ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2007

**City of Wilton Manors Volunteer Firefighters' Retirement System**

GRS

**ANNUAL EMPLOYER CONTRIBUTION**
**IS DETERMINED BY THIS VALUATION**
**FOR THE PLAN YEAR ENDING**

**SEPTEMBER 30, 2008**

**AND FOR THE FISCAL YEAR ENDING**

**SEPTEMBER 30, 2008**

**August 2008**

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August 4, 2008

Pension Board
City of Wilton Manors
Volunteer Firefighters Retirement System
524 NE 21st Court
Wilton Manors, FL 33305

Dear Board Members:

We are pleased to present herein our October 1, 2007 Actuarial Valuation Report for the City of Wilton Manors Volunteer Firefighters Retirement System. The contribution results shown in the Report apply to the plan year ending September 30, 2008, for the City's fiscal year ending September 30, 2008.

This valuation was prepared on the basis of employee, retiree, and financial information supplied by the City and the Plan Administrator, which information is summarized in this Report. Although we did not audit this information, we did review it for reasonableness and comparability to prior years. The benefits valued are those which were in effect on the valuation date.

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.

As indicated below, the undersigned are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the Academy of Actuaries to render the actuarial opinion herein. Gabriel, Roeder, Smith & Company will be pleased to answer any questions pertaining to the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

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# SECTION I

# INTRODUCTION

## DISCUSSION

### TOTAL REQUIRED CONTRIBUTION

The required City contribution for the plan year ending September 30, 2008, is $2,836, as shown below.

| | Required City Contribution |
|---|---|
| Total Required Employer Contribution | $ 84,187 |
| Expected State Premium Tax Refund | 85,547 |
| Remaining City Contribution | 0 |

### EXPERIENCE

Experience during the past year was slightly more favorable overall than that anticipated by the actuarial assumptions. There was a gain due to the investment return of 13.7% on a valuation asset basis, which was more than the assumed rate of 8.0%. There was also a small loss due to longevity since no one died or left the plan during the year.

### CHANGES IN BENEFITS

There were no changes in benefits in connection with this valuation.

### CHANGES IN ACTUARIAL METHODS AND ASSUMPTIONS

There was a change in the normal cost for administrative expenses. The average of the last two years is being used instead of the actual amount from the preceding year. This change reduced the required contribution by $4,196 for the current year.

**CONCLUSION**

The remainder of this Report covers detailed actuarial valuation results, financial information, other information and statistics, a summary of plan provisions, and annual filings required by law.

# FINANCIAL SOUNDNESS OF THE PLAN

The purpose of this Section of the Report is to provide certain measures which indicate the financial soundness of the program. These measures relate to short term solvency, long term solvency and level funding.

The various percentages listed in this Section as of a single valuation date are not overly significant standing alone. What is more significant is the trend of the rates over a period of years. It is also important to keep in mind that each time benefits or assumptions are revised, actuarial liabilities are created or diminished. Any newly created liabilities are financed systematically over a period of future years. All actuarially computed values in this analysis are based on the actuarial assumptions utilized in the respective years' actuarial valuations.

## SHORT TERM SOLVENCY

The ultimate test of financial soundness is the program's ability to pay all promised benefits when due. The program's progress in accumulating assets to pay all promised benefits can be measured by comparing the market value of assets with:

1. Accumulated contributions of active members of the program,
2. The actuarial present value (APV) of projected benefits payable to those already receiving benefits and to vested terminations, and
3. The employer-financed portion of the actuarial present value of accrued benefits payable to active participants. This amount is based on benefits earned to date without future credited service or salary increases.

The total of the first two items should generally be fully covered by assets. The portion of the third item covered by assets should increase over time. Increases in benefits will, of course, adversely affect the trend in the years when such increases are first reflected in the actuarial values.

