CITY OF ARCADIA
POLICE OFFICERS' AND FIREFIGHTERS' RETIREENT SYSTEM

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were 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, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

By: _____ Date: 6/24/2015

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

When reviewing the following schedules, please note the following:

1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).

2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.

3) In the schedules that follow, the columns labeled "ACTUAL" represent the final recorded GASB 67/68 results. The columns labeled "HYPOTHETICAL" illustrate what the results would have been if different assumptions were used.

4) It is our opinion that the Plan's actual assumptions utilized in the October 1, 2014 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.

5) The "Number of Years Expected Benefit Payments Sustained" calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	ACTUAL	HYPOTHETICAL		
	8.00% RP-2000 Static 9/30/2014	8.00% RP-2000 Generational 9/30/2014	6.00% RP-2000 Generational 9/30/2014	10.00% RP-2000 Generational 9/30/2014
Total Pension Liability				
Service Cost	119,940	123,376	185,898	85,400
Interest	741,182	759,198	708,298	788,197
Change in Excess State Money	-	-	-	-
Change in Funding Standard Account	-	-	-	-
Share Plan Allocation	-	-	-	-
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	-	-	-
Changes of Assumptions	-	-	-	-
Contributions - Buy Back	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(514,785)	(514,785)	(514,785)	(514,785)
Net Change in Total Pension Liability	346,337	367,789	379,411	358,812
Total Pension Liability - Beginning	9,402,232	9,623,998	11,876,470	8,053,965
Total Pension Liability - Ending (a)	9,748,569	$ 9,991,787	$ 12,255,881	$ 8,412,777
Plan Fiduciary Net Position				
Contributions - Employer	381,020	381,020	381,020	381,020
Contributions - State	-	-	-	-
Contributions - Employee	48,531	48,531	48,531	48,531
Contributions - Buy Back	-	-	-	-
Net Investment Income	563,994	563,994	563,994	563,994
Benefit Payments, Including Refunds of Employee Contributions	(514,785)	(514,785)	(514,785)	(514,785)
Administrative Expense	(32,798)	(32,798)	(32,798)	(32,798)
Other	-	-	-	-
Net Change in Plan Fiduciary Net Position	445,962	445,962	445,962	445,962
Plan Fiduciary Net Position - Beginning	8,348,678	8,348,678	8,348,678	8,348,678
Plan Fiduciary Net Position - Ending (b)	$ 8,794,640	$ 8,794,640	$ 8,794,640	$ 8,794,640
Net Pension Liability - Ending (a) - (b)	$ 953,929	$ 1,197,147	$ 3,461,241	$ (381,863)

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 8.00% and RP-2000 Static Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	8,794,639	-	1,325,041	-	650,569	8,120,167
2015	8,120,167	-	704,306	-	621,441	8,037,302
2016	8,037,302	-	723,554	-	614,042	7,927,790
2017	7,927,790	-	722,686	-	605,316	7,810,420
2018	7,810,420	-	727,086	-	595,750	7,679,084
2019	7,679,084	-	727,604	-	585,223	7,536,703
2020	7,536,703	-	722,214	-	574,048	7,388,537
2021	7,388,537	-	721,179	-	562,236	7,229,594
2022	7,229,594	-	745,384	-	548,552	7,032,762
2023	7,032,762	-	753,205	-	532,493	6,812,050
2024	6,812,050	-	768,389	-	514,228	6,557,889
2025	6,557,889	-	764,363	-	494,057	6,287,583
2026	6,287,583	-	759,955	-	472,608	6,000,236
2027	6,000,236	-	752,712	-	449,910	5,697,434
2028	5,697,434	-	744,302	-	426,023	5,379,155
2029	5,379,155	-	736,215	-	400,884	5,043,824
2030	5,043,824	-	729,094	-	374,342	4,689,072
2031	4,689,072	-	719,000	-	346,366	4,316,438
2032	4,316,438	-	707,290	-	317,023	3,926,171
2033	3,926,171	-	695,165	-	286,287	3,517,293
2034	3,517,293	-	680,573	-	254,161	3,090,881
2035	3,090,881	-	665,047	-	220,669	2,646,503
2036	2,646,503	-	648,339	-	185,787	2,183,951
2037	2,183,951	-	630,657	-	149,490	1,702,784
2038	1,702,784	-	611,961	-	111,744	1,202,567
2039	1,202,567	-	592,264	-	72,515	682,818
2040	682,818	-	571,557	-	31,763	143,024
2041	143,024	-	550,051	-	-	-

