

JACKSONVILLE POLICE AND FIRE PENSION FUND

Actuarial Valuation Report as of October 1, 2012

(Determining costs for the Plan Year
beginning October 1, 2013)

Prepared by:

Pension Board Consultants, Inc.
195 Fourteenth Street; Suite 2307
Atlanta, Georgia 30304
(404) 892-9798

PENSION BOARD CONSULTANTS, INC.
CONSULTING, ACTUARIAL & ADMINISTRATIVE SERVICES

JARMON WELCH, A.S.A.
PRESIDENT

195 FOURTEENTH ST. NE
SUITE 2307
ATLANTA, GEORGIA 30309
404 892-9798
FAX: 404 892-9794
EMAIL: PENBRD@AOL.COM

March 28, 2013

Board of Trustees
Jacksonville Police and Fire Pension Fund
One West Adams Street, Suite 100
Jacksonville, Florida 32202-3616

Actuarial Valuation as of October 1, 2012

Gentlemen:

We are pleased to forward our report on the 2012 Actuarial Valuation of the Jacksonville Police and Fire Pension Fund. The minimum required contribution is for the Plan Year beginning October 1, 2013.

This report should be considered as a single document, and figures extracted from it should not be used out of context.

It should be understood that the costs and actuarial present values presented in this report depend upon forecasts of future events, and that they, therefore, depend upon elements of subjective judgment. Due regard should thus be given to the reasonableness of alternative values and conclusions.

Statement by Actuary:

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 taken into account in the valuation. All known events or trends that may require material increases in Plan costs or required contribution rates have been taken into account in the valuation.

I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.



Jarmon Welch, A.S.A. Date
PENSION BOARD CONSULTANTS, INC.

11 - 1108
Enrollment Number

JACKSONVILLE POLICE AND FIRE PENSION FUND
Actuarial Report for the Plan Year Beginning October 1, 2012

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JACKSONVILLE POLICE AND FIRE PENSION FUND

Section I: Summary and Cost Analysis

Background

The Governmental Accounting Standards Board requires that actuarial valuations be performed every several years (with annual updating of disclosure information). The prior actuarial valuation of the Jacksonville Police and Fire Pension Fund (hereafter called the "Plan") was performed as of October 1, 2011. The current review has been performed as of October 1, 2012. The valuation results were based on participant data as of July 1, 2012, provided by the City. Fund assets and the Plan as of September 30, 2012, were reported by the Plan Administrator. Valuation Pay is the annualized sum of reported rate of pay, upgrade pay and shift pay as of July 1st. All of this data has been reviewed for consistency with prior data and for general reasonableness.

Minimum Required Contribution

This valuation calls for a 123.01% (118.91% plus half-year interest adjustment) of payroll contribution from all sources to this Plan. The following table illustrates the expected contributions of non-City sources:

<u>Expected Source</u>	<u>As a Percentage of Covered Payroll</u>
Active Members	7.00%
DROP Members	0.58%
Expected Court Fines and Penalties	0.58%
State Chapter Funds Allocation	<u>4.00%</u>
TOTAL (non City)	12.16%

It should be noted that State laws make the City responsible for funding any contribution shortfall. The City should increase its contribution percentage to 110.85% (123.01%-12.16%) for the fiscal year beginning October 1, 2013.

Accumulation of Funds in the Reserve Accounts

Pursuant to the Agreement between the City and the Police and Firefighters Pension Board, reserve accounts were set up to accumulate excess contributions as of January 1, 1992 and thereafter. Two account balances have been derived in Table II-D of this report. The amount accumulated in the Enhanced Benefit Account as of September 30, 2012, was \$21,693,735, and the balance in the City Budget Stabilization Account was \$6,713,180.

Senior Staff Voluntary Retirement Plan

As of September 30, 2012, the assets in the Plan were \$3,423,706, and are being recognized in this report.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section I: Summary and Cost Analysis

Reconciliation with 2011 Minimum Required Contribution

The following table compares the key employment and payroll statistics and the minimum required City contributions from the October 1, 2011, and October 1, 2012, actuarial valuations.

Comparison of Key Statistics and Minimum Required City Contributions		
Valuation Date	<u>October 1, 2011</u>	<u>October 1, 2012</u>
Key Statistics		
Number of Active Participants (excluding DROP)	2,451	2,213
Total Covered Valuation Payroll (no DROP)	\$148,967,906	\$133,611,459
DROP Payroll	\$32,179,374	\$39,661,459
Average Annual Pay	\$60,862	\$60,523
Average Age	39.3	39.9
Minimum City Contribution (Middle of Year)		
Dollar Amount	\$122,019,612	\$148,108,302
Percent of Covered Valuation Payroll	81.91%	110.85%
Net Market Value of Assets*	\$927,318,048	\$1,078,906,587
Unfunded Actuarial Accrued Liability	\$1,387,303,384	\$1,684,069,919

* Market Value less two reserve accounts and less Senior Staff Plan assets as of 9/30/2012. Reserve accounts balances are derived in TABLE II-D.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section I: Summary and Cost Analysis

Our 2011 actuarial report required a minimum contribution of 93.94% of payroll. This minimum required contribution has increased 29.07% (i.e., 123.01% - 93.94%) from October 1, 2011, to October 1, 2012, primarily due to the interaction of the following factors:

1. Based on actuarial value, the fund yielded 4.34% for the plan year ending September 30, 2012 (the yield on market value was 22.33%). This is less than the prior assumed investment return of 7.75% per year. This increased costs approximately 2.0% of covered payroll.
2. An increase in costs of approximately 13.0% of covered payroll was primarily attributable to payroll decreases. Also, losses were generated by the one year contribution lag and manager expenses.
3. Assumption and method changes effective October 1, 2012, increased costs approximately 14.0% of covered payroll.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2012Derivation of Minimum Required Contribution