Although different actuarial assumptions might be used in the event of a termination of the program, this test shows how much of the benefits accrued to date might be covered by assets in the event of a plan termination using the valuation assumptions.

| Valuation Date | Market Value of Assets | Actuarial Present Value (APV) of Accrued Benefits | % of APV Covered by Assets |
|---|---|---|---|
| 10/1/07 | $ 688,157 | $ 933,882 | 74 % |
| 10/1/06 | 482,457 | 876,046 | 55 |
| 10/1/05 | 443,004 | 721,591 | 61 |
| 10/1/04 | 359,005 | 662,478 | 54 |
| 10/1/01 | 156,441 | 196,771 | 50 |

**LONG TERM SOLVENCY**

Over the longer term, the solvency of an ongoing plan can be measured by comparing the actuarial value of assets to an amount known as the Actuarial Accrued Liability (AAL) under the Entry Age Actuarial Cost Method. This item has often been called the "past service liability". Its derivation differs from the short-term solvency value derivation in several ways, but mainly due to the fact that future salary increases are included in the AAL. As in the case of the short-term solvency values, the AAL is affected immediately by any revisions in benefits or assumptions. The accumulation of assets to equal the AAL can be considered a long-range funding goal. Largely because of periodic benefit increases, very few retirement programs have attained this goal.

| Valuation Date | Actuarial Value of Assets | Entry Age Actuarial Accrued Liability (AAL) | % of AAL Covered by Assets |
|---|---|---|---|
| 10/1/07 | $ 593,576 | $ 974,213 | 61 % |
| 10/1/06 | 482,457 | 917,677 | 53 |
| 10/1/05 | 397,713 | 742,650 | 54 |
| 10/1/04 | 338,383 | 683,195 | 50 |
| 10/1/01 | 122,981 | 204,733 | 60 |

## LEVEL CONTRIBUTION RATES

The actuarial assumptions and cost methods have been chosen with the intent of producing required employer contributions which remain fairly level. If this goal is attained, future employer contribution rates will not have to be raised materially in order to make up for the past. For many employers, this measure of the program's soundness is the most important of all.

Since this is not a pay-related benefit, total dollar amounts are shown below:

| | Contribution | |
|---|---|---|
| Valuation Date | Total | City |
| 10/1/07 | $ 84,187 | $ 0 |
| 10/1/06 | 84,459 | 0 |
| 10/1/05 | 52,014 | 0 |
| 10/1/04 | 46,877 | 0 |
| 10/1/01 | 14,537 | 0 |

A major factor affecting the stability of the amounts just shown is how well the actual plan experience is faring compared to the actuarial assumptions. The value of the difference between what actually occurred and what was assumed to occur is called the actuarial gain or loss. Gains tend to lower the subsequent cost of the program while losses tend to cause subsequent costs to rise. A summary of the actuarial gains and losses of the Plan is in the next Section.

Analysis of all the benchmarks listed above over a period of years will provide an indication of whether the program is becoming financially stronger or weaker.

**RECENT HISTORY OF PLAN CHANGES**

1. Ordinance 781, passed and effective August 25, 1998, is a revised version of Ordinance 754, which established the Plan.

2. Ordinance 791, passed and effective December 8, 1998, is a revised version of Ordinance 781, which established the Plan. Ordinance 754 is superseded by Ordinances 781 and 791.

3. Ordinance 811, effective December 31, 1999, provides for 10 years certain & life as the normal form of payment.

4. The October 1, 2001 valuation reflects a change in benefit provisions. In June, 2001, pursuant to Chapter 21, Section 3(a)(2) of the City Code, the Board authorized an increase in pension benefits from $3.00 per month to $18.00 per month per year of service. The change was applicable to all years of service, for both active and inactive members.

5. Effective October 1, 2001 the actuarial funding method was changed from the Frozen Initial Liability Cost Method to the Entry Age Normal Cost Method.

6. Effective October 1, 2001 the assumed rate of administrative expense was changed from $3,000 to $6,000.

7. The October 1, 2004 valuation reflects the following changes in benefit provisions:

    a. The normal form of retirement benefit payments for disability was changed from life annuity to ten years certain and life thereafter.

    b. A non-service connected pre-retirement death benefit was added.

    c. In November, 2003, pursuant to Chapter 21, Section 3(a)(2) of the City Code, the Board authorized an increase in pension benefits from $18.00 per month to $50.00 per month per year of service. The change was applicable to all years of service, for both active and inactive members.

8. Effective October 1, 2004 the assumed rate of administrative expense was changed from $6,000 to actual administrative expenses for the previous year.

9. Effective October 1, 2005, the mortality table was changed from the 1983 Group Annuity Mortality Table for males with females set back six years to the RP 2000 Mortality Table Projected to 2005 for males and females (sex distinct tables), set forward five years for impaired mortality.

10. Ordinance 904, passed and effective November 14, 2006, increased pension benefits from $50.00 per month to $56.00 per month per year of service. The change was applicable to all years of service, for both active and inactive members.

