CITY OF ORMOND BEACH
POLICE OFFICERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION AND REPORT
AS OF OCTOBER 1, 2010
(Revised April 21, 2011)

CONTRIBUTIONS APPLICABLE TO THE PLAN/
FISCAL YEAR ENDED SEPTEMBER 30, 2012

Foster&Foster INC.
Actuaries and Consultants

April 21, 2011

Board of Trustees
City of Ormond Beach
Police Officers' Retirement Trust Fund
P. O. Box 277
Ormond Beach, FL 32175-0277

Re: City of Ormond Beach
Police Officers' Retirement Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Ormond Beach Police Officers' Retirement Trust Fund. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapters 112, and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the City of Ormond Beach, financial reports prepared by the custodian bank, Salem Trust Company, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

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To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Ormond Beach, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Ormond Beach Police Officers' Retirement Trust Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: _____
Jason L. Franken, FSA, MAAA
Enrolled Actuary #08-6888

JLF/lsw

Enclosures

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SECTION I

INTRODUCTION

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Ormond Beach Police Officers' Retirement Trust Fund, performed as of October 1, 2010, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2012.

The contribution requirements developed in this valuation, compared with amounts set forth in the October 1, 2009, Actuarial Valuation Report, are as follows:

Valuation Date Applicable Plan/Fiscal Year End	10/1/2009 9/30/2011	10/1/2010 9/30/2012
Total Required Contribution % of Total Annual Payroll	45.8%	55.5%
Member Contributions (Est.) % of Total Annual Payroll	9.0%	9.0%
City and State Required Contribution % of Total Annual Payroll	36.8%	46.5%
State Contribution % of Total Annual Payroll	284,027 10.6%	284,027 10.6%
Balance from City ** % of Total Annual Payroll	26.2%	35.9%

* Amount shown is actual State contribution received during the fiscal year ending September 30, 2010. The City may use annual State contributions of up to $544,533.32 to determine its funding requirements.

** At the request of the Division of Retirement, the required contribution from the combination of City and State sources for the year ending September 30, 2012, is 46.5% of the actual pensionable payroll realized in that year. As a budgeting tool, the City may contribute 35.9% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received.

The Plan realized net losses during the last 12 months, relative to the actuarial assumptions. The principal components of the unfavorable experience included a 1.0% investment return (Actuarial Asset Basis) that fell short of the 8.0% assumption and a decrease in the ten-year average payroll growth rate. These losses were partially offset by average increases in pensionable earnings that were less than the assumed rate.

For informational purposes, the City's funding requirement, when expressed as a percentage of payroll, including an estimate of the annual pay for the DROP participants, is approximately 30.7% for the fiscal year ending September 30, 2012. Similarly, the City's funding requirement for the 2011 fiscal year is approximately 22.5% when an estimate for the DROP payroll is included. It is important to note that these funding rates are for illustration purposes only. The City should budget based on the information provided on page 1.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By: Jason L. Franken

Jason L. Franken, FSA, MAAA

By: D. Ballard

Drew D. Ballard

Plan Changes Since Prior Valuation

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

Since the prior valuation, the assumed mortality rates have been changed from the 1983 Group Annuity Mortality table to the RP2000 Combined Healthy Mortality Table.

Additionally, In conjunction with this valuation, five changes were made to the actuarial assumptions and methods. These changes resulted from an Experience Study dated April 1, 2011 and are intended to produce contribution requirements that are more stable and predictable. The assumption and method changes are as follows:

1.) Re-implementation of 30-year amortizations.

2.) The investment return assumption has been reduced from 8.0% to 7.5% per year compounded annually, net of investment related expenses.

3.) The assumed rates of turnover have been increased by 50%.

4.) The salary increase assumption was lowered from 6.5% per year to 5.5%.

