

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

**October 1, 2006 Actuarial Report**

**For the Fiscal and Plan Year  
October 1, 2007  
through  
September 30, 2008**

**Prepared By:**

**STANLEY, HOLCOMBE & ASSOCIATES, INC.  
2000 RiverEdge Parkway/ Suite 540  
Atlanta, GA 30328  
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**August 1, 2007**

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Stanley,  
Holcombe  
& Associates, Inc. \_\_\_\_\_

August 1, 2007

Board of Trustees  
City of Miami Fire Fighters' and  
Police Officers' Retirement Trust  
1895 SW 3 Avenue  
Miami, FL 33129-1456

October 1, 2006 Actuarial Report

Dear Board Members:

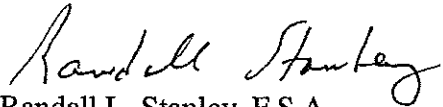
Enclosed is our report on the actuarial valuation of the City of Miami Fire Fighters' and Police Officers' Retirement Trust as of October 1, 2006, for the fiscal year beginning October 1, 2007.


The report is based upon the terms of Ordinance No. 10002 and the Amended Final Judgment in the matter of Gates v. City of Miami.

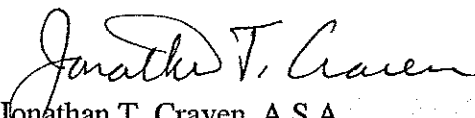
This report reflects the revised retirement assumptions discussed and approved at the June meeting.

The City contribution requirement is \$36,040,251.

Respectfully submitted,

  
Randall L. Stanley, F.S.A.  
Consulting Actuary and Principal

  
Frans Christ, F.S.A.  
Vice President and Consulting Actuary

  
Jonathan T. Craven, A.S.A.  
Consulting Actuary

RLS/FC/JTC/di  
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Enclosures (15)

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

**October 1, 2006 ACTUARIAL REPORT**

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**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Comparative Summary of Principal Valuation Results - Regular Fund

	Actuarial Valuation Prepared as of	
	<u>10/1/2006</u>	<u>10/1/2005</u>
<b>A. <u>Participant Data (Ex.7)</u></b>		
Active Members	1,485	1,455
Total Annual Payroll	\$90,363,952	\$91,514,713
Retired Members and Beneficiaries	1,570	1,503
Total Annualized Benefits	\$66,848,645	\$60,210,186
Disabled Members	209	215
Total Annualized Benefits	\$3,972,061	\$4,000,445
Terminated Vested Members	22	25
Total Annualized Benefits	\$473,039	\$548,262
<b>B. <u>Assets</u></b>	-\$-	-\$-
Actuarial Value (Ex. 2)	1,133,007,182	1,064,923,468
Market Value (Ex. 4)	1,147,871,078	1,091,902,222
<b>C. <u>Liabilities (Excl. COLA)</u></b>		
Present Value of Benefits (Ex. 1)		
<b>Active Members - Retirement</b>	716,310,641	745,872,622
Vesting	13,284,527	13,018,170
Disability	21,067,936	20,472,984
Death	6,712,194	6,696,478
Return of Contributions	<u>1,358,930</u>	<u>1,268,051</u>
Total	758,734,228	787,328,305
<b>Inactive Members - Retired and Beneficiaries</b>	707,181,317	636,085,262
Disabled	36,353,990	36,959,492
Terminated Vested	<u>3,794,003</u>	<u>4,141,293</u>
Total	747,329,310	677,186,047
<b>Total</b>	<u>1,506,063,538</u>	<u>1,464,514,352</u>
Actuarial Accrued Liability	N/A	N/A
Unfunded Actuarial Accrued Liability	N/A	N/A

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Comparative Summary of Principal Valuation Results - Regular Fund  
(Continued)

	Actuarial Valuation	
	Prepared as of	
	<u>10/1/2006</u>	<u>10/1/2005</u>
D. <u>Actuarial Present Value of Accrued Benefits</u> (Exhibit 5)	-\$-	-\$-
Vested Accrued Benefits		
Inactive Members and Beneficiaries	747,329,310	677,186,047
Active Members	<u>331,524,872</u>	<u>349,344,070</u>
Total	1,078,854,182	1,026,530,117
Non-Vested Accrued Benefits	<u>17,985,120</u>	<u>15,806,454</u>
Total	1,096,839,302	1,042,336,571
E. <u>Pension Cost</u> (Exhibit 1)		
Normal Cost	42,365,728	46,229,930
Payment to Amortize Unfunded Liability	N/A	N/A
Expected Plan Sponsor Contribution	36,040,251	39,823,900
As % of Payroll	39.88%	43.52%
Expected Member Contribution	6,325,477	6,406,030
As % of Payroll	7.00%	7.00%
F. <u>Past Contributions</u>	Year Ending <u>9/30/2006</u>	Year Ending <u>9/30/2005</u>
	-\$-	-\$-
Required Plan Sponsor Contribution	50,635,213	45,545,130
Required Member Contributions	6,240,676	6,924,447
Actual Contributions		
Plan Sponsor	50,635,213	45,545,130
Members	6,240,676	6,924,447
G. <u>Net Actuarial Gain (Loss)</u>	N/A	N/A
H. <u>Other Disclosures</u>		
Active Members:		
Present Value Future Salaries (at attained age)	845,845,813	835,868,800
Present Value Future Contributions (at attained age)	57,040,143	56,367,337