11. The state required that there be at least two active members in the Plan. This requirement was met by a vested terminated member who returned to active status effective October 1, 2006.

12. Effective October 1, 2007 the normal cost for administrative expenses is the average of the past two years rather than the actual amount paid the preceding year.

# SECTION II

# VALUATION RESULTS

**WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM
COMPARATIVE SUMMARY OF VALUATION RESULTS
AS OF OCTOBER 1**

| | 2007 | 2006 |
|---|---|---|
| **Covered Group** | | |
| A. Number of Participants | | |
| Actives | 2 | 2 |
| Retirees, Disabilities, Beneficiaries and Vested Terminations | 8 | 8 |
| **Long Range Cost** | | |
| B. Actuarial Present Value of Projected Benefits | $ 993,849 | $ 938,989 |
| C. Actuarial Present Value of Future Normal Costs | 19,636 | 21,312 |
| D. Actuarial Accrued Liability (AAL): B-C | 974,213 | 917,677 |
| E. Valuation Assets | | |
| 1. Total Valuation Assets | 688,157 | 482,457 |
| 2. Excess State Money | 94,581 | 0 |
| 3. Net Assets Available: 1 - 2 | 593,576 | 482,457 |
| F. Unfunded Actuarial Accrued Liability (UAAL): D - E | 380,637 | 435,220 |
| **Current Cost** | | |
| G. Payment Required to Amortize UAAL | $ 47,072 | $ 51,210 |
| H. Total Normal Cost (for current year) | 30,879 | 26,993 |
| I. Plan Year to which Contributions Apply | 2007/08 | 2006/07 |
| J. Interest | 6,236 | 6,256 |
| K. Total Required Contributions, with Interest | 84,187 | 84,459 |
| L. Estimate of State Contributions | | |
| 1. Amount Received Last Year | 148,841 | 90,876 |
| 2. Base Amt. + cost of increase | 85,547 | 85,547 |
| 3. Lesser of 1 or 2 | 85,547 | 85,547 |
| M. Required City Contributions | (1,360) | (1,088) |

| WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM<br>DERIVATION OF NORMAL COST<br>AS OF OCTOBER 1 | 2007 | 2006 |
|---|---|---|
| A. Entry Age Normal Cost for | | |
| Service Retirement | $ 2,739 | $ 2,739 |
| Vesting Benefits | 367 | 367 |
| Preretirement Death | 100 | 100 |
| Disability Benefits | 214 | 214 |
| Return of Contributions | 0 | 0 |
| Total | 3,420 | 3,420 |
| B. Normal Cost for Administrative Expense | 27,459 | 23,573 |
| C. Expected Member Contributions | 0 | 0 |
| D. Employer Normal Cost for Plan Year Beginning October 1: (A)+(B)-(C) | 30,879 | 26,993 |

| WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM<br>PRESENT VALUE OF PROJECTED BENEFITS<br>AS OF OCTOBER 1 | 2007 | 2006 |
|---|---|---|
| A. Present Value of Future Salaries | $ N/A | $ N/A |
| B. Present Value of Projected Benefits | | |
| 1. Active Members | | |
| Service Retirement Benefits | 225,712 | 205,708 |
| Vesting Benefits | 10,648 | 11,474 |
| Preretirement Death | 2,896 | 3,024 |
| Disability Benefits | 4,146 | 4,401 |
| Return of Contributions | 0 | 0 |
| Total | 243,402 | 224,607 |
| 2. Inactive Members | | |
| Service Retirees | 246,184 | 248,359 |
| Disability Retirees | 0 | 0 |
| Beneficiaries | 0 | 0 |
| Terminated Vested | 504,263 | 466,023 |
| Total | 750,447 | 714,382 |
| 3. Grand Total | 993,849 | 938,989 |

# LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY AS OF OCTOBER 1, 2007

The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over the number of years remaining in the amortization period. Details relating to the UAAL are as follows:

| UAAL AS OF OCTOBER 1, 2007 | | | | | |
|---|---|---|---|---|---|
| Original | | | Current | | |
| Date & Source | Amortization Period | Amount | Years Remaining | Amount | Payment |
| 10/1/98 UFAAL | 30 | $ 20,672 | 21 | $ (13,391) | $ (1,238) |
| 2001 Amendment | 30 | 136,484 | 24 | 84,159 | 7,401 |
| 10/1/01 Change Method | 30 | (32,181) | 24 | (19,844) | (1,745) |
| 10/1/03 Loss | 30 | 25,189 | 26 | 21,913 | 1,877 |
| 10/1/03 Amendment | 30 | 303,320 | 26 | 263,880 | 22,603 |
| 10/1/04 Gain | 30 | (22,267) | 27 | (20,503) | (1,736) |
| 10/1/05 Gain | 30 | (5,030) | 28 | (4,867) | (408) |
| 10/1/05 Assumption Change | 30 | 21,786 | 28 | 21,083 | 1,766 |
| 10/1/06 Loss | 30 | 5,458 | 29 | 5,334 | 443 |
| 10/1/06 Amendment | 3 | 48,782 | 2 | 30,791 | 15,988 |
| 10/1/06 Member Status Change (Req. by State) | 15 | 39,702 | 14 | 37,513 | 4,213 |
| 10/1/07 Gain | 30 | (25,431) | 30 | (25,431) | (2,092) |
| | | | | 380,637 | 47,072 |

**WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM**
**CHAPTER REVENUE**

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

As of the valuation date, the Pension Plan needed the following cost-related changes in order to comply with minimum benefit requirements:

- None

Since all required changes have been made, any additional revenue must be spent on extra benefits.

**Actuarial Confirmation of the Use of State Chapter Money**

| | 2007 | 2006 |
|---|---|---|
| 1. Base Amount Previous Plan Year | $ 59,589 | $ 59,589 |
| 2. Amount Received for Previous Plan Year | 148,841 | 90,876 |
| 3. Benefit Improvements Made in Previous Plan Year | 25,958 | 0 |
| 4. Excess Funds for Previous Plan Year: (2) - (1) - (3) | 63,294 | 31,287 |
| 5. Accumulated Excess at Beginning of Previous Year | 76,578 | 45,291 |
| 6. Prior Excess Used in Previous Plan Year | 45,291 | 0 |
| 7. Accumulated Excess as of Valuation Date (Available for Benefit Improvements): (4) +(5) – 6) | 94,581 | 76,578 |
| 8. Base Amount This Plan Year: (1) + (3) | 85,547 | 59,589 |

| WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM RECENT HISTORY OF VALUATION RESULTS | | | | | |
|---|---|---|---|---|---|
| Valuation Date | Number of Active Members | Number of Inactive Members | Actuarial Value of Assets | Unfunded Actuarial Accrued Liability | Employer Normal Cost |
| 10/1/07 | 2 | 8 | $ 593,576 | $ 380,637 | $ 30,879 |
| 10/1/06 | 2 | 8 | 482,457 | 435,220 | 26,993 |
| 10/1/05 | 1 | 9 | 397,713 | 344,937 | 19,221 |
| 10/1/04 | 1 | 9 | 338,383 | 344,812 | 14,730 |
| 10/1/01 | 2 | 8 | 122,981 | 81,752 | 6,791 |

## ACTUARIAL GAINS AND LOSSES

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

| Year Ending | **Actuarial Gain (Loss)** |
|---|---|
| 9/30/07 | $ 25,431 |
| 9/30/06 | (5,458) |
| 9/30/05 | 5,030 |
| 9/30/04 | 22,267 |
| 9/30/01 | Not Available |

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

| | **Investment Rate of Return** | | |
|---|---|---|---|
| **Year Ended** | **Actual** | **Assumed** | **Salary Increases** |
| 9/30/07 | 13.7 % | 8.0 % | N/A |
| 9/30/06 | 7.2 | 8.0 | N/A |
| 9/30/05 | 9.7 | 8.0 | N/A |
| 9/30/04 | 10.1 | 8.0 | N/A |
| 9/30/03 | 17.9 | 8.0 | N/A |
| 9/30/02 | (10.7) | 8.0 | N/A |
| 9/30/01 | (10.4) | 8.0 | N/A |
| 9/30/00 | 9.4 | 8.0 | N/A |
| 9/30/99 | 7.0 | 8.0 | N/A |
| 9/30/98 | 11.4 | 8.0 | N/A |

The actual investment return rates shown above are based on the actuarial value of assets.

**WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM**
**FASB NO. 35 INFORMATION AS OF OCTOBER 1**

| | 2007 | 2006 |
|---|---|---|
| A. Actuarial Present Value of Accumulated Plan Benefits | | |
| 1. Vested Benefits | | |
| a. Members Currently Receiving Benefits | $ 246,184 | $ 248,359 |
| b. Terminated Vested Members | 504,263 | 466,023 |
| c. Other Members | 183,435 | 161,664 |
| d. Total | 933,882 | 876,046 |
| 2. Non-Vested Benefits | 0 | 0 |
| 3. Total: (1) + (2) | 933,882 | 876,046 |
| 4. Accumulated Contributions of Active Members | N/A | N/A |
| B. Statement of Change in Accumulated Plan Benefits | | |
| 1. Total Value at Beginning of Year | 876,046 | 721,591 |
| 2. Increase (decrease) during year attributable to: | | |
| a. Plan Amendment | 0 | 112,643 |
| b. Change in actuarial assumptions & methods | 0 | 0 |
| c. Benefits paid and contribution refunds | (21,149) | (19,226) |
| d. Other, including lastest member data, benefits accumulated and decrease in discount period | 78,985 | 61,038 |
| e. Net Increase | 57,836 | 154,455 |
| 3. Total Value at End of Year | 933,882 | 876,046 |
| C. Market Value of Assets | 688,157 | 482,457 |
| D. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods. | | |

| WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM<br>GASB STATEMENT NO. 25<br>SCHEDULE OF EMPLOYER CONTRIBUTIONS | | | | | |
|---|---|---|---|---|---|
| Valuation Date | Fiscal Year End | Total Required Contributions | Actual Contributions | | |
| | | | City | State | Usable State |
| 10/1/07 | 9/30/08 | $ 84,187 | N/A | N/A | N/A |
| 10/1/06 | 9/30/07 | 84,459 | $ 0 | $ 148,841 | $ 85,547 |
| 10/1/05 | 9/30/06 | 52,014 | 0 | 90,876 | 59,589 |
| 10/1/04 | 9/30/05 | 46,877 | 0 | 84,258 | 59,589 |
| 10/1/01 | 9/30/04 | 43,306 | 0 | 80,211 | 59,589 |
| 10/1/01 | 9/30/03 | 14,537 | 0 | 67,406 | 31,128 |
| 10/1/01 | 9/30/02 | 14,537 | 0 | 56,323 | 18,401 |
| 10/1/98 | 9/30/01 | 5,588 | 0 | 46,991 | 18,397 |
| 10/1/98 | 9/30/00 | 5,588 | 0 | 21,531 | 18,397 |

| GASB STATEMENT NO. 25<br>SCHEDULE OF FUNDING PROGRESS | | | | | | |
|---|---|---|---|---|---|---|
| Actuarial Valuation Date | Actuarial Value of Assets: (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a)/(b) | Covered Payroll (c) | UAAL As % of Covered Payroll [(b)-(a)]/(c) |
| 10/1/07 | $ 593,576 | $ 974,213 | $ 380,637 | 60.9 % | N/A | N/A |
| 10/1/06 | 482,457 | 917,677 | 435,220 | 52.6 | N/A | N/A |
| 10/1/05 | 397,713 | 742,650 | 344,937 | 53.6 | N/A | N/A |
| 10/1/04 | 338,383 | 683,195 | 344,812 | 49.5 | N/A | N/A |
| 10/1/01 | 122,981 | 204,733 | 81,752 | 60.1 | N/A | N/A |

## WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM

## GASB STATEMENT NO. 25

## REQUIRED SUPPLEMENTARY INFORMATION

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

| | |
|---|---|
| Valuation Date | October 1, 2007 |
| Required Contribution: | |
| Employer (City and State) | $84,187 |
| Plan Members | $0 |
| Actuarial Cost Method | Entry Age Normal Actuarial Cost Method |
| Amortization Method | Level dollar amount |
| Equivalent Single Amortization Period | 12 years |
| Asset Valuation Method | Market Value |
| Actuarial Assumptions | |
| Investment rate of return* | 8.0% |
| Projected salary increases | N/A |
| Cost-of-living adjustments | N/A |
| *Includes inflation and other general increases at | 3.5% |

## ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHODS

A. Mortality

RP 2000 Mortality Table Projected to 2005 for males and females (sex distinct tables), set forward five years for impaired mortality. Prior to the October 1, 2005 valuation, the 1983 Group Annuity Mortality Table was used for males with females set back six years.

