



**CITY OF WINTER SPRINGS  
DEFINED BENEFIT PLAN**

*ACTUARIAL VALUATION AS OF OCTOBER 1, 2008*

This Valuation Determines the Annual Contribution for the Plan Year October 1, 2008 through September 30, 2009 with County and City contribution to be Paid in the Fiscal Year October 1, 2009 to September 30, 2010

August 9, 2010



**City of Winter Springs  
Defined Benefit Plan**

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August 9, 2010

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, 2008 Actuarial Valuation**

We are pleased to present our October 1, 2008 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 XVI and the State Required Exhibit on Table XVII. 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 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 with County and City contribution to be paid in fiscal year ending September 30, 2010 is **\$2,654,388 (24.7%)**. The figure in parentheses is the Plan cost expressed as a percentage of annual payroll (\$10,767,596) as of October 1, 2008.

This total cost is to be met by member, County and City contributions. We anticipate member contributions will be **\$323,028 (3.0%)**. The resulting minimum required County and City contribution to be paid in fiscal year ending September 30, 2010 is **\$2,331,360 (21.7%)**.

### **Changes in Actuarial Assumptions, Methods and Plan Benefits**

The benefit multiplier for service prior to October 1, 2000 is updated from 2.75% to 3.00%. The remaining Plan provisions are unchanged from the previous actuarial valuation. Plan provisions are summarized on Table X.

The actuarial assumptions and methods are updated effective October 1, 2008.

The mortality assumption for healthy General Employee lives is updated:

- FROM - the rates from the 1983 Group Annuity Mortality Table for males, with females set back two (2) years
- TO - the rates from the RP-2000 Combined Mortality Table, with separate rates for males and females and with fully generational mortality improvements projected to each future decrement date.

The mortality assumption for healthy Firefighter and Police Officer lives is updated:

- FROM - the rates from the 1983 Group Annuity Mortality Table for males, with females set back two (2) years
- TO - the rates from the RP-2000 Combined Mortality Table with Blue Collar Adjustment, with separate rates for males and females and with fully generational mortality improvements projected to each future decrement date.

The mortality assumption for disabled members is updated:

- FROM - the rates from the 1983 Group Annuity Mortality Table for males, with females set back two (2) years
- TO - the rates from the RP-2000 Combined Disabled Mortality Table with separate rates for males and females and with fully generational mortality improvements projected to each future decrement date.

Interest on participant contributions is updated:

- FROM - the 120% Federal Midterm rate from the September preceding the valuation date
- TO - 3.75%, compounded annually.

Expected administrative expenses are included in Normal Cost.

The 1.5% expense load to make allowance for 30 year unreduced benefit provision with LTD disability program was removed. Plan liabilities for the disability benefit are actuarially determined.

Assumed retirement rates, disability rates, withdrawal rates and salary increase rates are updated as outlined in Table XI.

The Actuarial Funding Method is changed from the Frozen Initial Liability Funding Method to the Entry Age Normal Funding Method.

The remaining actuarial assumptions and methods are unchanged from the previous actuarial valuation. The actuarial assumptions and methods are outlined on Table XI.

### **Comparison of October 1, 2007 and October 1, 2008 Valuation Results**

Table II of our report provides information of a comparative nature. The left columns of the Table indicate the costs as calculated by the prior actuary for October 1, 2007. The center columns indicate the costs as calculated for October 1, 2008 prior to the changes in plan provision, actuarial assumptions and methods.

The right columns indicate the costs as calculated for October 1, 2008 after reflecting the changes in plan provisions, actuarial assumptions and methods.

Comparing the left and center columns of Table II shows the effect of Plan experience during the year. The number of active participants decreased by approximately 11% while covered payroll decreased by approximately 4%. Total normal cost increased both as a dollar amount and as a percentage of payroll. The frozen initial liability remaining unfunded decreased as a dollar amount but increased as a percentage of covered payroll. The net County and City minimum funding requirement increased both as a dollar amount and as a percentage of covered payroll.

Comparing the center and right columns of Table II shows the effect of the change in plan provisions, actuarial assumptions and methods. The net County and City minimum funding requirement increased 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 64.6% (69.6% prior to change in plan provisions, actuarial assumptions and methods) which is a decrease from 100.3% as of the October 1, 2007 Actuarial Valuation. The VBSR is measured on a market value basis.

### **Plan Experience**

The Plan experienced an actuarial loss in the amount of \$3,116,104 this year. This indicates net Plan experience was less favorable than expected based upon the prior actuarial assumptions.

Table XVI (salary, turnover and investment yield) provides figures on recent Plan experience. Salary experience indicates actual salary increases averaged approximately 3.9% for General Employees and 5.6% for Firefighters and Police Officers for the Plan Year ended September 30, 2008. The prior salary increase assumption was 3.0%. Salary experience was generally a source of actuarial loss.

Employee turnover this year was 120% of the prior assumed turnover for General Employees and 310% of the prior assumed turnover for Firefighters and Police Officers. Employee turnover was generally an offsetting source of actuarial gain.

The actuarial value investment return of 10.1% was greater than the investment return assumption of 8.0%. Investment return was an offsetting source of actuarial gain during the year. The three and five year average annual actuarial value investment returns are 11.6% and 7.8%, respectively. The one, three and five year average annual market value returns are -16.8%, 0.9% and 5.2%, respectively.

### **Member Census and Financial Data**

The City submitted the Member census data used for this actuarial valuation to us. This information contains name, Social Security number, date of birth, date of hire, October 1, 2008 rate of pay, actual salary paid and member contributions for the previous year. Dates of termination and retirement are provided

where applicable. The Board updated information on inactive participants including retirees, beneficiaries and vested terminees.

We used financial information concerning Plan assets from the City's Comprehensive Annual Financial Report (CAFR). 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.

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,



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



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Peter N. Strong, A.S.A.  
Consultant and Actuary

**City of Winter Springs  
Defined Benefit Plan**

**Summary of Retirement Plan Costs as of October 1, 2008 - Current Method**

|  | <b>Current Plan /<br/>Current Assumptions</b> |                                |
|--|---|--------------------------------|
|  | <b><u>Cost<br/>Data</u></b>                   | <b><u>% of<br/>Payroll</u></b> |
| <b>A. Participant Data Summary (Table III)</b>                                       |   |                                |
| 1. Active Employees  | 231   | N/A                            |
| 2. Terminated Vested   | 84  | N/A                            |
| 3. Receiving Benefits (including DROPs)  | 31  | N/A                            |
| 4. Total Annual Payroll of Active Employees  | \$ 10,767,596                                 | 100.0%                         |
| <b>B. Total Normal Costs</b>   |   |                                |
| 1. Age Retirement Benefits   | \$ 1,074,410                                  | 10.0%                          |
| 2. Termination Benefits  | 197,835                                       | 1.8%                           |
| 3. Death Benefits  | 33,492  | 0.3%                           |
| 4. Disability Benefits   | 11,202  | 0.1%                           |
| 5. Estimated Expenses  | 70,423  | 0.7%                           |
| 6. Total Annual Normal Costs   | \$ 1,387,362                                  | 12.9%                          |
| <b>C. Total Actuarial Accrued Liability</b>  |   |                                |
| 1. Age Retirement Benefits Active Employees  | \$ 22,694,709                                 | 210.8%                         |
| 2. Termination Benefits Active Employees   | 1,200,311                                     | 11.1%                          |
| 3. Death Benefits Active Employees   | 704,371                                       | 6.5%                           |
| 4. Disability Benefits Active Employees  | 233,792                                       | 2.2%                           |
| 5. Retired or Terminated Vested Participants<br>Receiving Benefits (including DROPs) | 3,966,840                                     | 36.8%                          |
| 6. Terminated Vested Participants Entitled to<br>Future Benefits                     | 2,179,784                                     | 20.2%                          |
| 7. Deceased Participants Whose Beneficiaries<br>are Receiving Benefits               | 1,416,587                                     | 13.2%                          |
| 8. Disabled Participants Receiving Benefits  | 0   | 0.0%                           |
| 9. Miscellaneous Liability (Refunds in Process)                                      | 17,861  | 0.2%                           |
| 10. Total Actuarial Accrued Liability  | \$ 32,414,255                                 | 301.0%                         |
| <b>D. Assets (Table V)</b>   |   |                                |
| 1. Actuarial Value of Assets   | \$ 18,746,975                                 | 174.1%                         |
| 2. Market Value of Assets  | \$ 15,622,479                                 | 145.1%                         |
| <b>E. Unfunded Actuarial Accrued Liability<br/>(C. - D.1.)</b>                       |   |                                |
|  | \$ 13,667,280                                 | 126.9%                         |