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Comparative Summary of Principal Valuation Results – COLA Fund

		Actuarial Valuation	
		<u>Prepared as of</u>	
		<u>10/1/2006</u>	<u>10/1/2005</u>
<b>A. <u>Participant Data</u></b>			
Active Members			
Total Annual Payroll			
Retired Members and Beneficiaries			
		1,570	1,503
Total Annualized Benefits		\$11,174,392	\$10,167,702
Disabled Members			
		209	215
Total Annualized Benefits		\$2,386,725	\$2,273,698
Terminated Vested Members			
Total Annualized Benefits			
Table			
		\$1,024	\$941
<b>B. <u>Assets</u></b>			
		-\$-	-\$-
Actuarial Value (Ex. 13)		330,898,108	295,874,961
Market Value (Ex. 13)		311,793,768	275,166,765
<b>C. <u>Liabilities (COLA Only)</u></b>			
Present Value of Benefits (Ex. 13)			
<b>Active Members -</b>			
	Reserve for Current Actives	36,475,945	34,530,830
	Reserve for Contribution Refunds	N/A	N/A
	Reserve for Future Actives	<u>5,471,392</u>	<u>5,179,625</u>
	Total (excl. 457 Service)	41,947,337	39,710,455
<b>Inactive Members -</b>			
	Frozen COLA I Benefits	1,965,162	2,157,847
	COLA II Benefits	<u>172,898,871</u>	<u>153,087,840</u>
	Total	174,864,033	155,245,687
<b>Total</b>		<u>216,811,370</u>	<u>194,956,142</u>

Comparative Summary of Total Assets - Combined

Market Value (Ex. 4)	<u>1,429,900,171</u>	<u>1,336,399,435</u>
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**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

REVIEW OF COSTS

Summary Discussion

This is the actuarial report for the fiscal year beginning October 1, 2007 for the City of Miami Fire Fighters' and Police Officers' Retirement Trust. This is the twenty third annual actuarial report prepared by Stanley, Holcombe & Associates, Inc. This report is intended to reflect the provisions and requirements of Ordinance No. 10002, as amended through September 30, 2006.

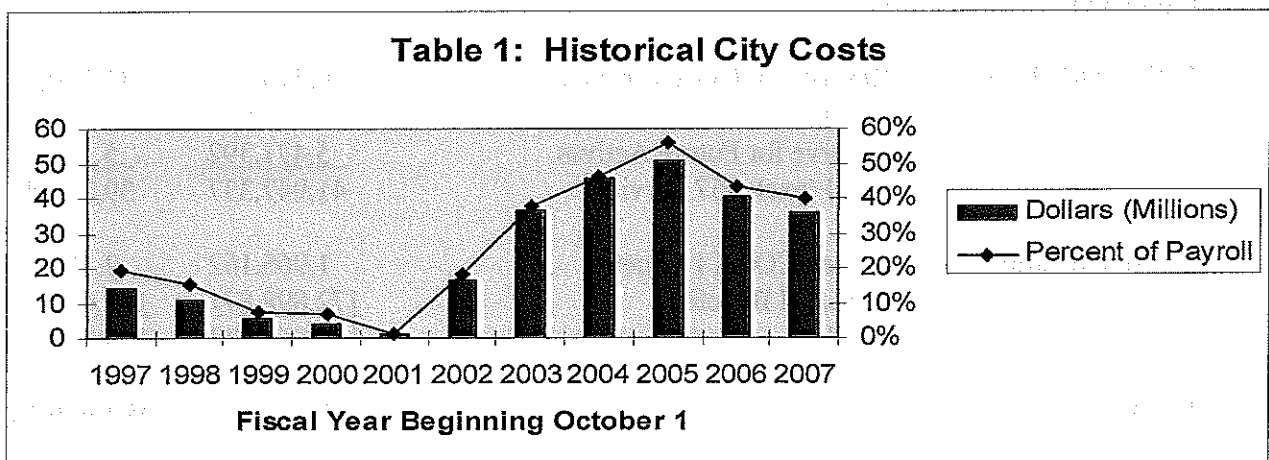
Comparison of Deposit Requirements

The City contribution requirement, and the results calculated for the 2007/2008 fiscal year, are as follows:

	Revised Basis <u>2007/2008</u>	Prior Basis <u>2007/2008</u>	Revised Basis <u>2006/2007</u>	Prior Basis <u>2006/2007</u>
	-\$-	-\$-	-\$-	-\$-
Past Service Cost	N/A	N/A	N/A	N/A
Normal Cost	36,040,251	36,445,990	39,823,900	54,863,607
Payment Timing	<u>0</u>	<u>0</u>	<u>718,178</u>	<u>0</u>
	36,040,251	36,445,990	40,542,078	54,863,607

The 2007/2008 deposit amount of \$36,040,251 is approximately \$4.5 million less than the \$40,542,078 for the prior year and 0.4 million less than the cost using the prior retirement assumptions.

As can be seen from Table 1, the increases in City costs in recent years slowed, and then declined using the revised asset valuation method and retirement assumptions.





