



June 24, 2014

Mr. Shawn Boyle
Finance and Administrative Services Director
City of Winter Springs
1126 East State Road 434
Winter Springs, Florida 32708

Re: City of Winter Springs Defined Benefit Plan Actuarial Valuation

Dear Shawn:

As requested, we are pleased to enclose eleven (11) copies of the October 1, 2013 Actuarial Valuation Report for the City of Winter Springs Defined Benefit Plan.

We appreciate the opportunity to partner with you on this important project.

As you are aware, a copy of the Report should be filed with the State at the following address upon approval.

Mr. Douglas E. Beckendorf, A.S.A.
Bureau of Local Retirement Services
Division of Retirement
Building 8
Post Office Box 9000
Tallahassee, Florida 32315-9000

Ms. Sarah Carr
Office of Municipal Police Officers'
& Firefighters' Pension Fund
Building 8
Post Office Box 3010
Tallahassee, Florida 32315-3010

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,

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

Enclosures



**CITY OF WINTER SPRINGS
DEFINED BENEFIT PLAN**

ACTUARIAL VALUATION AS OF OCTOBER 1, 2013

This Valuation Determines the Annual Contribution for the Plan Year October 1, 2014 through September 30, 2015 to be Paid in Plan Year October 1, 2014 to September 30, 2015

June 24, 2014

**City of Winter Springs
Defined Benefit Plan**

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June 24, 2014

Board of Trustees
c/o Mr. Shawn Boyle
Finance and Administrative Services Director
City of Winter Springs Defined Benefit Plan
1126 East State Road 434
Winter Springs, Florida 32708

Dear Board Members:

October 1, 2013 Actuarial Valuation

We are pleased to present our October 1, 2013 Actuarial Valuation for the City of Winter Springs Defined Benefit Plan (Plan). The purpose of this report is to indicate appropriate contribution levels, comment on the actuarial stability of the Plan and to satisfy State requirements. The Board of Trustees has retained Gabriel, Roeder, Smith and Company (GRS) to prepare an annual actuarial valuation under Section 3.02 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 you thoroughly review the report at your convenience and contact us with any questions that may arise.

Retirement Plan Costs

Our Actuarial Valuation develops the required minimum Plan payment for the plan year beginning October 1, 2014 under the Florida Protection of Public Employee Retirement Benefits Act. The minimum payment consists of payment of annual normal costs including amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law. The minimum payment is **\$2,602,460** (35.0%). The figure in parentheses is the Plan cost expressed as a percentage of projected covered annual payroll for fiscal year beginning October 1, 2014 (\$7,431,031).

This total cost is to be met by member, County and City contributions. We anticipate member contributions will be **\$371,552** (5.0% of covered payroll for fiscal year ending September 30, 2015). The resulting minimum required County and City contribution is **\$2,230,908** (30.0%).

We recommend the City contribute the dollar amount of required contribution due to the closing of the Plan to future general employees.

Changes in Actuarial Assumptions, Methods and Plan Provisions

The Plan provisions remain unchanged from our October 1, 2012 Actuarial Valuation. The Plan provisions are outlined on Table IX.

The actuarial assumptions and methods also remain unchanged from our October 1, 2012 Actuarial Valuation. The actuarial assumptions and methods are outlined on Table X.

Projected Government Accounting Standards Board Statement Number 67 (GASB 67) disclosures are included.

Comparison of October 1, 2012 and October 1, 2013 Valuation Results

Table II of our report provides information of a comparative nature. The left columns of the Table indicate the costs as calculated for October 1, 2012. The right columns indicate the costs as calculated for October 1, 2013.

Comparing the left and right columns of Table II shows the effect of Plan experience during the year. The number of active participants decreased by approximately 10% while covered payroll also decreased by approximately 10%. Total normal cost decreased both as a dollar amount and as a percentage of covered payroll. The unfunded actuarial accrued liability decreased as a dollar amount but increased as a percentage of covered payroll. The net County and City minimum funding requirement decreased both as a dollar amount and as a percentage of covered payroll.

The value of vested accrued benefits exceeds Plan assets, resulting in a Vested Benefit Security Ratio (VBSR) of 77.4% which is an increase from 69.9% as of the October 1, 2012 Actuarial Valuation. The VBSR is measured on a market value of assets basis.

Plan Experience

The Plan experienced an actuarial gain in the amount of \$833,216 this year. This indicates actual overall Plan experience was more favorable than expected.

Table XV (salary, turnover and investment yield) provides figures on recent Plan experience. Salary experience indicates actual salary increases averaged approximately 0.7% for General and Forensic Employees and 0.7% for Firefighters and Police Officers for the Plan Year ended September 30, 2013. Salary experience was generally a source of actuarial gain.

Employee turnover this year was 140% of the assumed turnover for General and Forensic Employees and 240% of the assumed turnover for Firefighters and Police Officers. Employee turnover was generally an additional source of actuarial gain.

The smoothed value investment return of 8.5% was greater than the investment return assumption of 8.0%. Smoothed value investment return was a source of actuarial gain during the year. The three, five and ten year average annual smoothed value investment returns are 4.2%, 4.7% and 6.3% respectively. The one, three, five and ten year average annual market value returns are 16.0%, 11.1%, 9.4% and 7.3%, respectively.

Member Census and Financial Data

The City submitted the Member census data used for this actuarial valuation to us as of October 1, 2013. This information contains name, Social Security number, date of birth, date of hire, October 1, 2013 rate of pay, actual salary paid and member contributions for the previous year. Dates of termination and retirement are provided where applicable. The City updated information on inactive participants including retirees, beneficiaries and vested terminees.

We used financial information concerning Plan assets as provided by the City as of September 30, 2013. We do not audit the Member census data and asset information that is provided to us. However, we perform certain reasonableness checks and on this basis we believe that 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.

This report may be provided to parties other than the Board only in its entirety and only with the permission of an approved representative of the Board.

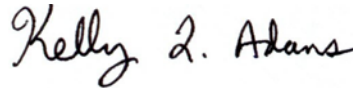
The signing actuaries are independent of the Plan sponsor.

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



Kelly L. Adams, A.S.A.
Consultant and Actuary

**City of Winter Springs
Defined Benefit Plan**

Summary of Retirement Plan Costs as of October 1, 2013

	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary (Table III)		
1. Active Employees	152	N/A
2. Terminated Vested	135	N/A
3. Receiving Benefits (including DROPs)	79	N/A
4. Total Annual Payroll of Active Employees	\$ 7,431,031	100.0%
B. Total Normal Costs		
1. Age Retirement Benefits	\$ 628,864	8.5%
2. Termination Benefits	206,788	2.8%
3. Death Benefits	25,614	0.3%
4. Disability Benefits	25,553	0.3%
5. Estimated Expenses	177,541	2.4%
6. Total Annual Normal Costs	<u>\$ 1,064,360</u>	14.3%
C. Total Actuarial Accrued Liability		
1. Age Retirement Benefits Active Employees	\$ 19,138,291	257.5%
2. Termination Benefits Active Employees	152,841	2.1%
3. Death Benefits Active Employees	510,428	6.9%
4. Disability Benefits Active Employees	529,176	7.1%
5. Retired or Terminated Vested Participants Receiving Benefits (including DROPs)	18,864,624	253.9%
6. Terminated Vested Participants Entitled to Future Benefits	5,015,850	67.5%
7. Deceased Participants Whose Beneficiaries are Receiving Benefits	1,704,644	22.9%
8. Disabled Participants Receiving Benefits	0	0.0%
9. Miscellaneous Liability (Refunds in Process)	10,926	0.1%
10. Total Actuarial Accrued Liability	<u>\$ 45,926,780</u>	618.0%
D. Assets (Table V)		
1. Smoothed Actuarial Value of Assets	\$ 29,908,683	402.5%
2. Market Value of Assets	\$ 32,172,541	432.9%
E. Unfunded Actuarial Accrued Liability (C. - D.1.)	\$ 16,018,097	215.6%