	<u>10/1/2011</u>	<u>10/1/2012</u>
1. Present Value of Future Benefits		
a. Active Participants		
(i) Retirement	\$1,117,767,581	\$1,117,657,720
(ii) Death	\$10,866,101	\$10,712,433
(iii) Disability	\$20,865,915	\$20,851,625
(iv) Withdrawal	\$5,334,143	\$5,727,652
(v) Return of Contributions	<u>\$528,052</u>	<u>\$448,710</u>
(vi) Total	\$1,155,361,792	\$1,155,398,140
b. Inactive Participants		
(i) Retirees and Beneficiaries	\$1,112,688,503	\$1,248,478,655
(ii) Disableds	\$21,397,148	\$23,992,402
(iii) Terminated Vested	\$7,172,557	\$13,720,251
(iv) DROP Participants*	<u>\$568,892,677</u>	<u>\$745,517,655</u>
(v) Total	\$1,710,150,885	\$2,031,708,963
c. Total (a. + b.)	\$2,865,512,677	\$3,187,107,103
2. Actuarial Value of Assets		
a. Gross Actuarial Value*	\$1,066,611,735	\$1,110,737,208
b. Reserve Accounts	\$24,371,814	\$28,406,915
c. Sr. Staff Plan Assets	<u>\$2,345,679</u>	<u>\$3,423,706</u>
d. Net Actuarial Value (a. - b. - c.)	\$1,039,894,242	\$1,078,906,587
3. Unfunded Actuarial Accrued Liability	\$1,387,303,384	\$1,684,069,919
a. UAAL Amortization Payment	\$85,038,060	\$108,273,721
4. Present Value of Future Normal Costs	\$438,315,051	\$424,130,597
5. Ratio of Present Value of Future Salaries to Current Salaries		
a. 1% of PV of Future Salaries	\$13,738,373	\$12,058,016
b. Covered Payroll (no DROP)	\$148,967,906	\$133,611,459
c. Ratio (a. / b.)	9.222371	9.024687
d. DROP Payroll	\$32,179,374	\$39,661,557
6. Normal Actuarial Cost		
a. Dollar Amount (Individual EA)	\$47,569,761	\$46,109,290
b. As % of Covered Payroll	31.93%	34.51%
7. Expense Load		
a. Annual Expense Load	\$2,200,000	\$4,500,000
b. As % of Covered Payroll	1.48%	3.37%
8. Total Cost for the Year		
a. Total Cost BOY (3.a. + 6.a. + 7.a.)	\$134,807,821	\$158,883,011
b. As % of Covered Payroll (8.a. / 5.b.)	90.49%	118.91%
c. As % of Covered Payroll Mid Year**	93.94%	123.01%

* As of 10/1/2011, includes individual DROP account and RLA balances as of September 30

** Includes 1/2 year's interest to recognize payments throughout the year

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2012Unfunded Actuarial Accrued Liability Amortization

1. UAAL on October 1, 2011	\$1,387,303,384
2. Normal Cost at Beginning of Year As of October 1, 2011	\$49,769,761
3. 7.75% Annual Interest on (1) plus (2) to September 30, 2012	\$111,373,169
4. Contributions for PYE2012 (one year lag)	\$90,277,776
5. Interest on Contributions to September 30, 2012	\$5,793,874
6. Increase Due to Actuarial Loss (primarily investment)	\$54,435,390
7. UAAL on September 30, 2012 (1) + (2) + (3) - (4) - (5) + (6)	\$1,506,810,054
8. Increase Due to Actuarial Assumptions and Method Changes	\$177,259,865
9. UAAL on September 30, 2012 (7) + (8)	\$1,684,069,919
10. Expected Amortization Payment on October 1, 2012	\$108,273,721
11. Expected UAAL on September 30, 2013	\$1,686,101,931
12. Expected Amortization Payment on October 1, 2013	\$111,792,617
13. Expected UAAL on September 30, 2014	\$1,684,510,966

Expected UAAL = [10/1 Expected UAAL - Expected Amortization Payment (3.25% annual increase)] * 1.07 (annual interest)

Note: The final expected payment is \$17,691,843 on October 1, 2034.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2012Calculation of Investment Performance

The average dollar weighted investment performance of the Fund was calculated for the period 10/01/11 to 09/30/12 based on Market Value.

	<u>Market Value</u>
(1) Asset Value, BOY	\$751,447,830
(2) Asset Value, EOY	\$885,238,008
(3) Contributions from all Sources	\$94,354,959
(4) Benefit Payments and Expenses ¹	\$124,965,652
(5) Income, Including Realized and Unrealized Gains (2) - (1) - (3) + (4)	\$164,400,871
(6) Yield for Period ² $2 \times (5) / ((1) + (2) - (5))$	22.33%

¹ Net of money manager fees of \$5,745,347, parking and rental expenses of \$195,663. Interest earned on RLA and DROP Liability Accounts of \$17,252,561 for PYE 09/30/12 is also deducted prior to computing the yield.

² The total market value of assets, including DROP account balances and RLA balances, was \$1,110,737,208 on 9/30/12.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2012Reconciliation of Accounts October 1, 2011 through September 30, 2012A. Enhanced Benefit Account (EBA)

Account Value, 10/01/11	\$16,236,904
Additions	
Chapter Funds Allocation (received 8/29/12) (0.41% * \$133,611,459)	\$547,807
Uncommitted Chapter Funds (received 8/29/12) (residual > 4.41% * \$133,611,459)	\$3,383,462
Interest (22.33% per annum) ¹	\$3,695,785
Total Additions	\$7,627,054
Subtractions	
Annual Retiree Bonus (paid 12/09/11)	\$1,843,990
Interest (22.33% per annum) ²	\$326,233
Total Subtractions	\$2,170,223
Account Value, 09/30/12	\$21,693,735

Notes

- Market rate of return from 10/01/11 to 09/30/12.
 $(0.2233 * \$16,236,904) + [(1.2233)^{(32/365)} - 1] * (\$547,807 + \$3,383,462)$
- Market rate of return from 10/01/11 to 09/30/12.
 $[(1.2233)^{(295/365)} - 1] * (\$1,843,990)$

