

RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF SURFSIDE

PROJECTION ACTUARIAL VALUATION AS OF OCTOBER 1, 2011

This Valuation Determines the Annual Contribution for the Plan and Fiscal Year October 1, 2012 through September 30, 2013 to Be Paid in Fiscal Year October 1, 2012 through September 30, 2013

February 22, 2012

**Retirement Plan for Employees of
the Town of Surfside**

TABLE OF CONTENTS

	<u>Page</u>
Commentary	1
I. Summary of Retirement Plan Costs.....	4
II. Comparison of Cost Data of Current and Prior Valuations.....	10
III. Characteristics of Participants in Actuarial Valuation	13
IV. Statement of Assets.....	14
V. Reconciliation and Allocation of Plan Assets	15
VI. Actuarial Gains (Losses)	18
VII. Amortization of Unfunded Actuarial Accrued Liability	19
VIII. Accounting Disclosure Exhibit.....	20
IX. Outline of Principal Provisions of the Retirement Plan	29
X. Actuarial Assumptions and Actuarial Cost Methods Used	33
XI. Distribution of Plan Participants by Attained Age Groups and Service Groups.....	37
XII. Summary of Participant Data.....	40
XIII. Reconciliation of Employee Data.....	43
XIV. Recent Plan Experience	46
XV. Town Contribution Information	48
XVI. State Required Exhibit.....	49



February 22, 2012

Pension Board
Retirement Plan for Employees
of the Town of Surfside
c/o Ms. Mayte Gamiotea
9293 Harding Avenue
Surfside, Florida 33154

Dear Board Members:

October 1, 2011 Projection Actuarial Valuation

We are pleased to present our October 1, 2011 Projection Actuarial Valuation for the Retirement Plan for Employees of the Town of Surfside. The purpose of this report is to indicate appropriate contribution levels, comment on the actuarial soundness of the Plan and to satisfy State requirements. Gabriel, Roeder, Smith & Company, as Plan actuary, is authorized by the Pension Board to prepare an annual actuarial valuation under Section 2-185(i)(11)(c) of the Plan.

This report consists of this commentary, detailed Tables I through XV, and the State Required Exhibit on Table XVI. The Tables contain basic Plan cost figures plus significant details on the benefits, liabilities and experience of the Plan. We suggest that you thoroughly review the report at your convenience and contact us with any questions that may arise.

Pension Plan Costs

Our Actuarial Valuation develops the required minimum Pension Plan payment under the Florida Protection of Public Employee Retirement Benefits Act and Police Officers Retirement Chapter 185. The minimum payment consists of payment of annual normal costs and amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law. **Based on our understanding of State rules, the Town is required to contribute based on a percentage of payroll during fiscal year 2012-2013.** The minimum payment for the plan year ending September 30, 2013 is **20.2% of covered payroll (\$817,488)**. The figure in parentheses is the estimated dollar amount Plan cost expressed as a percentage of covered annual payroll (\$4,053,208) as of October 1, 2011.

This total cost is to be met by Member and Town contributions. We anticipate that Member contributions will be **7.0% of covered payroll (\$283,279)**. The resulting minimum required Town contribution to be paid in **fiscal year ending September 30, 2013** is **13.2%** of covered payroll (**\$534,209**).

Changes in Actuarial Assumptions, Methods and Plan Benefits

Plan provisions are unchanged from the previous actuarial valuation. Plan benefits are summarized on Table IX.

For Police Officers, amortization credit bases and amortization charge bases have been separately combined as provided under Internal Revenue Service Regulation 1.412(b) - 1. The remaining actuarial assumptions and methods are unchanged from the previous valuation. The actuarial assumptions and methods are outlined on Table X.

Please note the required disclosure under F.S., Chapter 2011-216 effective July 1, 2011 is shown on pages 23-25.

Comparison of October 1, 2010 and October 1, 2011 Valuation Results

Table II of our report provides information of a comparative nature. The left columns of the Table indicate the costs as calculated the October 1, 2010. The right columns indicate the costs as calculated for October 1, 2011.

Comparing the left and right columns of Table II shows the effect of Plan experience during the year. The number of active participants increased by approximately 1% while covered payroll increased by approximately 1%. The total normal cost decreased as a percentage of covered payroll but is expected to increase as a dollar amount. The unfunded actuarial accrued liability increased as a percentage of covered payroll and as a dollar amount. The net Town minimum funding requirement also increased both as a percentage of covered payroll and as an estimated dollar amount.

The value of vested accrued benefits exceeds assets resulting in a Vested Benefit Security Ratio of 98.7%. This is a decrease from 106.2% as of the October 1, 2010 Actuarial Valuation. The Vested Benefit Security Ratio is based upon the market value of assets.

Actuarial Gains (Losses)

The Plan experienced an actuarial loss of **\$821,095** (20.3%). Our Actuarial Valuation Report tracks the actual experience in areas that are very significant in determining whether a gain or loss occurs. Table XIV presents investment return, salary experience and termination experience.

Table XIV provides the investment experience under the Plan in comparison to the actuarial assumptions. During 2010-2011, the fund experienced an actuarial value return of approximately 0.3%. This return is less than the assumed 7.5% rate of return. Investment return was a significant source of actuarial loss this year. The average actuarial value rate of return over the last three, five and ten years is 1.1%, 3.5% and 3.3%, respectively. The one, three, five and ten year average market value returns are -3.2%, 0.7%, 0.0% and 3.0%, respectively.

Table XIV also provides salary increase experience for the Plan in comparison to assumed salary increases. Salary increases averaged 8.6% and 5.0% respectively for General Employees and Police Officers, this year. General Employee average annual salary increases for the three, five and ten year periods are 4.2%, 4.8% and 5.8%, respectively. Police Officer average annual salary increases for the three, five and ten year periods are 9.8%, 8.7% and 10.8%, respectively. The average salary increase assumption was 5.0% per annum for General Employees and 5.5% per annum for Police Officers. Salary increases were generally an additional source of actuarial loss for General Employees and generally an offsetting source of actuarial gain for Police Officers.

Employee turnover this year was 230% of the assumed for General Employees and 130% of the assumed for Police Officers. General Employee turnover for the three, five and ten year periods are 240%, 240% and 230%, respectively of expected turnover. Police Officer turnover for the three, five and ten year periods are 80%, 100% and 200%, respectively of expected turnover. Employee turnover was generally an offsetting source of actuarial gain for both General Employees and Police Officers.

Member Census and Financial Data

The Member census data used for this valuation was submitted to us by the Town. This information contains name, Social Security number, date of birth, date of hire, October 1, 2011 rate of pay, actual salary paid and

member contributions for the previous fiscal year. Dates of termination and retirement are provided where applicable. Information on inactive participants including retirees, beneficiaries and vested terminees was also provided by the Town.

We were supplied with information on the assets of the Plan by the Plan Accountant and the Town. We do not audit the member census data and asset information that is provided to us. However, we perform certain reasonableness checks and we have questioned reported data and have been assured the information that we received is reliable.

Summary

In our opinion the benefits provided for under the current Plan will be sufficiently funded through the payment of the amount as indicated in this and future Actuarial Valuation reports. We will continue to update you on the future payment requirements for the Plan through our actuarial reports. These reports will also continue to monitor the future experience of the Plan.

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); and changes in Plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report should not be relied on for any purpose other than the purpose described in the primary communication. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

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 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.

The signing actuaries are independent of the system sponsor.

The undersigned 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 in this report. We are available to respond to any questions with regards to matters covered in this report.

Very truly yours,



Lawrence F. Wilson, A.S.A.
Senior Consultant and Actuary



Jennifer Borregard, E.A.
Senior Analyst

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Summary of Retirement Plan Costs as of October 1, 2011

	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary (Table III)		
1. Active Employees	78	N/A
2. Terminated Vested	6	N/A
3. Receiving Benefits	34	N/A
4. Annual Payroll of Active Employees	\$ 4,053,208	100.0%
B. Total Normal Cost		
1. Age Retirement Benefits	\$ 509,472	12.6%
2. Deferred Vesting Benefits	71,477	1.8%
3. Disability Benefits	79,514	2.0%
4. Return of Employee Contributions	8,825	0.2%
5. Administrative Expenses	73,016	1.8%
6. Total Annual Normal Cost	<u>\$ 742,304</u>	18.3%
C. Total Actuarial Accrued Liability		
1. Active Employees	\$ 7,025,609	173.3%
2. Service Retirees and Beneficiaries	5,044,323	124.5%
3. Disabilities	741,787	18.3%
4. Terminated Vested Members	460,304	11.4%
5. Miscellaneous Liability (Refunds in Process)	0	0.0%
6. Total Actuarial Accrued Liability	<u>\$ 13,272,023</u>	327.4%
D. Plan Assets		
1. Actuarial Value	\$ 12,487,404	308.1%
2. Market Value	\$ 10,455,661	258.0%
E. Unfunded Actuarial Accrued Liability (C-D.1.)	\$ 784,619	19.4%
F. Minimum Required Contribution		
1. Total Normal Cost	\$ 742,304	18.3%
2. Amortization of Unfunded Liability	46,667	1.2%
3. Interest Adjustment	28,517	0.7%
4. Total Contribution	<u>\$ 817,488</u>	20.2%