**City of Winter Springs  
Defined Benefit Plan**

**Summary of Retirement Plan Costs as of October 1, 2008 - Current Method**

|   | <b>Current Plan /<br/>Current Assumptions</b> |                         |
|---|---|-------------------------|
|   | <b>Cost<br/>Data</b>                          | <b>% of<br/>Payroll</b> |
| F. Minimum Required Contribution  |   |                         |
| 1. Total Normal Cost (including expenses)   | \$ 1,387,362                                  | 12.9%                   |
| 2. Amortization of Unfunded Liability   | 1,147,129                                     | 10.7%                   |
| 3. Interest Adjustment  | 119,897                                       | 1.1%                    |
| 4. Total Payment  | \$ 2,654,388                                  | 24.7%                   |
| G. Contribution Sources   |   |                         |
| 1. County and City  | \$ 2,331,360                                  | 21.7%                   |
| 2. Member   | \$ 323,028                                    | 3.0%                    |
| H. Actuarial Gains (Losses)   | \$ (3,116,104)                                | (28.9%)                 |
| I. Actuarial Present Value of Vested Accrued Benefits   |   |                         |
| 1. Retired, Terminated Vested, Beneficiaries<br>and Disabled Receiving Benefits (including DROPs) | \$ 5,383,427                                  | 50.0%                   |
| 2. Terminated Vested Participants Entitled to<br>Future Benefits and Miscellaneous                | 2,197,645                                     | 20.4%                   |
| 3. Active Participants Entitled to Future Benefits  | 16,591,829                                    | 154.1%                  |
| 4. Total Actuarial Present Value of Vested<br>Accrued Benefits                                    | \$ 24,172,901                                 | 224.5%                  |
| J. Unfunded Actuarial Present Value of Vested<br>Accrued Benefits (I. - D.2., not less than zero) | \$ 8,550,422                                  | 79.4%                   |
| K. Vested Benefit Security Ratio (D.2. ÷ I.)  | 64.6%   | N/A                     |

City of Winter Springs  
Defined Benefit Plan

Summary of Retirement Plan Costs as of October 1, 2008 - Prior Method

|  | <u>Prior Plan /</u>      |                | <u>Current Plan /</u>      |                |
|--|--------------------------|----------------|----------------------------|----------------|
|  | <u>Prior Assumptions</u> |                | <u>Current Assumptions</u> |                |
|  | <u>Cost</u>              | <u>% of</u>    | <u>Cost</u>                | <u>% of</u>    |
|  | <u>Data</u>              | <u>Payroll</u> | <u>Data</u>                | <u>Payroll</u> |
| A. Participant Data Summary (Table III)  |                          |                |                            |                |
| 1. Active Employees  | 231                      | N/A            | 231                        | N/A            |
| 2. Terminated Vested   | 84                       | N/A            | 84                         | N/A            |
| 3. Receiving Benefits (including DROPs)  | 31                       | N/A            | 31                         | N/A            |
| 4. Total Annual Payroll of Active Employees  | \$ 10,767,596            | 100.0%         | \$ 10,767,596              | 100.0%         |
| B. Total Actuarial Present Value of Future Benefits                                  |                          |                |                            |                |
| 1. Age Retirement Benefits Active Employees  | \$ 22,013,299            | 204.4%         | \$ 31,544,607              | 293.0%         |
| 2. Termination Benefits Active Employees   | 5,297,022                | 49.2%          | 2,960,589                  | 27.5%          |
| 3. Death Benefits Active Employees   | 1,051,680                | 9.8%           | 973,478                    | 9.0%           |
| 4. Disability Benefits Active Employees  | 0                        | 0.0%           | 341,696                    | 3.2%           |
| 5. Retired or Terminated Vested Participants<br>Receiving Benefits (including DROPs) | 3,793,327                | 35.2%          | 3,966,840                  | 36.8%          |
| 6. Terminated Vested Participants Entitled to<br>Future Benefits                     | 1,998,879                | 18.6%          | 2,179,784                  | 20.2%          |
| 7. Deceased Participants Whose Beneficiaries<br>are Receiving Benefits               | 1,366,079                | 12.7%          | 1,416,587                  | 13.2%          |
| 8. Disabled Participants Receiving Benefits  | 0                        | 0.0%           | 0                          | 0.0%           |
| 9. Miscellaneous Liability (Refunds in Process)                                      | 17,861                   | 0.2%           | 17,861                     | 0.2%           |
| 10. Total Present Value of Future Benefits   | \$ 35,538,147            | 330.0%         | \$ 43,401,442              | 403.1%         |
| C. Assets (Table V)  |                          |                |                            |                |
| 1. Actuarial Value of Assets   | \$ 18,746,975            | 174.1%         | \$ 18,746,975              | 174.1%         |
| 2. Market Value of Assets  | \$ 15,622,479            | 145.1%         | \$ 15,622,479              | 145.1%         |
| D. Frozen Initial Liability Remaining Unfunded                                       | \$ 4,422,490             | 41.1%          | \$ 7,280,100               | 67.6%          |
| E. Actuarial Present Value of Future<br>Total Normal Cost (B. - C.1. - D.)           | \$ 12,368,682            | 114.9%         | \$ 17,374,367              | 161.4%         |
| F. Actuarial Present Value of Future Salaries  | \$ 71,634,579            | 665.3%         | \$ 93,841,493              | 871.5%         |

City of Winter Springs  
Defined Benefit Plan

Summary of Retirement Plan Costs as of October 1, 2008 - Prior Method

|  | <u>Prior Plan /</u><br><u>Prior Assumptions</u> |  | <u>Current Plan /</u><br><u>Current Assumptions</u> |  |
|--|---|--|---|--|
|  | <u>Cost</u><br><u>Data</u>                      | <u>% of</u><br><u>Base</u><br><u>Payroll</u> | <u>Cost</u><br><u>Data</u>                          | <u>% of</u><br><u>Base</u><br><u>Payroll</u> |
| G. Normal Cost Accrual Rate (E. / F.)  | 17.27%  | N/A  | 18.51%  | N/A  |
| H. Administrative Expenses   | \$ 0  | 0.0%   | \$ 70,423   | 0.7%   |
| I. Normal Cost (A.4. x G. + H., but not less than 0)   | \$ 1,859,564                                    | 17.3%  | \$ 2,063,505  | 19.2%  |
| J. Minimum Required Contribution   |   |  |   |  |
| 1. Normal Cost   | \$ 1,859,564                                    | 17.3%  | \$ 2,063,505  | 19.2%  |
| 2. Amortization of Frozen Initial Liability<br>Remaining Unfunded                                    | 386,767   | 3.6%   | 621,799   | 5.8%   |
| 3. Interest Adjustment   | 105,909   | 1.0%   | 127,218   | 1.2%   |
| 4. Total Payment   | \$ 2,352,240                                    | 21.8%  | \$ 2,812,522  | 26.1%  |
| K. Contribution Sources  |   |  |   |  |
| 1. County and City   | \$ 2,029,212                                    | 18.8%  | \$ 2,489,494  | 23.1%  |
| 2. Member  | \$ 323,028                                      | 3.0%   | \$ 323,028  | 3.0%   |
| L. Actuarial Present Value of Vested Accrued Benefits  |   |  |   |  |
| 1. Retired, Terminated Vested, Beneficiaries<br>and Disabled Receiving Benefits (including<br>DROPs) | \$ 5,159,406                                    | 47.9%  | \$ 5,383,427  | 50.0%  |
| 2. Terminated Vested Participants Entitled to<br>Future Benefits and Miscellaneous                   | 2,016,740                                       | 18.7%  | 2,197,645   | 20.4%  |
| 3. Active Participants Entitled to Future Benefits   | 15,265,560                                      | 141.8%                                       | 16,591,829  | 154.1%                                       |
| 4. Total Actuarial Present Value of Vested<br>Accrued Benefits                                       | \$ 22,441,706                                   | 208.4%                                       | \$ 24,172,901                                       | 224.5%                                       |
| M. Unfunded Actuarial Present Value of Vested<br>Accrued Benefits (L. - C.2., not less than zero)    | \$ 6,819,227                                    | 63.3%  | \$ 8,550,422  | 79.4%  |
| N. Vested Benefit Security Ratio (C.2. ÷ L.)   | 69.6%   | N/A  | 64.6%   | N/A  |