5.) The current payroll growth assumption used in amortizing the Unfunded Actuarial Accrued Liabilities is limited to the lesser of the actual historical 10-year average payroll growth, or 5.0%. This assumption was changed so that the maximum payroll growth assumption used for this purpose is now 3.0%. As you can see on Page 7 of the Report, the current actual 10-year average growth rate is 0.7% so this change will have no immediate impact on the current funding requirements.

The impact of these changes is outlined in the Comparative Summary of Principal Valuation Results that follows.

Comparative Summary of Principal Valuation Results

	New Method New Assums 10/1/2010	New Method Old Assums 10/1/2010	Old Method Old Assums 10/1/2010	Old Method Old Assums 10/1/2009
A. Participant Data				
Number Included				
Actives	57	57	57	63
Service Retirees	37	37	37	35
Beneficiaries	2	2	2	2
Terminated Vested	2	2	2	3
Disability Retirees	1	1	1	1
DROP Plan Members	8	8	8	4
Total	107	107	107	108
Total Annual Payroll	$2,682,154	$2,682,154	$2,682,154	$2,895,940
Payroll Under Assumed Ret. Age	2,682,154	2,682,154	2,682,154	2,895,940
Annual Rate of Payments to:				
Service Retirees	1,315,179	1,315,179	1,315,179	1,167,824
Beneficiaries	30,142	30,142	30,142	30,100
Terminated Vested	0	0	0	0
Disability Retirees	10,330	10,330	10,330	10,330
DROP Plan Members	318,429	318,429	318,429	219,320
B. Assets				
Actuarial Value	21,370,058	21,370,058	21,370,058	21,668,325
Market Value	19,454,356	19,454,356	19,454,356	18,530,307
C. Liabilities				
Present Value of Benefits				
Active Members				
Retirement Benefits	12,307,907	12,654,938	12,654,938	13,523,237
Disability Benefits	95,859	99,188	99,188	111,034
Death Benefits	56,451	86,762	86,762	99,278
Vested Benefits	1,907,577	1,520,404	1,520,404	1,573,103
Refund of Contributions	192,227	138,873	138,873	141,772
Service Retirees	16,455,947	15,543,624	15,543,624	13,882,345
Beneficiaries	18,750	18,687	18,687	35,627
Terminated Vested	5,908	5,908	5,908	14,356
Disability Retirees	112,124	104,618	104,618	106,178
DROP Plan Members *	4,197,560	3,936,198	3,936,198	2,811,336
Excess State Monies Reserve	0	0	0	0
Total	35,350,310	34,109,200	34,109,200	32,298,267

* Liabilities shown represent present value of future payments. Assets in item B., above, do not include accumulated DROP account balances.

	New Method New Assums 10/1/2010	New Method Old Assums 10/1/2010	Old Method Old Assums 10/1/2010	Old Method Old Assums 10/1/2009
C. Liabilities - (Continued)				
Present Value of Future Salaries	17,266,098	19,270,887	19,270,887	20,775,882
Present Value of Future Member Cont.	1,553,949	1,734,380	1,734,380	1,869,829
Normal Cost (Entry Age Normal)				
Retirement Benefits	548,574	611,741	611,740	652,040
Disability Benefits	3,513	3,392	3,392	3,563
Death Benefits	1,789	2,525	2,525	2,640
Vested Benefits	68,384	50,592	50,592	48,679
Refund of Contributions	13,360	8,257	8,257	8,750
Total Normal Cost	635,620	676,506	676,506	715,673
Present Value of Future Normal Costs	4,150,898	4,926,365	4,926,365	5,238,037
Actuarial Accrued Liability				
Retirement Benefits	8,890,069	8,362,928	8,362,928	8,936,732
Disability Benefits	67,759	68,317	68,317	76,617
Death Benefits	42,461	65,114	65,114	74,790
Vested Benefits	1,335,928	1,027,005	1,027,005	1,076,661
Refund of Contributions	72,906	50,437	50,437	45,587
Inactives plus state reserve	20,790,289	19,609,035	19,609,035	16,849,843
Total Accrued Liability	31,199,412	29,182,836	29,182,836	27,060,230
Unfunded Actuarial Accrued Liability (UAAL)	9,829,354	7,812,777	7,812,777	5,391,905
D. Actuarial Present Value of Accrued Benefits				
Vested Accrued Benefits				
Inactives	20,790,289	19,609,035	19,609,035	16,849,843
Actives	4,627,313	3,997,152	3,997,152	4,180,087
Member Contributions	2,028,327	2,028,327	2,028,327	2,205,255
Total	27,445,929	25,634,514	25,634,514	23,235,185
Non-vested Accrued Benefits	412,270	294,082	294,082	464,271
Total Present Value Accrued Benefits	27,858,199	25,928,596	25,928,596	23,699,456
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:				
Plan Amendments	0	0	0	
Assumption Changes	1,929,603	0	0	
New Accrued Benefits	0	0	1,731,551	
Benefits Paid	0	0	(1,319,868)	
Interest	0	0	1,817,456	
Other	0	0	0	
Total:	1,929,603	0	2,229,140	