Analysis of Cost Changes

The Normal Cost element of FIPO costs is expected to remain level as a percentage of covered payroll, if the actual Plan experience is the same as the actuarial assumptions. An increase in the Normal Cost rate indicates that experience has been less favorable than assumed, while a decrease indicates more favorable experience.

Quantification of the reasons for the changes is as follows:

Table 2 – Gain/Loss Analysis of Cost Changes from October 1, 2005 to October 1, 2006 Valuations

	<u>Normal Cost</u>	
	-\$-	-%-
2005/2006 Normal Cost	39,823,900	43.52
2006/2007 Normal Cost Expected (for continuing participants)	39,090,825	43.52
<u>Element of Experience</u>		
Salary Increases	-2,704,520	-1.89
Turnover	+283,264	+0.14
Mortality	+177,021	+0.16
Retirement	-641,191	+0.23
New Participants	+647,189	-1.17
Disability	-48,572	-0.13
Investment Return, Contribution Lag	-893,334	-0.99
457 Service Purchases	+4,749	+0.01
COLA Transfer	+671,121	+0.74
Other, Data	<u>-140,562</u>	<u>-0.29</u>
Total	-2,644,835	-3.19
Retirement Assumption Change	<u>-405,739</u>	<u>-0.45</u>
2006/2007 Normal Cost	36,040,251	39.88

As may be noted from the table, the transfer to the COLA fund was responsible for the largest increase in Normal Cost. This occurred because the investment return on the COLA basis (13.74% under 3 year smoothing) exceeded the investment return on the funding basis (7.57% under 20% Write-up). The result was a COLA transfer that exceeded the asset gain on a funding basis. Following is a more detailed description of the elements of experience.

Salary Increases - During the period October 1, 2005 through September 30, 2006, covered payroll for the continuing actives increased less than expected, resulting in a decrease of \$2,704,520 in the Normal Cost. Covered payroll for continuing active participants at September 30, 2006 was approximately 97.2% of expected. (This compares to 102.3% of expected for the previous year, which increased the normal cost by \$1,084,396.)

Mortality - For active members there was one death, as compared to 2 expected; for inactive members there were 39 deaths (30 without survivors), as compared to about 41 expected.

Disability - During the past year there were 2 disabilities, as compared to 4 expected. Over the past 2 years, there have been 120 disabilities, as compared to about 149 expected.

Turnover - From October 1, 2005 to September 30, 2006, there were 12 employee terminations, as compared to about 17 predicted by the actuarial assumptions. Following is a comparison of the expected and actual turnover rates for the past eleven years:

Age	<u>1996/1999</u>		<u>1999/2002</u>		<u>2002/2003</u>		<u>2003/2004</u>		<u>2004/2005</u>		<u>2005/2006</u>	
	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>
20-24	2.9	3	3.7	3	0.5	0	0.4	0	0.4	0	0.7	1
25-29	13.9	10	12.3	11	3.9	4	3.2	5	2.7	3	2.8	1
30-34	20.3	21	17.9	21	5.7	7	5.2	5	4.8	14	4.5	3
35-39	25.0	20	20.2	13	5.5	3	5.2	3	5.0	4	5.1	5
40+	<u>14.7</u>	<u>20</u>	<u>13.8</u>	<u>19</u>	<u>5</u>	<u>6</u>	<u>4.4</u>	<u>6</u>	<u>4.1</u>	<u>6</u>	<u>3.9</u>	<u>2</u>
	76.8	74	67.9	67	20.6	20	18.4	19	17.0	27	17.0	12

Retirement - There were 89 retirements during the period (33 firefighters, 56 police), as compared to about 58 expected. This resulted in a \$641,191 decrease in the Normal Cost. Note that retirees electing DROP are included among the actual retirees for the last seven years.

Following is a comparison of the expected and actual retirements in the last eleven years:

Age	<u>1996/1999</u>		<u>1999/2002</u>		<u>2002/2003</u>		<u>2003/2004</u>		<u>2004/2005</u>		<u>2005/2006</u>	
	Exp.	Act.	Exp.	Act.	Exp.	Act.	Exp.	Act.	Exp.	Act.	Exp.	Act.
Under 45	74.4	16	97.0	14	11.1	13	11	41	11.9	19	5.7	14
45-49	332.5	61	259.6	36	26.4	27	27	70	22.6	35	24.9	41
50-54	159.1	49	138.9	32	29	17	38	55	23.9	21	22.0	24
55-59	31.1	12	31.8	8	14.4	12	12	20	3.6	7	5.6	9
60+	3	1	6.0	1	1	2	1	4	0	1	0.1	1
	600.1	139	533.3	91	81.9	71	89	190	62	83	58.3	89

Retirement Assumption Change

The retirement assumptions have been slightly refined as of October 1, 2006, as a result of the 2002/2005 Experience Study and detailed analyses for the 22 years ending September 30, 2005, as follows:

<u>Prior Basis</u>			<u>Revised Basis</u>		
After R64 and 20 Years, or Age 60			If eligible for R64 Retirement		
Years			Years	<u>Police</u>	<u>Fire</u>
	0-4	10%/year	20-24	20%	5%
	5-9	25%/year	25-29	25%	25%
	10+	100%	30-31	50%	25%
	(or age 65)		32	100%	100%

Investment Return - The rate of return for the year ending September 30, 2006 was 9.1% on mean market value, as shown in Exhibit 4 and 7.57% (net of 1/1/2008 COLA transfer) on actuarial asset value (Exhibit 2A). As shown in Exhibit 2C, there will be a COLA transfer of \$32,675,538 as of January 1, 2008, resulting in no City minimum contribution to the COLA fund as of that date.

