FROM ACTIVE MEMBERSHIP. The rates do not apply to members eligible to retire and do not include separation on account of death or disability. Separation rates are used to measure the probabilities of members remaining in employment.

<u>Sample Ages</u>	<u>Years of Service</u>	<u>Percent Separating within Next Year</u>
ALL	0	27.7 %
	1	14.3
	2	6.7
	3	6.3
	4	4.6
25	5 & Over	5.0
30		5.0
35		4.7
40		4.2
45		3.7
50		3.2
55		3.0
60		3.0

VESTED MEMBERS who terminate with a benefit worth less than 100 percent of their own accumulated contributions were presumed to elect a refund of accumulated contributions and forfeit the vested benefit.

RATES OF DISABILITY. Disability rates measure the probabilities of active members becoming disabled.

<u>Sample Ages</u>	<u>Percent Becoming Disabled within Next Year</u>
20	0.07 %
25	0.08
30	0.10
35	0.14
40	0.20
45	0.31
50	0.52
55	0.99

RATES OF RETIREMENT. Rates of retirement are used to measure the probabilities of an eligible member retiring during the next year.

Years of Service	Age	% of Active Members Retiring* Within Next Year
Under 5	55-59	10 %
	60-64	20
	65-69	40
	70+	100
5-9	55-59	8
	60-64	8
	65-69	13
	70+	100
10-14	55-59	8
	60-64	8
	65-69	30
	70+	100
15-19	Under 55	8
	55-59	11
	60-64	13
	65-69	13
	70+	100
20-24	Under 55	5
	55-59	20
	60-64	20
	65-69	20
	70+	100
25-29	Under 55	12
	55-59	14
	60-64	16
	65-69	25
	70+	100
30 and Over	Under 55	50
	55-59	50
	60-64	50
	65-69	100
	70+	100

* If eligible to retire.

ADMINISTRATIVE EXPENSES. Administrative expenses are included as an additional employer contribution to provide for reimbursement of these expenses.

ACTIVE MEMBER GROUP SIZE. The valuation was based on a declining active member group size. This is unchanged from previous valuations.

MARITAL STATUS. Ninety percent of active members who meet the age and service requirements for pre-retirement survivor benefits are estimated to be married. Female spouses are assumed to be 3 years younger than the male member. Male spouses are assumed to be 3 years older than the female member.

CHANGES IN ASSUMPTIONS. The Board adopted a reduction in the investment return assumption from 7.75% to 7.5% over three years starting with the September 30, 2013 Valuation. This assumption was lowered from 7.65% to 7.55% for the September 30, 2014 Valuation and will be further lowered to 7.50% for the September 30, 2015 Valuation.

DEFINITIONS OF TECHNICAL TERMS

ACCRUED SERVICE. Service credited under the system which was rendered before the date of the actuarial valuation.

ACTUARIAL ACCRUED LIABILITY. The difference between the actuarial present value of future benefit payments and the actuarial present value of future normal costs. Also referred to as “accrued liability” or “past service liability.”

ACTUARIAL COST METHOD. A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future benefit payments” between future normal costs and actuarial accrued liability. Sometimes referred to as the “actuarial valuation cost method.”

ACTUARIAL EQUIVALENT. A single amount or series of amounts of equal actuarial present value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

ACTUARIAL PRESENT VALUE. The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment. Also referred to as “present value.”

AMORTIZATION. Paying off an interest-discounted amount with periodic payments of interest and principal -- as opposed to paying it off with a lump sum payment.

EXPERIENCE ESTIMATES (ASSUMPTIONS). Estimates of expected future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement estimates (rates of mortality, disability, turn-over and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic estimates (salary increases and investment income) consist of the underlying rates in an inflation-free environment plus a provision for a long-term average rate of inflation.

EXPERIENCE GAIN (LOSS). The difference between actual actuarial costs and assumed actuarial costs -- during the period between two valuation dates.

FUNDING VALUE OF ASSETS. The value of assets derived by spreading the difference between actual investment return and expected investment return in equal dollar installments over five years. This treatment removes the timing of investment activities from the valuation process.

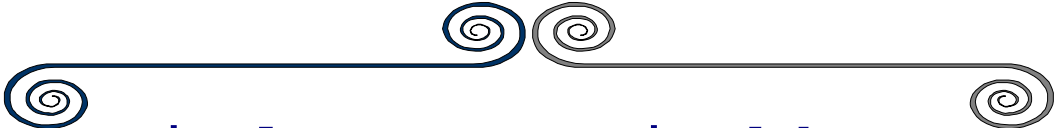
NORMAL COST. The actuarial cost allocated to the current year by the actuarial cost method. Sometimes referred to as “current service cost.”

UNFUNDED ACTUARIAL ACCRUED LIABILITY. The difference between actuarial accrued liability and the actuarial value of system assets. Sometimes referred to as “unfunded past service liability”, “unfunded accrued liability” or “unfunded supplemental present value.”