**Table I
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Summary of Retirement Plan Costs as of October 1, 2011

	<u>Cost Data</u>	<u>% of Payroll</u>
G. Expected Payroll of Active Employees for 2012 - 2013 Plan Year (\$4,053,208 x 1.000)	\$ 4,053,208	100.0%
H. Expected Contribution Sources (percent of expected 2012 - 2013 payroll)		
1. Town	\$ 534,209	13.2%
2. Employees	283,279	7.0%
I. Years to Which Contribution Applies:		
1. Plan Year Ending		September 30, 2013
2. Town Fiscal Year Ending		September 30, 2013
3. Assumed Date of Town Contribution		October 1, 2012 - September 30, 2013
J. Actuarial Gains (Losses) (Table VI)	\$ (821,095)	(20.3%)
K. Actuarial Present Value of Vested Accrued Benefits		
1. Members Currently Receiving Benefits	\$ 5,786,110	142.8%
2. Terminated Vested Members Entitled to Future Benefits and Miscellaneous	460,304	11.4%
3. Active Employees	<u>4,350,125</u>	107.3%
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 10,596,539	261.4%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (K. - D.2., not less than zero)	\$ 140,878	3.5%
M. Vested Benefit Security Ratio (D.2. ÷ K.)	98.7%	N/A

**Retirement Plan for Employees of the
Town of Surfside, Florida**

General Employees

Summary of Retirement Plan Costs as of October 1, 2011

	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary (Table III)		
1. Active Employees	51	N/A
2. Terminated Vested	3	N/A
3. Receiving Benefits	20	N/A
4. Annual Payroll of Active Employees	\$ 2,032,553	100.0%
B. Total Normal Cost		
1. Age Retirement Benefits	\$ 159,606	7.9%
2. Deferred Vesting Benefits	23,738	1.2%
3. Disability Benefits	20,689	1.0%
4. Return of Employee Contributions	4,890	0.2%
5. Administrative Expenses	30,930	1.5%
6. Total Annual Normal Cost	<u>\$ 239,853</u>	11.8%
C. Total Actuarial Accrued Liability		
1. Active Employees	\$ 2,681,508	131.9%
2. Service Retirees and Beneficiaries	2,356,560	115.9%
3. Disabilities	137,462	6.8%
4. Terminated Vested Members	225,368	11.1%
5. Miscellaneous Liability (Refunds in Process)	0	0.0%
6. Total Actuarial Accrued Liability	<u>\$ 5,400,898</u>	265.7%
D. Plan Assets		
1. Actuarial Value	\$ 5,237,010	257.7%
2. Market Value	\$ 4,384,931	215.7%
E. Unfunded Actuarial Accrued Liability (C-D.1.)	\$ 163,888	8.1%
F. Minimum Required Contribution		
1. Total Normal Cost	\$ 239,853	11.8%
2. Amortization of Unfunded Liability	12,993	0.6%
3. Interest Adjustment	9,139	0.4%
4. Total Contribution	<u>\$ 261,985</u>	12.9%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

General Employees

Summary of Retirement Plan Costs as of October 1, 2011

	<u>Cost Data</u>	<u>% of Payroll</u>
G. Expected Payroll of Active Employees for 2012 - 2013 Plan Year (\$2,032,553 x 1.000)	\$ 2,032,553	100.0%
H. Expected Contribution Sources (percent of expected 2012 - 2013 payroll)		
1. Town	\$ 140,358	6.9%
2. Employees	121,627	6.0%
I. Years to Which Contribution Applies:		
1. Plan Year Ending		September 30, 2013
2. Town Fiscal Year Ending		September 30, 2013
3. Assumed Date of Town Contribution	October 1, 2012 -	September 30, 2013
J. Actuarial Gains (Losses) (Table VI)	\$ (71,257)	(3.5%)
K. Actuarial Present Value of Vested Accrued Benefits		
1. Members Currently Receiving Benefits	\$ 2,494,022	122.7%
2. Terminated Vested Members Entitled to Future Benefits and Miscellaneous	225,368	11.1%
3. Active Employees	<u>1,941,102</u>	95.5%
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 4,660,492	229.3%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (K. - D.2., not less than zero)	\$ 275,561	13.6%
M. Vested Benefit Security Ratio (D.2. ÷ K.)	94.1%	N/A

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Police Officers

Summary of Retirement Plan Costs as of October 1, 2011

	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary (Table III)		
1. Active Employees	27	N/A
2. Terminated Vested	3	N/A
3. Receiving Benefits	14	N/A
4. Annual Payroll of Active Employees	\$ 2,020,655	100.0%
B. Total Normal Cost		
1. Age Retirement Benefits	\$ 349,866	17.3%
2. Deferred Vesting Benefits	47,739	2.4%
3. Disability Benefits	58,825	2.9%
4. Return of Employee Contributions	3,935	0.2%
5. Administrative Expenses	42,086	2.1%
6. Total Annual Normal Cost	\$ 502,451	24.9%
C. Total Actuarial Accrued Liability		
1. Active Employees	\$ 4,344,101	215.0%
2. Service Retirees and Beneficiaries	2,687,763	133.0%
3. Disabilities	604,325	29.9%
4. Terminated Vested Members	234,936	11.6%
5. Miscellaneous Liability (Refunds in Process)	0	0.0%
6. Total Actuarial Accrued Liability	\$ 7,871,125	389.5%
D. Plan Assets		
1. Actuarial Value	\$ 7,250,394	358.8%
2. Market Value	\$ 6,070,730	300.4%
E. Unfunded Actuarial Accrued Liability (C-D.1.)	\$ 620,731	30.7%
F. Minimum Required Contribution		
1. Total Normal Cost	\$ 502,451	24.9%
2. Amortization of Unfunded Liability	33,674	1.7%
3. Interest Adjustment	19,378	1.0%
4. Total Contribution	\$ 555,503	27.5%

Retirement Plan for Employees of the
Town of Surfside, Florida

Police Officers

Summary of Retirement Plan Costs as of October 1, 2011

	<u>Cost Data</u>	<u>% of Payroll</u>
G. Expected Payroll of Active Employees for 2012 - 2013 Plan Year (\$2,020,655 x 1.000)	\$ 2,020,655	100.0%
H. Expected Contribution Sources (percent of expected 2012 - 2013 payroll)		
1. Town	\$ 393,851	19.5%
2. Employees	161,652	8.0%
I. Years to Which Contribution Applies:		
1. Plan Year Ending		September 30, 2013
2. Town Fiscal Year Ending		September 30, 2013
3. Assumed Date of Town Contribution	October 1, 2012 -	September 30, 2013
J. Actuarial Gains (Losses) (Table VI)	\$ (749,838)	(37.1%)
K. Actuarial Present Value of Vested Accrued Benefits		
1. Members Currently Receiving Benefits	\$ 3,292,088	162.9%
2. Terminated Vested Members Entitled to Future Benefits and Miscellaneous	234,936	11.6%
3. Active Employees	<u>2,409,023</u>	119.2%
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 5,936,047	293.8%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (K. - D.2., not less than zero)	\$ 0	0.0%
M. Vested Benefit Security Ratio (D.2. ÷ K.)	102.3%	N/A

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Comparison of Cost Data of October 1, 2010 and October 1, 2011 Valuations

	October 1, 2010		October 1, 2011	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants				
1. Active Employees	77	N/A	78	N/A
2. Terminated Vested	6	N/A	6	N/A
3. Receiving Benefits	33	N/A	34	N/A
4. Annual Payroll of Active Employees	\$ 4,016,852	100.0%	\$ 4,053,208	100.0%
B. Total Normal Costs	\$ 740,614	18.4%	\$ 742,304	18.3%
C. Total Actuarial Accrued Liability	\$ 12,414,859	309.1%	\$ 13,272,023	327.4%
D. Actuarial Value of Assets	\$ 12,304,770	306.3%	\$ 12,487,404	308.1%
E. Unfunded Actuarial Accrued Liability	\$ 110,089	2.7%	\$ 784,619	19.4%
F. Net Town Minimum Funding Payment	\$ 515,440	12.8%	\$ 534,209	13.2% *
G. Actuarial Gain (Loss)	\$ (749,919)	(18.7%)	\$ (821,095)	(20.3%)
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 0	0.0%	\$ 140,878	3.5%
I. Vested Benefit Security Ratio	106.2%	N/A	98.7%	N/A

* Percent of expected 2012 - 2013 covered payroll (\$4,053,208)

**Retirement Plan for Employees of the
Town of Surfside, Florida
General Employees**

Comparison of Cost Data of October 1, 2010 and October 1, 2011 Valuations

	October 1, 2010		October 1, 2011	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants				
1. Active Employees	50	N/A	51	N/A
2. Terminated Vested	4	N/A	3	N/A
3. Receiving Benefits	19	N/A	20	N/A
4. Annual Payroll of Active Employees	\$ 2,006,743	100.0%	\$ 2,032,553	100.0%
B. Total Normal Costs	\$ 253,993	12.7%	\$ 239,853	11.8%
C. Total Actuarial Accrued Liability	\$ 5,408,600	269.5%	\$ 5,400,898	265.7%
D. Actuarial Value of Assets	\$ 5,265,148	262.4%	\$ 5,237,010	257.7%
E. Unfunded Actuarial Accrued Liability	\$ 143,452	7.1%	\$ 163,888	8.1%
F. Net Town Minimum Funding Payment	\$ 163,756	8.2%	\$ 140,358	6.9% *
G. Actuarial Gain (Loss)	\$ (303,600)	(15.1%)	\$ (71,257)	(3.5%)
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 174,010	8.7%	\$ 275,561	13.6%
I. Vested Benefit Security Ratio	96.3%	N/A	94.1%	N/A