**City of Winter Springs
Defined Benefit Plan**

Summary of Retirement Plan Costs as of October 1, 2013

	<u>Cost Data</u>	<u>% of Payroll</u>
F. Minimum Required Contribution		
1. Total Normal Cost (including expenses)	\$ 1,064,360	14.3%
2. Amortization of Unfunded Liability	1,421,056	19.1%
3. Interest Adjustment	117,044	1.6%
4. Total Payment	<u>\$ 2,602,460</u>	35.0%
G. Expected payroll of active employees for 2014 / 2015 year (1.000 x \$7,431,031)	\$ 7,431,031	100.0%
H. Contribution Sources (percent of expected 2014 / 2015 payroll)		
1. County and City	\$ 2,230,908	30.0%
2. Member	371,552	5.0%
3. Total required contribution	<u>\$ 2,602,460</u>	35.0%
I. Actuarial Gains (Losses)	\$ 833,216	11.2%
J. Actuarial Present Value of Vested Accrued Benefits		
1. Retired, Terminated Vested, Beneficiaries and Disabled Receiving Benefits (including DROPs)	\$ 20,569,268	276.8%
2. Terminated Vested Participants Entitled to Future Benefits and Miscellaneous	5,026,776	67.6%
3. Active Participants Entitled to Future Benefits	<u>15,974,814</u>	215.0%
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 41,570,858	559.4%
K. Unfunded Actuarial Present Value of Vested Accrued Benefits (J. - D.2., not less than zero)	\$ 9,398,317	126.5%
L. Vested Benefit Security Ratio (D.2. ÷ J.)	77.4%	N/A

**City of Winter Springs
Defined Benefit Plan**

Comparison of Cost Data of October 1, 2012 and October 1, 2013 Valuations

	October 1, 2012		October 1, 2013	
	Cost Data	% of Compensation	Cost Data	% of Compensation
A. Participants				
1. Active Employees	169	N/A	152	N/A
2. Terminated Vested	125	N/A	135	N/A
3. Receiving Benefits	72	N/A	79	N/A
4. Total Annual Payroll of Active Employees	\$ 8,216,342	100.0%	\$ 7,431,031	100.0%
B. Total Normal Costs	\$ 1,282,286	15.6%	\$ 1,064,360	14.3%
C. Actuarial Accrued Liability	\$ 43,759,458	532.6%	\$ 45,926,780	618.0%
D. Present Value of Future Benefits	\$ 52,063,071	633.7%	\$ 53,323,387	717.6%
E. Smoothed Actuarial Value of Assets	\$ 26,852,721	326.8%	\$ 29,908,683	402.5%
F. Market Value of Assets	\$ 27,039,803	329.1%	\$ 32,172,541	432.9%
G. Unfunded Actuarial Accrued Liability	\$ 16,906,737	205.8%	\$ 16,018,097	215.6%
H. County and City Minimum Funding Payment	\$ 2,474,578	30.1%	\$ 2,230,908	30.0%
I. Vested Benefit Security Ratio	69.9%	N/A	77.4%	N/A

Table III

**City of Winter Springs
Defined Benefit Plan**

**Characteristics of Participants in
Actuarial Valuation as of October 1, 2013**

A. Active Plan Participants Summary

1. Active participants fully vested	116
2. Active participants partially vested	24
3. Active participants non-vested	12
4. Total active participants	<u>152</u>
5. Annual rate of pay of active participants	\$ 7,431,031

B. Retired and Terminated Vested Participant Summary

1. Retired or terminated vested participants receiving benefits (including DROPs)	67
2. Terminated vested participants entitled to future benefits	135
3. Deceased participants whose beneficiaries are receiving benefits	12
4. Disabled participants receiving benefits	0

C. Projected Annual Retirement Benefits

1. Retired or terminated vested receiving benefits (including DROPs)	\$ 1,789,419
2. Terminated vested entitled to future benefits	\$ 1,126,522
3. Beneficiaries of deceased participants	\$ 167,078
4. Disabled participants	\$ 0

Table IV**City of Winter Springs
Defined Benefit Plan****Statement of Assets as of October 1, 2013**

<u>Assets</u>	<u>Market Value</u>
A. <u>Cash and Cash Equivalents</u>	\$ 718,075
B. <u>General Investments</u>	
1. Common Stock	\$ 21,747,126
2. Bonds	6,625,943
3. Real Estate	2,708,272
C. <u>Receivables</u>	
1. Accrued Interest	\$ 0
2. Employee Contribution Receivable	12,667
3. City and County Contributions Receivable	360,458
4. Accounts Receivable	0
D. <u>Payables</u>	
1. Accounts Payable	\$ 0
2. Due to Broker	0
E. <u>Plan Assets</u>	
(A + B + C - D)	\$ 32,172,541

**City of Winter Springs
Defined Benefit Plan**

Reconciliation of Plan Assets

A. <u>Total Market Value of Assets as of October 1, 2012</u>		\$ 27,039,803
B. <u>Receipts During Period</u>		
1. Contributions		
a. Member	\$ 396,374	
b. City and County	2,258,798	
c. Total	\$ 2,655,172	
2. Investment Income		
a. Interest and dividends	\$ 515,441	
b. Realized / unrealized gains/ (losses)	3,872,511	
c. Net investment income	\$ 4,387,952	
3. Total receipts during period		\$ 7,043,124
C. <u>Disbursements During Period</u>		
1. Pension payments and contribution refunds	\$ 1,732,845	
2. Administrative expenses	177,541	
3. Total disbursements during period		\$ 1,910,386
D. <u>Total Market Value of Assets as of September 30, 2013</u>		\$ 32,172,541

City of Winter Springs
Defined Benefit Plan

Development of Smoothed Actuarial Value of Assets as of September 30

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
A. Preliminary total smoothed actuarial value from prior year	\$ 25,932,292	\$ 26,852,721	\$ 29,908,683			
B. Market value beginning of year	22,336,010	27,039,803	32,172,541			
C. Market value end of year	27,039,803	32,172,541				
D. Non-investment net cash flow	326,440	744,786				
E. Investment return	4,377,353	4,387,952				
F. Phased-in recognition of investment return:						
1. Current year	515,483	438,995				
2. First prior year	(393,471)	515,483	438,995			
3. Second prior year	(251,629)	(393,471)	515,483	438,995		
4. Third prior year	(191,179)	(251,629)	(393,471)	515,483	438,995	
5. Fourth prior year	(885,153)	(191,178)	(251,628)	(393,473)	515,483	438,996
6. Total phased-in recognition of investment return	(1,205,949)	118,200	309,379	561,005	954,478	438,996
G. Total smoothed actuarial value end of year						
1. Preliminary total smoothed actuarial value end of year	26,852,721	29,908,683				
2. Upper corridor limit: 120% of C.	32,447,764	38,607,049				
3. Lower corridor limit: 80% of C.	21,631,842	25,738,033				
4. Total smoothed actuarial value end of year:						
G.1., not more than G.2., nor less than G.3.	26,852,721	29,908,683				
H. Difference between total market value and total smoothed actuarial value	187,082	2,263,858				
I. Smoothed actuarial value rate of return	2.3%	8.5%				
J. Market value rate of return	19.5%	16.0%				