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2012

Reconciliation of Accounts October 1, 2011 through September 30, 2012

B. City Budget Stabilization Account (CBSA)

Account Value, 10/01/11	\$8,134,910
Additions	
Contributions ¹	\$81,802,999
Chapter Funds deposit (8/29/12)	\$9,275,728
Interest (7.75% per annum) ²	<u>\$5,167,390</u>
Total Additions	\$96,246,117
Subtractions	
Required Payment for FYE 9/30/12 ³	\$90,277,776
Transfer of Chapter Funds to EBA on 8/29/12 ⁴	\$3,931,269
Interest (7.75% per annum) ⁵	<u>\$3,458,802</u>
Total Subtractions	\$97,667,847
Account Value, 09/30/12	\$6,713,180

Notes

1. From City, Members and Court Fines. (No employee or employer buybacks included, nor any one time transfers from GEPP.) (\$69,828,557+\$10,433,291+\$771,026+\$770,125)
2. Assumed rate of return from 10/01/11 to 09/30/12.
 $(0.0775 * \$8,134,910) + [(1.0775)^{(9/12)} - 1] * \$69,828,557 + [(1.0775)^{(0.5)} - 1] * \$11,974,442 + [(1.0775)^{(32/365)} - 1] * \$9,275,728$
3. $(\$10,433,291 / 0.07) * 0.6057$
4. $(0.41\% * \$133,611,459) + (\text{residual} > 4.41\% * \$133,611,459)$
5. $[(1.0775)^{(0.5)} - 1] * \$90,277,776 + [(1.0775)^{(32/365)} - 1] * (\$547,807 + \$3,383,462)$

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2012Actuarial MethodsIndividual Entry Age Actuarial Cost Method

Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate multiplied by the participant's current compensation. The normal cost accrual rate equals (i) the present value of the future benefits for the participant, determined as of the participant's entry age, divided by (ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age. In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation. The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value, at the participant's attained age, of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets. Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Asset Valuation Method

The actuarial value placed on all Fund assets is equal to the market value.

Changes Since the October 1, 2011 Valuation:

1. The asset valuation method has been changed from 5 year smoothed value to market value.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2012Actuarial Assumptions

The actuarial assumptions have been updated after an experience study for five plus years ending September 30, 2011.

Mortality: No future mortality improvement projected. Pre and Post-Retirement for healthy lives, the RP-2000 Combined Healthy Mortality Table, separate by sex, Projection Scale AA to valuation date. Post-Disablement uses the RP-2000 Disabled Retiree Table, separate by sex, Projection Scale AA to valuation date.

Investment Yield: 7.0% compounded annually.

Withdrawal: No refunds are assumed. Annual rates consistent with the following representative figures.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	.024	28	.024	36	.006
24	.024	32	.012	40	.000

Disability: No recoveries are assumed. Rates consistent with the following representative figures:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
25	.00036	35	.00048	45	.00120
30	.00036	40	.00060	50	.00264

Salary Scale: 4.0% compounded annually applied to pay to allow for future salary increases reflecting inflation, productivity, and seniority.

COLA: 3.0% compounded annually.

Percent Married: Assume 75% of active employees married. Use tax reported status for inactives.

Retirement: Rates per year as follows:

<u>Years of Service</u>	<u>Rate</u>
20	0.40
21-29	0.30
30	1.00

Assumed 100% retirement at age 61.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2012

Actuarial Assumptions

Expense Load: Expenses, including a portion of manager fees, are currently funded at \$4,500,000 annually.

Amortization of Unfunded Actuarial Accrued Liability: Assumes payroll increases at 3.25% per annum throughout the entire amortization period.

Age Differences for Spouses: Females are assumed to be 3 years younger than males.

Withdrawal of Employee Contributions: Assumes no refunds elected by vested terminations.

Sources of Data: Asset data is from unaudited financial statements.

Changes Since the October 1, 2011 Valuation:

1. The salary scale was decreased from 5.0% to 4.0%.
2. The investment yield assumption was decreased from 7.75% compounded annually, net of investment expenses to 7.0%.
3. The amortization of the unfunded actuarial accrued liability assumes a payroll increase of 3.25% per annum, decreased from the prior 4.5% per annum.
4. The expense load was increased by \$2,300,000 to \$4,500,000.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2012Plan Outline

<u>Covered Group:</u>	All members of the Fire and Police Departments of the City not covered under another retirement system, and in the following categories: Plan 05, Plan 06, Plan 19 and Plan 41. Inactive members of the 1915 Fire Pension Fund and the 1917 Police Pension Fund.
<u>Credited Service:</u>	All employment in the Fire/Police Department. Military Service may be included. Service as a General Employee may be included.
<u>Earnings Base:</u>	Average salary of last fifty-two pay periods, as defined by Ordinance 91-1017-0605.
<u>Retirement Date:</u>	Completion of a minimum of 20 years of Credited Service.
<u>Retirement Benefits:</u>	3% of Earnings Base for each of the first 20 years of Credited Service, plus 2% for each of the next 10 years. All categories have a minimum monthly benefit of \$400 (Children's minimum is \$200).
<u>Health Subsidy:</u>	\$5 per month for each year of Credited Service with a minimum of \$25 per month and a maximum of \$150 per month.
<u>Form of Benefit:</u>	Payment is 75% continuation to spouse, plus \$200 per month to child until earlier of attainment of age 18 (22 if in college) or marriage. Overall maximum of 100%. Orphaned children receive 75% continuation until earlier of attainment of age 18 (22 if in college) or marriage.
<u>Disability Benefits:</u>	60% of Earnings Base or Retirement Benefit, if greater; minimum of \$400 per month. Form of benefit same as for active or retired employees.
<u>Pre-Retirement Death Benefits:</u>	Spouse's benefit of 75% of projected retirement benefit, assuming participant completed at least 20 years of Credited Service, plus \$200 monthly to each child until earlier attainment of age 18 (22 if in college) or marriage. Overall maximum of 100% of projected normal retirement benefit. Minimum monthly benefit of \$400 per month.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2012

Plan Outline

Orphans receive benefit applicable to spouse without children until earlier of marriage or attainment of age 18 (22 if in college). Dependent father or mother may be eligible if no spouse or children.