* Percent of expected 2012 - 2013 covered payroll (\$2,032,553)

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Police Officers

Comparison of Cost Data of October 1, 2010 and October 1, 2011 Valuations

	October 1, 2010		October 1, 2011	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants				
1. Active Employees	27	N/A	27	N/A
2. Terminated Vested	2	N/A	3	N/A
3. Receiving Benefits	14	N/A	14	N/A
4. Annual Payroll of Active Employees	\$ 2,010,109	100.0%	\$ 2,020,655	100.0%
B. Total Normal Costs	\$ 486,621	24.2%	\$ 502,451	24.9%
C. Total Actuarial Accrued Liability	\$ 7,006,259	348.6%	\$ 7,871,125	389.5%
D. Actuarial Value of Assets	\$ 7,039,622	350.2%	\$ 7,250,394	358.8%
E. Unfunded Actuarial Accrued Liability	\$ (33,363)	(1.7%)	\$ 620,731	30.7%
F. Net Town Minimum Funding Payment	\$ 351,684	17.5%	\$ 393,851	19.5% *
G. Actuarial Gain (Loss)	\$ (446,319)	(22.2%)	\$ (749,838)	(37.1%)
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 0	0.0%	\$ 0	0.0%
I. Vested Benefit Security Ratio	115.0%	N/A	102.3%	N/A

* Percent of expected 2012 - 2013 covered payroll (\$2,020,655)

Table III

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Characteristics of Participants in Actuarial
Valuation as of October 1, 2011**

	<u>General Employees</u>	<u>Police Officers</u>	<u>Total</u>
A. <u>Active Plan Participants Summary</u>			
1. Active Participants Vested	13	17	30
2. Active Participants Partially Vested	14	0	14
3. Active Participants Non-Vested	24	10	34
4. Total Active Participants	51	27	78
5. Annual Payroll of Active Participants	\$ 2,032,553	\$ 2,020,655	\$ 4,053,208
B. <u>Retired and Terminated Vested Participant Summary</u>			
1. Service Retirees Receiving Benefits	14	10	24
2. Beneficiaries Receiving Benefits	5	2	7
3. Disabled Participants Receiving Benefits	1	2	3
4. Terminated Vested Participants Entitled to Future Benefits	3	3	6

Table IV**Retirement Plan for Employees of the
Town of Surfside, Florida****Statement of Assets as of October 1, 2011**

	<u>Market Value</u>
<u>Investments</u>	
Cash and Cash Equivalents	\$ 227,811
United States Government Securities	982,237
Government Agency Bonds	812,638
Corporate Bonds	2,035,865
Municipal Obligations	34,534
Common Stocks	4,226,467
Mutual Funds	2,137,853
Total Investments	<u>\$ 10,457,405</u>
<u>Receivables</u>	
Accrued Interest	\$ 43,807
Beneficiary's Estate	2,987
Employee Contributions	22,732
Prepaid Insurance	9,166
Total Receivables	<u>\$ 78,692</u>
<u>Liabilities</u>	
Refunds Payable	\$ 58,326
Accounts Payable	22,110
Total Liabilities	<u>\$ 80,436</u>
<u>Net Assets Available For Benefits</u>	\$ 10,455,661

Table V

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Reconciliation of Plan Assets

	<u>Market Value</u>
A. <u>Value of Assets as of October 1, 2010</u>	\$ 10,643,601
B. <u>Receipts During Period</u>	
1. Employee Contributions	\$ 284,950
2. Service Purchase Contributions	0
3. Town Contributions	625,963
4. Net Investment Return	(338,591)
5. Total Receipts During Period	\$ 572,322
C. <u>Disbursements During Period</u>	
1. Benefit Payments	\$ 580,747
2. Contribution Refunds	106,499
3. Administrative Expenses	73,016
4. Total Disbursements During Period	\$ 760,262
D. <u>Value of Assets as of September 30, 2011</u>	\$ 10,455,661
E. <u>Approximate Rate of Return:</u> (Net of Investment Expense)	(3.2%)

**Table V
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Allocation of Actuarial Value of Assets for Budget Purposes

	<u>General Employees</u>	<u>Police Officers</u>	<u>Total</u>
A. <u>Value of Assets as of October 1, 2010</u>	\$ 5,265,148	\$ 7,039,622	\$ 12,304,770
B. <u>Receipts During Period</u>			
1. Employee Contributions	\$ 123,705	\$ 161,245	\$ 284,950
2. Service Purchase Contributions	0	0	0
3. Town Contributions	198,503	427,460	625,963
4. Net Investment Return	<u>13,548</u>	<u>18,435</u>	<u>31,983</u>
5. Total Receipts During Period	\$ 335,756	\$ 607,140	\$ 942,896
C. <u>Disbursements During Period</u>			
1. Pension Benefit Payments	\$ 256,065	\$ 324,682	\$ 580,747
2. Contribution Refunds	76,899	29,600	106,499
3. Administrative Expenses	<u>30,930</u>	<u>42,086</u>	<u>73,016</u>
4. Total Disbursements During Period	\$ 363,894	\$ 396,368	\$ 760,262
D. <u>Value of Assets as of September 30, 2011</u>	\$ 5,237,010	\$ 7,250,394	\$ 12,487,404

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Development of Actuarial Value of Assets as of September 30

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
A. Preliminary actuarial value from prior year	11,980,172	12,304,770	12,487,404			
B. Market value end of year	10,643,601	10,455,661				
C. Market beginning of year	9,748,332	10,643,601	10,455,661			
D. Non-investment net cash flow	141,923	150,651				
E. Investment return						
1. Total market value return: B. - C. - D.	753,346	(338,591)				
2. Amount for immediate recognition (7.5%)	736,447	803,919				
3. Amount for phased-in recognition: E.1. - E.2.	16,899	(1,142,510)				
F. Phased-in recognition of investment return						
1. Current year: 20% of E.3.	3,380	(228,502)				
2. First prior year	(190,061)	3,380	(228,502)			
3. Second prior year	(487,748)	(190,061)	3,380	(228,502)		
4. Third prior year	130,997	(487,748)	(190,061)	3,380	(228,502)	
5. Fourth prior year	(10,340)	130,995	(487,750)	(190,060)	3,379	(228,502)
6. Total phased-in recognition of investment return	<u>(553,772)</u>	<u>(771,936)</u>	<u>(902,933)</u>	<u>(415,182)</u>	<u>(225,123)</u>	<u>(228,502)</u>
G. Actuarial value end of year						
1. Preliminary actuarial value end of year:						
A. + D. + E.2. + F.6.	12,304,770	12,487,404				
2. Upper corridor limit: 120% of B.	12,772,321	12,546,793				
3. Lower corridor limit: 80% of B.	8,514,881	8,364,529				
4. Actuarial value end of year:						
G.1., not more than G.2., nor less than G.3.	12,304,770	12,487,404				
H. Difference between market value and actuarial value	(1,661,169)	(2,031,743)				
I. Actuarial value rate of return	3.9%	0.3%				
J. Market value rate of return	7.7%	(3.2%)				

Table VI

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Actuarial Gains (Losses) for Plan Year Ended September 30, 2011

	<u>General Employees</u>	<u>Police Officers</u>	<u>Total</u>
A. <u>Derivation of Actuarial Gain (Loss)</u>			
1. Town normal cost previous actuarial valuation	\$ 134,295	\$ 325,812	\$ 460,107
2. Unfunded actuarial accrued liability (UAAL) previous actuarial valuation	143,452	(33,363)	110,089
3. Town contributions previous year	198,503	427,460	625,963
4. Interest on:			
(a) Town normal cost	\$ 10,072	\$ 24,436	\$ 34,508
(b) Unfunded actuarial accrued liability	10,759	(2,502)	8,257
(c) Town contribution	7,444	16,030	23,474
(d) Net total: (a) + (b) - (c)	<u>\$ 13,387</u>	<u>\$ 5,904</u>	<u>\$ 19,291</u>
5. Expected unfunded actuarial accrued liability current year (1. + 2. - 3. + 4.)	\$ 92,631	\$ (129,107)	\$ (36,476)
6. Actual unfunded actuarial accrued liability current year	163,888	620,731	784,619
7. Actuarial gain (loss): (5. - 6.)	\$ (71,257)	\$ (749,838)	\$ (821,095)
B. <u>Approximate Portion of Gain (Loss) Due to Investments</u>			
1. Actuarial value of assets previous year	\$ 5,265,148	\$ 7,039,622	\$ 12,304,770
2. Contributions during period	322,208	588,705	910,913
3. Benefits and administrative expenses during period	363,894	396,368	760,262
4. Expected appreciation for period	393,323	535,184	928,507
5. Expected actuarial value of assets current year (1. + 2. - 3. + 4.)	<u>\$ 5,616,785</u>	<u>\$ 7,767,143</u>	<u>\$ 13,383,928</u>
6. Actual actuarial value of assets current year	5,237,010	7,250,394	12,487,404
7. Approximate gain (loss): (6. - 5.)	\$ (379,775)	\$ (516,749)	\$ (896,524)
C. <u>Approximate Portion of Gain (Loss) Due to Liabilities: A. - B.</u>	\$ 308,518	\$ (233,089)	\$ 75,429