Valuation Date Applicable to Fiscal Year Ending	New Method New Assums 10/1/2010 9/30/2012	New Method Old Assums 10/1/2010 9/30/2012	Old Method Old Assums 10/1/2010 9/30/2012	Old Method Old Assums 10/1/2009 9/30/2011
E. Pension Cost				
Normal Cost (with interest) % of Total Annual Payroll*	24.6	26.2	26.2	25.7
Administrative Expense (with interest) % of Total Annual Payroll*	0.9	0.9	0.9	0.9
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/10) % of Total Annual Payroll*	30.0	25.2	36.0	19.2
Total Required Contribution % of Total Annual Payroll*	55.5	52.3	63.1	45.8
Expected Member Contributions % of Total Annual Payroll*	9.0	9.0	9.0	9.0
Expected City & State Contrib. % of Total Annual Payroll*	46.5	43.3	54.1	36.8

F. Past Contributions

Plan Years Ending:	9/30/2010
Total Required Contribution	1,173,542
City and State Requirement	915,935
Actual Contributions Made:	
Members	339,208
City	632,567
State	284,027
Total	1,255,802

G. Net Actuarial Gain (Loss) (2,415,470)

* Contributions developed as of 10/1/10 are expressed as a percentage of total annual payroll at 10/1/10 of $2,682,154.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

Year	Projected Unfunded Accrued Liability
2010	$9,829,354
2011	9,734,091
2012	9,625,855
2017	8,870,733
2022	7,703,596
2032	3,425,054
2040	0

I. (i) 3 Year Comparison of Actual and Assumed Increases in Pensionable Compensation.

		Actual	Assumed
Year Ended	9/30/2010	1.0%	6.5%
Year Ended	9/30/2009	5.5%	6.5%
Year Ended	9/30/2008	2.4%	6.5%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		Actual	Assumed
Year Ended	9/30/2010	1.0%	8.0%
Year Ended	9/30/2009	1.0%	8.0%
Year Ended	9/30/2008	2.8%	8.0%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2010	$2,682,154
	10/1/2000	2,495,277
(b) Total Increase		7.5%
(c) Number of Years		10.00
(d) Average Annual Rate		0.7%

Statement by Enrolled Actuary

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

Jason L. Franken, FSA, EA, MAAA
Enrolled Actuary #08-6888

A copy of this Report is to be furnished to the Division of Retirement within 60 days of receipt from the actuary at the following address:

Patricia Shoemaker
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
Post Office Box 9000
Tallahassee, FL 32315-9000