This assumption is used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement. For disabled retirees, the regular mortality tables are set forward five years to reflect impaired longevity.

| Sample Ages | % Mortality During the Year | | Future Life Expectancy (years) | |
|---|---|---|---|---|
| | Men | Women | Men | Women |
| 50 | 0.20% | 0.15% | 31.31 | 33.86 |
| 55 | 0.33% | 0.26% | 26.66 | 29.16 |
| 60 | 0.62% | 0.49% | 22.19 | 24.61 |
| 65 | 1.19% | 0.95% | 18.01 | 20.35 |
| 70 | 2.06% | 1.63% | 14.22 | 16.44 |
| 75 | 3.53% | 2.70% | 10.83 | 12.92 |
| 80 | 6.12% | 4.43% | 7.92 | 9.82 |
| Ref: | 452 x 1.00 | 453 x 1.00 | | |

B. Interest to be Earned by Fund

8%, compounded annually

C. Allowances for Expenses

Actual expenses incurred during the prior plan.

D. Employee Withdrawal Rates

Samples Rates are shown below:

| Age | Males | Females |
|---|---|---|
| 20 | 7.5% | 12.5% |
| 25 | 5.0 | 7.5 |
| 30 | 3.5 | 5.0 |
| 35 | 2.5 | 3.5 |
| 40 | 1.5 | 2.5 |
| 45 | 1.0 | 1.5 |
| 50 | 0.5 | 1.0 |
| 55 & up | 0.0 | 0.0 |

E. Disability Rates

Sample Rates are shown below:

| Age | Males | Females |
|---|---|---|
| 20 | 0.17% | 0.34% |
| 25 | 0.17 | 0.34 |
| 30 | 0.17 | 0.34 |
| 35 | 0.18 | 0.36 |
| 40 | 0.20 | 0.40 |
| 45 | 0.23 | 0.46 |
| 50 | 0.29 | 0.58 |
| 55 | 0.39 | 0.78 |
| 60 & up | 0.00 | 0.00 |

F. Salary Increase Factors

None – Flat benefit, not salary related.

G. Inflation Rate

An implicit rate of 3.5% is assumed to be included in the assumed interest rate to be earned by the Fund (Item B.) as well as the assumed annual salary increase factor (Item F.).

H. Retirement Age

Participants are assumed to retire one half year after the valuation date at which they are first eligible for normal retirement. Participants who are beyond normal retirement date are assumed to retire one half year after the valuation date.

I. Valuation of Assets

Market Value. Excess State Money is excluded for funding purposes.

J. Cost Method

Entry Age Normal Actuarial Cost Method.

K. Changes From Previous Valuation

None.

# GLOSSARY OF TERMS

1. **Actuarial Present Value** is the value of an amount or series of amounts payable at various times, determined as of the valuation date by the application of the set of actuarial assumptions.

2. **Actuarial Assumptions** are assumptions as to the occurrence of future events affecting pension costs. The previous page outlines the Actuarial Assumptions utilized in this valuation.

3. **Actuarial Cost Method** is a procedure for determining the Actuarial Present Value of pension plan benefits and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and Actuarial Accrued Liability.

4. **Entry Age Actuarial Cost Method** is a method under which the current year's cost, or Normal Cost is calculated for each individual. The Normal Cost is the amount, determined as a level amount which, if deposited each year from the time an employee was first included in the actuarial valuation (or would have been had the plan been in effect) until retirement, would fully fund his or her benefit. The Entry Age Actuarial Accrued Liability at any given time is equal to the Actuarial Present Value of Projected Benefits minus the Actuarial Present Value of future Normal Costs. Under the Entry Age Actuarial Cost Method, experience gains (losses) reduce (increase) the Actuarial Accrued Liability. Increases or decreases in the Actuarial Accrued Liability will also occur as a result of changes in pension plan benefits, actuarial assumptions, or asset valuation methods.

5. **Unfunded Actuarial Accrued Liability** is the Actuarial Accrued Liability less the Actuarial Value of Assets.