Table VII

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Amortization of Unfunded Actuarial Accrued Liability

<u>Valuation Date</u>	<u>Unfunded Liability</u>	<u>Amortization Payment</u>
10/01/2011	\$ 784,619	\$ 46,667
10/01/2012	\$ 793,298	\$ 46,667
10/01/2013	\$ 802,628	\$ 46,667
10/01/2014	\$ 812,658	\$ 46,667
10/01/2015	\$ 823,440	\$ 46,667
...
10/01/2041	\$ 0	\$ 0

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Accounting Disclosure Exhibit

I. <u>Financial Accounting Standards Board Allocation as of</u>	<u>10/01/2010</u>	<u>10/01/2011</u>
A. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	\$ 5,920,573	\$ 5,786,110
b. Other participants	4,101,032	4,810,429
c. Total	<u>\$ 10,021,605</u>	<u>\$ 10,596,539</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>960,525</u>	<u>781,933</u>
3. Total actuarial present value of accumulated plan benefits	\$ 10,982,130	\$ 11,378,472
B. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2010		\$ 10,982,130
2. Increase (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid		(687,246)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		<u>1,083,588</u>
e. Net increase		<u>\$ 396,342</u>
3. Actuarial present value of accumulated plan benefits as of October 1, 2011		\$ 11,378,472
C. <u>Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		7.5%
2. Change in plan provisions		None affecting calculations
3. Change in actuarial assumptions		None

**Retirement Plan for Employees of the
Town of Surfside, Florida**

General Employees

Accounting Disclosure Exhibit

I. <u>Financial Accounting Standards Board Allocation as of</u>	<u>10/01/2010</u>	<u>10/01/2011</u>
A. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	\$ 2,597,502	\$ 2,494,022
b. Other participants	2,130,850	2,166,470
c. Total	\$ 4,728,352	\$ 4,660,492
2. Actuarial present value of accumulated non-vested plan benefits	373,269	346,600
3. Total actuarial present value of accumulated plan benefits	\$ 5,101,621	\$ 5,007,092
B. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2010		\$ 5,101,621
2. Increase (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid		(332,964)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		238,435
e. Net increase		\$ (94,529)
3. Actuarial present value of accumulated plan benefits as of October 1, 2011		\$ 5,007,092
C. <u>Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		7.5%
2. Change in plan provisions		None affecting calculations
3. Change in actuarial assumptions		None

Retirement Plan for Employees of the
Town of Surfside, Florida

Police Officers

Accounting Disclosure Exhibit

I. <u>Financial Accounting Standards Board Allocation as of</u>	<u>10/01/2010</u>	<u>10/01/2011</u>
A. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	\$ 3,323,071	\$ 3,292,088
b. Other participants	1,970,182	2,643,959
c. Total	<u>\$ 5,293,253</u>	<u>\$ 5,936,047</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>587,256</u>	<u>435,333</u>
3. Total actuarial present value of accumulated plan benefits	\$ 5,880,509	\$ 6,371,380
B. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2010		\$ 5,880,509
2. Increase (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid		(354,282)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		<u>845,153</u>
e. Net increase		\$ 490,871
3. Actuarial present value of accumulated plan benefits as of October 1, 2011		\$ 6,371,380
C. <u>Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		7.5%
2. Change in plan provisions		None affecting calculations
3. Change in actuarial assumptions		None

Retirement Plan for Employees of the
Town of Surfside, Florida

Both Groups Combined

Accounting Disclosure Exhibit

II. Financial Accounting Standards Board Allocation - Florida Statute Chapter 2011-216 Compliance as of October 1, 2011

F.S., Chapter, 2011-216 effective July 1, 2011 mandates each plan report the plan's present value of accrued vested, nonvested and total benefits, as adopted by the Financial Accounting Standards Board, using the Florida Retirement System's assumed rate of return (currently 7.75%) in order to promote the comparability of actuarial data between local plans.

	<u>10/01/2010</u>	<u>10/01/2011</u>
A. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	N/A	\$ 5,673,327
b. Other participants	N/A	4,659,621
c. Total	N/A	\$ 10,332,948
2. Actuarial present value of accumulated non-vested plan benefits	N/A	\$ 744,823
3. Total actuarial present value of accumulated plan benefits	N/A	\$ 11,077,771
B. <u>Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		7.75%
2. Change in plan provisions		N/A
3. Change in actuarial assumptions		N/A

**Retirement Plan for Employees of the
Town of Surfside, Florida**

General Employees

Accounting Disclosure Exhibit

II. Financial Accounting Standards Board Allocation - Florida Statute Chapter 2011-216 Compliance as of October 1, 2011

F.S., Chapter, 2011-216 effective July 1, 2011 mandates each plan report the plan's present value of accrued vested, nonvested and total benefits, as adopted by the Financial Accounting Standards Board, using the Florida Retirement System's assumed rate of return (currently 7.75%) in order to promote the comparability of actuarial data between local plans.

	10/01/2010	10/01/2011
A. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	N/A	\$ 2,445,513
b. Other participants	N/A	2,114,541
c. Total	N/A	\$ 4,560,054
2. Actuarial present value of accumulated non-vested plan benefits	N/A	\$ 329,715
3. Total actuarial present value of accumulated plan benefits	N/A	\$ 4,889,769
B. <u>Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		7.75%
2. Change in plan provisions		N/A
3. Change in actuarial assumptions		N/A

Retirement Plan for Employees of the
Town of Surfside, Florida

Police Officers

Accounting Disclosure Exhibit

II. Financial Accounting Standards Board Allocation - Florida Statute Chapter 2011-216 Compliance as of October 1, 2011

F.S., Chapter, 2011-216 effective July 1, 2011 mandates each plan report the plan's present value of accrued vested, nonvested and total benefits, as adopted by the Financial Accounting Standards Board, using the Florida Retirement System's assumed rate of return (currently 7.75%) in order to promote the comparability of actuarial data between local plans.

	<u>10/01/2010</u>	<u>10/01/2011</u>
A. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	N/A	\$ 3,227,814
b. Other participants	N/A	2,545,080
c. Total	N/A	\$ 5,772,894
2. Actuarial present value of accumulated non-vested plan benefits	N/A	\$ 415,108
3. Total actuarial present value of accumulated plan benefits	N/A	\$ 6,188,002
B. <u>Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		7.75%
2. Change in plan provisions		N/A
3. Change in actuarial assumptions		N/A

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Accounting Disclosure Exhibit

III. Annual Pension Cost For Plan Year Commencing October 1, 2011 and Related Information:

Contribution rates:	
Employer	13.0%
Plan members	7.0%
Annual Pension Cost	\$ 525,734
Contributions made	To be determined
Actuarial valuation date	10/1/2010
Actuarial cost method	Entry Age
Amortization method	Level dollar amount, closed
Remaining amortization period	30 years
Asset valuation method	Five year smoothed market
Actuarial assumptions:	
Investment rate of return *	7.5%
Projected salary increases *	3.0% - 13.5%
Cost of living adjustments	1.5%
* Includes inflation at	4.0%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Accounting Disclosure Exhibit

IV. Historical Trend Information

A. Schedule of Employer Costs (GASB No. 25)

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
09/30/2006	\$ 203,274	114%
09/30/2007	\$ 264,370	100%
09/30/2008	\$ 384,905	100%
09/30/2009	\$ 423,747	100%
09/30/2010	\$ 553,919	100%
09/30/2011	\$ 625,963	100%

B. Schedule of Employer Costs (GASB No. 27)

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
09/30/2006	\$ 205,246	112%	\$ (229,395)
09/30/2007	\$ 266,589	99%	\$ (227,176)
09/30/2008	\$ 387,284	99%	\$ (224,308)
09/30/2009	\$ 425,917	99%	\$ (222,138)
09/30/2010	\$ 556,068	100%	\$ (219,989)
09/30/2011	\$ 628,266	100%	\$ (217,686)

V. Annual Pension Cost and Net Pension Obligation

<u>Fiscal Year Ended</u>	<u>09/30/2011</u>	<u>09/30/2012</u>
Annual Required Contribution (ARC)	\$ 625,963	\$ 523,245
Interest on Net Pension Obligation (NPO)	(16,499)	(16,326)
Adjustment to ARC	18,802	18,815
APC	\$ 628,266	\$ 525,734
Town Contributions	\$ (625,963)	
Increase (Decrease) in NPO	\$ 2,303	
NPO (beginning of year)	\$ (219,989)	
NPO (end of year)	\$ (217,686)	

**Table VIII
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Schedule of Funding Progress

VI. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/2006	\$ 10,500,533	\$ 9,980,193	\$ (520,340)	105.2%	\$ 3,653,048	(14.2%)
10/01/2007	\$ 11,201,453	\$ 10,225,271	\$ (976,182)	109.5%	\$ 3,978,291	(24.5%)
10/01/2008	\$ 11,701,487	\$ 10,971,286	\$ (730,201)	106.7%	\$ 4,568,544	(16.0%)
10/01/2009	\$ 11,697,998	\$ 11,662,297	\$ (35,701)	100.3%	\$ 4,059,522	(0.9%)
10/01/2010	\$ 12,304,770	\$ 12,414,859	\$ 110,089	99.1%	\$ 4,016,852	2.7%
10/01/2011	\$ 12,487,404	\$ 13,272,023	\$ 784,619	94.1%	\$ 4,053,208	19.4%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Outline of Principal Provisions of the Retirement Plan

A. Effective Date:

January 1, 1962. Most recent amendatory Ordinance considered: 11-1580.