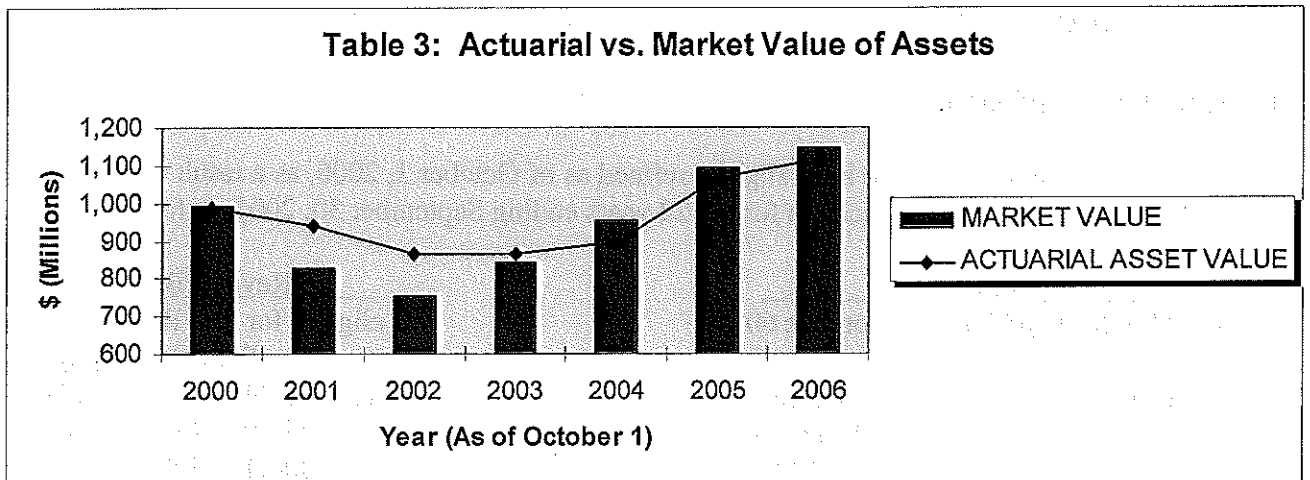
New Participants - During the year there were 134 new participants, who decreased the City contribution requirement for the Fund by 1.17%. Last year, 101 new participants decreased the rate by 1.02%.

Plan Assets

Exhibits 3 and 4 show the asset transactions and investment results during the year. The rate of return on mean market value for the period ending September 30, 2006 was 9.1%, as compared to the 7.75% assumption.

The asset valuation method results in an actuarial asset value of \$1,133.0 million as of October 1, 2006 (Exhibit 2A).

Table 3 illustrates the effect of using the asset smoothing methodology. The volatility of the market value of assets can be seen in the columns, while the actuarial value is illustrated by the line. The actuarial asset value line reflects the 20% Write-Up Method as of September 30, 2005 and 2006.



For COLA transfer purposes, the actuarial asset valuation method utilizes a 3-year moving average (Exhibit 2B). Under this method, the rate of return for the year ending September 30, 2006 was 13.74%. This results in an asset transfer of \$32,675,538 from the Regular Fund to the COLA Fund on January 1, 2008 (Exhibit 2C).

### Expected Ongoing Cost Levels

System costs have varied dramatically over the past several years, due almost exclusively to asset performance. Since the City's contribution requirement is the primary variable, it has been significantly impacted.

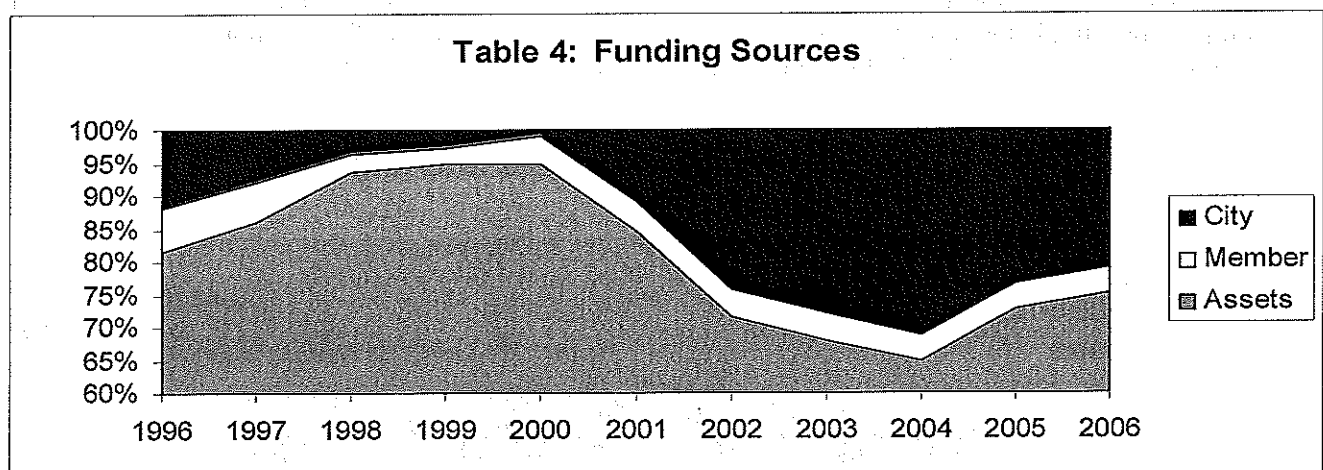
Nevertheless, it is important to distinguish between individual annual costs (which may be somewhat erratic) and expected ongoing annual costs. The following table compares the City contribution requirement as a percentage of payroll to the theoretical entry age normal contribution percentages:

<u>Valuation Date</u>	<u>Contribution %</u>	<u>EAN %</u>
10/1/2006	40	30
10/1/2005 (Revised AAV)	44	30
10/1/2005 (Prior AAV)	60	30
10/1/2004	57	30
10/1/2003	46	28
10/1/2002	45	24
10/1/2001	20	26
10/1/2000	1	23
10/1/1999	5	24

As will be noted, contribution requirements in the three years before the 10/1/2002 valuation were below the System's theoretical contribution level. This was due to the System having accumulated more assets than expected. During the 2001-2005 period the contribution requirement (under the prior actuarial asset valuation method) had increased dramatically, due to erosion of assets and the delayed effect of asset smoothing.

### Sources of Benefit Funding

Table 4 compares the sources of benefit funding for the past 10 years. The present value of benefits is equal to 100% on the Table. The present value of benefits is provided by three sources; the actuarial value of assets, the present value of member contributions, and the present value of future normal costs (city).



As seen in the table, the city portion of future benefit responsibility decreased as asset values climbed during the late nineties. When asset values started to decline, the city portion increased. As of October 1, 2006, the actuarial value of assets equals 75% of the present value of benefits, the present value of employee contributions equals 4%, and the present value of future normal costs equal 21% of the present value of future benefits.

## Funding Progress

The comparison of the present values of vested and accrued benefits to FIPO assets from one year to the next, or over a period of time, is a measure of interim funding progress and the degree of benefit security.

Exhibit 6 contains the result of this comparison for the past two years. The market value of assets on October 1, 2006 is \$1,147,871,000, as compared to the value of accrued benefits of \$1,096,839,000 for a ratio of 104.7%. The ratio as of October 1, 2005 was 104.8%.

A ratio in excess of 100% typically may be viewed to be that of a well-funded program.

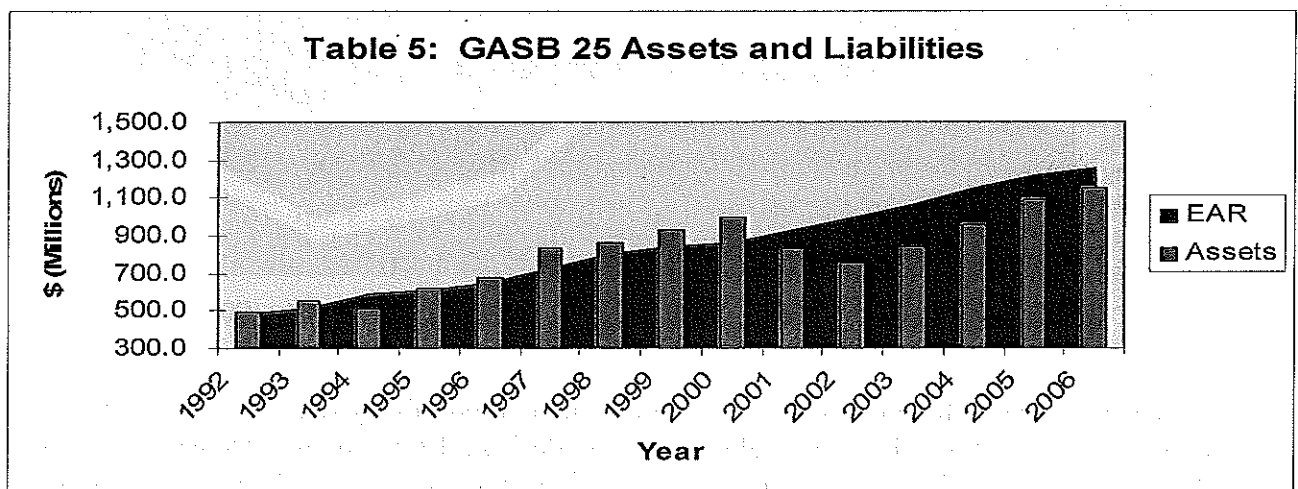
## Governmental Accounting Standards

GASB issued Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Statement No. 27, Accounting for Pensions by State and Local Governmental Employers in 1994. Statement No. 25 provides parameters for financial reporting and comparison of actual contributions to "actuarially required contributions." Statement No. 27 provides standards for the financial reports of the state and local governmental employers. Statement No. 25 was effective for periods beginning after June 15, 1996; Statement No. 27, for periods beginning after June 15, 1997.