Otherwise, refund of 100% employee's contributions.

For future deaths among active members and retirees, including DROPS, if there is no surviving spouse, a disabled child 18 years or older receives half of the spouse's benefit for life. The Board will establish earnings and means criteria to qualify.

Termination
of Service:

If terminated before 5 years of Credited Service, refund of employee contributions.

If terminated after 5 years of Credited Service, refund of employee contributions and no further benefit; or a benefit payable at normal retirement date, equal to Credited Service multiplied by 3.0% of earnings base. (2.5% until April 1, 2001)

No death or disability benefits during deferred period. Form of benefit same as for active employees. No minimum benefits.

Employee
Contribution:

7% of Earnings Base.

Non-Employee
Contributions:

The City is currently contributing 81.91% of budgeted earnings. The Fund also receives proceeds from court fines and a major portion of Chapter monies. The City covers any shortfall.

Cost of Living
Increases:

Annual increases in the Retirement Benefit of 3% per year.

Note:

Members of the 1915 Fire Pension Fund and the 1917 Police Pension Fund receive benefit payments from the Fund. These benefits are partially subsidized by the City. The Fund provides 36.603% of the total benefit for 1915 Fire members and 100% for 1917 Police members.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2012

Plan Outline

Deferred Retirement Option Plan (DROP): Effective 1/9/99 with the current following main provisions:

Minimum service at entry: 20 years. 5 year maximum DROP

Maximum service at entry: 31 years. 2 year maximum DROP

DROP investment yield: 8.4% annually.

Withdrawal from DROP and immediate retirement at member's sole option.

Members will contribute 2% of Earnings Base during the DROP period to cover the cost of administering the DROP provision.

Percentage cost of living increases granted during DROP period. Biannual lump sum COLA not provided to DROP participants. DROP participants are not paid Health Insurance Subsidy until termination of employment.

Retirement Leave Account frozen upon DROP. It is deposited into the Fund by the City in equal annual installments during the DROP period, and credited with 8.4% annual interest.

Changes Since the October 1, 2011 Valuation: None.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Funded Position and Key StatisticsKey Statistics

Class of Participant	Valuation Date				
	10/01/08	10/01/09	10/01/10	10/01/11	10/01/12
Continuing Actives					
(excluding DROP)	2,430	2,378	2,471	2,428	2,203
Pay Increase %	6.0%	7.0%	3.0%	2.5%	0.4%
Active					
Number	2,534	2,583	2,620	2,451	2,213*
Average Age	38.9	38.7	39.0	39.3	39.86
Average Annual Pay	\$58,541	\$60,224	\$60,323	\$60,862	\$60,523
Average Service	10.7	10.4	10.5	10.8	11.2
*Includes 10 w/2010 DOH and DOCS nowhere in 2011 coded as data corrections.					
Retired					
Number	1,445	1,470	1,483	1,529	1,556
Average Age	64.5	64.8	65.2	65.5	65.7
Average Annual Benefit	\$45,952	\$47,622	\$49,463	\$51,395	\$53,042
Disabled					
Number	61	60	60	57	57
Average Age	59.4	60.0	60.3	61.3	61.4
Average Annual Benefit	\$28,536	\$29,061	\$29,926	\$31,003	\$32,403
Surviving Spouses					
Number	360	376	390	390	401
Average Age	73.1	73.0	73.0	72.6	72.6
Average Annual Benefit	\$21,850	\$23,277	\$24,734	\$26,347	\$28,075
Children					
Number	16	20	20	28	31
Average Age	10.1	11.6	12.4	12.8	13.1
Average Annual Benefit	\$3,054	\$3,149	\$3,182	\$3,284	\$3,254
Terminated Vested					
Number	34	38	39	38	52
Average Age	42.1	42.2	43.3	43.3	44.0
Average Annual Benefit	\$14,291	\$15,173	\$15,730	\$14,512	\$18,072
DROP					
Number	248	314	361	439	550
Average Age	51.4	50.9	50.7	50.4	50.1
Average Annual Benefit	\$49,792	\$49,966	\$49,619	\$48,572	\$49,221

TABLE III-B

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Funded Position and Key StatisticsReconciliation of Number of Participants by Status

	<u>Actives</u>	<u>Retirees</u>	<u>Vested Terminations</u>	<u>Disabilities</u>	<u>Surviving Spouses</u>	<u>Children</u>	<u>DROP</u>
Number on 07/01/11 Used for 10/01/11 Reporting	2,451	1,529	38	57	390	28	439
New Entrants							
Transfers from General Plan							
Transfers to General Plan							
Non-Vested/Refunded Terminations	(54)						
Vested Terminations	(17)		17				
Retirees	(2)	66	(3)				(61)
Disabilities	(2)			2			
Deaths with no Survivors		(13)			(18)		
Payments Stopped (Age 18 or Remarried)						(1)	
Deaths with Survivors	(1)	(26)		(2)			
New Beneficiaries					29	4	
New DROP Retirees	(172)						172
Data Corrections	10						
Number on 07/01/12 Used for 10/01/12 Valuation	<u>2,213*</u>	<u>1,556</u>	<u>52</u>	<u>57</u>	<u>401</u>	<u>31</u>	<u>550</u>

* Accumulated employee contributions of \$87,316,500.02

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Key Statistics

Active Age And Service Distribution As Of October 1, 2012

Cell Format: Number In Each Group, Average Age, Average Service, And Average Salary (Both Sexes Included)