Most retirement systems have unfunded actuarial accrued liability. It arises each time new benefits are added and each time an experience loss is realized.

The existence of unfunded actuarial accrued liability is not in itself bad, any more than a mortgage on a house is bad. Unfunded actuarial accrued liability does not represent a debt that is payable today. What is important is the ability to control the amount of unfunded actuarial accrued liability and the trend in its amount (after due allowance for devaluation of the dollar).

Section E



Disclosures Required by
Statement No. 35 of the Financial
Accounting Standards Board
and Statement No. 67 of the
Governmental Accounting
Standards Board

FASB NO. 35 INFORMATION

A. Valuation Date	September 30, 2014	September 30, 2013
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	\$ 363,162,854	\$ 352,037,484
b. Terminated Vested Members	19,456,599	15,560,797
c. Other Members	<u>166,005,763</u>	<u>160,220,786</u>
d. Total	548,625,216	527,819,067
2. Non-Vested Benefits	0	0
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	548,625,216	527,819,067
4. Accumulated Contributions of Active Members	34,845,734	34,770,268
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	527,819,067	508,086,419
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment	0	0
b. Change in Actuarial Assumptions	5,436,697	5,244,586
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	51,179,114	50,056,929
d. Benefits Paid	<u>(35,809,662)</u>	<u>(35,568,867)</u>
e. Net Increase	20,806,149	19,732,648
3. Total Value at End of Period	548,625,216	527,819,067
D. Market Value of Assets	591,512,232	549,873,979
E. Actuarial Assumptions - See Section D of Actuarial Valuation Report		

GASB STATEMENT NO. 67

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

Fiscal year ending September 30,	2015*	2014
Total pension liability		
Service Cost	\$ 9,917,828	\$ 10,774,138
Interest	44,024,881	43,346,733
Benefit Changes	-	-
Difference between actual & expected experience	(6,248,118)	-
Assumption Changes	6,518,900	-
Benefit Payments	(38,334,446)	(36,087,008)
Refunds	(10,440)	(153,598)
Net Change in Total Pension Liability	15,868,605	17,880,265
Total Pension Liability - Beginning	592,365,618	574,485,353
Total Pension Liability - Ending (a)	\$ 608,234,223	\$ 592,365,618
Plan Fiduciary Net Position		
Contributions - Employer	\$ 15,501,180	\$ 15,061,353
Contributions - Member	3,238,697	3,264,583
Net Investment Income	44,602,641	59,569,679
Benefit Payments	(38,334,446)	(36,087,008)
Refunds	(10,440)	(153,598)
Administrative Expense	(469,862)	(469,862)
Other	-	22,162
Net Change in Plan Fiduciary Net Position	24,527,770	41,207,309
Plan Fiduciary Net Position - Beginning	593,050,307	551,842,998
Plan Fiduciary Net Position - Ending (b)	\$ 617,578,077	\$ 593,050,307
Net Pension Liability - Ending (a) - (b)	(9,343,854)	(684,689)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.54 %	100.12 %
Covered Employee Payroll**	\$ 54,146,427	\$ 58,455,771
Net Pension Liability as a Percentage of Covered Employee Payroll	(17.26)%	(1.17)%

* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

** Expected total covered payroll for the fiscal year.

GASB STATEMENT NO. 67

SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY

<u>FY Ending September 30,</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as a % of Total Pension Liability</u>	<u>Covered Payroll**</u>	<u>Net Pension Liability as a % of Covered Payroll</u>
2014	\$592,365,618	\$593,050,307	\$ (684,689)	100.12%	\$ 58,455,771	(1.17)%
2015*	608,234,223	617,578,077	(9,343,854)	101.54%	54,146,427	(17.26)%

* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

** Expected total covered payroll for the fiscal year.

GASB STATEMENT NO. 67

SCHEDULE OF CONTRIBUTIONS

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll**</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	\$ 15,061,353	\$ 15,061,353	\$ -	\$ 58,455,771	25.77%
2015*	15,501,180	15,501,180	-	54,146,427	28.63%

* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

** Expected total covered payroll for the fiscal year.

GASB STATEMENT NO. 67

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: September 30, 2013
Notes Actuarially determined contribution rates are calculated as of September 30, which is two year(s) prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	5-year smoothed market
Inflation	3.25%
Salary Increases	4.00% to 9.50% depending on age, including inflation
Investment Rate of Return	7.65%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale AA

Other Information:

Notes See Summary of Valuation Results from the September 30, 2013 Actuarial Valuation Report

GASB STATEMENT NO. 67

SINGLE DISCOUNT RATE

A single discount rate of 7.55% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.55%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.55%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 7.55%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption*

1% Decrease 6.55%	Current Single Discount Rate Assumption 7.55%	1% Increase 8.55%
\$ 55,874,245	\$ (9,343,854)	\$ (64,640,368)

* These figures are estimates projected to September 30, 2015. Actual figures will be provided after the end of the fiscal year.