Table VI

**City of Winter Springs
Defined Benefit Plan**

**Actuarial Gains (Losses) for
Plan Year Ending September 30, 2013**

A. Derivation of Actuarial Gain (Loss)

1. City and County net normal cost	\$	871,469
2. Unfunded actuarial accrued liability		16,906,737
3. City and County contributions previous year		2,258,798
4. Interest on:		
(a) City and County net normal cost	\$	69,718
(b) Unfunded actuarial accrued liability		1,352,539
(c) City and County contributions		90,352
(d) Net total: (a) + (b) - (c)	\$	1,331,905
5. Expected unfunded actuarial accrued liability current year: (1. + 2. - 3. + 4.)	\$	16,851,313
6. Actual unfunded actuarial accrued liability current year		16,018,097
7. Actuarial gain (loss): (5. - 6.)	\$	833,216

B. Approximate Portion of Gain (Loss)

Due to Investments

1. Smoothed actuarial value of assets previous year	\$	26,852,721
2. Contributions during period		2,655,172
3. Benefits and administrative expenses during period		1,910,386
4. Expected appreciation for period		2,178,009
5. Expected smoothed actuarial value of assets current year: (1. + 2. - 3. + 4.)	\$	29,775,516
6. Actual smoothed actuarial value of assets current year	\$	29,908,683
7. Approximate investment gain (loss): (6. - 5.)	\$	133,167

C. Approximate Portion of Gain (Loss)

Due to Liabilities: A. - B.

\$ 700,049

**City of Winter Springs
Defined Benefit Plan**

Amortization of Unfunded Actuarial Accrued Liability

A. Unfunded Actuarial Accrued Liability

<u>Date</u>	<u>Unfunded Liability</u>	<u>Amortization Payment</u>
October 1, 2013	\$ 16,018,097	\$ 1,421,056
October 1, 2014	\$ 15,764,804	\$ 1,421,056
October 1, 2015	\$ 15,491,248	\$ 1,421,056
October 1, 2016	\$ 15,195,807	\$ 1,421,056
October 1, 2017	\$ 14,876,731	\$ 1,421,056
...		
...		
October 1, 2043	\$ 0	\$ 0

B. Covered Payroll History*

<u>Date</u>	<u>Covered Payroll</u>	<u>Annual Increase</u>
October 1, 2013	\$ 7,431,031	(9.6%)
October 1, 2012	\$ 8,216,342	(7.4%)
October 1, 2011	\$ 8,875,836	(13.9%)
October 1, 2010	\$ 10,304,054	(4.2%)
October 1, 2009	\$ 10,752,720	(0.1%)
October 1, 2008	\$ 10,767,596	(3.8%)
October 1, 2007	\$ 11,190,013	6.7%
October 1, 2006	\$ 10,489,087	8.6%
October 1, 2005	\$ 9,659,446	7.5%
October 1, 2004	\$ 8,982,189	11.0%
October 1, 2003	\$ 8,094,829	N/A
Ten-Year Average Annual Increase		(0.9%)

* Information prior to October 1, 2008 as reported by prior actuary.

**City of Winter Springs
Defined Benefit Plan**

Accounting Disclosure Exhibit

	10/01/2012	10/01/2013
I. <u>Number of Plan Members</u>		
a. Retirees and beneficiaries receiving benefits	72	79
b. Terminated plan members entitled to but not yet receiving benefits	125	135
c. Active plan members	169	152
d. Total	366	366
II. <u>Financial Accounting Standards Board Allocation as of October 1, 2013</u>		
A. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	\$ 17,183,388	\$ 20,569,268
b. Other participants	21,486,154	21,001,590
c. Total	\$ 38,669,542	\$ 41,570,858
2. Actuarial present value of accumulated non-vested plan benefits	\$ 649,175	\$ 536,915
3. Total actuarial present value of accumulated plan benefits	\$ 39,318,717	\$ 42,107,773
B. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2012		\$ 39,318,717
2. Increase (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid including refunds		(1,732,845)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		4,521,901
e. Net increase		\$ 2,789,056
3. Actuarial present value of accumulated plan benefits as of October 1, 2013		\$ 42,107,773
C. <u>Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		8.0%
2. Change in plan provisions		None.
3. Change in actuarial assumptions		None.

City of Winter Springs
Defined Benefit Plan

Accounting Disclosure Exhibit

III. Actuarial Assumptions and Methods

Actuarial valuation date	October 1, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	23 years
Asset valuation method	5-year smoothed market

Actuarial assumptions:

Investment rate of return *	8.0%
Projected salary increases *	3.0% - 7.5%

* Includes expected inflation at 3.0%

**City of Winter Springs
Defined Benefit Plan**

Accounting Disclosure Exhibit

IV. Historical Trend Information

Schedule of Employer Costs (GASB No. 27)

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation/(Asset)</u>
09/30/2008	\$ 2,004,975	100%	\$ (5,673)
09/30/2009	\$ 1,781,197	100%	\$ (5,673)
09/30/2010	\$ 2,331,410	99%	\$ 14,679
09/30/2011	\$ 2,627,713	101%	\$ (17,878)
09/30/2012	\$ 1,965,697	97%	\$ 34,102
09/30/2013	\$ 2,258,468	100%	\$ 33,772

V. Annual Pension Cost and Net Pension Asset (GASB No. 27)

<u>Fiscal Year Ended</u>	<u>9/30/2013</u>	<u>Projected 9/30/2014</u>
Annual Required Contribution (ARC)	\$ 2,258,769	\$ 2,474,578
Interest on Net Pension Asset (NPA)	2,728	2,702
Adjustment to ARC	(3,029)	(2,999)
APC	\$ 2,258,468	\$ 2,474,281
City and County Contributions	\$ (2,258,798)	
(Increase) Decrease in NPA	\$ (330)	
NPA (beginning of year)	34,102	
NPA (end of year)	\$ 33,772	

**Table VIII
(Cont'd)**

**City of Winter Springs
Defined Benefit Plan**

**Schedule of Funding Progress
(Dollar Amounts in Thousands)**

VI. Schedule of Funding Progress (GASB No. 27)

Actuarial Valuation Date	Smoothed Actuarial Value of Assets (a)	Actuarial Accrued Liability (EAN) (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
10/01/2008	\$ 18,747	\$ 32,414	\$ 13,667	57.8%	\$ 10,768	126.9%
10/01/2009	\$ 20,789	\$ 37,651	\$ 16,862	55.2%	\$ 10,753	156.8%
10/01/2010 ¹	\$ 23,887	\$ 37,307	\$ 13,420	64.0%	\$ 10,304	130.2%
10/01/2011	\$ 25,932	\$ 41,567	\$ 15,635	62.4%	\$ 8,876	176.1%
10/01/2012	\$ 26,853	\$ 43,759	\$ 16,906	61.4%	\$ 8,216	205.8%
10/01/2013	\$ 29,909	\$ 45,927	\$ 16,018	65.1%	\$ 7,431	215.6%