The Statements do not directly impact funding, although they do require calculation of an "actuarially required contribution," or "ARC" and amortization of any deficiency or excess of actual contributions made in relation to the ARC.

Since the FIPO Trust uses the Aggregate Cost Method, technically no Schedule of Funding Progress is required. However, such a Schedule of Funding Progress may be prepared using another acceptable cost method. Based on our recommendation in this report, the Schedule of Funding Progress is prepared using the Entry Age Normal Actuarial Accrued Liability, which is one of the acceptable measures under GASB 25. This Schedule is shown in Exhibit 11, Section III.

As of October 1, 2006 the entry age reserve is \$1,260.5 million. This compares to assets of \$1,147.9 million, for a funded ratio of 92%. Last year the funded ratio was 89%. These amounts, together with other disclosures, are contained in Exhibit 11 and illustrated in the following Table 5:



As recommended in the 1997 report, and reviewed by FIPO auditors, the employer contributions made in accordance with the requirements of the Florida Division of Retirement should be used as the Actuarially Required Contribution (ARC), since an exact calculation of the ARC would not differ materially from the required contribution amount. On this basis a Schedule of Employer Contributions has been added to Exhibit 11 in order to comply with the reporting requirements of GASB 25.

These calculations are made for GASB 25. It should be understood that they are only one approach to the measurement of funding progress. They should not be used for any other purpose, such as determination of compliance with City ordinances or State Statutes or the current or future solvency of the FIPO Trust.

### Application of GASB 27

The provisions of GASB 27 are virtually identical to those of GASB 25. It is our understanding that the schedules used for GASB 25 disclosure may also be used for GASB 27 purposes.

### COLA Fund

Calculations were made based on the information provided as of 10/1/2006. The calculations reflect the approach adopted with the Amended Final Judgment in the matter of Gates vs. City of Miami.

Exhibit 12, parts I and II, illustrate the general impact of the COLA increases which have been provided thus far (under the \$1,024 table as of 1/1/2006), by duration since retirement and by age, respectively.

As discussed in earlier reports, there is probably no completely acceptable index for measuring the impact of inflation on retirees' benefits. Although the CPI is the most widely used inflation index, it is generally considered to distort inflation for retirees since it includes components which are not typically germane to them, such as home purchases. In the absence of a suitable alternative, a percentage of the CPI is often used as a target. If the cumulative CPI were used as a target, the current COLA averages 50% of the target. A comparison of COLA increases to the CPI is shown in Exhibit 12, part III. Historical data on the CPI is shown in Exhibit 12, part IV.

### Cumulative Experience Position

Ordinance Section 40-204(C) (4) provides that transfers of excess investment return from the Regular Fund to the COLA Fund may be made only if the System remains in a net positive experience position on a cumulative basis from October 1, 1982. Since the aggregate cost method is used for determining funding requirements, the determination of the experience position is measured under the entry age normal method.

The cumulative experience gain increased to \$181,747,246, from \$159,890,586 last year (Exhibit 14).

The change in retirement assumptions does not affect the cumulative experience position.

### COLA Transfer Calculations

Exhibit 2C shows the transfer calculations as of this valuation. As will be noted, the excess return transfer as of January 1, 2008 is scheduled to be \$32,675,538. Therefore, there will be no City contribution to the COLA fund as of January 1, 2008.



Enrolled Actuary's Statement

This report has been prepared in accordance with standards established by the American Academy of Actuaries. To the best of our knowledge, it reflects the actuarial condition of the City of Miami Fire Fighters' and Police Officers' Retirement Trust as of October 1, 2006 for the Retirement Fund and for the COLA Fund.

All costs and cost components are calculated on the basis of actuarial assumptions which reasonably reflect the experience of the Trust.

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

Randall L. Stanley  
Signature  
Enrolled Actuary No. 05-602

August 1, 2007  
Date

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

**City Contribution Requirement for 2007/2008 Fiscal Year**  
(Prior Retirement Assumptions)

	<u>2007/2008</u>	<u>2006/2007</u>
	-\$-	-\$-
I. <u>Unfunded Actuarial Accrued Liability</u>	0	0
II. <u>Normal Cost</u>		
A. <u>Present Value of Future Benefits</u>		
1. <u>Active Members</u>		
a. Retirement	724,089,258	745,872,622
b. Disability	21,088,161	20,472,984
c. Death	6,655,401	6,696,478
d. Turnover	13,284,527	13,018,170
e. Return of Contributions	<u>1,360,002</u>	<u>1,268,051</u>
f. Total	766,477,349	787,328,305
2. <u>Retired Members and Beneficiaries</u>		
a. Service Retirements + Beneficiaries	707,181,317	636,085,262
b. Disability Retirements	36,353,990	36,959,492
c. Terminated Vested Members	<u>3,794,003</u>	<u>4,141,293</u>
d. Total	747,329,310	677,186,047
3. Total	<u>1,513,806,659</u>	<u>1,464,514,352</u>

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

City Contribution Requirement for 2007/2008 Fiscal Year  
(Prior Retirement Assumptions)