**City of Winter Springs  
Defined Benefit Plan**

**Comparison of Cost Data of October 1, 2007 and October 1, 2008 Valuations**

|   | October 1, 2007 |                      | Prior Method / Prior Plan /<br>Prior Assumptions<br>October 1, 2008 |                      | Current Method / Current Plan /<br>Current Assumptions<br>October 1, 2008 |                      |
|---|-----------------|----------------------|---|----------------------|---|----------------------|
|   | Cost<br>Data    | % of<br>Compensation | Cost<br>Data  | % of<br>Compensation | Cost<br>Data  | % of<br>Compensation |
| A. Participants                                       |                 |                      |   |                      |   |                      |
| 1. Active Employees                                   | 259             | N/A                  | 231   | N/A                  | 231   | N/A                  |
| 2. Terminated Vested                                  | 86              | N/A                  | 84  | N/A                  | 84  | N/A                  |
| 3. Receiving Benefits                                 | 26              | N/A                  | 31  | N/A                  | 31  | N/A                  |
| 4. Total Annual Payroll of Active Employees           | \$ 11,190,013   | 100.0%               | \$ 10,767,596   | 100.0%               | \$ 10,767,596   | 100.0%               |
| B. Total Normal Costs                                 | \$ 1,445,568    | 12.9%                | \$ 1,859,564  | 17.3%                | \$ 1,387,362  | 12.9%                |
| C. Actuarial Accrued Liability*<br>(Entry Age Normal) | \$ 20,113,926   | 179.7%               | \$ 29,556,645   | 274.5%               | \$ 32,414,255   | 301.0%               |
| D. Present Value of Future Benefits                   | \$ 29,526,958   | 263.9%               | \$ 35,538,147   | 330.0%               | \$ 43,401,442   | 403.1%               |
| E. Actuarial Value of Assets                          | \$ 15,526,572   | 138.8%               | \$ 18,746,975   | 174.1%               | \$ 18,746,975   | 174.1%               |
| F. Market Value of Assets                             | \$ 16,985,582   | 151.8%               | \$ 15,622,479   | 145.1%               | \$ 15,622,479   | 145.1%               |
| G. Frozen Initial Liability Remaining Unfunded        | \$ 4,587,354    | 41.0%                | \$ 4,422,490  | 41.1%                | N/A   | N/A                  |
| H. Unfunded Actuarial Accrued Liability (EAN)         | N/A             | N/A                  | N/A   | N/A                  | \$ 13,667,280   | 126.9%               |
| I. County and City Minimum Funding Payment            | \$ 1,669,400    | 14.9%                | \$ 2,029,212  | 18.8%                | \$ 2,331,360  | 21.7%                |
| J. Vested Benefit Security Ratio                      | 100.3%          | N/A                  | 69.6%   | N/A                  | 64.6%   | N/A                  |

\* Frozen Initial Liability as of October 1, 2007

**Table III**

**City of Winter Springs  
Defined Benefit Plan**

**Characteristics of Participants in  
Actuarial Valuation as of October 1, 2008**

A. Active Plan Participants Summary

|  |               |
|--|---------------|
| 1. Active participants fully vested          | 128           |
| 2. Active participants partially vested      | 63            |
| 3. Active participants non-vested            | 40            |
| 4. Total active participants                 | <u>231</u>    |
| 5. Annual rate of pay of active participants | \$ 10,767,596 |

B. Retired and Terminated Vested Participant Summary

|   |    |
|---|----|
| 1. Retired or terminated vested participants receiving benefits (including DROPs) | 24 |
| 2. Terminated vested participants entitled to future benefits                     | 84 |
| 3. Deceased participants whose beneficiaries are receiving benefits               | 7  |
| 4. Disabled participants receiving benefits                                       | 0  |

C. Projected Annual Retirement Benefits

|  |            |
|--|------------|
| 1. Retired or terminated vested receiving benefits (including DROPs) | \$ 376,525 |
| 2. Terminated vested entitled to future benefits                     | \$ 611,456 |
| 3. Beneficiaries of deceased participants                            | \$ 127,919 |
| 4. Disabled participants   | \$ 0       |

**Table IV****City of Winter Springs  
Defined Benefit Plan****Statement of Assets as of October 1, 2008**

| <u>Assets</u>                       | <u>Market Value</u> |
|-------------------------------------|---------------------|
| A. <u>Cash and Cash Equivalents</u> | \$ 675,224          |
| B. <u>General Investments</u>       |                     |
| 1. Common Stocks                    | \$ 9,701,005        |
| 2. Bonds                            | 5,164,518           |
| C. <u>Receivables</u>               |                     |
| 1. Accrued Interest                 | \$ 0                |
| 2. Member Contributions Receivable  | 81,732              |
| 3. 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.)                    | \$ 15,622,479       |

**Table V**

**City of Winter Springs  
Defined Benefit Plan**

**Reconciliation of Plan Assets**

|   |                       |                      |
|---|-----------------------|----------------------|
| A. <u>Preliminary Market Value of Assets as of October 1, 2007</u>      |                       | \$ 16,985,582        |
| Adjustment to Market Value of Assets as of October 1, 2007              |                       | 61,578               |
| Total Market Value of Assets as of October 1, 2007                      |                       | <u>\$ 17,047,160</u> |
| <br>B. <u>Receipts During Period</u>                                    |                       |                      |
| 1. Contributions  |                       |                      |
| a. Member   | \$ 365,288            |                      |
| b. City   | 1,663,951             |                      |
| c. Total  | <u>\$ 2,029,239</u>   |                      |
| 2. Investment Income  |                       |                      |
| a. Interest and dividends   | \$ 255,946            |                      |
| b. Net realized and unrealized gains                                    | (3,254,961)           |                      |
| c. Net investment income  | <u>\$ (2,999,015)</u> |                      |
| 3. Total receipts during period   |                       | \$ (969,776)         |
| <br>C. <u>Disbursements During Period</u>                               |                       |                      |
| 1. Pension payments   | \$ 384,482            |                      |
| 2. Contribution refunds   | 0                     |                      |
| 3. Administrative expenses  | 70,423                |                      |
| 4. Total disbursements during period                                    | <u>\$ 454,905</u>     |                      |
| <br>D. <u>Total Market Value of Net Assets as of September 30, 2008</u> |                       | \$ 15,622,479        |