¹ Reflects Plan Amendment

**City of Winter Springs
Defined Benefit Plan**

Accounting Disclosure Exhibit

VII. Net Pension Liability and Related Ratios (GASB No. 67)

	<u>Projected 9/30/2014*</u>
Measurement date	
A. <u>Total Pension Liability</u>	
Service Cost	\$ 886,819
Interest	3,660,081
Benefit Changes	0
Difference Between Actual and Expected Experience	(581,481)
Assumption Changes	0
Benefit Payments, including Refunds of Member Contributions	(2,125,182)
Net Change in Total Pension Liability	<u>1,840,237</u>
Total Pension Liability (TPL) - (beginning of year)	46,508,261
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 48,348,498</u></u>
B. <u>Plan Fiduciary Net Position</u>	
Contributions - County and City	\$ 2,474,578
Contributions - Member	371,552
Net Investment Income	2,595,540
Benefit Payments, including Refunds of Member Contributions	(2,125,182)
Administrative Expenses	(177,541)
Other	0
Net Change in Plan Fiduciary Net Position	<u>3,138,947</u>
Plan Fiduciary Net Position - (beginning of year)	<u>32,172,541</u>
Plan Fiduciary Net Position - (end of year)	<u><u>\$ 35,311,488</u></u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	13,037,010
D. <u>Plan Fiduciary Net Position as a Percentage of TPL: (B) / (A)</u>	73.04 %
E. <u>Covered Employee Payroll</u>	\$ 7,431,031
F. <u>NPL as a Percentage of Covered Employee Payroll: (C) / (E)</u>	175.44 %
G. <u>Notes to Schedule:</u>	
Valuation Date	10/01/2013
Update procedures were used to roll forward the total pension liability to the measurement date	
No assumption, method or benefit changes during the year.	

* Projected - actual amounts will be available after fiscal year end

**Table VIII
(Cont'd)**

**City of Winter Springs
Defined Benefit Plan**

Accounting Disclosure Exhibit

VIII. Schedule of the Employer's Net Pension Liability (GASB No. 67)

<u>Measurement Date</u>	<u>Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as a % of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a % of Covered Payroll</u>
9/30/2014*	\$ 48,348,498	\$ 35,311,488	\$ 13,037,010	73.04%	\$ 7,431,031	175.44 %

* Projected - actual amounts will be available after fiscal year end

**City of Winter Springs
Defined Benefit Plan
Accounting Disclosure Exhibit**

IX. Schedule of Employer Contributions (GASB No. 67)

<u>Fiscal Year End</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
9/30/2014*	\$ 2,474,578	\$ 2,474,578	\$ 0	\$ 7,431,031	33.30%

* Projected - actual amounts will be available after fiscal year end

X. Notes to Schedule of Contributions (GASB No. 67)

Valuation Date: Actuarially determined contributions are calculated as of October 1st - two year(s) prior the fiscal year end in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, closed
Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	3.0% - 7.5%
Investment Rate of Return	8.0%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition

Mortality For healthy General Employee participants, the RP-2000 Combined Mortality Table was used with separate rates for males and females and fully generational mortality improvements projected to each future decrement date with Scale AA.

For healthy Firefighter and Police Officer participants, the RP-2000 Combined Mortality Table with Blue Collar Adjustment was used with separate rates for males and females and fully generational mortality improvements projected to each future decrement date with Scale AA.

For disabled participants, the RP-2000 Combined Disabled Mortality Table was used with separate rates for males and females and fully generational mortality improvements projected to each future decrement date with Scale AA.

Other Information:

Notes N/A - first year of schedule

City of Winter Springs
Defined Benefit Plan

Accounting Disclosure Exhibit

XI. Discount Rate (GASB No. 67)

A discount rate of 8.0% was used to measure the total pension liability. This discount rate was based on the expected rate of return on Plan investments of 8.0%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

XII. Sensitivity of the Net Pension Liability to the Discount Rate Assumption (GASB No. 67)

Measurement date: 9/30/2014 *

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount Rate	7.0%	8.0%	9.0%
Net Pension Liability	\$ 18,947,436	\$ 13,037,010	\$ 8,053,115

* Projected - actual amounts will be available after fiscal year end

**City of Winter Springs
Defined Benefit Plan**

Outline of Principal Provisions of the Retirement Plan

A. Effective Date

Plan adopted as a Money Purchase Floor Offset plan on October 1, 1997. Plan amended and restated as a Defined Benefit Plan effective October 1, 2000. Plan most recently amended by Resolution 2011-57 adopted December 12, 2011.

B. Eligibility Requirements

General Employees hired prior to October 1, 2011, Police Officers and Forensic Professionals working 30 or more hours per week are eligible to join the Plan on the first day of the month following completion of six (6) months of service. Electing transferring Firefighters as of October 2, 2008 under the Agreement with the County.

C. Accrual Service

Years of Accrual Service are any Plan Years during which an Employee completes at least 1,000 hours of service, including years of service completed prior to participation in the Plan.

D. Compensation

Wages, salaries and other amounts received (whether or not paid in cash) for personal services actually rendered in the course of employment. Effective October 10, 2011 Compensation shall exclude commissions, bonuses, overtime pay in excess of one hundred fifty (150) hours per Plan year and payments for accrued leave in excess of the dollar amount of an Employee's accrued leave balance on July 1, 2011.

E. Final Average Compensation

Average earnings during the best five (5) consecutive years out of the last ten (10) years preceding termination or retirement, but not less than the three (3) highest consecutive compensation periods during employment with the City as of September 30, 2011.

F. Normal Retirement

1. Eligibility:

- (a) Attainment of age 65; or
- (b) Completion of 30 years of service and determined to be disabled under the City's long term disability insurance policy.

City of Winter Springs
Defined Benefit Plan

Outline of Principal Provisions of the Retirement Plan

2. Benefit:

For Firefighters, Police Officers and Forensic Professionals, 3.00% times Final Average Compensation multiplied by Accrual Service, up to a maximum of 30 years.

For General Employees, 3.00% times Accrual Service earned through September 30, 2011 times Final Average Compensation plus 2.50% times Accrual Service earned after September 30, 2011 times Final Average Compensation, up to a maximum of 30 years of Accrual Service.

G. Early Retirement

1. Eligibility:

- (a) Attainment of age 55 and completion of 15 years of service; or
- (b) Completion of 25 years of service.

2. Benefit:

Benefit accrued to date of early retirement, actuarially reduced for each year early retirement benefit commencement precedes age 55.

H. Late Retirement

1. Eligibility:

Continued employment beyond Normal Retirement Date.

2. Benefit:

Greater of (a) and (b):

- (a) Accrued benefit calculated as for Normal Retirement based upon service and pay at Late Retirement Date.
- (b) Actuarially increased benefit as of Late Retirement Date.

I. Disability Retirement

1. Eligibility:

Completion of 30 years of service and determined to be disabled under the City's long term disability insurance policy.