SECTION II

VALUATION INFORMATION

Reconciliation of Unfunded Actuarial Accrued Liabilities

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2009	$5,391,905
(2)	City and State Normal Cost Applicable for the year *	480,421
(3)	Interest on (1) and (2)	468,771
(4)	Sponsor Contributions to the System during the year ending September 30, 2010	916,594
(5)	Interest on (4)	27,196
(6)	Change to UAAL due to actuarial (gain) or loss	2,415,470
(7)	Change to UAAL due to assumption change	2,016,577
(8)	Unfunded Accrued Liability as of October 1, 2010 (1)+(2)+(3)-(4)-(5)+(6)+(7)	9,829,354

	Date Established		Years Remaining	10/1/2010 Amount	Amortization Amount
	10/1/1986		6	86,604	16,890
	10/1/1992		12	(74,532)	(8,675)
	10/1/1995		15	47,808	4,841
	10/1/1996		16	188,813	18,417
	10/1/1999		19	999,749	88,937
	10/1/2002		22	1,456,524	120,831
Method Change	10/1/2004		24	498,521	39,836
Actuarial Loss	10/1/2004	**	24	487,438	38,951
Actuarial Loss	10/1/2005		25	661,235	51,973
Actuarial Gain	10/1/2006		26	(705,473)	(54,612)
Actuarial Gain	10/1/2007		27	(448,191)	(34,211)
Actuarial Loss	10/1/2008		28	1,021,673	76,979
Method Change	10/1/2008		28	330,705	24,917
Actuarial Loss	10/1/2009		29	846,433	63,014
Actuarial Loss	10/1/2010		30	2,415,470	177,833
Assumption	10/1/2010		30	2,016,577	148,465
				9,829,354	774,386

* Includes $25,383 for non-investment related administrative expenses.

** It is assumed that 50% of the cost method change base from 2004 was attributable to unfavorable actuarial experience prior to that date.

ACTUARIAL ASSUMPTIONS AND FUNDING METHODS

Assumptions

Mortality Rate	Current: RP2000 Combined Healthy (sex distinct). Disableds set forward 5 years. Prior: 1983 Group Annuity Mortality Table (sex distinct). Disableds set forward 5 years.
Termination Rates	See Tables below
Disability Rates	See Tables below (1201). 75% are In-Line of Duty and 25% are Not-In-Line of Duty.
Retirement Age	Earlier of age 55 and 10 years of service, 20 years of service regardless of age, or Age 60.
Early Retirement	Commencing at the member's eligibility for Early Retirement (attainment of age 45 with 10 years of Credited Service), members are assumed to retire with an immediate, subsidized benefit at the rate of 5% per year.
Cost of Living Adjustments	Beginning the first October 1st following one year of retirement, annual adjustments of 1.0%.
Interest Rate	7.5% (8.0% prior) per year, compounded annually, net of investment related expenses.
Salary Increases	5.5% per year (6.5% prior) up to the assumed retirement age; see Table below. Projected salary at retirement is increased 20% to account for non-regular payments.
Payroll Growth	Up to 3.0% (0.7% per used for the October 1, 2010 Actuarial Valuation). Prior assumption was up to 5.0%
Administrative Expenses	$23,228 annually.

ACTUARIAL ASSUMPTIONS AND FUNDING METHODS
(Continued)

Age	% Terminating During the Year	% Becoming Disabled During the Year	Current Salary as % of Salary at age 50
20	9.0%	0.03%	20.1%
30	7.5	0.04	34.3
40	2.6	0.07	58.5
50	1.2	0.18	100.0

Funding Method

Entry Age Normal Actuarial Cost Method

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the year preceding the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Actuarial Accrued Liability (UAAL) is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service. Under the Entry Age Normal Actuarial Cost Method, there is also a new UAAL created each year equal to the actuarial gain or loss for that year.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