**City of Winter Springs  
Defined Benefit Plan**

**Development of Actuarial Value of Assets as of September 30**

|  | <u>2008</u>              | <u>2009</u>    | <u>2010</u>     | <u>2011</u>      | <u>2012</u>      |
|--|--------------------------|----------------|-----------------|------------------|------------------|
| A. Preliminary total actuarial value from prior year               | \$ 15,526,572            | \$ 18,759,317  |                 |                  |                  |
| B. Market value beginning of year                                  | 17,047,160 <sup>*1</sup> | 15,622,479     |                 |                  |                  |
| C. Market value end of year  | 15,622,479               |                |                 |                  |                  |
| D. Non-investment net cash flow                                    | 1,574,334                |                |                 |                  |                  |
| E. Investment return   |                          |                |                 |                  |                  |
| 1. Total market value return: C. - B. - D.                         | (2,999,015)              |                |                 |                  |                  |
| 2. Amount for immediate recognition (8%)                           | 1,426,746                |                |                 |                  |                  |
| 3. Amount for phased-in recognition: E.1. - E.2.                   | (4,425,761)              |                |                 |                  |                  |
| F. Phased-in recognition of investment return:                     |                          |                |                 |                  |                  |
| 1. Current year: 20% of E.3.                                       | (885,152)                |                |                 |                  |                  |
| 2. First prior year  | 480,905                  | (885,152)      |                 |                  |                  |
| 3. Second prior year   | 346,980                  | 480,905        | (885,152)       |                  |                  |
| 4. Third prior year  | 241,333                  | 346,980        | 480,905         | (885,152)        |                  |
| 5. Fourth prior year   | 47,599                   | 241,334        | 346,984         | 480,907          | (885,153)        |
| 6. Total phased-in recognition of investment return                | <u>231,665</u>           | <u>184,067</u> | <u>(57,263)</u> | <u>(404,245)</u> | <u>(885,153)</u> |
| G. Total actuarial value end of year                               |                          |                |                 |                  |                  |
| 1. Preliminary total actuarial value end of year:                  |                          |                |                 |                  |                  |
| A. + D. + E.2. + F.5.  | 18,759,317               |                |                 |                  |                  |
| 2. Upper corridor limit: 120% of C.                                | 18,746,975               |                |                 |                  |                  |
| 3. Lower corridor limit: 80% of C.                                 | 12,497,983               |                |                 |                  |                  |
| 4. Total actuarial value end of year:                              |                          |                |                 |                  |                  |
| G.1., not more than G.2., nor less than G.3.                       | 18,746,975               |                |                 |                  |                  |
| H. Difference between total market value and total actuarial value | (3,124,496)              |                |                 |                  |                  |
| I. Actuarial value rate of return                                  | 10.09%                   |                |                 |                  |                  |
| J. Market value rate of return                                     | (16.82%)                 |                |                 |                  |                  |

\* Adjusted Market Value as of October 1, 2008



Table VI

**City of Winter Springs  
Defined Benefit Plan**  
**Frozen Initial Liability Remaining Unfunded**  
**as of September 30, 2008**

A. Derivation of Frozen Initial Liability Remaining Unfunded

|  |                   |
|--|-------------------|
| 1. Employer normal cost previous valuation   | \$ 1,109,868      |
| 2. Frozen initial liability remaining unfunded previous valuation                        | \$ 4,587,354      |
| 3. City Contributions previous year:   | \$ 1,663,951      |
| 4. Interest on:  |                   |
| (a) Employer normal cost   | \$ 88,789         |
| (b) Frozen initial liability remaining unfunded  | 366,988           |
| (c) Contributions  | 66,558            |
| (d) Net total: (a) + (b) - (c)   | <u>\$ 389,219</u> |
| 5. Increase due to Plan amendment and update in actuarial assumptions                    | \$ 2,857,610      |
| 6. Frozen initial liability remaining unfunded current year:<br>(1. + 2. - 3. + 4. + 5.) | \$ 7,280,100      |

Table VII

**City of Winter Springs  
Defined Benefit Plan**

**Actuarial Gains (Losses)  
as of September 30, 2008**

A. Derivation of Actuarial Gains (Losses)

|  |  |                |
|--|--|----------------|
| 1. Normal cost for benefits as a percentage of payroll                     |  |                |
| a. Last valuation  |  | 12.92%         |
| b. Current valuation (prior plan / assumptions)                            |  | 17.27%         |
| c. Difference (a. - b.)  |  | (4.35%)        |
| <br>2. Actuarial present value of projected payroll<br>(prior assumptions) |  | \$ 71,634,579  |
| <br>3. Gain / (loss) due to investment return                              |  |                |
| a. Expected actuarial value of assets                                      |  | \$ 18,406,005  |
| b. Actual actuarial value of assets  |  | 18,746,975     |
| c. Gain (Loss): b. - a.  |  | \$ 340,970     |
| d. Gain (Loss) as % of projected payroll: c. / 2.                          |  | 0.48%          |
| <br>4. Net actuarial gain (loss)   |  |                |
| a. From investment return: 3.c.  |  | \$ 340,970     |
| b. From liabilities: 1.c. x 2. - 3.c.                                      |  | (3,457,074)    |
| c. Total   |  | \$ (3,116,104) |

B. Historic Gains (Losses)

| <u>Year Ended</u> | <u>Actuarial Gain (Loss)</u> |
|-------------------|------------------------------|
| 09/30/2008        | \$ (3,116,104)               |

**City of Winter Springs  
Defined Benefit Plan**

**Amortization of Unfunded Actuarial Accrued Liability**

A. Unfunded Actuarial Accrued Liability

| <u>Date</u>     | <u>Unfunded<br/>Liability</u> | <u>Amortization<br/>Payment</u> |
|-----------------|-------------------------------|---------------------------------|
| October 1, 2008 | \$ 13,667,280                 | \$ 1,147,129                    |
| October 1, 2009 | \$ 13,521,763                 | \$ 1,147,129                    |
| October 1, 2010 | \$ 13,364,605                 | \$ 1,147,129                    |
| October 1, 2011 | \$ 13,194,874                 | \$ 1,147,129                    |
| October 1, 2012 | \$ 13,011,565                 | \$ 1,147,129                    |
| ...             |                               |                                 |
| ...             |                               |                                 |
| October 1, 2038 | \$ 0                          | \$ 0                            |

B. Covered Payroll History\*

| <u>Date</u>                        | <u>Covered<br/>Payroll</u> | <u>Annual<br/>Increase</u> |
|------------------------------------|----------------------------|----------------------------|
| 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               | 22.9%                      |
| October 1, 2002                    | \$ 6,586,077               | 0.3%                       |
| October 1, 2001                    | \$ 6,569,263               | N/A                        |
| Seven Year Average Annual Increase |                            | 7.3%                       |

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

**City of Winter Springs  
Defined Benefit Plan**

**Accounting Disclosure Exhibit**

|  | <b>10/01/2007*</b> | <b>Prior Plan /<br/>Prior<br/>Assumptions<br/>10/01/2008</b> | <b>Current Plan /<br/>Current<br/>Assumptions<br/>10/01/2008</b> |
|--|--------------------|--|--|
| <b>I. <u>Number of Plan Members</u></b>  |                    |  |  |
| a. Retirees and beneficiaries receiving benefits   | 26                 | 31   | 31   |
| b. Terminated plan members entitled to but not yet receiving benefits                                  | 86                 | 84   | 84   |
| c. Active plan members   | 259                | 231  | 231  |
| d. Total   | 371                | 346  | 346  |
| <b>II. <u>Financial Accounting Standards Board Allocation as of October 1, 2008</u></b>                |                    |  |  |
| <b>A. <u>Statement of Accumulated Plan Benefits</u></b>  |                    |  |  |
| 1. Actuarial present value of accumulated vested plan benefits   |                    |  |  |
| a. Participants currently receiving benefits   | \$ 3,962,082       | \$ 5,159,406   | \$ 5,383,427   |
| b. Other participants  | 12,974,450         | 17,282,300   | 18,789,474   |
| c. Total   | \$ 16,936,532      | \$ 22,441,706  | \$ 24,172,901  |
| 2. Actuarial present value of accumulated non-vested plan benefits                                     | \$ 503,752         | \$ 531,943   | \$ 525,243   |
| 3. Total actuarial present value of accumulated plan benefits  | \$ 17,440,284      | \$ 22,973,649  | \$ 24,698,144  |
| <b>B. <u>Statement of Change in Accumulated Plan Benefits</u></b>                                      |                    |  |  |
| 1. Actuarial present value of accumulated plan benefits as of October 1, 2007                          |                    |  | \$ 17,440,284  |
| 2. Increase (decrease) during year attributable to:  |                    |  |  |
| a. Plan amendment  |                    |  | \$ 675,812   |
| b. Change in actuarial assumptions   |                    |  | 1,048,683  |
| c. Benefits paid including refunds   |                    |  | (384,482)  |
| d. Other, including benefits accumulated, increase for interest due to decrease in the discount period |                    |  | 5,917,847  |
| e. Net increase  |                    |  | \$ 7,257,860   |
| 3. Actuarial present value of accumulated plan benefits as of October 1, 2008                          |                    |  | \$ 24,698,144  |
| <b>C. <u>Significant Matters Affecting Calculations</u></b>  |                    |  |  |
| 1. Assumed rate of return used in determining actuarial present values                                 |                    |  | 8%   |
| 2. Change in plan provisions   |                    |  | See Table X. Item M.   |
| 3. Change in actuarial assumptions   |                    |  | See Table XI. Item L.  |

\* Adjusted based on information reported by prior actuary.