	<u>2007/2008</u>	<u>2006/2007</u>
	-\$-	-\$-
<b>II. <u>Normal Cost (Cont'd)</u></b>		
A. Total Present Value of Future Benefits	1,513,806,659	1,464,514,352
B. Present Value of Future Member Contributions <sup>(1)</sup>	57,518,482	56,367,337
C. Actuarial Asset Value	1,133,007,182	1,064,923,468
D. Unfunded Actuarial Accrued Liability	<u>0</u>	<u>0</u>
E. Present Value of Future Normal Costs (A-B-C-D)	323,280,995	343,223,547
F. Present Value of Future Payrolls	852,939,081	835,868,800
G. Current Payroll for those under Expected Retirement Age	89,242,209	90,009,335
H. Current Normal Cost - Payable 10/1/2007 [ (E)x(G) / (F) ] (1.0775)	36,445,990	39,823,900
I. Covered Payroll	90,363,952	91,514,713
J. Normal Cost as Percentage of Payroll (H)/(I)	40.33%	43.52%
<b>III. <u>Quarterly City Contribution Schedule</u></b>		
A. Past Service Cost	0	0
B. Normal Cost	36,445,990	39,823,900
C. Payment Timing	<u>0</u>	<u>718,178</u>
D. Total	36,445,990	40,542,078

<sup>(1)</sup>7% of Covered Payroll

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

City Contribution Requirement for 2007/2008 Fiscal Year  
(Revised Retirement Assumptions)

	<u>2007/2008</u>	
	<u>Revised Basis</u>	<u>Prior Basis</u>
	-\$-	-\$-
I. <u>Unfunded Actuarial Accrued Liability</u>	0	0
II. <u>Normal Cost</u>		
A. Present Value of Future Benefits		
1. <u>Active Members</u>		
a. Retirement	716,310,641	724,089,258
b. Disability	21,067,936	21,088,161
c. Death	6,712,194	6,655,401
d. Turnover	13,284,527	13,284,527
e. Return of Contributions	<u>1,358,930</u>	<u>1,360,002</u>
f. Total	758,734,228	766,477,349
2. <u>Retired Members and Beneficiaries</u>		
a. Service Retirements + Beneficiaries	707,181,317	707,181,317
b. Disability Retirements	36,353,990	36,353,990
c. Terminated Vested Members	<u>3,794,003</u>	<u>3,794,003</u>
d. Total	747,329,310	747,329,310
3. Total	<u>1,506,063,538</u>	<u>1,513,806,659</u>

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

City Contribution Requirement for 2007/2008 Fiscal Year  
(Revised Retirement Assumptions)

	<u>Revised Basis</u> -\$-	<u>Prior Basis</u> -\$-
<b>II. <u>Normal Cost (Cont'd)</u></b>		
A. Total Present Value of Future Benefits	1,506,063,538	1,513,806,659
B. Present Value of Future Member Contributions <sup>(1)</sup>	57,040,143	57,518,482
C. Actuarial Asset Value	1,133,007,182	1,133,007,182
D. Unfunded Actuarial Accrued Liability	<u>0</u>	<u>0</u>
E. Present Value of Future Normal Costs (A-B-C-D)	316,016,213	323,280,995
F. Present Value of Future Payrolls	845,845,813	852,939,081
G. Current Payroll for those under Expected Retirement Age	89,526,657	89,242,209
H. Current Normal Cost - Payable 10/1/2007 [ (E)x(G) / (F) ] (1.0775)	36,040,251	36,445,990
I. Covered Payroll	90,363,952	90,363,952
J. Normal Cost as Percentage of Payroll (H)/(I)	39.88%	40.33%
<b>III. <u>Quarterly City Contribution Schedule</u></b>		
A. Past Service Cost	0	0
B. Normal Cost	36,040,251	36,445,990
C. Payment Timing	<u>0</u>	<u>0</u>
D. Total	36,040,251	36,445,990

<sup>(1)</sup>7% of Covered Payroll

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Actuarial Asset Value – 20% Write Up Method

I. Determination of Actuarial Asset Value as of October 1, 2006

	-\$-
A. Actuarial Value of Assets as of 10/01/2005	1,064,923,468
B. City Contributions	50,635,213
C. Member Contribution	7,698,594
D. Benefits Paid	69,825,105
E. Contributions Refunded	573,228
F. Expected Return (at 7.75%)	<u>83,873,435</u>
G. Expected Actuarial Value of Assets (A+B+C-D-E+F)	1,136,732,377
H. Market Value of Assets (Net 01/01/07 and 01/01/08 COLA Transfers)	1,118,106,404
I. Difference (H-G)	(18,625,973)
J. 20% of Difference	(3,725,195)
K. Preliminary Actuarial Asset Value (G+J)	1,133,007,182
L. Maximum Actuarial Asset Value (120% of H)	1,341,727,685
M. Minimum Actuarial Asset Value (80% of H)	894,485,123
N. Actuarial Asset Value at 10/1/2006	1,133,007,182
O. Contribution Surplus Account Balance	0
P. Final Actuarial Value at 10/01/2006 (N – O)	<u>1,133,007,182</u>