2. Benefit:

Accrued benefit calculated as for Normal Retirement based upon service and pay at Disability Retirement Date.

City of Winter Springs
Defined Benefit Plan

Outline of Principal Provisions of the Retirement Plan

J. Death Benefit

Beneficiary entitled to a monthly benefit supported by the present value of the non-forfeitable accrued benefit at the time of the participant's death. If death occurs after actual retirement, the beneficiary receives whatever is payable under the form of benefit option elected.

K. Participant Contributions

Five percent (5%) of compensation for all employees.

L. Vested Benefit Upon Termination

100% vested in required participant contributions. Participant contributions made after October 1, 2000 are included in the deferred vested benefit payable at normal or early retirement date.

Upon termination of service prior to normal or early retirement date a participant shall be entitled to a benefit payable at normal or early retirement date calculated as for normal retirement. Based on pay and service at date of termination multiplied by a percentage from the following table.

<u>Years of Service</u>	<u>Vested Percentage</u>
Less Than 7	0%
7 or More	100%

M. Normal Form of Payment of Retirement Income

Monthly benefit payable for life.

Other Options

Actuarially equivalent joint and survivor at 50%, 75%, 100%; or ten (10) years certain and life.

N. Changes Since Previous Valuation

None.

**City of Winter Springs
Defined Benefit Plan**

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

A. Mortality

For healthy General Employee participants, the RP-2000 Combined Mortality Table was used with separate rates for males and females and fully generational mortality improvements projected to each future decrement date with Scale AA.

For healthy Firefighter and Police Officer participants, the RP-2000 Combined Mortality Table with Blue Collar Adjustment was used with separate rates for males and females and fully generational mortality improvements projected to each future decrement date with Scale AA.

For disabled participants, the RP-2000 Combined Disabled Mortality Table was used with separate rates for males and females and fully generational mortality improvements projected to each future decrement date with Scale AA.

B. Investment Return

8.0%, compounded annually, net of investment expenses.

C. Allowances for Expenses or Contingencies

Prior year's actual administrative expenses are included in normal cost.

D. Salary Increase Factors

Current salary is assumed to increase at a rate based on the table below per year until retirement.

<u>Service</u>	<u>General Employees</u>	<u>Firefighters and Police Officers</u>
Less than 5 years	6.5%	7.5%
5 - 9 years	5.5%	5.5%
10 - 14 years	4.5%	5.5%
15+ years	3.0%	3.5%

City of Winter Springs
Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation

E. Employee Withdrawal Rates

1. Withdrawal rates for male General Employees were used in accordance with the following illustrative example:

Age	<u>Withdrawal Rates per 100 Employees</u>										
	Service										
	0	1	2	3	4	5	6	7	8	9	10+
20	32.8	25.4	22.7	18.4	15.8	11.7	11.1	11.1	11.0	10.0	9.8
25	27.2	18.5	17.2	14.6	12.7	9.7	8.5	8.4	7.7	6.3	6.2
30	25.8	15.4	14.0	13.2	11.8	8.8	7.8	7.1	6.4	5.5	4.7
35	25.8	14.3	12.8	12.6	10.9	8.5	7.5	6.8	6.2	5.3	4.2
40	24.4	12.6	12.0	10.7	9.0	7.4	6.7	6.2	5.8	5.3	3.0
45	24.4	12.5	11.6	10.3	8.8	6.8	6.5	6.0	5.1	5.1	2.7
50	23.4	12.2	10.7	9.4	7.9	6.0	5.5	5.3	4.6	4.6	3.0
55	27.4	12.2	10.7	9.3	7.8	6.8	5.4	5.2	4.4	4.3	4.5
60	27.4	12.2	10.7	9.3	7.8	6.8	5.4	5.1	4.3	4.2	5.3
65	27.4	12.2	10.7	9.3	7.8	6.8	5.4	5.1	4.3	4.2	3.7

2. Withdrawal rates for female General Employees were used in accordance with the following illustrative example:

Age	<u>Withdrawal Rates per 100 Employees</u>										
	Service										
	0	1	2	3	4	5	6	7	8	9	10+
20	30.3	25.8	22.1	17.4	15.4	13.5	11.4	11.3	10.5	10.2	11.6
25	26.6	19.8	17.1	13.0	12.9	10.7	9.7	9.2	7.8	7.1	5.3
30	25.4	16.9	14.5	11.6	11.3	9.4	8.7	8.1	7.1	6.5	5.4
35	25.4	15.9	13.5	11.2	10.9	9.0	8.0	7.8	6.8	6.2	4.6
40	24.4	14.0	12.1	10.0	9.1	7.0	6.5	6.3	6.1	5.0	3.3
45	24.4	13.9	11.9	9.8	8.8	6.7	6.5	6.1	5.8	4.7	3.0
50	23.2	13.4	11.0	8.8	8.4	6.2	5.9	5.5	5.5	4.6	3.0
55	23.2	13.4	11.0	8.7	8.3	6.1	5.8	5.4	5.4	4.5	3.0
60	23.2	13.4	11.0	8.7	8.3	6.1	5.8	5.4	5.4	4.5	3.0
65	23.2	13.4	11.0	8.7	8.3	6.1	5.8	5.4	5.4	4.5	3.0

The withdrawal assumptions are the withdrawal assumptions used in the July 1, 2013 Florida Retirement System (FRS) Actuarial Valuation.

City of Winter Springs
Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation

E. Employee Withdrawal Rates (continued)

3. Withdrawal rates for male Firefighters and Police Officers were used in accordance with the following illustrative example:

<u>Withdrawal Rates per 100 Employees</u>											
<u>Age</u>	<u>Service</u>										
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10+</u>
20	21.4	10.3	8.6	8.4	7.5	5.3	5.2	3.1	2.9	2.6	2.3
25	20.6	9.8	8.1	7.9	7.0	5.3	5.2	3.1	2.9	2.6	2.3
30	20.6	9.5	7.7	7.5	6.7	5.3	5.2	3.1	2.9	2.6	2.1
35	20.6	8.8	7.4	7.2	6.5	5.3	5.1	3.1	2.9	2.6	2.0
40	20.6	8.0	6.8	6.7	6.0	4.8	4.6	3.1	2.9	2.6	1.9
45	20.6	7.3	6.0	6.0	5.5	4.3	4.1	3.1	2.9	2.6	1.8
50	20.6	6.5	5.3	5.3	5.0	3.8	3.6	3.1	2.9	2.6	1.8
55	20.6	5.8	4.7	4.7	4.6	3.3	3.2	3.1	2.9	2.6	1.8
60	20.6	5.3	4.7	4.7	4.6	3.3	3.2	3.1	2.9	2.6	1.8
65	20.6	5.3	4.7	4.7	4.6	3.3	3.2	3.1	2.9	2.6	1.8

4. Withdrawal rates for female Firefighters and Police Officers were used in accordance with the following illustrative example:

<u>Withdrawal Rates per 100 Employees</u>											
<u>Age</u>	<u>Service</u>										
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10+</u>
20	21.3	15.5	12.3	10.3	9.7	6.1	5.9	5.0	4.2	4.2	1.9
25	21.3	14.2	11.6	9.8	9.2	6.1	5.9	5.0	4.2	4.2	1.9
30	21.3	13.2	10.6	9.3	8.7	6.1	5.9	5.0	4.2	4.2	1.7
35	21.3	12.2	9.6	8.8	8.4	6.1	5.9	5.0	4.2	4.1	1.5
40	21.3	11.2	8.6	8.3	7.6	6.1	5.9	5.0	4.1	4.1	2.5
45	21.3	10.2	7.6	7.6	7.0	6.1	5.9	5.0	4.1	4.1	2.5
50	21.3	9.2	6.6	6.6	6.4	6.1	5.9	5.0	4.1	4.0	1.6
55	21.3	8.4	5.8	5.6	5.4	5.3	5.1	5.0	4.1	4.0	4.0
60	21.3	8.4	5.8	5.6	5.4	5.3	5.1	5.0	4.1	4.0	4.0
65	21.3	8.4	5.8	5.6	5.4	5.3	5.1	5.0	4.1	4.0	4.0

The withdrawal assumptions are the withdrawal assumptions used in the July 1, 2013 FRS Actuarial Valuation.