**City of Winter Springs  
Defined Benefit Plan**

**Accounting Disclosure Exhibit**

III. Annual Pension Cost For the Current Year and Related Information:

Contribution rates:

|         |      |
|---------|------|
| City    | TBD  |
| Members | 3.0% |

Actuarial valuation date                      October 1, 2008

Annual pension cost                              TBD

Contributions made                              \$            1,781,197

Actuarial cost method                            Entry Age Normal

Amortization method                            Level percent, closed

Remaining amortization period                30 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\***

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

| <u>Fiscal Year<br/>Ended</u> | <u>Annual Required<br/>Contribution (ARC)</u> | <u>Percentage of<br/>ARC Contributed</u> |
|------------------------------|---|--|
| 09/30/2003                   | \$ 761,269                                    | 119%                                     |
| 09/30/2004                   | \$ 1,156,923                                  | 88%                                      |
| 09/30/2005                   | \$ 1,424,101                                  | 89%                                      |
| 09/30/2006                   | \$ 1,564,228                                  | 96%                                      |
| 09/30/2007                   | \$ 1,807,722                                  | 102%                                     |
| 09/30/2008                   | \$ 2,005,100                                  | 100%                                     |

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

| <u>Fiscal Year<br/>Ended</u> | <u>Annual Pension<br/>Cost (APC)</u> | <u>Percentage of<br/>APC Contributed</u> | <u>Net Pension<br/>Obligation/(Asset)</u> |
|------------------------------|--------------------------------------|--|---|
| 09/30/2003                   | \$ 749,959                           | 121%                                     | \$ (295,176)                              |
| 09/30/2004                   | \$ 1,133,309                         | 89%                                      | \$ (175,246)                              |
| 09/30/2005                   | \$ 1,410,081                         | 89%                                      | \$ (25,791)                               |
| 09/30/2006                   | \$ 1,562,165                         | 96%                                      | \$ 31,354                                 |
| 09/30/2007                   | \$ 1,810,230                         | 102%                                     | \$ (1,563)                                |
| 09/30/2008                   | \$ 2,004,975                         | 100%                                     | \$ (5,673)                                |

**V. Annual Pension Cost and Net Pension Asset**

| <u>Fiscal Year Ended</u>            | <u>9/30/2008*</u>   | <u>9/30/2010</u> |
|-------------------------------------|---------------------|------------------|
| Annual Required Contribution (ARC)  | \$ 2,005,100        | \$ 2,331,360     |
| Interest on Net Pension Asset (NPA) | (125)               | TBD              |
| Adjustment to ARC                   | 0                   | TBD              |
| APC                                 | <u>\$ 2,004,975</u> | <u>TBD</u>       |
| City Contributions                  | \$ (2,009,085)      |                  |
| (Increase) Decrease in NPA          | \$ (4,110)          |                  |
| NPA (beginning of year)             | (1,563)             |                  |
| NPA (end of year)                   | \$ (5,673)          |                  |

\* As reported in Comprehensive Annual Financial Report (CAFR)

**Table IX  
(Cont'd)**

**City of Winter Springs  
Defined Benefit Plan**

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

VI. Schedule of Funding Progress\*

| Actuarial<br>Valuation Date | Actuarial<br>Value of Assets<br>(a) | Actuarial Accrued<br>Liability (EAN+)<br>(AAL)<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b - a) | Funded<br>Ratio<br>(a/b) | Payroll<br>(c) | UAAL as a<br>Percentage of<br>Payroll<br>((b-a)/c) |
|-----------------------------|-------------------------------------|---|--------------------------------------|--------------------------|----------------|--|
| 10/01/2003                  | \$ 7,279                            | \$ 9,772  | \$ 2,493                             | 74.5%                    | \$ 8,095       | 30.8%  |
| 10/01/2004                  | \$ 8,135                            | \$ 10,932   | \$ 2,797                             | 74.4%                    | \$ 8,982       | 31.1%  |
| 10/01/2005                  | \$ 9,716                            | \$ 13,178   | \$ 3,462                             | 73.7%                    | \$ 9,659       | 35.8%  |
| 10/01/2006                  | \$ 11,951                           | \$ 16,043   | \$ 4,092                             | 74.5%                    | \$ 10,489      | 39.0%  |
| 10/01/2007                  | \$ 15,527                           | \$ 20,114   | \$ 4,587                             | 77.2%                    | \$ 11,190      | 41.0%  |
| 10/1/2008 <sup>1</sup>      | \$ 18,747                           | \$ 23,169   | \$ 4,422                             | 80.9%                    | \$ 10,768      | 41.1%  |
| 10/1/2008 <sup>2</sup>      | \$ 18,747                           | \$ 32,414   | \$ 13,667                            | 57.8%                    | \$ 10,768      | 126.9%   |

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

+ Frozen Initial Liability prior to change in method as of October 1, 2008

<sup>1</sup> Prior Plan / Prior Assumptions / Prior Method

<sup>2</sup> Current Plan / Current Assumptions / Current Method

**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 2007-20 effective April 23, 2007.

B. Eligibility Requirements:

Employees 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.

C. Accrual Service:

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

D. Final Average Compensation

Average earnings during the three (3) highest consecutive compensation periods during employment with the City.

E. 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.

2. Benefit:

3.00% times Final Average Compensation multiplied by Accrual Service, up to a maximum of 30 years.



City of Winter Springs  
Defined Benefit Plan

**Outline of Principal Provisions of the Retirement Plan**

F. Early Retirement:

1. Eligibility:

- (a) Attainment of age 55 and completion of ten (10) 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.

G. 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.

H. 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:

3.00% times Final Average Compensation multiplied by Accrual Service.

I. 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.

**City of Winter Springs  
Defined Benefit Plan**

**Outline of Principal Provisions of the Retirement Plan**

J. Participant Contributions:

Three percent (3%) of compensation.

K. 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 3             | 0%                       |
| 3                       | 20%                      |
| 4                       | 40%                      |
| 5                       | 60%                      |
| 6                       | 80%                      |
| 7                       | 100%                     |

L. 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.

M. Changes Since Previous Valuation

Normal retirement benefit was the sum of (a) and (b) but for years not more than (c) below:

(a) 2.75% times Average Compensation multiplied by credited service prior to October 1, 2000.

(b) 3.00% times Average Compensation multiplied by credited service after October 1, 2000.

(c) The maximum number of years of credited service for determining benefits is the first 30 years.

**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.

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.

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.

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:

| <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  | 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:

| <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  | 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, 2009 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, 2009 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, 2009 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, 2009 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 members with less than ten (10) years of service:

| <u>Age</u>   | <u>General Employees</u> | <u>Firefighters and Police Officers</u> |
|--------------|--------------------------|---|
| Under 65     | 0%                       | 0%                                      |
| 65 and above | 100%                     | 100%                                    |

2. For members with ten (10) or more years, but less than twenty-five (25) years of service:

| <u>Age</u>   | <u>General Employees</u> | <u>Firefighters and Police Officers</u> |
|--------------|--------------------------|---|
| 55 - 64      | 10%                      | 20%                                     |
| 65 and above | 100%                     | 100%                                    |

3. For members with twenty-five (25) or more years of service:

| <u>Age</u>   | <u>General Employees</u> | <u>Firefighters and Police Officers</u> |
|--------------|--------------------------|---|
| Under 55     | 2%                       | 5%                                      |
| 55           | 25%                      | 50%                                     |
| 56 - 64      | 5%                       | 20%                                     |
| 65 and above | 100%                     | 100%                                    |



City of Winter Springs  
Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods  
Used in the Valuation

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.