B. Eligibility Requirements:

All regular, full-time employees are eligible upon employment. The Town Manager and Town Attorney have the right to opt out of the Plan at any time.

C. Creditable Service:

All service of a member measured in years and completed months since latest date of hire with the Town.

D. Average Final Compensation (AFC):

The average of basic compensation during the highest three years (five years for General Employees) of the ten years preceding termination of employment; does not include bonuses, overtime, lump sum payments of unused leave or other nonregular payments.

E. Normal Retirement:

1. Eligibility:

For sworn Police Officers, the earliest of (1) age 52 with 20 years of Creditable Service, (2) age 62 or (3) completion of 25 years of Creditable Service. For the Town Manager, age 64 with 7 years of Creditable Service. For all other employees, the earlier of (1) age 62 with 15 years of Creditable Service or (2) age 65 with 10 years of Creditable Service.

2. Benefit:

Period of Service	Benefit Accrual Rate per Year of Service Based on Employee Contribution Rate of			
	5%	6%	7%	8%
Before 10/1/1979	1 2/3%	N/A	N/A	N/A
10/1/1979 - 6/30/1996	1 2/3%	N/A	2%	N/A
7/1/1996 - 1/31/2003	1 2/3%	N/A	2%	2.5%
2/1/2003 - 9/30/2005	2%	2.5%	N/A	N/A
10/1/2005 - 9/30/2006	2%	2.5%	N/A	3% *
After 10/1/2006	2%	2.5%	N/A	3.5% *

Maximum benefit is 90% (75% prior to October 1, 2006) of AFC (60% of AFC for General Employees).

* For Police Officers only.

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Outline of Principal Provisions of the Retirement Plan

3. Form of Payment:

Straight life annuity with guaranteed refund of Accumulated Contributions (with options available).

F. Early Retirement:

1. Eligibility:

The earlier of (a) age 55 with 15 years of Creditable Service, or (b) 20 years of Creditable Service regardless of age.

2. Benefit:

Same as Normal Retirement Benefit using AFC and Creditable Service as of Early Retirement Date but payable at Normal Retirement Date assuming continued employment. Alternatively, benefits may commence immediately after reduction of 0.5% for each month early.

G. Delayed Retirement:

1. Eligibility:

Retirement after Normal Retirement Date.

2. Benefit:

Calculated in the same manner as Normal Retirement Benefit using AFC and Creditable Service as of delayed retirement date.

H. Disability Retirement:

1. Service Connected:

a) Eligibility:

Total and permanent disability incurred prior to normal retirement date as a direct result of performance of service to the Town and eligible for Social Security disability benefits.

b) Benefit:

75% (if injury) or 45% (if disease) of the rate of pay in effect on date of disability payable for life or until recovery. For General Employees, less Social Security disability benefits; there is an offset for Workers' Compensation to the extent that the disability benefit plus the Workers' Compensation benefit exceed 100% of preretirement salary.

2. Non-Service Connected:

a) Eligibility:

Total and permanent disability not incurred as a direct result of performance of service to the Town.

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Outline of Principal Provisions of the Retirement Plan

b) Benefit:

Accrued pension benefit.

I. Death Benefit:

1. Pre-Retirement:

Refund of Accumulated Contributions

2. After Normal Retirement Date but before Actual Retirement:

Survivor benefit payable in accordance with optional form of benefit chosen by member.

3. After Retirement:

Refund of any remaining Accumulated Contributions or optional survivor's benefits if elected.

J. Accumulated Contributions:

The sum of all amounts contributed by members including 4% interest on contributions made after January 1, 1979. Effective January 1, 2009, member contributions are *picked-up* by the Town.

K. Termination Benefit:

Upon termination prior to normal or early retirement date a member shall be entitled to choose (1) or (2) below, where:

1. A refund of Accumulated Contributions.

2. The benefit as for normal retirement using AFC and creditable service as of date of termination multiplied by the applicable percentage on the table below, commencing upon the earliest date a member would have attained normal retirement had he remained in service (age 65 for General Employees).

<u>Years of Credited Service</u>	<u>Percentage</u>	
	<u>General Employees</u>	<u>Police Officers</u>
Less than 5	0%	0%
5	50%	100%
6	60%	100%
7	70%	100%
8	80%	100%
9	90%	100%
10 or more	100%	100%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Outline of Principal Provisions of the Retirement Plan

L. Cost of Living Increase

A 1.5% automatic annual cost of living increase is provided for all current and future retirees, disableds, beneficiaries and vested terminated members.

M. Deferred Retirement Option Program (DROP) (Police Officers Only)

1. Eligibility: Attainment of normal retirement date.
2. The maximum period of participation in the DROP is five (5) years.
3. An employee's account in the DROP program shall be credited with interest based upon actual Fund investment return.
4. No payment may be made from DROP until the employee actually separates from service with the Town.

N. Changes From Previous Valuation

Eligibility was all regular, full-time employees are eligible upon employment.

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

A. Mortality

For healthy participants, the 1994 UP Mortality Table Projected to 2007 was used with separate rates for males and females. There is currently no margin for future mortality improvement in the current mortality assumption. We recommend the mortality assumption be reviewed in conjunction with an experience study to determine the appropriate margin (if any) to be used in the October 1, 2012 Actuarial Valuation.

For disabled participants, the RP 2000 Disabled Mortality Table Projected to 2007 was used with separate rates for males and females. There is currently no margin for future mortality improvement in the current mortality assumption. We recommend the mortality assumption be reviewed in conjunction with an experience study to determine the appropriate margin (if any) to be used in the October 1, 2012 Actuarial Valuation.

B. Investment Return

7.5%, compounded annually; net rate after investment related expenses.

C. Allowances for Expenses or Contingencies

Estimated expenses for upcoming year, not including investment related expenses.

D. Employee Withdrawal Rates

Withdrawal rates for males and females were used in accordance with the following illustrative examples:

<u>General Employees</u>	
<u>Age</u>	<u>Withdrawal Rate</u>
20	18.0%
30	15.2%
40	8.3%
50	2.2%
60	0.7%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

D. Employee Withdrawal Rates (cont'd)

<u>Police Officers</u>			
<u>Service</u>	<u>Withdrawal Rate</u>	<u>Service</u>	<u>Withdrawal Rate</u>
1	20.0%	7	6.0%
2	18.0%	8	4.0%
3	15.0%	9	3.0%
4	12.0%	10	2.5%
5	10.0%	11 & over	2.0%
6	8.0%		

E. Salary Increase Factors

Current salary is assumed to increase at a rate based on the tables below.

<u>General Employees</u>	
<u>Service</u>	<u>Salary Increase</u>
0 - 4	6.5%
4 - 7	4.5%
7 & over	4.0%

<u>Police Officers</u>		
<u>Service</u>	<u>Salary Increase</u>	
	<u>FY 2012 & 2013</u>	<u>FY 2014 & Beyond</u>
0 - 2	12.0%	13.5%
2 - 3	11.0%	12.5%
3 - 4	9.0%	10.5%
4 - 5	7.0%	8.5%
5 - 6	5.0%	6.5%
6 & over	3.0%	4.5%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

F. Disability Benefits

1. Rates: See Table Below
2. Percent Service Connected: 25% for General, 80% for Police.
3. Assume 50% of Service Connected Disabilities are due to injury and 50% are due to disease.

	Annual Rate of Disability	
Age	General Employees	Police Department
20	0.07%	0.14%
30	0.11%	0.18%
40	0.19%	0.30%
50	0.51%	1.00%
60	1.66%	0.00%

G. Actuarial Value of Assets

The method used for determining the actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of plan assets and whose upper limit is 120% of the fair market value of plan assets.

H. Assumed Retirement Age

	Annual Rate of Retirement	
Age	General Employees	Police Officers
40	N/A	3%
41-45	4%	2%
46-47	3%	1%
48-50	2%	1%
51+	1%	1%
NRA	100%	100%

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

I. Marriage Assumption

100% of all members are assumed to be married. Wives are assumed to be three years younger than their husbands.

J. Actuarial Funding Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Actuarial Cost Method. Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his age at hire to his assumed retirement age to fund his estimated benefits, assuming the Plan has always been in effect. The normal cost for the Plan is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Plan is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the actuarial value of assets of the Plan.

K. Change From Previous Valuation

None.