City of Winter Springs
Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation

F. Disability Rates

1. Line-of-duty disability rates for General Employees were used in accordance with the following illustrative example.

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.002%	0.000%
25	0.002%	0.001%
30	0.003%	0.001%
35	0.005%	0.003%
40	0.009%	0.005%
45	0.014%	0.008%
50	0.022%	0.010%
55	0.034%	0.016%
60	0.048%	0.022%
65	0.050%	0.020%

2. Non-duty disability rates for General Employees were used in accordance with the following illustrative example.

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.000%	0.000%
25	0.027%	0.010%
30	0.053%	0.026%
35	0.066%	0.049%
40	0.092%	0.070%
45	0.122%	0.114%
50	0.203%	0.184%
55	0.339%	0.294%
60	0.445%	0.419%
65	0.215%	0.105%

The disability assumptions are the disability assumptions used in the July 1, 2013 FRS Actuarial Valuation.

City of Winter Springs
Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation

F. Disability Rates (continued)

3. Line-of-duty disability rates for Firefighters and Police Officers were used in accordance with the following illustrative example.

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.012%	0.008%
25	0.012%	0.008%
30	0.017%	0.016%
35	0.029%	0.037%
40	0.051%	0.068%
45	0.087%	0.106%
50	0.138%	0.153%
55	0.215%	0.152%
60	0.301%	0.151%
65	0.231%	0.143%

4. Non-duty disability rates for Firefighters and Police Officers were used in accordance with the following illustrative example.

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.037%	0.036%
25	0.037%	0.036%
30	0.043%	0.046%
35	0.055%	0.075%
40	0.087%	0.118%
45	0.140%	0.209%
50	0.292%	0.254%
55	0.244%	0.328%
60	0.206%	0.328%
65	0.206%	0.328%

The disability assumptions are the disability assumptions used in the July 1, 2013 FRS Actuarial Valuation.

**City of Winter Springs
Defined Benefit Plan**

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

G. Assumed Retirement Age

Retirement rates were used in accordance with the following tables.

1. For Police Officers and Firefighters:

<u>Age</u>	<u>Years of Service</u>				
	<u>0 - 10</u>	<u>10 - 15</u>	<u>15 - 25</u>	<u>25 - 30</u>	<u>30 or more</u>
Under 55	0%	0%	0%	4%	5%
55	0%	10%	15%	40%	50%
56 - 64	0%	10%	15%	15%	20%
65 and above	100%	100%	100%	100%	100%

2. For General Employees:

<u>Age</u>	<u>Years of Service</u>				
	<u>0 - 10</u>	<u>10 - 15</u>	<u>15 - 25</u>	<u>25 - 30</u>	<u>30 or more</u>
Under 55	0%	0%	0%	2%	2%
55	0%	5%	10%	20%	25%
56 - 64	0%	5%	10%	4%	5%
65 and above	100%	100%	100%	100%	100%

H. Marital Assumptions

1. 100% of active members are assumed to be married.
2. Females are assumed to be three (3) years younger than their male spouses.

I. Interest on Future Participant Contributions

3.75%, compounded annually.

City of Winter Springs
Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation

J. Asset Valuation Method

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The smoothed 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 - adjusted for equation of balance October 1, 2010.

K. Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry Age Normal 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 entry age to his assumed retirement age to fund his estimated benefits, assuming the Fund had always been in effect. The normal cost for the Fund 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 Fund 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 assets of the Fund.

L. Changes Since Previous Valuation

None.

Table XI

**City of Winter Springs
Defined Benefit Plan
Distribution by Attained Age Groups
and Service Groups as of October 1, 2013**

Firefighters

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</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 & Over</u>	
Under 25	-	-	-	-	-	-	-	0
25-29	-	-	-	-	-	-	-	0
30-34	-	-	-	-	-	-	-	0
35-39	-	-	-	-	-	-	-	0
40-44	-	-	-	-	-	-	-	0
45-49	-	-	-	-	2	2	-	4
50-54	-	-	-	1	4	1	-	6
55-59	-	-	-	-	-	-	-	0
60-64	-	-	-	-	-	-	-	0
65 & Over	-	-	-	-	-	-	-	0
TOTAL	0	0	0	1	6	3	0	10
				<u>10/01/2012</u>		<u>10/01/2013</u>		
				50.68 years		50.92 years		
				27.18 years		27.72 years		
				\$ 69,034		\$ 66,374		
				0.0%		0.0%		

**Table XI
(Cont'd)**

**City of Winter Springs
Defined Benefit Plan
Distribution by Attained Age Groups
and Service Groups as of October 1, 2013**

General Employees

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</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 & Over</u>	
Under 25	1	-	-	-	-	-	-	1
25-29	4	2	-	-	-	-	-	6
30-34	3	3	1	-	-	-	-	7
35-39	1	7	4	2	-	-	-	14
40-44	-	2	2	2	1	-	-	7
45-49	1	2	0	2	-	1	-	6
50-54	2	6	4	2	2	2	-	18
55-59	-	2	3	2	3	1	-	11
60-64	-	3	3	2	-	1	-	9
65 & Over	-	-	1	-	1	-	-	2
TOTAL	12	27	18	12	7	5	0	81

	<u>10/01/2012</u>	<u>10/01/2013</u>
Average Attained Age	45.62 years	46.84 years
Average Hire Age	35.04 years	35.22 years
Average Pay	\$ 43,465	\$ 43,984
Percent Female	33.7%	34.6%

**Table XI
(Cont'd)**

**City of Winter Springs
Defined Benefit Plan
Distribution by Attained Age Groups
and Service Groups as of October 1, 2013**

Police Officers

<u>Attained</u> <u>Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</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 & Over</u>	
Under 25	2	-	-	-	-	-	-	2
25-29	6	4	-	-	-	-	-	10
30-34	1	3	2	-	-	-	-	6
35-39	1	4	5	1	-	-	-	11
40-44	-	4	-	5	3	-	-	12
45-49	-	-	4	3	-	2	-	9
50-54	2	-	1	1	-	2	1	7
55-59	-	1	-	-	-	-	-	1
60-64	-	1	-	-	-	-	-	1
65 & Over	-	-	-	-	-	-	-	0
TOTAL	12	17	12	10	3	4	1	59