J. Asset Valuation Method

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

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.

City of Winter Springs  
Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods  
Used in the Valuation

L. Changes Since Previous Valuation

1. Mortality assumption was:

The 1983 Group Annuity Male Mortality Table with ages set back two (2) years for women.

2. Allowance for Expenses or Contingencies was:

None. It is assumed the City will reimburse the Fund for actual expensed paid.

3. Salary increase assumption was:

Current salaries are assumed to increase 3% per year.

4. Withdrawal rates were:

Assumed to occur at rates approximating 11.62% at age 25 graded down to .16% at age 60 and over (T-8 withdrawal table).

5. There were no disability rates.

6. Retirement rates were:

Later of age 60 or ten (10) years of service on the valuation date.

7. Interest on future Participant Contributions were:

Based upon the 120% Federal Midterm rate from the September preceding the valuation date.

8. There was a 1.5% expense load to make allowance for 30 year unreduced benefit provision with LTD disability program.

9. Cost Method was:

Normal Retirement, Termination, Disability, and Death Benefits: Frozen Initial Liability Cost

**Frozen Entry Age Normal Cost Method** is a method under which the excess of the Actuarial Present Value of Projected Benefits of the group included in the valuation, over the sum of the Actuarial Value of Assets and the Unfunded Frozen Actuarial Accrued Liability is allocated as a level percentage of earnings of the group between the valuation date and the assumed retirement age. The portion of this Actuarial Present Value allocated to a specific year is the Normal Cost. Under this method, actuarial gains (losses) reduce (increase) future Normal Costs.

City of Winter Springs  
Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods  
Used in the Valuation

L. Changes Since Previous Valuation (continued)

**Frozen Initial Liability** is the portion of the Actuarial Present Value of Projected Benefits which is separated as of a valuation date and frozen under the Actuarial Cost Method being used. This separated portion is the sum of an initial Unfunded Actuarial Accrued Liability and any increments or decrements in the Actuarial Accrued Liability established subsequently as a result of changes in pension plan benefits, actuarial assumptions or methods under the Entry Age Normal Actuarial Cost Method.

**Frozen Initial Liability Remaining Unfunded** is the portion of the Frozen Initial Liability remaining after the addition of interest and the deduction of amortization payments.

Table XII

**City of Winter Springs  
Defined Benefit Plan  
Distribution by Attained Age Groups  
and Service Groups as of October 1, 2008**

**Firefighters**

| <u>Attained<br/>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 &amp; Over</u> |              |
| Under 25                      | -                                    | -          | -            | -                 | -            | -                 | -                    | 0            |
| 25-29                         | -                                    | -          | -            | -                 | -            | -                 | -                    | 0            |
| 30-34                         | -                                    | 1          | -            | -                 | -            | -                 | -                    | 1            |
| 35-39                         | -                                    | -          | -            | -                 | -            | -                 | -                    | 0            |
| 40-44                         | -                                    | 1          | -            | 2                 | -            | -                 | -                    | 3            |
| 45-49                         | -                                    | 1          | 1            | 4                 | 3            | -                 | -                    | 9            |
| 50-54                         | -                                    | -          | -            | -                 | 1            | 1                 | 2                    | 4            |
| 55-59                         | -                                    | -          | -            | -                 | -            | -                 | -                    | 0            |
| 60-64                         | -                                    | -          | -            | -                 | -            | -                 | -                    | 0            |
| 65 & Over                     | -                                    | -          | -            | -                 | -            | -                 | -                    | 0            |
| <b>TOTAL</b>                  | <b>0</b>                             | <b>3</b>   | <b>1</b>     | <b>6</b>          | <b>4</b>     | <b>1</b>          | <b>2</b>             | <b>17</b>    |
|                               |                                      |            |              | <u>10/01/2007</u> |              | <u>10/01/2008</u> |                      |              |
|                               |                                      |            |              | N/A               |              | 46.04 years       |                      |              |
|                               |                                      |            |              | N/A               |              | 27.39 years       |                      |              |
|                               |                                      |            |              | N/A               |              | \$ 60,367         |                      |              |
|                               |                                      |            |              | N/A               |              | 0.0%              |                      |              |

**Table XII  
(Cont'd)**

**City of Winter Springs  
Defined Benefit Plan  
Distribution by Attained Age Groups  
and Service Groups as of October 1, 2008**

**General Employees**

| <u>Attained<br/>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 &amp; Over</u> |              |
| Under 25                      | 7                                    | -          | -            | -            | -            | -            | -                    | 7            |
| 25-29                         | 5                                    | 2          | -            | -            | -            | -            | -                    | 7            |
| 30-34                         | 8                                    | 5          | 3            | -            | -            | -            | -                    | 16           |
| 35-39                         | 6                                    | 8          | 2            | 1            | -            | -            | -                    | 17           |
| 40-44                         | 7                                    | 1          | 2            | 1            | 1            | -            | -                    | 12           |
| 45-49                         | 10                                   | 8          | 3            | 2            | 2            | 1            | -                    | 26           |
| 50-54                         | 4                                    | 5          | 3            | 7            | 4            | -            | -                    | 23           |
| 55-59                         | 3                                    | 5          | 2            | -            | 3            | -            | 1                    | 14           |
| 60-64                         | 2                                    | 5          | 2            | 2            | 2            | 1            | -                    | 14           |
| 65 & Over                     | 1                                    | 1          | -            | 2            | 2            | 1            | -                    | 7            |
| <b>TOTAL</b>                  | <b>53</b>                            | <b>40</b>  | <b>17</b>    | <b>15</b>    | <b>14</b>    | <b>3</b>     | <b>1</b>             | <b>143</b>   |

|                      |                   |                   |
|----------------------|-------------------|-------------------|
|                      | <u>10/01/2007</u> | <u>10/01/2008</u> |
| Average Attained Age | N/A               | 45.83 years       |
| Average Hire Age     | N/A               | 36.79 years       |
| Average Pay          | N/A               | \$ 42,213         |
| Percent Female       | N/A               | 35.0%             |

**Table XII  
(Cont'd)**

**City of Winter Springs  
Defined Benefit Plan  
Distribution by Attained Age Groups  
and Service Groups as of October 1, 2008**

**Police Officers**

| <u>Attained<br/>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 &amp; Over</u> |              |
| Under 25                      | 2                                    | -          | -            | -            | -            | -            | -                    | 2            |
| 25-29                         | 8                                    | 2          | -            | -            | -            | -            | -                    | 10           |
| 30-34                         | 6                                    | 4          | 3            | -            | -            | -            | -                    | 13           |
| 35-39                         | 6                                    | 1          | 6            | 3            | -            | -            | -                    | 16           |
| 40-44                         | 2                                    | 4          | 3            | -            | 3            | -            | -                    | 12           |
| 45-49                         | -                                    | 3          | 1            | -            | 2            | 1            | -                    | 7            |
| 50-54                         | -                                    | -          | 1            | -            | 3            | -            | -                    | 4            |
| 55-59                         | 1                                    | -          | 4            | 1            | 1            | -            | -                    | 7            |
| 60-64                         | -                                    | -          | -            | -            | -            | -            | -                    | 0            |
| 65 & Over                     | -                                    | -          | -            | -            | -            | -            | -                    | 0            |
| <b>TOTAL</b>                  | <b>25</b>                            | <b>14</b>  | <b>18</b>    | <b>4</b>     | <b>9</b>     | <b>1</b>     | <b>0</b>             | <b>71</b>    |

|                      |                   |                   |
|----------------------|-------------------|-------------------|
|                      | <u>10/01/2007</u> | <u>10/01/2008</u> |
| Average Attained Age | N/A               | 38.92 years       |
| Average Hire Age     | N/A               | 29.64 years       |
| Average Pay          | N/A               | \$ 52,181         |
| Percent Female       | N/A               | 18.3%             |

**Table XII  
(Cont'd)**

**City of Winter Springs  
Defined Benefit Plan  
Distribution by Attained Age Groups  
and Service Groups as of October 1, 2008**