Table XI

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Distribution of Plan Participants by Attained Age Groups
and Service Groups as of October 1, 2011**

General Employees

Completed Years of Service Since Hire

<u>Attained Age Group</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40+</u>	<u>Total</u>
0-24	3	-	-	-	-	-	-	-	-	3
25-29	4	1	-	-	-	-	-	-	-	5
30-34	1	3	-	-	-	-	-	-	-	4
35-39	4	3	1	-	-	-	-	-	-	8
40-44	1	1	1	2	-	-	-	-	-	5
45-49	6	3	1	-	-	-	-	-	-	10
50-54	4	1	1	1	-	-	-	-	-	7
55-59	-	1	-	-	1	-	-	-	-	2
60-64	1	-	-	1	-	4	-	-	-	6
65-69	-	1	-	-	-	-	-	-	-	1
70+	=	=	=	=	=	=	=	=	=	<u>0</u>
TOTAL	24	14	4	4	1	4	0	0	0	51

	<u>Prior Year</u>	<u>Current Year</u>
Average Pay	\$ 40,135	\$ 39,854
Percent Female	40.0%	35.3%

**Table XI
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Distribution of Plan Participants by Attained Age Groups
and Service Groups as of October 1, 2011**

Police Officers

Completed Years of Service Since Hire

<u>Attained Age Group</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40+</u>	<u>Total</u>
0-24	1	-	-	-	-	-	-	-	-	1
25-29	1	2	-	-	-	-	-	-	-	3
30-34	-	3	1	-	-	-	-	-	-	4
35-39	3	3	1	-	-	-	-	-	-	7
40-44	2	2	-	1	-	-	-	-	-	5
45-49	-	1	-	-	-	-	-	-	-	1
50-54	-	1	-	-	-	-	-	-	-	1
55-59	2	-	-	-	-	-	-	-	-	2
60-64	1	1	-	-	1	-	-	-	-	3
65-69	-	-	-	-	-	-	-	-	-	0
70+	-	-	-	-	-	-	-	-	-	0
TOTAL	10	13	2	1	1	0	0	0	0	27

	<u>Prior Year</u>	<u>Current Year</u>
Average Pay	\$ 74,448	\$ 74,839
Percent Female	11.1%	14.8%

**Table XI
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

**Distribution of Plan Participants by Attained Age Groups
and Service Groups as of October 1, 2011**

General Employees - 5% Contribution Group

Completed Years of Service Since Hire

<u>Attained Age Group</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40+</u>	<u>Total</u>
0-24	-	-	-	-	-	-	-	-	-	0
25-29	-	-	-	-	-	-	-	-	-	0
30-34	-	-	-	-	-	-	-	-	-	0
35-39	-	-	-	-	-	-	-	-	-	0
40-44	-	-	-	-	-	-	-	-	-	0
45-49	-	-	-	-	-	-	-	-	-	0
50-54	-	-	1	-	-	-	-	-	-	1
55-59	-	-	-	-	-	-	-	-	-	0
60-64	-	-	-	-	-	-	-	-	-	0
65-69	-	-	-	-	-	-	-	-	-	0
70+	-	-	-	-	-	-	-	-	-	0
TOTAL	0	0	1	0	0	0	0	0	0	1
										Average Pay \$ 32,594

General Employees - 6% Contribution Group

Completed Years of Service Since Hire

<u>Attained Age Group</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40+</u>	<u>Total</u>
0-24	3	-	-	-	-	-	-	-	-	3
25-29	4	1	-	-	-	-	-	-	-	5
30-34	1	3	-	-	-	-	-	-	-	4
35-39	4	3	1	-	-	-	-	-	-	8
40-44	1	1	1	2	-	-	-	-	-	5
45-49	6	3	1	-	-	-	-	-	-	10
50-54	4	1	-	1	-	-	-	-	-	6
55-59	-	1	-	-	1	-	-	-	-	2
60-64	1	-	-	1	-	4	-	-	-	6
65-69	-	1	-	-	-	-	-	-	-	1
70+	-	-	-	-	-	-	-	-	-	0
TOTAL	24	14	3	4	1	4	0	0	0	50
										Average Pay \$ 39,999

Table XII

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Summary of Participant Data

	<u>10/01/2010</u>	<u>10/01/2011</u>
Active Participants		
Number: Fully Vested	26	30
Partially Vested	13	14
Non-Vested	38	34
Total	<u>77</u>	<u>78</u>
Average Attained Age	43.03 years	42.42 years
Average Years of Service	7.29 years	7.54 years
Average Compensation	\$ 52,167	\$ 51,964
 Inactive Participants Receiving Benefits		
Number	33	34
Average Age at Retirement	60.51 years	60.16 years
Average Annual Benefit	\$ 17,546	\$ 16,491
 Inactive Participants Due Deferred Benefits		
Number	6	6
Average Age at Commencement	60.50 years	58.34 years
Average Annual Benefit	\$ 12,394	\$ 12,460

**Table XII
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

General Employees

Summary of Participant Data

	<u>10/01/2010</u>	<u>10/01/2011</u>
Active Participants		
Number: Fully Vested	15	13
Partially Vested	13	14
Non-Vested	22	24
Total	<u>50</u>	<u>51</u>
Average Attained Age	45.54 years	43.28 years
Average Years of Service	8.00 years	8.07 years
Average Compensation	\$ 40,135	\$ 39,854
 Inactive Participants Receiving Benefits		
Number	19	20
Average Age at Retirement	61.27 years	60.64 years
Average Annual Benefit	\$ 13,579	\$ 11,740
 Inactive Participants Due Deferred Benefits		
Number	4	3
Average Age at Commencement	65.00 years	65.00 years
Average Annual Benefit	\$ 9,904	\$ 9,394

**Table XII
(Cont'd)**

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Police Officers

Summary of Participant Data

	<u>10/01/2010</u>	<u>10/01/2011</u>
Active Participants		
Number: Fully Vested	11	17
Partially Vested	0	0
Non-Vested	16	10
Total	<u>27</u>	<u>27</u>
Average Attained Age	38.38 years	40.8 years
Average Years of Service	5.98 years	6.53 years
Average Compensation	\$ 74,448	\$ 74,839
 Inactive Participants Receiving Benefits		
Number	14	14
Average Age at Retirement	59.48 years	59.48 years
Average Annual Benefit	\$ 22,931	\$ 23,279
 Inactive Participants Due Deferred Benefits		
Number	2	3
Average Age at Commencement	51.50 years	51.67 years
Average Annual Benefit	\$ 17,375	\$ 15,526

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Both Groups Combined

Reconciliation of Employee Data

A. Active Participants

1. Active participants previous year	77
2. Retired during year	(1)
3. Died during year	0
4. Disabled during year	0
5. Non-vested employment terminations	0
6. Vested employment terminations	(1)
7. Terminated vested paid lump sum	(9)
8. Leave of absence	0
9. Transfers	0
10. New active participants	8
11. Rehired participant	0
12. Part time employees transferred to full time participants	4
13. Active participants current year	<u>78</u>

B. Participants Receiving Benefits

1. Participants receiving benefits previous year	33
2. New retired participants	1
3. New terminated vested receiving benefits	1
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	1
6. Died or ceased payment during year	(2)
7. Retired or terminated vested receiving benefits current year	<u>34</u>

C. Terminated Vested Participants Entitled to Future Benefits

1. Terminated vested entitled previous year	6
2. Died during year	0
3. Commenced receiving benefits during year	(1)
4. New terminated vested	1
5. Terminated vested paid lump sum	0
6. Adjustment for prior terminated vested not paid lump sum	0
7. Terminated vested entitled current year	<u>6</u>

Retirement Plan for Employees of the
Town of Surfside, Florida

General Employees

Reconciliation of Employee Data

A. Active Participants

1. Active participants previous year	50
2. Retired during year	(1)
3. Died during year	0
4. Disabled during year	0
5. Non-vested employment terminations	0
6. Vested employment terminations	0
7. Terminated vested paid lump sum	(7)
8. Leave of absence	0
9. Transfer to Police	0
10. Transfer from Police	0
11. New active participants	5
12. Rehired participant	0
13. Part time employees transferred to full time participants	4
14. Active participants current year	<u>51</u>

B. Participants Receiving Benefits

1. Participants receiving benefits previous year	19
2. New retired participants	1
3. New terminated vested receiving benefits	1
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	1
6. Died or ceased payment during year	(2)
7. Retired or terminated vested receiving benefits current year	<u>20</u>

C. Terminated Vested Participants Entitled to Future Benefits

1. Terminated vested entitled previous year	4
2. Died during year	0
3. Commenced receiving benefits during year	(1)
4. New terminated vested	0
5. Terminated vested paid lump sum	0
6. Adjustment for prior terminated vested not paid lump sum	0
7. Terminated vested entitled current year	<u>3</u>

Table XIII
(Cont'd)

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Police Officers

Reconciliation of Employee Data

A. Active Participants

1. Active participants previous year	27
2. Retired during year	0
3. Died during year	0
4. Disabled during year	0
5. Non-vested employment terminations	0
6. Vested employment terminations	(1)
7. Terminated vested paid lump sum	(2)
8. Leave of absence	0
9. Transfer from General	0
10. Transfer to General	0
11. New active participants	3
12. Rehired participant	0
13. Active participants current year	<u>27</u>

B. Participants Receiving Benefits

1. Participants receiving benefits previous year	14
2. New retired participants	0
3. New terminated vested receiving benefits	0
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Died or ceased payment during year	0
7. Retired or terminated vested receiving benefits current year	<u>14</u>