	<u>10/01/2012</u>	<u>10/01/2013</u>
Average Attained Age	38.59 years	39.72 years
Average Hire Age	28.22 years	28.43 years
Average Pay	\$ 52,561	\$ 52,939
Percent Female	12.7%	15.3%

**Table XI
(Cont'd)**

**City of Winter Springs
Defined Benefit Plan
Distribution by Attained Age Groups
and Service Groups as of October 1, 2013**

Forensic Professionals

<u>Attained</u> Age Group	-----COMPLETED YEARS OF SERVICE-----							<u>Total</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 & Over</u>	
Under 25	-	-	-	-	-	-	-	0
25-29	-	1	-	-	-	-	-	1
30-34	-	-	-	-	-	-	-	0
35-39	-	-	-	1	-	-	-	1
40-44	-	-	-	-	-	-	-	0
45-49	-	-	-	-	-	-	-	0
50-54	-	-	-	-	-	-	-	0
55-59	-	-	-	-	-	-	-	0
60-64	-	-	-	-	-	-	-	0
65 & Over	-	-	-	-	-	-	-	0
TOTAL	0	1	0	1	0	0	0	2

	<u>10/01/2012</u>	<u>10/01/2013</u>
Average Attained Age	31.48 years	32.48 years
Average Hire Age	19.48 years	19.48 years
Average Pay	\$ 38,874	\$ 40,581
Percent Female	100.0%	100.0%

**Table XI
(Cont'd)**

**City of Winter Springs
Defined Benefit Plan
Distribution by Attained Age Groups
and Service Groups as of October 1, 2013**

All Members

<u>Attained</u> <u>Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</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 & Over</u>	
Under 25	3	-	-	-	-	-	-	3
25-29	10	7	-	-	-	-	-	17
30-34	4	6	3	-	-	-	-	13
35-39	2	11	9	4	-	-	-	26
40-44	-	6	2	7	4	-	-	19
45-49	1	2	4	5	2	5	-	19
50-54	4	6	5	4	6	5	1	31
55-59	-	3	3	2	3	1	-	12
60-64	-	4	3	2	-	1	-	10
65 & Over	-	-	1	-	1	-	-	2
TOTAL	24	45	30	24	16	12	1	152

	<u>10/01/2012</u>	<u>10/01/2013</u>
Average Attained Age	43.19 years	44.16 years
Average Hire Age	31.75 years	31.89 years
Average Pay	\$ 48,617	\$ 48,888
Percent Female	24.3%	25.7%

Table XII

**City of Winter Springs
Defined Benefit Plan**

**Statistics for Participants Entitled to Deferred Benefits
and Participants Receiving Benefits**

A. Entitled to Deferred Benefits

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 40	34	\$ 229,707	\$ 6,756
40-44	31	279,177	9,006
45-49	26	296,345	11,398
50-54	26	240,950	9,267
55-59	9	52,023	5,780
60-64	5	22,855	4,571
65 & Over	4	5,465	1,366
TOTAL	<u>135</u>	<u>\$ 1,126,522</u>	<u>\$ 8,345</u>

B. Receiving Benefits

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 50	3	\$ 24,124	\$ 8,041
50-54	1	69,549	69,549
55-59	22	897,245	40,784
60-64	17	410,982	24,175
65-69	18	281,865	15,659
70-74	12	213,310	17,776
75 & Over	6	59,422	9,904
TOTAL	<u>79</u>	<u>\$ 1,956,497</u>	<u>\$ 24,766</u>

**City of Winter Springs
Defined Benefit Plan**

Reconciliation of Employee Data

A. Active Participants

1. Active participants previous year	169
2. Retired during year	(5)
3. Died during year	0
4. Disabled during year	0
5. Terminated non-vested during year	(2)
6. Terminated vested during year	(12)
7. New active participants	2
8. Out on military leave	0
9. Rehired during year	0
10. Transferred to DC Plan	0
11. Active participants current year	<u>152</u>

B. Participants Receiving Benefits

1. Participants receiving benefits previous year	72
2. New retired participants	5
3. New DRO recipient	0
4. New terminated vested receiving benefits	2
5. New beneficiaries receiving benefits	1
6. Died or ceased payment during year	(1)
7. Retired or terminated vested receiving benefits current year	<u>79</u>

C. Terminated Vested Participants Entitled to Future Benefits

1. Terminated vested entitled previous year	125
2. Died during year	0
3. Commenced receiving benefits during year	(2)
4. New terminated vested	12
5. Terminated vested paid lump sum	0
6. Rehired	0
7. Terminated vested entitled current year	<u>135</u>

**City of Winter Springs
Defined Benefit Plan**

Projected Retirement Benefits

<u>Fiscal Year</u>	<u>Projected Total Annual Payout</u>
2014	\$ 2,125,182
2015	\$ 2,278,803
2016	\$ 2,445,255
2017	\$ 2,640,547
2018	\$ 2,864,930
2019	\$ 3,168,849
2020	\$ 3,354,140
2021	\$ 3,566,229
2022	\$ 3,928,215
2023	\$ 4,195,212

The above projected payout of Plan benefits during the next ten years is based on assumptions involving all decrements. Actual payouts may differ from the above estimates depending upon the death, salary and retirement experience of the Plan. However, since the projected payment is recomputed each valuation date, there is an automatic correction to the extent that actual experience varies from expected experience.

Table XV

**City of Winter Springs
Defined Benefit Plan**

Summary of Transaction Information¹

<u>Year Ending</u>	<u>Benefits Paid²</u>	<u>Administrative Expenses</u>	<u>Employee Contributions</u>	<u>City / County Contributions³</u>	<u>Smoothed Actuarial Value</u>
09/30/2013	\$ 1,732,845	\$ 177,541	\$ 396,374	\$ 2,258,798	\$ 29,908,683
09/30/2012	1,606,752	309,874	418,635	1,824,431	26,852,721
09/30/2011	1,165,350	196,423	287,090	2,616,924	25,932,292
09/30/2010	886,521	178,530	284,866	2,311,058	23,887,446
09/30/2009	617,274	116,982	306,420	1,781,197	20,788,655
09/30/2008	384,482	70,423	365,288	1,663,951	18,746,975
09/30/2007	233,953	123,197	N/A	1,843,147	15,526,572
09/30/2006	171,697	84,340	N/A	1,505,020	11,951,383
09/30/2005	N/A	N/A	N/A	1,260,627	9,716,089
09/30/2004	140,509	62,225	N/A	1,013,379	8,134,588
09/30/2003	138,353	47,477	N/A	903,748	7,279,048

¹ Information prior to September 30, 2008 as reported by prior actuary.

² Includes refunds.

³ Values prior to September 30, 2008 include Employee Contributions.