**All Members**

| <u>Attained</u><br><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 &amp; Over</u> |              |
| Under 25                            | 9                                    | -          | -            | -            | -            | -            | -                    | 9            |
| 25-29                               | 13                                   | 4          | -            | -            | -            | -            | -                    | 17           |
| 30-34                               | 14                                   | 10         | 6            | -            | -            | -            | -                    | 30           |
| 35-39                               | 12                                   | 9          | 8            | 4            | -            | -            | -                    | 33           |
| 40-44                               | 9                                    | 6          | 5            | 3            | 4            | -            | -                    | 27           |
| 45-49                               | 10                                   | 12         | 5            | 6            | 7            | 2            | -                    | 42           |
| 50-54                               | 4                                    | 5          | 4            | 7            | 8            | 1            | 2                    | 31           |
| 55-59                               | 4                                    | 5          | 6            | 1            | 4            | -            | 1                    | 21           |
| 60-64                               | 2                                    | 5          | 2            | 2            | 2            | 1            | -                    | 14           |
| 65 & Over                           | 1                                    | 1          | -            | 2            | 2            | 1            | -                    | 7            |
| <b>TOTAL</b>                        | <b>78</b>                            | <b>57</b>  | <b>36</b>    | <b>25</b>    | <b>27</b>    | <b>5</b>     | <b>3</b>             | <b>231</b>   |

|                      |                   |                   |
|----------------------|-------------------|-------------------|
|                      | <u>10/01/2007</u> | <u>10/01/2008</u> |
| Average Attained Age | 42.7 years        | 43.72 years       |
| Average Hire Age     | 33.6 years        | 33.90 years       |
| Average Pay          | \$ 43,205         | \$ 46,613         |
| Percent Female       | 27.4%             | 27.3%             |

Table XIII

**City of Winter Springs  
Defined Benefit Plan**

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

A. Entitled to Deferred Benefits

| <b><u>Current Age<br/>Group</u></b> | <b><u>Count</u></b> | <b><u>Total<br/>Annual Benefit</u></b> | <b><u>Average<br/>Annual Benefit</u></b> |
|-------------------------------------|---------------------|--|--|
| <b>Less than 40</b>                 | 38                  | \$ 246,089                             | \$ 6,476                                 |
| 40-44                               | 14                  | 150,887                                | 10,778                                   |
| 45-49                               | 15                  | 141,484                                | 9,432                                    |
| 50-54                               | 8                   | 45,089                                 | 5,636                                    |
| 55-59                               | 3                   | 8,889                                  | 2,963                                    |
| 60-64                               | 5                   | 16,784                                 | 3,357                                    |
| 65 & Over                           | 1                   | 2,234                                  | 2,234                                    |
| <b>TOTAL</b>                        | <u>84</u>           | <u>\$ 611,456</u>                      | <u>\$ 7,279</u>                          |

B. Receiving Benefits

| <b><u>Current Age<br/>Group</u></b> | <b><u>Count</u></b> | <b><u>Total<br/>Annual Benefit</u></b> | <b><u>Average<br/>Annual Benefit</u></b> |
|-------------------------------------|---------------------|--|--|
| <b>Less than 50</b>                 | 4                   | \$ 93,673                              | \$ 23,418                                |
| 50-54                               | 1                   | 34,228                                 | 34,228                                   |
| 55-59                               | 8                   | 157,849                                | 19,731                                   |
| 60-64                               | 3                   | 54,415                                 | 18,138                                   |
| 65-69                               | 9                   | 137,084                                | 15,232                                   |
| 70-74                               | 3                   | 13,331                                 | 4,444                                    |
| 75 & Over                           | 3                   | 13,864                                 | 4,621                                    |
| <b>TOTAL</b>                        | <u>31</u>           | <u>\$ 504,444</u>                      | <u>\$ 16,272</u>                         |



**City of Winter Springs  
Defined Benefit Plan**

**Reconciliation of Employee Data**

A. Active Participants

|                                      |            |
|--------------------------------------|------------|
| 1. Active participants previous year | 259        |
| 2. Retired during year               | (3)        |
| 3. Died during year                  | (1)        |
| 4. Disabled during year              | 0          |
| 5. Terminated non-vested during year | (3)        |
| 6. Terminated vested during year     | (17)       |
| 7. New active participants           | 16         |
| 8. Transferred to County plan        | (22)       |
| 9. Rehired during year               | 2          |
| 10. Active participants current year | <u>231</u> |

B. Participants Receiving Benefits

|   |           |
|---|-----------|
| 1. Participants receiving benefits previous year                | 26        |
| 2. New retired participants                                     | 3         |
| 3. New terminated vested receiving benefits                     | 0         |
| 4. New beneficiaries receiving benefits                         | 3         |
| 5. Died or ceased payment during year                           | (1)       |
| 6. Retired or terminated vested receiving benefits current year | <u>31</u> |

C. Terminated Vested Participants Entitled to Future Benefits

|  |           |
|--|-----------|
| 1. Terminated vested entitled previous year                  | 86        |
| 2. Died during year  | 0         |
| 3. Commenced receiving benefits during year                  | 0         |
| 4. New terminated vested                                     | 35        |
| 5. Terminated vested paid lump sum (most prior to 10/1/2007) | (37)      |
| 6. Rehired   | (2)       |
| 7. Adjustment  | 2         |
| 8. Terminated vested entitled current year                   | <u>84</u> |

**City of Winter Springs  
Defined Benefit Plan**

**Projected Retirement Benefits**

| <b><u>Fiscal Year</u></b> | <b><u>Projected Total<br/>Annual Payout</u></b> |
|---------------------------|---|
| 2009                      | \$ 618,374                                      |
| 2010                      | \$ 919,035                                      |
| 2011                      | \$ 1,126,618                                    |
| 2012                      | \$ 1,304,545                                    |
| 2013                      | \$ 1,550,634                                    |
| 2014                      | \$ 1,866,387                                    |
| 2015                      | \$ 2,112,716                                    |
| 2016                      | \$ 2,361,209                                    |
| 2017                      | \$ 2,650,935                                    |
| 2018                      | \$ 2,938,575                                    |

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 XVI**

**City of Winter Springs  
Defined Benefit Plan**

**Summary of Transaction Information\***

| <u>Year<br/>Ending</u> | <u>Benefits<br/>Paid*</u> | <u>Administrative<br/>Expenses</u> | <u>Employee<br/>Contributions</u> | <u>City<br/>Contributions<sup>1</sup></u> | <u>Actuarial<br/>Value</u> |
|------------------------|---------------------------|------------------------------------|-----------------------------------|---|----------------------------|
| 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                  |

\* Includes refunds

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

<sup>1</sup> Values prior to September 30, 2008 include Employee Contributions

**City of Winter Springs  
Defined Benefit Plan**

**Recent Compensation, Termination and Investment Return Experience**

| Valuation<br>Date | General      |                                    | Police & Fire |        | General     | Police & Fire                  | Investment Return          |                               |                            |
|-------------------|--------------|------------------------------------|---------------|--------|-------------|--------------------------------|----------------------------|-------------------------------|----------------------------|
|                   | Compensation |                                    |               |        | Termination |                                | Net Market<br>Value Yield* | Net Actuarial<br>Value Yield* | Assumed Rate<br>of Return* |
|                   | Actual       | % Increase / (Decrease)<br>Assumed |               | Actual | Assumed     | Ratio of Actual<br>to Expected |                            |                               |                            |
| 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      | N/A          | N/A                                | N/A           | N/A    | N/A         | N/A                            | 0.9%                       | 11.6%                         | 8.0%                       |
| Last 5 Years      | N/A          | N/A                                | N/A           | N/A    | N/A         | N/A                            | 5.2%                       | 7.8%                          | 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, 2008**