C. Terminated Vested Participants Entitled to Future Benefits

1. Terminated vested entitled previous year	2
2. Died during year	0
3. Commenced receiving benefits during year	0
4. New terminated vested	1
5. Terminated vested paid lump sum	0
6. Terminated vested entitled current year	<u>3</u>

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Recent Plan Experience

A. Investment Return Experience

<u>Year Ended</u>	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
09/30/2011	(3.2%)	0.3%	7.5%
09/30/2010	7.7%	3.9%	7.5%
09/30/2009	(2.1%)	(0.7%)	7.5%
09/30/2008	(13.8%)	4.6%	7.5%
09/30/2007	13.9%	9.5%	7.5%
09/30/2006	7.0%	6.2%	7.5%
09/30/2005	8.2%	5.2%	7.5%
09/30/2004	8.0%	5.5%	7.5%
09/30/2003	12.6%	1.6%	7.5%
09/30/2002	(4.4%)	(2.9%)	7.5%
Average			
Last 3 Years	0.7%	1.1%	7.5%
Last 5 Years	0.0%	3.5%	7.5%
Last 10 Years	3.0%	3.3%	7.5%

B. Review of Recent Salary Experience *

<u>Year Ended</u>	<u>General Employees</u>		<u>Police Officers</u>	
	<u>Actual</u>	<u>Assumed</u>	<u>Actual</u>	<u>Assumed</u>
09/30/2011	8.6%	5.0%	5.0%	5.5%
09/30/2010	1.0%	7.0%	11.1%	11.4%
09/30/2009	3.0%	6.7%	13.4%	12.1%
09/30/2008	6.8%	6.8%	14.7%	12.4%
09/30/2007	4.8%	6.0%	(0.1%)	6.0%
09/30/2006	9.6%	6.0%	35.2%	6.0%
09/30/2005	8.3%	6.0%	9.0%	6.0%
09/30/2004	4.5%	6.0%	10.3%	6.0%
09/30/2003	4.9%	6.0%	7.2%	6.0%
09/30/2002	7.1%	6.0%	6.0%	6.0%
Average				
Last 3 Years	4.2%	6.2%	9.8%	9.6%
Last 5 Years	4.8%	6.3%	8.7%	9.4%
Last 10 Years	5.8%	6.1%	10.8%	7.7%

* Participants who have full years of pay for both years considered.

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Recent Plan Experience

C. Recent Termination Experience

General Employees

<u>Year Ended</u>	<u>Number of Employees Previous Valuation</u>	<u>Expected Terminations</u>	<u>Actual Terminations</u>	<u>Ratio of Actual To Expected</u>
09/30/2011	50	3.1	7	2.3
09/30/2010	50	3.3	3	0.9
09/30/2009	66	4.9	17	3.5
09/30/2008	60	4.2	9	2.1
09/30/2007	65	3.6	9	2.5
09/30/2006	65	3.7	7	1.9
09/30/2005	44	2.0	1	0.5
09/30/2004	46	2.2	9	4.1
09/30/2003	46	2.0	4	2.0
09/30/2002	45	2.0	5	2.5
Last 3 Years	166	11.3	27	2.4
Last 5 Years	291	19.1	45	2.4
Last 10 Years	537	31.0	71	2.3

Police Officers

<u>Year Ended</u>	<u>Number of Employees Previous Valuation</u>	<u>Expected Terminations</u>	<u>Actual Terminations</u>	<u>Ratio of Actual To Expected</u>
09/30/2011	27	2.4	3	1.3
09/30/2010	29	3.2	1	0.3
09/30/2009	30	3.7	3	0.8
09/30/2008	30	4.4	4	0.9
09/30/2007	25	0.7	3	4.3
09/30/2006	19	0.5	2	4.0
09/30/2005	34	1.0	9	9.0
09/30/2004	33	0.9	6	6.7
09/30/2003	27	0.8	1	1.3
09/30/2002	25	0.7	4	5.7
Last 3 Years	86	9.3	7	0.8
Last 5 Years	141	14.4	14	1.0
Last 10 Years	279	18.3	36	2.0

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Town Contribution Information

Valuation Date	Contribution Fiscal Year End	Minimum Required Employer Contributions	Actual Employer Contributions Made
10/01/2011	09/30/2013	13.2% of payroll *	N/A
10/01/2010	09/30/2012 ¹	\$ 515,440	N/A
10/01/2009	09/30/2011	\$ 625,963	\$ 625,963
10/01/2008	09/30/2010	\$ 553,919	\$ 553,919
10/01/2007	09/30/2009 ²	\$ 423,747	\$ 423,747
10/01/2006	09/30/2008 ³	\$ 384,905	\$ 384,416
10/01/2005	09/30/2007	\$ 264,370	\$ 264,370
10/01/2004	09/30/2006 ⁴	\$ 203,274	\$ 230,812
10/01/2003	09/30/2005	\$ 0	\$ 102,410
10/01/2002	09/30/2004	\$ 0	\$ 102,410
10/01/2001	09/30/2003	\$ 0	\$ 0
10/01/2000	09/30/2002	\$ 0	\$ 0
10/01/1999	09/30/2001	\$ 0	\$ 0
10/01/1998	09/30/2000	\$ 14,417	\$ 14,417
10/01/1997	09/30/1999	\$ 0	\$ 0
10/01/1996	09/30/1998	\$ 58,833	\$ 58,833
10/01/1995	09/30/1997	\$ 140,751	\$ 140,751
10/01/1994	09/30/1996	\$ 116,992	\$ 116,992
01/01/1994	09/30/1995	\$ 118,566	\$ 118,566
01/01/1993	09/30/1994	\$ 147,703	\$ 167,952
01/01/1992	09/30/1993	\$ 145,740	\$ 167,952
01/01/1991	09/30/1992	\$ 167,483	\$ 167,952
01/01/1990	09/30/1991	\$ 167,981	\$ 167,981
01/01/1989	09/30/1990	\$ 146,829	\$ 162,492
01/01/1988	09/30/1989	\$ 139,227	\$ 158,850

* 13.2% of expected 2012 - 2013 covered payroll - \$4,053,208

¹ Reflects assumption changes effective October 1, 2010

² Reflects assumption changes effective October 1, 2007

³ Reflects benefit improvement effective October 1, 2007

⁴ Reflects benefit improvement effective October 1, 2005

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Actuarial Valuation as of October 1, 2011

State Required Exhibit

All Members

	<u>10/01/2010</u>	<u>10/01/2011</u>
A. <u>Participant Data</u>		
1. Active participants	77	78
2. Retired, disabled and beneficiaries receiving benefits	33	34
3. Terminated vested participants	6	6
4. Annual payroll of active participants	\$ 4,016,852	\$ 4,053,208
5. Expected payroll of active employees for the following year	N/A	\$ 4,053,208
6. Annual benefits payable to those currently receiving benefits	\$ 579,022	\$ 560,694
B. <u>Assets</u>		
1. Actuarial value	\$ 12,304,770	\$ 12,487,404
2. Market value	\$ 10,643,601	\$ 10,455,661
C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 10,338,252	\$ 10,930,181
b. Vesting benefits	672,399	1,018,873
c. Disability benefits	886,306	902,294
d. Return of member contributions	112,957	106,480
e. Total	<u>\$ 12,009,914</u>	<u>\$ 12,957,828</u>
2. Actuarial present value of future expected benefit payments for terminated vested members and miscellaneous	\$ 524,842	\$ 460,304
3. Actuarial present value of future expected benefit payments for members currently receiving benefits	<u>\$ 5,920,573</u>	<u>\$ 5,786,110</u>
4. Total actuarial present value of future expected benefit payments	\$ 18,455,329	\$ 19,204,242
5. Actuarial accrued liabilities	\$ 12,414,859	\$ 13,272,023
6. Unfunded accrued liabilities	\$ 110,089	\$ 784,619

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Actuarial Valuation as of October 1, 2011

State Required Exhibit

General Employees

	<u>10/01/2010</u>	<u>10/01/2011</u>
A. <u>Participant Data</u>		
1. Active participants	50	51
2. Retired, disabled and beneficiaries receiving benefits	19	20
3. Terminated vested participants	4	3
4. Annual payroll of active participants	\$ 2,006,743	\$ 2,032,553
5. Expected payroll of active employees for the following year	N/A	\$ 2,032,553
6. Annual benefits payable to those currently receiving benefits	\$ 257,994	\$ 234,793
B. <u>Assets</u>		
1. Actuarial value	\$ 5,265,148	\$ 5,237,010
2. Market value	\$ 4,554,342	\$ 4,384,931
C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 3,809,897	\$ 3,841,787
b. Vesting benefits	262,544	279,988
c. Disability benefits	333,219	328,942
d. Return of member contributions	55,471	60,179
e. Total	\$ 4,461,131	\$ 4,510,896
2. Actuarial present value of future expected benefit payments for terminated vested members and miscellaneous	\$ 344,450	\$ 225,368
3. Actuarial present value of future expected benefit payments for members currently receiving benefits	\$ 2,597,502	\$ 2,494,022
4. Total actuarial present value of future expected benefit payments	\$ 7,403,083	\$ 7,230,286
5. Actuarial accrued liabilities	\$ 5,408,600	\$ 5,400,898
6. Unfunded accrued liabilities	\$ 143,452	\$ 163,888