**Table XV
(Cont'd)**

**City of Winter Springs
Defined Benefit Plan**

Recent Compensation, Termination and Investment Return Experience

Valuation Date	General & Forensic Compensation		Police & Fire Compensation		General & Forensic Termination		Investment Return		
	% Increase / (Decrease)				Ratio of Actual to Expected		Net Market Value Yield*	Smoothed Net Actuarial Value Yield*	Assumed Rate of Return*
	Actual	Assumed	Actual	Assumed					
10/01/2013	0.7%	4.7%	0.7%	4.9%	1.4	2.4	16.0%	8.5%	8.0%
10/01/2012	(2.4%)	4.8%	(6.5%)	5.0%	2.4	2.4	19.5%	2.3%	8.0%
10/01/2011	4.9%	4.8%	3.5%	5.2%	1.9	2.4	(1.0%)	2.0%	8.0%
10/01/2010	0.9%	5.0%	2.8%	5.3%	1.2	1.7	12.0%	7.3%	8.0%
10/01/2009	6.4%	5.1%	11.6%	5.3%	1.1	1.1	2.1%	3.5%	8.0%
10/01/2008	3.9%	3.0%	5.6%	3.0%	1.2	3.1	(16.8%)	10.1%	8.0%
10/01/2007	N/A	N/A	N/A	N/A	N/A	N/A	13.8%	15.4%	8.0%
10/01/2006	N/A	N/A	N/A	N/A	N/A	N/A	8.6%	9.5%	8.0%
10/01/2005	N/A	N/A	N/A	N/A	N/A	N/A	11.5%	4.2%	8.0%
10/01/2004	N/A	N/A	N/A	N/A	N/A	N/A	12.6%	0.6%	8.0%
Last 3 Years	1.0%	4.8%	(0.9%)	5.0%	1.9	2.4	11.1%	4.2%	8.0%
Last 5 Years	2.1%	4.9%	2.3%	5.1%	1.5	1.9	9.4%	4.7%	8.0%
Last 10 Years	N/A	N/A	N/A	N/A	N/A	N/A	7.3%	6.3%	8.0%

* Information prior to October 1, 2008 as reported by prior actuary.

**City of Winter Springs
Defined Benefit Plan**

Actuarial Valuation as of October 1, 2013

State Required Exhibit

	<u>10/01/2012</u>	<u>10/01/2013</u>
A. <u>Participant Data</u>		
1. Active participants	169	152
2. Retired participants and beneficiaries receiving benefits	72	79
3. Disabled participants receiving benefits	0	0
4. Terminated vested participants	125	135
5. Annual payroll of active participants	\$ 8,216,342	\$ 7,431,031
6. Annual benefits payable to those currently receiving benefits	\$ 1,650,058	\$ 1,956,497
B. <u>Value of Assets</u>		
1. Smoothed Actuarial Value	\$ 26,852,721	\$ 29,908,683
2. Market Value	\$ 27,039,803	\$ 32,172,541
C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 25,875,093	\$ 24,482,971
b. Vesting benefits	2,093,181	1,782,858
c. Death benefits	776,273	710,276
d. Disability benefits	810,009	751,238
e. Total	<u>\$ 29,554,556</u>	<u>\$ 27,727,343</u>
2. Actuarial present value of future expected benefit payments for terminated vested members	\$ 5,308,023	\$ 5,015,850
3. Actuarial present value of future expected benefit payments for members currently receiving benefits		
a. Service retired (includes DROPs)	\$ 15,464,181	\$ 18,864,624
b. Disability retired	0	0
c. Beneficiaries	1,719,207	1,704,644
d. Miscellaneous (Refunds in Process)	17,104	10,926
e. Total	<u>\$ 17,200,492</u>	<u>\$ 20,580,194</u>

City of Winter Springs
Defined Benefit Plan

Actuarial Valuation as of October 1, 2013

State Required Exhibit

	<u>10/01/2012</u>	<u>10/01/2013</u>
4. Total actuarial present value of future expected benefit payments	\$ 52,063,071	\$ 53,323,387
5. Actuarial accrued liabilities	\$ 43,759,458	\$ 45,926,780
6. Unfunded actuarial accrued liabilities	\$ 16,906,737	\$ 16,018,097
D. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 17,183,388	\$ 20,569,268
b. Other participants	21,486,154	21,001,590
c. Total	<u>\$ 38,669,542</u>	<u>\$ 41,570,858</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>649,175</u>	<u>536,915</u>
3. Total actuarial present value of accumulated plan benefits	\$ 39,318,717	\$ 42,107,773
E. <u>Pension Cost</u>		
1. Total normal cost	\$ 1,282,286	\$ 1,064,360
2. Payment required to amortize unfunded liability	1,473,330	1,421,056
3. Interest adjustment	129,779	117,044
4. Total required contribution	<u>\$ 2,885,395</u>	<u>\$ 2,602,460</u>
5. Item 4 as a percentage of base payroll	35.1%	35.0%
6. Estimated employee contributions	\$ 410,817	\$ 371,552
7. Item 6 as a percentage of base payroll	5.0%	5.0%
8. Net amount payable by County and City	\$ 2,474,578	\$ 2,230,908
9. Item 8 as a percentage of base payroll	30.1%	30.0%

**City of Winter Springs
Defined Benefit Plan**

Actuarial Valuation as of October 1, 2013

	<u>State Required Exhibit</u>	
	<u>10/01/2012</u>	<u>10/01/2013</u>
F. <u>Past Contributions</u>		
1. Total contribution required (previous valuation)	\$ 2,655,143	\$ 2,885,395
2. Actual contributions made:		
a. Members	\$ 396,374	N/A
b. City and County	2,258,798	N/A
c. Total	<u>\$ 2,655,172</u>	N/A
G. <u>Disclosure of Following Items:</u>		
1. Actuarial present value of future salaries - attained age	\$ 73,826,561	\$ 64,573,284
2. Actuarial present value of future employee contributions - attained age	\$ 3,691,328	\$ 3,228,665
3. Actuarial present value of future contributions from other sources	N/A	N/A
4. Amount of active members' accumulated contributions	\$ 2,347,257	\$ 2,511,683
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

**Table XVI
(Cont'd)**

**City of Winter Springs
Defined Benefit Plan**


State Required Exhibit

Amortization balances are written down in proportion to amortization payments.

	<u>Unfunded Actuarial Accrued Liabilities</u>	<u>Current Unfunded Liabilities</u>	<u>Amortization Payment</u>	<u>Remaining Funding Period</u>
10/01/2000	Initial	\$ 2,050,135	\$ 208,107	17 years
10/01/2002	Assumption Change	(26,496)	(2,555)	19 years
10/01/2003	Plan Amendment	168,029	15,846	20 years
10/01/2004	Plan Amendment	255,316	23,601	21 years
10/01/2005	Plan Amendment	530,049	48,113	22 years
10/01/2006	Plan Amendment	610,720	54,525	23 years
10/01/2007	Plan Amendment	625,906	55,044	24 years
10/01/2008	Plan Amendment and Assumption Change	2,813,439	244,037	25 years
10/01/2008	Method Change	6,288,452	545,458	25 years
10/01/2009	Actuarial Loss (Gain)	2,691,909	230,575	26 years
10/01/2010	Actuarial Loss (Gain)	(498,160)	(42,181)	27 years
10/01/2010	Plan Amendment	(2,888,212)	(244,557)	27 years
10/01/2011	Actuarial Loss (Gain)	3,161,826	264,917	28 years
10/01/2012	Actuarial Loss (Gain)	1,068,400	88,656	29 years
10/01/2013	Actuarial Loss (Gain)	<u>(833,216)</u>	<u>(68,530)</u>	30 years
	TOTAL	\$ 16,018,097	\$ 1,421,056	

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 other wise 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: 14-02802
Dated: June 24, 2014



Lawrence F. Wilson, A.S.A.