HISTORY OF PREMIUM TAX REFUNDS

Received During Fiscal Year	Amount	Increase from Previous Year
1988	90,200.10	_____%
1989	127,241.29	41.1%
1990	124,222.53	-2.4%
1991	130,965.63	5.4%
1992	135,849.04	3.7%
1993	143,267.24	5.5%
1994	141,238.61	-1.4%
1995	167,423.98	18.5%
1996	164,689.32	-1.6%
1997	175,046.40	6.3%
1998	172,232.32	-1.6%
1999	187,803.29	9.0%
2000	185,196.08	-1.4%
2001	209,644.34	13.2%
2002	220,651.25	5.3%
2003	249,004.42	12.8%
2004	279,394.31	12.2%
2005	298,409.89	6.8%
2006	302,091.35	1.2%
2007	309,398.86	2.4%
2008	306,085.20	-1.1%
2009	301,224.61	-1.6%
2010	284,026.50	-5.7%

EXCESS STATE MONIES RESERVE

	Actual State Contribution	Applicable "Frozen" Amount	Excess State Monies Reserve
1998	$172,232.32	*	*
1999	187,803.29	*	*
2000	185,196.08	*	*
2001	209,644.34	*	*
2002	220,651.25	*	*
2003	249,004.42	502,620.32	0.00
2004	279,394.31	502,620.32	0.00
2005	298,409.89	502,620.32	0.00
2006	302,091.35	502,620.32	0.00
2007	309,398.86	544,533.32	0.00
2008	306,085.20	544,533.32	0.00
2009	301,224.61	544,533.32	0.00
2010	284,026.50	544,533.32	0.00
	Total State Monies Reserve		$0.00

* Accumulated Excess State Monies Reserve prior to 2003 ($15,570.97) used to fund improvement in Ordinance No. 2002-35.

SECTION III

TRUST FUND

City of Ormond Beach
Police Officers' Pension Trust Fund

BALANCE SHEET
September 30, 2010

ASSETS	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	823,792.22	823,792.22
Cash	253.32	253.32
Total Cash and Equivalents	824,045.54	824,045.54
Receivable:		
City Contributions in Transit	36,595.96	36,595.96
Accrued Income	82,201.11	82,201.11
Total Receivable	118,797.07	118,797.07
Investments:		
U S Govt/Govt Sponsored/Agency	2,761,216.99	2,818,699.88
Corporate Bonds/CMOs/REMICs	3,111,562.10	3,379,308.36
Corporate Stocks/REITs	9,191,788.73	10,349,688.25
Foreign/ADR Securities	2,134,221.11	2,246,069.15
Foreign Bonds	272,310.25	316,814.40
Total Investments	17,471,099.18	19,110,580.04
TOTAL ASSETS	18,413,941.79	20,053,422.65
LIABILITIES AND NET ASSETS		
Total Liabilities	0.00	0.00
Net Assets:		
Active and Retired Members' Equity	17,814,874.71	19,454,355.57
DROP Plan Benefits	599,067.08	599,067.08
Total Net Assets	18,413,941.79	20,053,422.65
TOTAL LIABILITIES AND NET ASSETS	18,413,941.79	20,053,422.65

City of Ormond Beach
Police Officers' Pension Trust Fund

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2010
Market Value Basis

INCOME		
Contributions:		
Member	257,606.68	
Buy-Back	81,601.70	
City	632,566.51	
State	284,026.50	
Total Contributions		1,255,801.39
Earnings from Investments		
Interest & Dividends	570,188.62	
Net Realized Gain (Loss)	744,105.08	
Unrealized Gain (Loss)	228,418.08	
Total Earnings and Investment Gains		1,542,711.78
EXPENSES		
Administrative Expenses:		
Investment Related*	110,942.39	
Other	23,227.89	
Total Expenses		134,170.28
Distributions to Members:		
Benefit Payments	1,303,773.57	
Lump Sum DROP Balances	642,635.14	
Termination Payments	16,094.02	
Total Distributions		1,962,502.73
DROP Account Net Change		(222,208.33)
Change in Net Assets for the Year		924,048.49
Net Assets Beginning of the Year		18,530,307.08
Net Assets End of the Year		19,454,355.57

*Investment Related expenses include investment advisory, custodial and performance monitoring fees.