*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 27.26

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 8.00% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	8,794,639	-	1,325,149	-	650,565	8,120,055
2015	8,120,055	-	704,702	-	621,416	8,036,769
2016	8,036,769	-	724,277	-	613,970	7,926,462
2017	7,926,462	-	723,807	-	605,165	7,807,820
2018	7,807,820	-	728,674	-	595,479	7,674,625
2019	7,674,625	-	729,744	-	584,780	7,529,661
2020	7,529,661	-	724,931	-	573,376	7,378,106
2021	7,378,106	-	725,368	-	561,234	7,213,972
2022	7,213,972	-	750,623	-	547,093	7,010,442
2023	7,010,442	-	759,635	-	530,450	6,781,257
2024	6,781,257	-	776,200	-	511,453	6,516,510
2025	6,516,510	-	773,867	-	490,366	6,233,009
2026	6,233,009	-	771,436	-	467,783	5,929,356
2027	5,929,356	-	766,262	-	443,698	5,606,792
2028	5,606,792	-	760,198	-	418,135	5,264,729
2029	5,264,729	-	754,642	-	390,993	4,901,080
2030	4,901,080	-	750,279	-	362,075	4,512,876
2031	4,512,876	-	743,085	-	331,307	4,101,098
2032	4,101,098	-	734,675	-	298,701	3,665,124
2033	3,665,124	-	725,890	-	264,174	3,203,408
2034	3,203,408	-	714,923	-	227,676	2,716,161
2035	2,716,161	-	702,978	-	189,174	2,202,357
2036	2,202,357	-	689,955	-	148,590	1,660,992
2037	1,660,992	-	676,017	-	105,839	1,090,814
2038	1,090,814	-	661,112	-	60,821	490,523
2039	490,523	-	645,226	-	-	-

*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 25.76

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 6.00% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	8,794,639	-	1,325,149	-	487,924	7,957,414
2015	7,957,414	-	704,702	-	456,304	7,709,016
2016	7,709,016	-	724,277	-	440,813	7,425,552
2017	7,425,552	-	723,807	-	423,819	7,125,564
2018	7,125,564	-	728,674	-	405,674	6,802,564
2019	6,802,564	-	729,744	-	386,262	6,459,082
2020	6,459,082	-	724,931	-	365,797	6,099,948
2021	6,099,948	-	725,368	-	344,236	5,718,816
2022	5,718,816	-	750,623	-	320,610	5,288,803
2023	5,288,803	-	759,635	-	294,539	4,823,707
2024	4,823,707	-	776,200	-	266,136	4,313,643
2025	4,313,643	-	773,867	-	235,603	3,775,379
2026	3,775,379	-	771,436	-	203,380	3,207,323
2027	3,207,323	-	766,262	-	169,452	2,610,513
2028	2,610,513	-	760,198	-	133,825	1,984,140
2029	1,984,140	-	754,642	-	96,409	1,325,907
2030	1,325,907	-	750,279	-	57,046	632,674
2031	632,674	-	743,085	-	-	-