# SECTION III

# PENSION FUND INFORMATION

**WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM**
**STATEMENT OF ASSETS AT MARKET VALUE**
**AS OF SEPTEMBER 30**

| | 2007 | 2006 |
|---|---|---|
| Total Cash & Investments | $ 619,698 | $ 430,443 |
| Contributions Receivable | 68,459 | 52,014 |
| Accounts Payable | 0 | 0 |
| Total Pension Fund Assets | 688,157 | 482,457 |
| Excess State Money | 94,581 | 45,291 |
| Net Assets Available for Benefits | 593,576 | 437,166 |

**WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM**
**INCOME AND DISBURSEMENTS**
**FOR THE YEAR ENDED SEPTEMBER 30**

| | 2007 | 2006 |
|---|---|---|
| A. Market Value as of Beginning of Year | $ 482,457 | $ 443,004 |
| B. Receipts During Period | | |
| 1. Contributions | | |
| a. Employee | N/A | N/A |
| b. Receivable | 0 | 52,014 |
| c. State | 187,703 | 0 |
| d. Total | 187,703 | 52,014 |
| 2. Investment Earnings Allocation | 70,490 | 30,238 |
| 3. Total Receipts During Period | 258,193 | 82,252 |
| C. Disbursements During Period | | |
| 1. Benefits | 21,149 | 19,226 |
| 2. Allocated Expenses | 31,344 | 23,573 |
| 3. Total Disbursements During Period | 52,493 | 42,799 |
| D. Market Value as of End of Year | 688,157 | 482,457 |

## WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM

## INVESTMENT RATE OF RETURN

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

**Basis 1:** **Market Value Basis** - interest, dividends, realized gains (losses) and unrealized appreciation (depreciation), divided by the weighted average of the market value of the fund during the year. This figure is normally called the Total Rate of Return.

**Basis 2:** **Valuation Asset Basis** - investment earnings recognized in the Actuarial Value of Assets divided by the weighted average of the Actuarial Value of Assets during the year.

| | Investment Rate of Return | |
|---|---|---|
| **Year Ended** | **Basis 1** | **Basis 2** |
| 9/30/2007 | 13.7 % | 13.7 % |
| 9/30/2006 | 7.2 | 7.2 |
| 9/30/2005 | 9.7 | 9.7 |
| 9/30/2004 | 10.1 | 10.1 |
| 9/30/2003 | 17.9 | 17.9 |
| 9/30/2002 | (10.7) | (10.7) |
| 9/30/2001 | (10.4) | (10.4) |
| 9/30/2000 | 9.4 | 9.4 |
| 9/30/1999 | 7.0 | 7.0 |
| 9/30/1998 | 11.4 | 11.4 |
| Average Compounded Rate of Return for Last 3 Years | 10.1 % | 10.1 % |
| Average Compounded Rate of Return for Last 5 Years | 11.6 % | 11.6 % |

# SECTION IV

# MEMBER STATISTICS

| WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM STATISTICAL DATA | | | |
|---|---|---|---|
| | **10/1/07** | **10/1/06** | **10/1/05** |
| **Active Partipants** | | | |
| Number | 2 | 2 | 1 |
| Averages | | | |
| Current Age | 43.4 | 42.4 | 41.7 |
| Age at Employment | 23.2 | 23.2 | 20.1 |
| Past Service | 20.2 | 19.2 | 21.6 |
| Service at Age 50 | 26.8 | 26.8 | 29.9 |
| **Members Receiving Benefits** | | | |
| Number | 1 | 1 | 1 |
| Total Annual Pensions | $ 21,533 | $ 21,533 | $ 19,226 |
| Average Monthly Benefit | 1,794 | 1,794 | 1,602 |
| Average Current Age | 55.7 | 54.7 | 53.7 |
| **Terminated Members with Vested Benefits** | | | |
| Number | 7 | 7 | 8 |
| Total Annual Pensions | $ 70,952 | $ 70,952 | $ 72,800 |
| Average Monthly Benefit | 845 | 845 | 758 |
| Average Current Age | 46.0 | 45.0 | 43.7 |

**WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM**
**RECONCILIATION OF MEMBERSHIP DATA**

| Year Ended | 9/30/07 | 9/30/06 | 9/30/05 |
|---|---|---|---|
| **A. Active Members** | | | |
| 1 Number Included in Last Valuation | 2 | 1 | 1 |
| 2 Additions from Vested Terminated Members | 0 | 1 | 0 |
| 3 Non-Vested Employment Terminations | 0 | 0 | 0 |
| 4 Vested Employment Terminations | 0 | 0 | 0 |
| 5 Service Retirements | 0 | 0 | 0 |
| 6 Disability Retirements | 0 | 0 | 0 |
| 7 Deaths | 0 | 0 | 0 |
| 8 Number Included in This Valuation | 2 | 2 | 1 |
| **B. Terminated Vested Members** | | | |
| 1 Number Included in Last Valuation | 7 | 8 | 8 |
| 2 Transfer to Active Status | 0 | (1) | 0 |
| 3 Lump Sum Payments | 0 | 0 | 0 |
| 4 Payments Commenced | 0 | 0 | 0 |
| 5 Deaths | 0 | 0 | 0 |
| 6 Refunds | 0 | 0 | 0 |
| 7 Number Included in This Valuation | 7 | 7 | 8 |
| **C. Service Retirees, Disability Retirees and Beneficiaries** | | | |
| 1 Number Included in Last Valuation | 1 | 1 | 1 |
| 2 Additions from Active Members | 0 | 0 | 0 |
| 3 Additions from Terminated Vested Members | 0 | 0 | 0 |
| 4 Deaths Resulting in No Further Payments | 0 | 0 | 0 |
| 5 End of Certain Period - No Further Payments | 0 | 0 | 0 |
| 6 Number Included in This Valuation | 1 | 1 | 1 |

## SECTION V

## SUMMARY OF
## RETIREMENT PLAN PROVISIONS

# WILTON MANORS FIREFIGHTERS RETIREMENT SYSTEM
# SUMMARY OF RETIREMENT PLAN PROVISIONS

**Through Ordinance 904, Effective November 14, 2006**

A. Effective Date:

April 9, 1996.

B. Eligibility Requirements:

All active members of the Wilton Manors Volunteer Fire Department shall become participants on date of membership.

C. Credited Service:

Service in completed calendar months from date first served as an active member to the earlier of the participant's termination of service or actual retirement date.

D. Pensionable Compensation:

None. The plan benefits are not compensation related.

E. Normal Retirement:

Eligibility: Earlier of (i) or (ii), where:

(i) is attainment of age 55, and

(ii) is attainment of age 50 and completion of 20 years of creditable service.

Monthly Benefit: $56 multiplied by years of creditable service ($50 prior to Ordinance 904, effective 11/14/06).

F. Deferred Retirement:

Eligibility: Retirement after normal retirement date and approval by the Board.

Monthly Benefit: The benefit is calculated in the same manner as normal retirement except it is based on years of creditable service at deferred retirement date.

G. Service-Connected Disability Benefit:

| | |
|---|---|
| Eligibility: | Unable to perform regular and continuous duties as a volunteer firefighter as a result of a service-connected injury, disease, or disability. |
| Benefit: | Benefit in an amount equal to the normal retirement benefit which would have been paid at the participant's normal retirement date. The benefit is payable monthly for life, with 120 payments guaranteed (payable for life only as of the last valuation). |

H. Pre-Retirement Death Benefit:

| | |
|---|---|
| Eligibility: | Death while an active volunteer firefighter. |
| Benefit: | The participant's beneficiary shall be entitled to receive the participant's normal retirement benefit as if the member had retired on the date of death. |

I. Vested Benefit Upon Termination:

| | |
|---|---|
| Eligibility: | At least 10 years of creditable service at date of termination. However, upon reaching normal retirement age, a participant will be 100% vested, regardless of service. |
| Benefit: | The monthly benefit payable at normal retirement date equal to the benefit accrued to the date of termination. |

J. Employee Contributions:

None.

K. Normal Form of Retirement Income:

The normal form of payment shall be a 10 year certain and life annuity.

Optional forms are available.

## STATE REQUIREMENTS

1. Copies of this Report are to be furnished to the Division of Retirement and the State Treasurer's Office within 60 days of receipt from the actuary, at the following addresses:

   Mr. Charles Slavin
   Division of Retirement
   Bureau of Local Retirement
   P.O. Box 9000
   Tallahassee, Florida 32315-9000

   Ms. Patricia Shoemaker, Bureau Chief
   Division of Retirement
   Municipal Police Officers' and Firefighters'
   Retirement Trust Fund
   P.O. Box 3010
   Tallahassee, Florida 32315-3010

2. Contributions to the System -

   (a) Employee contributions must be deposited to the fund on at least a monthly basis.

   (b) City contributions must be deposited to the fund on at least a monthly basis.

   (c) Premium tax refunds and any other revenues collected for this Plan must be deposited within 5 days of receipt by the City.

3. Information for employees -

   (a) A written plan description is to be distributed to each member every two years.

   (b) Pertinent actuarial and financial information is to be included as part of the written plan description distributed to members.