Service		>=1	>=2	>=3	>=4	>=5	>=10	>=15	>=20	>=25	>=30	>=35		
Age	<1	<2	<3	<4	<5	<10	<15	<20	<25	<30	<35	<40	>=40	ALL
	0	0	6	7	0	0	0	0	0	0	0	0	0	13
<25	0.00	0.00	23.59	23.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.77
	0.00	0.00	2.53	3.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.91
	0	0	39900	44110	0	0	0	0	0	0	0	0	0	42167
>=25	0	0	14	68	42	76	0	0	0	0	0	0	0	200
<30	0.00	0.00	26.83	27.87	28.00	28.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.16
	0.00	0.00	2.62	3.41	4.33	6.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.77
	0	0	44182	45702	49302.3	53747.5	0	0	0	0	0	0	0	49409
>=30	0	0	17	58	40	251	32	1	0	0	0	0	0	399
<35	0.00	0.00	32.14	32.37	32.70	32.56	33.80	34.98	0.00	0.00	0.00	0.00	0.00	32.63
	0.00	0.00	2.71	3.42	4.30	7.60	11.19	15.38	0.00	0.00	0.00	0.00	0.00	6.76
	0	0	43144	45508	47492	56168	60340	57330.3	0	0	0	0	0	53531
>=35	0	0	9	23	22	193	148	67	0	0	0	0	0	462
<40	0.00	0.00	37.48	37.21	37.42	37.33	37.72	38.81	0.00	0.00	0.00	0.00	0.00	37.67
	0.00	0.00	2.68	3.41	4.26	8.00	11.99	16.34	0.00	0.00	0.00	0.00	0.00	9.98
	0	0	43306.6	44837	47164.2	56332.9	62766	68389.2	0	0	0	0	0	58879
>=40	0	0	5	14	13	123	127	272	51	0	0	0	0	605
<45	0.00	0.00	42.09	42.13	42.54	41.97	42.05	42.68	43.38	0.00	0.00	0.00	0.00	42.44
	0.00	0.00	2.68	3.43	4.24	8.10	12.40	17.16	21.46	0.00	0.00	0.00	0.00	13.97
	0	0	45068	43916	46971	56164	63795	71373	76895	0	0	0	0	65779
>=45	0	0	2	11	8	69	67	165	51	5	0	0	0	378
<50	0.00	0.00	48.04	47.40	47.19	47.50	47.32	47.11	47.31	47.99	0.00	0.00	0.00	47.27
	0.00	0.00	2.64	3.50	4.16	8.02	12.47	16.96	22.20	27.14	0.00	0.00	0.00	14.64
	0	0	41028	46231	46590	55808	61293	70160	79574	72250	0	0	0	65917
>=50	0	0	1	4	0	16	21	54	20	4	0	0	0	120
<55	0.00	0.00	51.54	51.23	0.00	51.78	51.91	52.01	52.11	51.82	0.00	0.00	0.00	51.94
	0.00	0.00	2.53	3.43	0.00	7.72	12.71	17.26	22.57	26.51	0.00	0.00	0.00	15.80
	0	0	46674	45466	0	53398	64175	67577	75064	81254	0	0	0	65883
>=55	0	0	1	0	0	3	5	14	7	2	0	0	0	32
<60	0.00	0.00	58.41	0.00	0.00	56.62	56.23	57.15	56.48	58.2272	0.00	0.00	0.00	56.92
	0.00	0.00	2.74	0.00	0.00	7.84	12.73	17.31	21.79	28.54	0.00	0.00	0.00	16.93
	0	0	42456	0	0	57839	59838	66530	69959	65789	0	0	0	64621
>=60	0	0	0	0	0	0	0	3	0	0	0	0	0	3
<65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.96	0.00	0.00	0.00	0.00	0.00	60.96
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.50	0.00	0.00	0.00	0.00	0.00	17.50
	0	0	0	0	0	0	0	65192	0	0	0	0	0	65192
>=65	0	0	0	0	0	0	0	1	0	0	0	0	0	1
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	66.58	0.00	0.00	0.00	0.00	0.00	66.58
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.71	0.00	0.00	0.00	0.00	0.00	15.71
	0	0	0	0	0	0	0	63338	0	0	0	0	0	63338
ALL	0	0	55	185	125	731	400	577	129	11	0	0	0	2213
	0.00	0.00	33.04	33.04	33.90	36.94	41.37	44.85	47.00	51.24	0.00	0.00	0.00	39.86
	0.00	0.00	2.65	3.41	4.29	7.73	12.18	17.02	21.94	27.17	0.00	0.00	0.00	11.20
	0	0	43231	45365	47931	55871	62689	70136	77294	74349	0	0	0	60523

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Accounting for Pension Costs and Liabilities

The reporting of pension plan information in the Plan's financial statements is governed by Governmental Accounting Standards Board Statement No. 25. Historical information required by this standard through September 30, 2012, is provided in this report.

Information collected for this review and update consists of participant data as of July 1, 2012, (used for this September 30, 2012, reporting) and asset information as of September 30, 2012. The Plan Administrator provided the information.

The primary disclosures of actuarial information under GASB No. 25 are the Schedule of Funding Progress and the Schedule of Contributions. Asset information is displayed in the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets.

Disclosures also comply with GASB Statement No. 50.

Annual required contributions are determined in accordance with the parameters specified in GASB Statements No. 25 and No. 27.