*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 17.85

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 4
Hypothetical Assumptions: 10.00% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	8,794,639	-	1,325,149	-	813,206	8,282,696
2015	8,282,696	-	704,702	-	793,035	8,371,029
2016	8,371,029	-	724,277	-	800,889	8,447,641
2017	8,447,641	-	723,807	-	808,574	8,532,408
2018	8,532,408	-	728,674	-	816,807	8,620,541
2019	8,620,541	-	729,744	-	825,567	8,716,364
2020	8,716,364	-	724,931	-	835,390	8,826,823
2021	8,826,823	-	725,368	-	846,414	8,947,869
2022	8,947,869	-	750,623	-	857,256	9,054,502
2023	9,054,502	-	759,635	-	867,468	9,162,335
2024	9,162,335	-	776,200	-	877,424	9,263,559
2025	9,263,559	-	773,867	-	887,663	9,377,355
2026	9,377,355	-	771,436	-	899,164	9,505,083
2027	9,505,083	-	766,262	-	912,195	9,651,016
2028	9,651,016	-	760,198	-	927,092	9,817,910
2029	9,817,910	-	754,642	-	944,059	10,007,327
2030	10,007,327	-	750,279	-	963,219	10,220,267
2031	10,220,267	-	743,085	-	984,872	10,462,054
2032	10,462,054	-	734,675	-	1,009,472	10,736,851
2033	10,736,851	-	725,890	-	1,037,391	11,048,352
2034	11,048,352	-	714,923	-	1,069,089	11,402,518
2035	11,402,518	-	702,978	-	1,105,103	11,804,643
2036	11,804,643	-	689,955	-	1,145,967	12,260,655
2037	12,260,655	-	676,017	-	1,192,265	12,776,903
2038	12,776,903	-	661,112	-	1,244,635	13,360,426
2039	13,360,426	-	645,226	-	1,303,781	14,018,981
2040	14,018,981	-	628,379	-	1,370,479	14,761,081
2041	14,761,081	-	610,619	-	1,445,577	15,596,039
2042	15,596,039	-	591,855	-	1,530,011	16,534,195
2043	16,534,195	-	572,185	-	1,624,810	17,586,820
2044	17,586,820	-	551,677	-	1,731,098	18,766,241
2045	18,766,241	-	530,344	-	1,850,107	20,086,004
2046	20,086,004	-	508,269	-	1,983,187	21,560,922
2047	21,560,922	-	485,610	-	2,131,812	23,207,124
2048	23,207,124	-	462,550	-	2,297,585	25,042,159
2049	25,042,159	-	439,075	-	2,482,262	27,085,346
2050	27,085,346	-	415,348	-	2,687,767	29,357,765
2051	29,357,765	-	391,299	-	2,916,212	31,882,678
2052	31,882,678	-	366,712	-	3,169,932	34,685,898
2053	34,685,898	-	341,662	-	3,451,507	37,795,743
2054	37,795,743	-	316,326	-	3,763,758	41,243,175
2055	41,243,175	-	290,857	-	4,109,775	45,062,093
2056	45,062,093	-	265,594	-	4,492,930	49,289,429
2057	49,289,429	-	240,886	-	4,916,899	53,965,442
2058	53,965,442	-	216,994	-	5,385,695	59,134,143
2059	59,134,143	-	194,048	-	5,903,712	64,843,807
2060	64,843,807	-	172,464	-	6,475,758	71,147,101
2061	71,147,101	-	152,425	-	7,107,089	78,101,765
2062	78,101,765	-	133,961	-	7,803,478	85,771,282
2063	85,771,282	-	117,127	-	8,571,272	94,225,427
2064	94,225,427	-	101,990	-	9,417,443	103,540,880
2065	103,540,880	-	88,554	-	10,349,660	113,801,986
2066	113,801,986	-	76,603	-	11,376,368	125,101,751
2067	125,101,751	-	65,926	-	12,506,879	137,542,704