**State Required Exhibit**

|   | <u>10/01/2007</u> | <u>Prior Method /<br/>Prior Plan /<br/>Prior<br/>Assumptions<br/>10/01/2008</u> | <u>Current Method /<br/>Current Plan /<br/>Current<br/>Assumptions<br/>10/01/2008</u> |
|---|-------------------|---|---|
| <b>A. <u>Participant Data</u></b>   |                   |   |   |
| 1. Active participants  | 259               | 231   | 231   |
| 2. Retired participants and beneficiaries receiving benefits  | 26                | 31  | 31  |
| 3. Disabled participants receiving benefits   | 0                 | 0   | 0   |
| 4. Terminated vested participants   | 86                | 84  | 84  |
| 5. Annual payroll of active participants  | \$ 11,190,013     | \$ 10,767,596   | \$ 10,767,596   |
| 6. Annual benefits payable to those currently receiving benefits  | \$ 397,587        | \$ 504,444  | \$ 504,444  |
| <b>B. <u>Value of Assets</u></b>  |                   |   |   |
| 1. Actuarial Value  | \$ 15,526,572     | \$ 18,746,975   | \$ 18,746,975   |
| 2. Market Value   | \$ 16,985,582     | \$ 15,622,479   | \$ 15,622,479   |
| <b>C. <u>Liabilities</u></b>  |                   |   |   |
| 1. Actuarial present value of future expected benefit payments for active members                       |                   |   |   |
| a. Retirement benefits  | N/A               | \$ 22,013,299   | \$ 31,544,607   |
| b. Vesting benefits   | N/A               | 5,297,022   | 2,960,589   |
| c. Death benefits   | N/A               | 1,051,680   | 973,478   |
| d. Disability benefits  | N/A               | 0   | 341,696   |
| e. Total  | \$ 24,712,960     | \$ 28,362,001   | \$ 35,820,370   |
| 2. Actuarial present value of future expected benefit payments for terminated vested members            | \$ 851,916        | \$ 1,998,879  | \$ 2,179,784  |
| 3. Actuarial present value of future expected benefit payments for members currently receiving benefits |                   |   |   |
| a. Service retired (includes DROPs)   | N/A               | \$ 3,793,327  | \$ 3,966,840  |
| b. Disability retired   | N/A               | 0   | 0   |
| c. Beneficiaries  | N/A               | 1,366,079   | 1,416,587   |
| d. Miscellaneous (Refunds in Process)   | N/A               | 17,861  | 17,861  |
| e. Total  | \$ 3,962,082      | \$ 5,177,267  | \$ 5,401,288  |

City of Winter Springs  
Defined Benefit Plan

Actuarial Valuation as of October 1, 2008

|  | <u>State Required Exhibit</u> |   |   |
|--|-------------------------------|---|---|
|  | <u>10/01/2007</u>             | <u>Prior Method /<br/>Prior Plan /<br/>Prior<br/>Assumptions<br/>10/01/2008</u> | <u>Current Method /<br/>Current Plan /<br/>Current<br/>Assumptions<br/>10/01/2008</u> |
| 4. Total actuarial present value of future expected benefit payments | \$ 29,526,958                 | \$ 35,538,147   | \$ 43,401,442   |
| 5. Actuarial accrued liabilities (EAN)*                              | \$ 20,113,926                 | \$ 29,556,645   | \$ 32,414,255   |
| 6. Unfunded Frozen Initial Liability                                 | \$ 4,587,354                  | \$ 4,422,490  | N/A   |
| 7. Unfunded actuarial liabilities (EAN)                              | N/A                           | N/A   | \$ 13,667,280   |
| <b>D. <u>Statement of Accumulated Plan Benefits</u></b>              |                               |   |   |
| 1. Actuarial present value of accumulated vested benefits            |                               |   |   |
| a. Participants currently receiving benefits                         | \$ 3,962,082                  | \$ 5,159,406  | \$ 5,383,427  |
| b. Other participants  | 12,974,450                    | 17,282,300  | 18,789,474  |
| c. Total   | <u>\$ 16,936,532</u>          | <u>\$ 22,441,706</u>  | <u>\$ 24,172,901</u>  |
| 2. Actuarial present value of accumulated non-vested plan benefits   | <u>503,752</u>                | <u>531,943</u>  | <u>525,243</u>  |
| 3. Total actuarial present value of accumulated plan benefits        | \$ 17,440,284                 | \$ 22,973,649   | \$ 24,698,144   |
| <b>E. <u>Pension Cost</u></b>  |                               |   |   |
| 1. Total normal cost   | \$ 1,445,568                  | \$ 1,859,564  | \$ 1,387,362  |
| 2. Payment required to amortize unfunded liability                   | 411,006                       | 386,767   | 1,147,129   |
| 3. Interest adjustment   | 148,526                       | 105,909   | 119,897   |
| 4. Total required contribution                                       | <u>\$ 2,005,100</u>           | <u>\$ 2,352,240</u>   | <u>\$ 2,654,388</u>   |
| 5. Item 4 as a percentage of base payroll                            | 17.9%                         | 21.8%   | 24.7%   |
| 6. Estimated employee contributions                                  | \$ 335,700                    | \$ 323,028  | \$ 323,028  |
| 7. Item 6 as a percentage of base payroll                            | 3.0%                          | 3.0%  | 3.0%  |
| 8. Net amount payable by County and City                             | \$ 1,669,400                  | \$ 2,029,212  | \$ 2,331,360  |
| 9. Item 8 as a percentage of base payroll                            | 14.9%                         | 18.8%   | 21.7%   |

\* Frozen Initial Liability as of October 1, 2007

City of Winter Springs  
Defined Benefit Plan

Actuarial Valuation as of October 1, 2008

State Required Exhibit

|   | <u>10/01/2007</u> | <u>Prior Method /<br/>Prior Plan /<br/>Prior<br/>Assumptions<br/>10/01/2008</u> | <u>Current Method /<br/>Current Plan /<br/>Current<br/>Assumptions<br/>10/01/2008</u> |
|---|-------------------|---|---|
| <b>F. <u>Past Contributions (Prior Year Valuation)</u></b>                        |                   |   |   |
| 1. Total contribution required  | \$ 1,807,722      | \$ 2,005,100  | \$ 2,005,100  |
| 2. Actual contributions made:   |                   |   |   |
| a. Members  | \$ 365,288        | N/A   | N/A   |
| b. City   | 1,663,951         | N/A   | N/A   |
| c. Total  | \$ 2,029,239      | N/A   | N/A   |
| <b>G. <u>Disclosure of Following Items:</u></b>                                   |                   |   |   |
| 1. Actuarial present value of future salaries<br>- attained age                   | \$ 72,865,454     | \$ 71,634,579   | \$ 93,841,493   |
| 2. Actuarial present value of future employee<br>contributions - attained age     | N/A               | \$ 2,011,501  | \$ 2,641,746  |
| 3. Actuarial present value of future contributions<br>from other sources          | N/A               | N/A   | N/A   |
| 4. Amount of active members' accumulated<br>contributions                         | N/A               | \$ 1,948,000  | \$ 1,948,000  |
| 5. Actuarial present value of future salaries and<br>future benefits at entry age | N/A               | N/A   | N/A   |
| 6. Actuarial present value of future employee<br>contributions at entry age       | N/A               | N/A   | N/A   |

**Table XVII  
(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                                       | 2,198,472                           | 199,556                     | 22 years                        |
| 10/01/2002 | Assumption Change                             | (27,894)                            | (2,453)                     | 24 years                        |
| 10/01/2003 | Plan Amendment                                | 175,546                             | 15,227                      | 25 years                        |
| 10/01/2004 | Plan Amendment                                | 264,908                             | 22,691                      | 26 years                        |
| 10/01/2005 | Plan Amendment                                | 546,573                             | 46,281                      | 27 years                        |
| 10/01/2006 | Plan Amendment                                | 626,263                             | 52,472                      | 28 years                        |
| 10/01/2007 | Plan Amendment                                | 638,622                             | 52,993                      | 29 years                        |
| 10/01/2008 | Plan Amendment and Assumption Change          | 2,857,610                           | 235,032                     | 30 years                        |
| 10/01/2008 | Method Change                                 | 6,387,180                           | 525,330                     | 30 years                        |
|            | <b>TOTAL</b>                                  | <b>\$ 13,667,280</b>                | <b>\$ 1,147,129</b>         |                                 |

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: 08-02802  
Dated: August 9, 2010

  
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Lawrence F. Wilson, A.S.A.