City of Ormond Beach
Police Officers' Pension Trust Fund

ACTUARIAL ASSET VALUATION
September 30, 2010

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years, but are limited to 120% of Market Value, if less.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*
9/30/07	11.79%
9/30/08	-15.55%
9/30/09	2.40%
9/30/10	7.54%

Annualized Rate of Return
for prior four (4) years: 0.98%

(A) 10/01/09 Actuarial Assets:	$21,668,325.12
(I) Net Investment Income:	
1. Interest and Dividends	570,188.62
2. Realized Gains (Losses)	744,105.08
3. Change in Actuarial Value	(993,897.65)
4. Investment Related Expenses	(110,942.39)
Total	209,453.66
(B) 10/01/10 Actuarial Assets:	$21,370,057.88

Actuarial Asset Rate of Return = 2I/(A+B-I): 0.98%

10/01/10 Limited Actuarial Assets: $21,370,057.88
(Lesser of Actuarial Assets or 120% of Market Value)

*Market Value Basis, net of investment related expenses

City of Ormond Beach
Police Officers' Pension Trust Fund

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2010
Actuarial Asset Basis

INCOME		
Contributions:		
Member	257,606.68	
Buy-Back	81,601.70	
City	632,566.51	
State	284,026.50	
Total Contributions		1,255,801.39
Earnings from Investments		
Interest & Dividends	570,188.62	
Net Realized Gain (Loss)	744,105.08	
Change in Actuarial Value	(993,897.65)	
Total Earnings and Investment Gains		320,396.05
EXPENSES		
Administrative Expenses:		
Investment Related*	110,942.39	
Other	23,227.89	
Total Administrative Expenses		134,170.28
Distributions to Members:		
Benefit Payments	1,303,773.57	
Lump Sum DROP Balances	642,635.14	
Termination Payments	16,094.02	
Total Distributions		1,962,502.73
DROP Account Net Change		(222,208.33)
Change in Net Assets for the Year		(298,267.24)
Net Assets Beginning of the Year		21,668,325.12
Net Assets End of the Year**		21,370,057.88

*Investment Related expenses include investment advisory, custodial and performance monitoring fees.
**Net Assets may be limited for actuarial consideration

City of Ormond Beach
Police Officers' Pension Trust Fund
DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2009 through September 30, 2010

Name	9/30/09 Balance	Additions	Investment Return	Distributions	9/30/10 Balance
Brock, Donald	70,862.37	35,041.08	5,827.92	0.00	111,731.37
Corn, Tony	0.00	44,833.80	2,345.38	0.00	47,179.18
Drake, Michael	165,032.36	57,621.72	12,736.36	0.00	235,390.44
Lanier, Larry	0.00	60,576.20	3,460.93	0.00	64,037.13
Longfellow, Michael	316,490.28	34,007.34	10,755.82	(354,197.06)	7,056.38
Netterville, William	268,890.40	15,121.17	4,426.51	(288,438.08)	0.00
Rudloff, Daaron	0.00	6,381.42 *	0.00 *	0.00	6,381.42
Sanders, Michael	0.00	13,708.16	181.27	0.00	13,889.43
Secor, Blaze	0.00	62,612.88	3,931.96	0.00	66,544.84
Welch, Jessey	0.00	45,398.21	1,458.68	0.00	46,856.89
Total	821,275.41	375,301.98	45,124.83	(642,635.14)	599,067.08

*Represents additions under the normal option as Mr. Rudloff had not elected a form of benefit payment at the time of preparation of this form

SECTION IV

MEMBER STATISTICS

ELIGIBILTY FOR RETIREMENT

Members are eligible for Normal Retirement based upon the following criteria:

1) Attained Age 55 with 10 Years of Credited Service
or 2) 20 Years of Credited Service regardless of Age
or 3) Attained Age 60

Members are eligible for Early Retirement based upon the following criteria:

1) Attained Age 45 with 10 Years of Credited Service

As of the date of this valuation, the following list of Members are eligible for:

Normal Retirement	Early Retirement
BAYNE, JOHN J.	CORNELIUS, LLOYD J.
GOGARTY, JAMIE	CRIMINS, JAMES M.
ORLANDO, JOSEPH	DOGGETT, JIM
OSTERKAMP, HENRY A.	HAYES, KENNY
	HODGE, BRENTO M.
	STOKES, GREG

STATISTICAL DATA

(Averages are salary weighted)

Active Members	10/1/2007	10/1/2008	10/1/2009	10/1/2010
Number	61	61	63	57
Average Current Age	39.9	39.7	38.7	38.2
Average Age at Employment	28.9	29.2	29.0	28.4
Average Past Service	11.0	10.6	9.7	9.8
Average Annual Salary	$47,439	$45,105	$45,967	$47,055

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	2	1	3	0	0	0	0	0	0	0	0	6
25 - 29	0	3	2	3	3	0	0	0	0	0	0	11
30 - 34	0	1	1	0	0	4	2	0	0	0	0	8
35 - 39	0	0	0	0	0	2	4	0	0	0	0	6
40 - 44	0	0	0	1	1	3	4	3	0	0	0	12
45 - 49	0	1	0	0	0	2	2	2	2	0	0	9
50 - 54	0	0	0	0	0	0	0	2	2	0	0	4
55 - 59	0	0	0	0	0	1	0	0	0	0	0	1
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	2	6	6	4	4	12	12	7	4	0	0	57

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/09	63
b. Terminations	
i. Vested (partial or full) with deferred benefits	1 *
ii. Non-vested or full lump sum distribution received	1
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. Entered DROP Program	6
f. Voluntary withdrawal	0
g. Continuing participants	55
h. New entrants	2
i. Total active life participants in valuation	57

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving Benefits	Members in DROP Plan	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
a. Number prior valuation	35	4	2	1	3	45
b. In	2	6	0	0	1	9
c. Out	0	2	0	0	2	4
d. Number current valuation	37	8	2	1	2	50

*Member terminated non-vested, awaiting refund.

SECTION V

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS
(Through Ordinance No. 2006-13)

Eligibility	Full-time employees who are classified as full-time sworn officers participate in the System as a condition of employment.
Credited Service	Total years and fractional parts of years of service with the City as a Police Officer.
Salary	Total Compensation.
Average Final Compensation	Average Salary for the best 5 years during the 10 years immediately preceding termination.
Member Contributions	9.0% of Salary
City and State Contributions	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII of Chapter 112, F.S.
Normal Retirement	
Date	Earlier of Age 60, age 55 and 10 years of Credited Service, or 20 years of Credited Service.
Benefit	3.30% of Average Final Compensation times Credited Service
Form of Benefit	Ten Year Certain and Life Annuity (options available).
Early Retirement	
Eligibility	Age 45 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year.
Cost-of-Living Adjustment	Beginning the first October 1st following one year of retirement, annual adjustments of 1.0%.
Vesting	
Schedule	100% after 10 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability

Eligibility	
Service Incurred	Covered from Date of Employment.
Non-Service Incurred	10 years of Credited Service.
Exclusions	Disability resulting from use of drugs, illegal participation in riots, service in military, etc.
Benefit	Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).
Duration	Payable for life and ten years certain (options avail able) or until recovery (as determined by the Board).

Death Benefits

Pre-Retirement	
Vested	Monthly accrued benefit payable to designated beneficiary for 10 years.
Non-Vested	Refund of accumulated contributions without interest.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

Board of Trustees

a. Two Commission appointees,

b. Two Members of the Department elected by the membership, and

c. Fifth Member elected by other 4 and appointed by Commission.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements (Earlier of age 60, Age 55 and 10 years of Credited Service, or 20 years of Credited Service).