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

Valuation date	10/01/12
Actuarial cost method	Individual Entry Age
Amortization method	Level percent; closed
Remaining amortization period	23 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return*	7.00%
Projected salary increases*	4.00%
*Includes inflation at	2.50%
Cost-of-living adjustments	3.00%

JACKSONVILLE POLICE AND FIRE PENSION FUND

Statement of Changes in Plan Net Assets
as of September 30, 2011 and 2012

	<u>2011</u>	<u>2012</u>
<u>Additions</u>		
Contributions		
Employer	\$77,715,894	\$72,642,853 ¹
Employee	<u>12,236,535</u>	<u>11,610,870</u> ²
	89,952,429	84,253,723
Other Additions		
Chapter 175/185	8,954,611	9,275,728
Court fines and penalties	864,318	770,125
Miscellaneous	<u>99,646</u>	<u>55,383</u>
	9,918,575	10,101,236
Investment income		
Parking and rental revenue	1,936,950	1,501,891
Investment income & realized gains	22,347,845	24,864,023
Unrealized Gains (Losses)	<u>(18,860,287)</u>	<u>161,228,528</u>
	5,424,508	187,594,442
Less investment expense	4,781,035	5,745,347
Less parking and rental expense	<u>227,996</u>	<u>195,663</u>
Net investment income	415,477	181,653,432
Total additions	100,286,481	276,008,391
<u>Deductions</u>		
Pension benefit payments	90,900,918	96,767,350
DROP payments and RLA interest ³	38,340,906	42,791,137
Refund of contributions	313,593	308,128
Administrative expense	<u>2,639,272</u>	<u>2,351,598</u>
Total deductions	132,194,689	142,218,213
Net increase	(31,908,208)	133,790,178
Net assets		
Beginning of year	783,356,038	751,447,830
End of year	751,447,830	885,238,008
Individual DROP account and RLA balances @ September 30	<u>202,587,711</u>	<u>225,499,200</u>
Net assets held in trust for pension benefits	<u><u>\$954,035,541</u></u>	<u><u>\$1,110,737,208</u></u>

¹ Includes \$2,814,296 in employer matching buybacks.² Includes \$406,553 in buybacks and \$771,026 in 2% DROP contributions.³ Includes payments to DROP accounts, 8.4% interest on DROP account balances and 8.4% interest on RLA balances.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Statement of Plan Net Assets
as of September 30, 2011 and 2012

	<u>2011</u>	<u>2012</u>
<u>Assets</u>		
Cash and short-term investments	\$24,173,829	\$4,632,548
Due from City of Jacksonville	\$0	\$35,175
Due from other governmental units	\$1,399,571	\$2,878,556
Prepaid items		\$63,173
Investments, at fair value		
Fixed Income Securities	\$248,880,657	\$281,052,968
Equities	\$580,282,414	\$715,937,545
Accrued Interest	\$1,378,500	\$1,288,140
Dividends receivable	\$742,152	\$795,898
Real Estate	\$98,086,906	\$109,174,492
Property, Plant and Equipment		
Furniture and equipment	\$567,394	\$356,379
Accumulated depreciation	(\$533,775)	(\$303,392)
Other receivables	<u>\$385,676</u>	<u>\$230,202</u>
Total assets	\$955,363,324	\$1,116,141,684
<u>Liabilities</u>		
Vouchers payable	\$68	\$117
Accounts payable	\$1,284,000	\$1,428,252
State sales tax payable	\$0	\$0
Accrued wages payable	\$6,961	\$755,876
Payroll Clearing	\$0	\$0
Due to City of Jacksonville		\$3,000,980
Current portion long term liabilities	\$9,886	\$52,773
Other long term liabilities	\$23,067	\$158,057
OPEB GASB #45	<u>\$3,801</u>	<u>\$8,421</u>
Total liabilities	\$1,327,783	\$5,404,476
Net assets held in trust for pension benefits	<u><u>\$954,035,541</u></u>	<u><u>\$1,110,737,208</u></u>

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Accounting for Pension Costs and Liabilities

Notes to Financial Statements, Plan Year Ended September 30, 2012

1. Plan Description: The Jacksonville Police and Fire Pension Fund is a single-employer defined benefit pension plan that covers all employees of the Fire and Police Department of the City in the following categories: Plan 05, Plan 06, Plan 19 and Plan 41.

At September 30, 2012, membership consisted of:

	<u>Number</u>
Retirees currently receiving benefits	1,613
DROP participants	550
Beneficiaries currently receiving benefits	432
Terminated members entitled to but not yet receiving benefits	52
Active plan members	
Vested	1,848
Nonvested	<u>365</u>
Total	4,860

The Plan provides retirement, disability and death benefits to employees and their beneficiaries. A 3.0% annual cost of living increase is granted to pensioners and their beneficiaries.

2. Summary of Significant Accounting Policies: The Plan's financial statements are prepared using the accrual basis of accounting. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent that they are deemed to have accrued as of September 30, 2012. Investments are reported at market value.

3. Contributions: As of October 1, 2011, the City's contribution rate was increased to 81.91% of active members' salaries. The active members are contributing 7.0% of salaries and DROP members 2.0%. The remaining contribution is comprised of most State contributions and court fines. These amounts are sufficient to fund the benefits and meet the State's requirements. A portion of investment costs of the Plan (commencing with this report) and other administrative costs are included in the annual required contribution amount.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Accounting for Pension Costs and LiabilitiesSchedule of Funding Progress

Plan Year Ending Sept. 30	Actuarial Value of Assets (a)	Accumulated Reserve Accounts (b)	Actuarial Accrued Liability (AAL) (c)	Unfunded AAL (UAAL) (c - a)	Funded Ratio (a / c)	Covered Valuation Payroll (d)	UAAL as a Percentage of Covered Payroll [(c - a) / d]
2003	\$732,525,878	\$4,422,747	\$1,146,459,228	\$413,933,350	63.89%	\$109,636,548	377.55%
2004	\$727,955,101	\$18,959,684	\$1,222,354,766	\$494,399,665	59.55%	\$118,510,432	417.18%
2005	\$765,179,843	\$12,609,987	\$1,314,423,639	\$549,243,796	58.21%	\$130,392,284	421.22%
2006	\$827,337,661 ¹	\$12,177,690	\$1,376,658,788	\$549,321,127	60.10%	\$134,694,392	407.83%
2007	\$930,454,052	\$19,895,785	\$1,464,507,647	\$534,053,595	63.53%	\$143,006,154	373.45%
2008	\$894,903,336	\$12,723,482	\$1,692,974,683	\$798,071,347	52.86%	\$148,276,743	538.23%
2009	\$855,996,514	\$13,048,401	\$1,753,945,664	\$897,949,150	48.80%	\$155,557,729	577.24%
2010	\$1,060,406,309 ³	\$22,116,759	\$2,024,453,414	\$964,047,106	52.38%	\$158,046,680	609.98%
2011	\$1,039,894,242 ³	\$24,371,814	\$2,427,197,626	\$1,387,303,384	42.84%	\$148,967,906	931.28%
2012	\$1,078,906,587 ^{1,3}	\$28,406,915 ²	\$2,762,976,506	\$1,684,069,919	39.05%	\$133,611,459	1260.42%

¹ For Plan Years ending 9/30/06, 9/30/07 and 9/30/12, the Actuarial Value of Assets was changed to equal Market Value.