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 4
Hypothetical Assumptions: 10.00% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2068	137,542,704	-	56,496	-	13,751,446	151,237,654
2069	151,237,654	-	48,200	-	15,121,355	166,310,809
2070	166,310,809	-	40,895	-	16,629,036	182,898,950
2071	182,898,950	-	34,509	-	18,288,170	201,152,611
2072	201,152,611	-	28,947	-	20,113,814	221,237,478
2073	221,237,478	-	24,157	-	22,122,540	243,335,861
2074	243,335,861	-	20,031	-	24,332,585	267,648,415
2075	267,648,415	-	16,482	-	26,764,017	294,395,950
2076	294,395,950	-	13,501	-	29,438,920	323,821,369
2077	323,821,369	-	10,997	-	32,381,587	356,191,959
2078	356,191,959	-	8,886	-	35,618,752	391,801,825
2079	391,801,825	-	7,142	-	39,179,825	430,974,508
2080	430,974,508	-	5,712	-	43,097,165	474,065,961
2081	474,065,961	-	4,545	-	47,406,369	521,467,785
2082	521,467,785	-	3,606	-	52,146,598	573,610,777
2083	573,610,777	-	2,835	-	57,360,936	630,968,878
2084	630,968,878	-	2,208	-	63,096,777	694,063,447
2085	694,063,447	-	1,711	-	69,406,259	763,467,995
2086	763,467,995	-	1,318	-	76,346,734	839,813,411
2087	839,813,411	-	1,003	-	83,981,291	923,793,699
2088	923,793,699	-	754	-	92,379,332	1,016,172,277
2089	1,016,172,277	-	563	-	101,617,200	1,117,788,914
2090	1,117,788,914	-	419	-	111,778,870	1,229,567,365
2091	1,229,567,365	-	308	-	122,956,721	1,352,523,778
2092	1,352,523,778	-	223	-	135,252,367	1,487,775,922
2093	1,487,775,922	-	160	-	148,777,584	1,636,553,346
2094	1,636,553,346	-	114	-	163,655,329	1,800,208,561
2095	1,800,208,561	-	79	-	180,020,852	1,980,229,334
2096	1,980,229,334	-	55	-	198,022,931	2,178,252,210
2097	2,178,252,210	-	37	-	217,825,219	2,396,077,392
2098	2,396,077,392	-	25	-	239,607,738	2,635,685,105
2099	2,635,685,105	-	16	-	263,568,510	2,899,253,599
2100	2,899,253,599	-	10	-	289,925,359	3,189,178,948
2101	3,189,178,948	-	6	-	318,917,895	3,508,096,837
2102	3,508,096,837	-	4	-	350,809,684	3,858,906,517
2103	3,858,906,517	-	2	-	385,890,652	4,244,797,167
2104	4,244,797,167	-	1	-	424,479,717	4,669,276,883
2105	4,669,276,883	-	1	-	466,927,688	5,136,204,570
2106	5,136,204,570	-	1	-	513,620,457	5,649,825,026
2107	5,649,825,026	-	-	-	564,982,503	6,214,807,529

*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 10.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL		
	8.00% RP-2000 Static	8.00% RP-2000 Generational	6.00% RP-2000 Generational	10.00% RP-2000 Generational
Total Required Contribution	$408,076	$431,352	$649,010	$260,311
Expected Member Contribution	49,132	49,132	49,132	49,132
Expected State Money	105,410	105,410	105,410	105,410
Expected Sponsor Contribution (Fixed $)	$253,534	$276,810	$494,468	$105,769
Expected Sponsor Contribution (% of Payroll)	49.53%	54.08%	96.61%	20.67%
ASSETS				
Actuarial Value [1]	8,631,846	8,631,846	8,631,846	8,631,846
Market Value [1]	8,794,639	8,794,639	8,794,639	8,794,639
LIABILITIES				
Present Value of Benefits				
Active Members				
Retirement Benefits	1,821,111	1,875,381	2,764,859	1,339,059
Disability Benefits	67,415	69,564	98,332	51,656
Death Benefits	5,391	3,884	4,890	3,133
Vested Benefits	269,184	277,096	427,834	188,832
Refund of Contributions	18,496	18,498	19,204	17,844
Service Retirees	4,914,795	5,022,688	6,207,090	4,200,917
Beneficiaries	282,777	289,777	342,598	250,165
Terminated Vested	48,119	49,285	68,728	37,217
Disability Retirees	472,013	499,645	590,268	431,408
DROP Retirees [1]	2,776,000	2,825,103	3,365,595	3,245,232
Excess State Monies Reserve	0	0	0	0
Total:	10,675,301	10,930,921	13,889,398	9,765,463
Present Value of Future Salaries	3,538,004	3,540,193	3,895,473	3,245,232
Present Value of Future Member Contributions	339,648	339,859	373,965	311,542
Total Normal Cost (Entry Age Normal)	116,589	119,910	184,522	81,280
Present Value of Future Normal Costs (Entry Age Normal)	756,061	779,927	1,327,128	481,375
Total Actuarial Accrued Liability [1]	9,919,240	10,150,994	12,562,270	8,492,200
Unfunded Actuarial Accrued Liability (Entry Age Normal)	1,287,394	1,519,148	3,930,424	(139,646)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL		
	8.00% RP-2000 Static	8.00% RP-2000 Generational	6.00% RP-2000 Generational	10.00% RP-2000 Generational
PENSION COST				
Normal Cost (with interest)	121,253	124,706	190,058	85,344
Administrative Expenses (with interest)	34,110	34,110	33,782	34,438
Payment Required To Amortize UAAL (with interest)	252,713	272,536	425,170	140,529
Total Required Contribution	$408,076	$431,352	$649,010	$260,311

[1] Assets and DROP Participant liabilities include accumulated DROP Balances.