**Retirement Plan for Employees of the
Town of Surfside, Florida**

Actuarial Valuation as of October 1, 2011

State Required Exhibit

Police Officers

	<u>10/01/2010</u>	<u>10/01/2011</u>
A. <u>Participant Data</u>		
1. Active participants	27	27
2. Retired, disabled and beneficiaries receiving benefits	14	14
3. Terminated vested participants	2	3
4. Annual payroll of active participants	\$ 2,010,109	\$ 2,020,655
5. Expected payroll of active employees for the following year	N/A	\$ 2,020,655
6. Annual benefits payable to those currently receiving benefits	\$ 321,028	\$ 325,901
B. <u>Assets</u>		
1. Actuarial value	\$ 7,039,622	\$ 7,250,394
2. Market value	\$ 6,089,259	\$ 6,070,730
C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 6,528,355	\$ 7,088,394
b. Vesting benefits	409,855	738,885
c. Disability benefits	553,087	573,352
d. Return of member contributions	57,486	46,301
e. Total	<u>\$ 7,548,783</u>	<u>\$ 8,446,932</u>
2. Actuarial present value of future expected benefit payments for terminated vested members and miscellaneous	\$ 180,392	\$ 234,936
3. Actuarial present value of future expected benefit payments for members currently receiving benefits	<u>\$ 3,323,071</u>	<u>\$ 3,292,088</u>
4. Total actuarial present value of future expected benefit payments	\$ 11,052,246	\$ 11,973,956
5. Actuarial accrued liabilities	\$ 7,006,259	\$ 7,871,125
6. Unfunded accrued liabilities	\$ (33,363)	\$ 620,731

Table XVI
(Cont'd)

**Retirement Plan for Employees of the
Town of Surfside, Florida**
Actuarial Valuation as of October 1, 2011
State Required Exhibit - All Members

	<u>10/01/2010</u>	<u>10/01/2011</u>
D. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 5,920,573	\$ 5,786,110
b. Terminated vested members	518,073	460,304
c. Other participants	3,582,959	4,350,125
d. Total	\$ 10,021,605	\$ 10,596,539
2. Actuarial present value of accumulated non-vested plan benefits	960,525	781,933
3. Total actuarial present value of accumulated plan benefits	\$ 10,982,130	\$ 11,378,472
E. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2010		\$ 10,982,130
2. Increase (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions or methods		0
c. Benefits paid		(687,246)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		1,083,588
e. Net increase		\$ 396,342
3. Actuarial present value of accumulated plan benefits as of October 1, 2011		\$ 11,378,472
F. <u>Pension Cost</u>		
1. Total normal cost	\$ 740,614	\$ 742,304
2. Payment required to amortize unfunded liability	1,535	46,667
3. Interest	53,798	28,517
4. Total required contributions	\$ 795,947	\$ 817,488
5. Item 4 as a percentage of payroll	19.8%	20.2% *
6. Estimated employee contributions	\$ 280,507	\$ 283,279
7. Item 6 as a percentage of payroll	7.0%	7.0% *
8. Net amount payable by Town	\$ 515,440	\$ 534,209
9. Item 8 as a percentage of payroll	12.8%	13.2% *

* Percent of expected 2012 - 2013 covered payroll (\$4,053,208)

**Retirement Plan for Employees of the
Town of Surfside, Florida**
Actuarial Valuation as of October 1, 2011
State Required Exhibit - General Employees

	<u>10/01/2010</u>	<u>10/01/2011</u>
D. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 2,597,502	\$ 2,494,022
b. Terminated vested members	337,681	225,368
c. Other participants	1,793,169	1,941,102
d. Total	\$ 4,728,352	\$ 4,660,492
2. Actuarial present value of accumulated non-vested plan benefits	373,269	346,600
3. Total actuarial present value of accumulated plan benefits	\$ 5,101,621	\$ 5,007,092
E. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2010		\$ 5,101,621
2. Increase (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions or methods		0
c. Benefits paid		(332,964)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		238,435
e. Net increase		\$ (94,529)
3. Actuarial present value of accumulated plan benefits as of October 1, 2011		\$ 5,007,092
F. <u>Pension Cost</u>		
1. Total normal cost	\$ 253,993	\$ 239,853
2. Payment required to amortize unfunded liability	11,321	12,993
3. Interest	18,140	9,139
4. Total required contributions	\$ 283,454	\$ 261,985
5. Item 4 as a percentage of payroll	14.1%	12.9% *
6. Estimated employee contributions	\$ 119,698	\$ 121,627
7. Item 6 as a percentage of payroll	6.0%	6.0% *
8. Net amount payable by Town	\$ 163,756	\$ 140,358
9. Item 8 as a percentage of payroll	8.2%	6.9% *

* Percent of expected 2012 - 2013 covered payroll (\$2,032,553)

**Retirement Plan for Employees of the
Town of Surfside, Florida**
Actuarial Valuation as of October 1, 2011
State Required Exhibit - Police Officers

	<u>10/01/2010</u>	<u>10/01/2011</u>
D. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 3,323,071	\$ 3,292,088
b. Terminated vested members	180,392	234,936
c. Other participants	1,789,790	2,409,023
d. Total	\$ 5,293,253	\$ 5,936,047
2. Actuarial present value of accumulated non-vested plan benefits	587,256	435,333
3. Total actuarial present value of accumulated plan benefits	\$ 5,880,509	\$ 6,371,380
E. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2010		\$ 5,880,509
2. Increase (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions or methods		0
c. Benefits paid		(354,282)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		845,153
e. Net increase		\$ 490,871
3. Actuarial present value of accumulated plan benefits as of October 1, 2011		\$ 6,371,380
F. <u>Pension Cost</u>		
1. Total normal cost	\$ 486,621	\$ 502,451
2. Payment required to amortize unfunded liability	(9,786)	33,674
3. Interest	35,658	19,378
4. Total required contributions	\$ 512,493	\$ 555,503
5. Item 4 as a percentage of payroll	25.5%	27.5% *
6. Estimated employee contributions	\$ 160,809	\$ 161,652
7. Item 6 as a percentage of payroll	8.0%	8.0% *
8. Net amount payable by Town	\$ 351,684	\$ 393,851
9. Item 8 as a percentage of payroll	17.5%	19.5% *

* Percent of expected 2012 - 2013 covered payroll (\$2,020,655)

Retirement Plan for Employees of the
Town of Surfside, Florida

Actuarial Valuation as of October 1, 2011

State Required Exhibit

	<u>10/01/2010</u>	<u>10/01/2011</u>
G. <u>Past Contributions</u>		
1. Total contribution required (Prior Year)	\$ 909,881	\$ 795,947
2. Actual contributions made:		
a. Member	\$ 284,950	N/A
b. Town	625,963	N/A
c. Total	<u>\$ 910,913</u>	<u>N/A</u>
H. <u>Net Actuarial Gain (Loss)</u>		
1. General Employees	\$ (303,600)	\$ (71,257)
2. Police Officers	(446,319)	(749,838)
3. Total	<u>\$ (749,919)</u>	<u>\$ (821,095)</u>
I. <u>Disclosure of Following Items:</u>		
1. Actuarial present value of future salaries - attained age		
a. General Employees	\$ 16,788,412	\$ 16,566,799
b. Police Officers	17,746,119	17,329,497
c. Total	<u>\$ 34,534,531</u>	<u>\$ 33,896,296</u>
2. Actuarial present value of future employee contributions - attained age		
a. General Employees	\$ 1,003,880	\$ 991,288
b. Police Officers	1,419,689	1,386,360
c. Total	<u>\$ 2,423,569</u>	<u>\$ 2,377,648</u>
3. Actuarial present value of future contributions from other sources	N/A	N/A
4. Amount of active members' accumulated contributions		
a. General Employees	\$ 901,346	\$ 966,346
b. Police Officers	807,530	951,679
c. Total	<u>\$ 1,708,876</u>	<u>\$ 1,918,025</u>
5. Actuarial present value of future salaries and future benefits at entry age	N/A	N/A
6. Actuarial present value of future employee contributions at entry age	N/A	N/A

Retirement Plan for Employees of the
Town of Surfside, Florida

Actuarial Valuation as of October 1, 2011

State Required Exhibit

<u>Date</u>	<u>Unfunded Actuarial Accrued Liabilities</u>	<u>Current Unfunded Liabilities</u>	<u>Amortization Payment</u>	<u>Remaining Funding Period</u>
<u>General Employees</u>				
10/01/2009	Combined Bases *	\$ 1,796	\$ 157	22 years
10/01/2010	Actuarial (Gain) Loss	196,296	15,612	29 years
10/01/2010	Assumption Changes	(105,461)	(8,388)	29 years
10/01/2011	Actuarial (Gain) Loss	71,257	5,612	30 years
	Total	\$ 163,888	\$ 12,993	
<u>Police Officers</u>				
10/01/2011	Combined Credit Bases *	\$ (4,353,376)	\$ (381,424)	22 years
10/01/2011	Combined Charge Bases *	4,974,107	415,098	25 years
	Total	\$ 620,731	\$ 33,674	

* Combined per Internal Revenue Code Regulation 1.412(b)-1

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

Enrollment Number: 11-02802
Date: February 22, 2012



Lawrence F. Wilson, A.S.A.