² These accounts were redefined by the Restated Agreement effective 4/1/00. As of 9/30/12, the value of the City Budget Stabilization Account was \$6,713,180 and the Enhanced Benefit Account was \$21,693,735. These amounts are not included in the Actuarial Value of Assets. As of 9/30/12, the Senior Staff Voluntary Retirement Plan had assets of \$3,423,706, which are not included in the Actuarial Value of Assets.

³ Beginning with Plan Year ending 2010, the actuarial value of assets and AAL reflect accumulated DROP payments along with DROP and RLA interest, since these are assets of the Trust. Beginning with Plan Year ending 2011, the Senior Staff Voluntary Retirement Plan assets are recognized as part of the assets of the Trust.

TABLE IV-D

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Accounting for Pension Costs and LiabilitiesSchedule of Contributions From All Sources

<u>Plan Year Ending Sept. 30</u>	<u>Annual Required Contribution</u>	<u>City Cash Contributions</u>	<u>Alloted from CBSA</u>	<u>Court Fines</u>	<u>Premium-Tax Refunds</u>	<u>Total Employer Contributions</u>	<u>Total Member Contributions</u>
2003	\$36,310,748	\$9,734,277	\$10,881,681	\$3,040,897	\$4,385,461	\$28,042,316	\$8,268,432
2004	\$39,295,089	\$22,097,656	\$768,514	\$2,913,999	\$4,740,417	\$30,520,586	\$8,774,503
2005	\$50,727,035	\$25,850,929	\$8,753,301	\$1,324,890	\$5,215,691	\$41,144,811	\$9,582,224
2006	\$53,263,387	\$34,711,990	\$2,105,596	\$1,412,475	\$5,387,776	\$43,617,837	\$9,645,550
2007	\$55,926,556	\$42,866,015	(\$4,358,257)	\$1,341,955	\$5,720,247	\$45,569,960	\$10,356,596
2008	\$65,389,407	\$47,145,307	\$442,776	\$1,218,796	\$5,931,069	\$54,737,948	\$10,651,459
2009	\$67,993,368	\$49,246,033	\$329,448	\$988,726	\$6,222,309	\$56,786,516	\$11,206,852
2010	\$95,019,914	\$81,170,863	(\$5,014,820)	\$1,026,015	\$6,321,868	\$83,503,926	\$11,515,988
2011	\$94,631,375	\$75,038,616	\$1,162,380	\$864,318	\$5,958,716	\$83,024,030	\$11,607,345
2012	\$90,277,776	\$69,828,557	\$3,130,318	\$770,125	\$5,344,459	\$79,073,459	\$11,204,317

Notes: In all years shown, 100% of the ARC has been contributed thus producing a Net Pension Obligation of \$0 for all years.

City Cash Contributions shown above do not include employer buyback contributions.

Total Member Contributions shown above include DROP contributions, but do not include employee buyback contributions.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section V: State of Florida Information

A. Participant Data See Tables III-A, and III-B.

B. Assets See Table IV-B.

C. Liabilities

	As of <u>10/01/2011</u>	Before Changes <u>10/01/2012</u>	After Changes <u>10/01/2012</u>
Present Value of Future Benefits for:			
Retirement Benefits	\$1,117,767,581	\$1,007,146,471	\$1,117,657,720
Death Benefits	\$10,866,101	\$9,707,667	\$10,712,433
Disability Benefits	\$20,865,915	\$19,137,700	\$20,851,625
Withdrawal Benefits	\$5,334,143	\$4,816,754	\$5,727,652
Return of Contributions	<u>\$528,052</u>	<u>\$438,222</u>	<u>\$448,710</u>
 Total Active	 \$1,155,361,792	 \$1,041,246,814	 \$1,155,398,140
 Terminated Vested Retirees and Beneficiaries	 \$7,172,557 \$1,112,688,503	 \$12,134,049 \$1,163,587,689	 \$13,720,251 \$1,248,478,655
Disableds	\$21,397,148	\$22,301,764	\$23,992,402
DROPs	<u>\$568,892,677</u>	<u>\$687,211,173</u>	<u>\$745,517,655</u>
 Total Inactive	 \$1,710,150,885	 \$1,885,234,675	 \$2,031,708,963
 Total Present Value of Future Benefits	 \$2,865,512,677	 \$2,926,481,489	 \$3,187,107,103

D. Actuarial Present Value of Accumulated Plan Benefits

	As of <u>10/01/2011</u>	Before Changes <u>10/01/2012</u>	After Changes <u>10/01/2012</u>
Active			
Vested	\$510,774,482	\$452,836,688	\$536,682,350
Nonvested	\$19,975,352	\$16,190,975	\$19,556,183
Inactive	<u>\$1,710,150,885</u>	<u>\$1,885,234,675</u>	<u>\$2,031,708,963</u>
Total	<u>\$2,240,900,719</u>	<u>\$2,354,262,338</u>	<u>\$2,587,947,496</u>

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section V: State of Florida Information