Participation	Not to exceed 60 months, or the date on which the Member completes 30 years of Service, if earlier.
Rate of Return	Participants election: a.) 6.5% annually, or b.) actual net rate of investment return (total return net of brokerage commissions, transaction costs and management fees) credited each fiscal quarter.
Form of Distribution	Cash lump sum (options available) at termination of employment.

SECTION VI

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 25 & 27 INFORMATION

DISCLOSURE INFORMATION PER STATEMENT NO. 25 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

The schedule provided below has been prepared in accordance with the requirements of paragraph 37 of Statement No. 25 of the Governmental Accounting Standards Board.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/01/10	21,370,058	31,199,412	9,829,354	68.50%	2,682,154	366.47%
10/01/09	21,668,325	27,060,230	5,391,905	80.07%	2,895,940	186.19%
10/01/08	21,849,538	26,281,237	4,431,699	83.14%	2,751,379	161.07%
10/01/07	22,492,349	25,553,450	3,061,101	88.02%	2,893,763	105.78%
10/01/06	20,760,411	24,254,697	3,494,285	85.59%	2,995,893	116.64%
10/01/05	19,024,968	23,078,959	4,053,991	82.43%	2,685,758	150.94%

The schedule provided below has been prepared in accordance with the requirements of paragraph 38 of Statement No. 25 of the Governmental Accounting Standards Board.

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended September 30	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
2010	915,935	632,567	284,027	100.07%
2009	725,357	424,132	301,225	100.00%
2008	755,134	449,049	306,085	100.00%
2007	771,038	461,639	309,399	100.00%
2006	671,585	369,943	302,091	100.07%
2005	562,658	283,264	298,410	103.38%

DISCLOSURE INFORMATION PER STATEMENT NO. 27 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/2010	
City	22.1%
State	9.9%
Plan Members	9.0%
City's Required Contribution	631,908
Contributions made	632,567
Actuarial valuation date	10/1/2008
Actuarial cost method	Entry Age Normal
Amortization method	Level % of Payroll, Closed
Remaining amortization period	26 years (as of 10/1/2008)
Asset valuation method	4 Year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increase*	6.5%
* Includes inflation at	3.0%
Post Retirement COLA	1.0%

THREE YEAR TREND INFORMATION

Year Ending	City's Required Contribution (A)	Percentage of (A) Contributed	Net Pension Obligation
9/30/2010	631,908	100%	(41,962)
9/30/2009	424,132	100%	(44,300)
9/30/2008	449,049	100%	(44,793)
9/30/2007	461,639	100%	(45,290)

DISCLOSURE INFORMATION PER STATEMENT NO. 27 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

DEVELOPMENT OF NET PENSION OBLIGATION (NPO)

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the "Florida Protection of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the sponsor has funded the actuarially determined required contributions for all years from October 1, 1987, through the transition date, October 1, 1997. Thus, the NPO on October 1, 1997, is 0.

The recent development of the Net Pension Obligation is as follows:

	9/30/05	9/30/06	9/30/07	9/30/08	9/30/09	9/30/10
Actuarially Determined Contribution (A)		369,494	461,639	449,049	424,132	631,908
Interest on NPO		(3,668)	(3,663)	(3,623)	(3,583)	(3,544)
Adjustment to (A)		4,171	4,166	4,120	4,075	6,541
Annual Pension Cost		369,997	462,142	449,546	424,624	634,905
Contributions Made		369,943	461,639	449,049	424,132	632,567
Increase in NPO		53	503	497	492	2,339
NPO Beginning of Year		(45,846)	(45,793)	(45,290)	(44,793)	(44,301)
NPO End of Year	(45,846)	(45,793)	(45,290)	(44,793)	(44,301)	(41,963)