D. Actuarial Present Value of Accumulated Plan Benefits (continued)

1. Actuarial Present Value of Accumulated Plan Benefits as of October 1, 2011.	\$2,240,900,719
2. Less benefit payments and refunds for the period 10/1/2011-9/30/2012	\$139,866,615
3. Increase due to 7.75% net yield assumption.	\$168,351,101
4. Plus additional benefit accruals for the period 10/1/2011-9/30/2012	\$84,877,133
5. Increase due to changes in assumptions.	\$233,685,158
6. Actuarial Present Value of Accumulated Plan Benefits as of October 1, 2012.	\$2,587,947,496

E. Entry Age Normal Actuarial Accrued Liability

	<u>As of</u> <u>10/01/2011</u>	<u>Before</u> <u>Changes</u> <u>10/01/2012</u>	<u>After</u> <u>Changes</u> <u>10/01/2012</u>
Actives			
Retirement Benefits	\$706,997,053	\$640,762,400	\$720,642,686
Death Benefits	\$3,202,382	\$2,955,481	\$3,275,772
Disability Benefits	\$7,987,701	\$7,635,899	\$8,385,062
Withdrawal Benefits	-\$608,077	-\$442,210	-\$519,888
Return of Contributions	<u>-\$532,318</u>	<u>-\$502,994</u>	<u>-\$516,089</u>
Total Actives	\$717,046,741	\$650,408,576	\$731,267,543
Total Inactives	\$1,710,150,85	\$1,885,234,675	\$2,031,708,963
Total Entry Age Normal Actuarial Accrued Liability	\$2,427,197,626	\$2,535,643,251	\$2,762,976,506

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section V: State of Florida Information

F. Entry Age Normal Cost

	As of <u>10/01/2011</u>	Before Changes <u>10/01/2012</u>	After Changes <u>10/01/2012</u>
Actives Only			
Retirement Benefits	\$44,596,346	\$40,092,443	\$43,101,330
Death Benefits	\$812,738	\$728,081	\$813,610
Disability Benefits	\$1,348,151	\$1,231,925	\$1,354,955
Withdrawal Benefits	\$694,092	\$606,016	\$730,464
Return of Contributions	<u>\$118,434</u>	<u>\$104,717</u>	<u>\$108,931</u>
Total	\$47,569,761	\$42,763,182	\$46,109,290

G. Pension Cost

	As of <u>10/01/2011</u>	Before Changes <u>10/01/2012</u>	After Changes <u>10/01/2012</u>
Normal Actuarial Cost	\$49,769,761	\$44,963,182	\$50,609,290
Minimum Payment to Amortize UAAL	\$85,038,060	\$98,819,249	\$108,273,721
Expected Contributions From Employees			
Dollar Amount	\$10,427,753	\$9,352,802	\$9,352,802
% of Covered Payroll	7.00%	7.00%	7.00%
Expected Contributions From City			
Dollar Amount	\$116,880,219	\$127,544,019	\$142,644,599
% of Covered Payroll	78.46%	95.45%	106.75%
Expected DROP Contributions			
Dollar Amount	\$670,914	\$771,026	\$771,026
% of Covered Payroll	0.45%	0.58%	0.58%
Expected Contributions From Other Sources*			
Dollar Amount	\$6,823,034	\$6,114,584	\$6,114,584
% of Covered Payroll	4.58%	4.58%	4.58%

*The sources include most Chapter 175/185 monies, court fines and penalties, and transfers, as needed, from the CBSA.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section V: State of Florida Information

H. Past Contributions

Expected contributions for Plan Year ending September 30, 2013. See G. above.
Actual contributions for Plan Year ending September 30, 2012 - See Table IV-A.

I. Net Actuarial Gain (Loss)

For period ended 09/30/2012 – (\$103,619,166)

J. Present Value of

	<u>As of</u> <u>10/01/2011</u>	<u>Before</u> <u>Changes</u> <u>10/01/2012</u>	<u>After</u> <u>Changes</u> <u>10/01/2012</u>
Future Salaries	\$1,373,837,300	\$1,224,165,300	\$1,205,801,600
Future City Contributions	\$1,632,708,600	\$1,748,890,738	\$2,011,748,177
Future Employee Contributions	\$96,168,611	\$85,691,571	\$84,406,112
Future DROP Contributions	\$6,187,418	\$7,064,239	\$6,958,268
Future Contributions from Other Sources	\$90,553,806	\$56,022,602	\$55,182,207

K. (i) Three-Year Comparison of Actual and Assumed Salary Increases

<u>Year Ended</u>	<u>Actual</u>	<u>Assumed</u>
09/30/12	0.4%	5.0%
09/30/11	2.5%	5.5%
09/30/10	3.0%	5.5%

(ii) Three-Year Comparison of Net Investment Returns

<u>Year Ended</u>	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
09/30/12	22.33%	4.34%	7.75%
09/30/11	-2.07%	-2.41%	8.5%
09/30/10	7.70%	0.44%	8.5%

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section V: State of Florida Information

(ii) Average Annual Growth in Payroll, last 10 Years

<u>Valuation Date</u>	<u>Covered Valuation Payroll</u>
10/01/2002	\$101,698,016
10/01/2003	\$109,636,548
10/01/2004	\$118,510,432
10/01/2005	\$130,392,283
10/01/2006	\$134,694,392
10/01/2007	\$143,006,154
10/01/2008	\$148,276,743
10/01/2009	\$155,557,729
10/01/2010	\$158,046,680
10/01/2011	\$148,967,906
10/01/2012	\$133,611,459
Total % Increase	31.38%
Annual % Increase (10 year average)	2.77%

L. Benefits and Expenses of Plans not Explicitly or Implicitly Provided for in Valuation

None.

M. Trends Not Taken Into Account But Which Are Likely to Result in Future Cost Increases

None.

N. Statement by Enrolled Actuary

See Cover Letter.

O. Age/Service Distribution of Active Employees

See Table III-C.

P. Derivation of Costs on Current Plan Basis

See Table II-A.