II. Rate of Return on Actuarial Asset Value

	-\$-
A. Actuarial Asset Value at 10/01/2005	1,064,923,468
B. Contributions	
1. City (Including amount from Contribution Surplus Account)	50,635,213
2. Members	<u>7,698,594</u>
3. Total	58,333,807
C. Benefits and Refunds	70,398,333
D. Contribution Surplus	0
E. Actuarial Asset Value at 10/01/2006	1,133,007,182
F. Net Return on Investment [E+D+C-B-A]	80,148,240
G. Rate of Return [2 x F/(A+E-F)]	7.57%

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

I. Development of Actuarial Asset Value (3 Years, for COLA Transfer Purposes)

	<u>9/30/2006</u>	<u>9/30/2005</u>	<u>9/30/2004</u>
	-\$-	-\$-	-\$-
A. Book Value	953,417,616	918,642,613	866,131,977
B. Market Value	1,147,871,078	1,091,902,222	957,896,348
C. B/A	1.2039541	1.1886039	1.1059473
<hr style="border-top: 1px dashed black;"/>			
D. $1/3 \sum (C)$		1.1661684	
E. Adjusted Market Value at 9/30/2006 D x \$953,417,616		1,111,845,496	
F. Contribution Surplus at 9/30/2006		0	
G. 1. 80% of Market Value		918,296,862	
2. 120% of Market Value		1,377,445,294	
H. Preliminary Actuarial Asset Value		1,111,845,496	
I. Present Value of 1/1/2008 COLA Transfer, discounted at 7.75%		29,764,675	
J. Actuarial Asset Value (H-I)		1,082,080,821	

II. Rate of Return on Actuarial Asset Value

A. Actuarial Asset Value at 10/01/2005	-\$-	990,687,870
B. Contributions		
1. City		50,635,213
2. Members		7,698,594
3. Total		58,333,807
C. Benefits and Refunds		70,398,333
D. Present Value of 1/1/2008 COLA Transfer		29,764,675
E. Contribution Surplus		0
F. Actuarial Asset Value at 10/01/2006		1,082,080,821
G. Net Return on Investment [F+E+D+C-B-A]		133,222,152
H. Rate of Return [2 x G/(A+F-G)]		13.74% *

\*Before 1/1/2008 COLA transfer.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Calculation of Excess Investment Return  
On Membership and Benefits Accounts for 2005/2006 Fiscal Year  
2008 COLA Transfer

<b>I.</b>	<b>Net Actual Return on Actuarial Asset Value</b>		-\$-
	A. Preliminary Actuarial Asset Value as of 10/1/2006		1,111,845,496
	B. Benefits Paid During Plan Year		69,825,105
	C. Contributions Refunded During Plan Year		573,228
	D. City Contributions During Plan Year (Required)		50,635,213
	E. Member Contributions During Plan Year		7,698,594
	F. Actuarial Asset Value as of 10/1/2005		<u>990,687,870</u>
	G. Total Actual Return During Plan year (A)+(B)+(C)-(D)-(E)-(F)		133,222,152
<b>II.</b>	<b>Net Expected Return on Actuarial Asset Value</b>		
	A. Actuarial Asset Value as of 10/1/2005		990,687,870
	B. Benefits Paid During Plan Year		69,825,105
	C. Contributions Refunded During Plan Year		573,228
	D. City Contributions During Plan Year		50,635,213
	E. Member Contributions During Plan Year		7,698,594
	F. Expected Rate of Return		7.75%
	G. Expected Return During Plan Year		78,120,176 *
	H. Base Amount for Expected Return (G)/.0775		1,008,002,271
	I. Excess Return on Assets (I(G) - II(G))		55,101,976
	J. Excess Return as % of II(H)		5.466454% **
<b>III.</b>	<b>Amount to be Transferred to COLA Fund</b>		
	A.		
		<u>Excess Return</u>	<u>COLA Transfer</u>
		%	\$
		%	-\$-
	First	2.5	25,200,057
	Next	2.5	25,200,057
	Next	2.5	4,701,862
	Remainder		0
			0
	B. Total Transfer Amount at 1/1/2008		<u>32,675,538</u>

\*Assumes Uniform Quarterly Contributions and Monthly Benefits  
 $[(990,687,870) + 50,635,213 + (7,698,594) (2.5/4) - (69,825,105 + 573,228) (13/24)](.0775) =$

78,120,176

\*\*Before 1/1/2008 COLA transfer.



**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Asset Transactions for Year Ending September 30, 2006 \*

	<u>Membership and Benefits Accounts</u>	<u>COLA I Account</u>	<u>COLA II Account</u>
	-\$-	-\$-	-\$-
A. Market Value as of October 1, 2005	1,104,806,670	36,317,118	195,275,647
B. Book Value as of October 1, 2005	931,547,061	30,621,741	164,651,844
C. Income During Year			
1. City Contributions	50,635,213		
2. Member Contributions	7,698,594		
3. Other Contributions			
4. Interest	18,586,213	494,418	2,712,160
5. Dividends	10,136,593	269,816	1,480,567
6. Net Realized Gains (Losses)	53,157,985	1,413,957	7,757,335
7. Securities Lending Income	425,946	11,325	62,148
8. Rental and Other Income	428,126	11,382	62,572
9. COLA Transfer at January 1, 2006	<u>(11,065,739)</u>	--	<u>11,065,739</u>
	130,002,931	2,200,898	23,140,085
D. Disbursements During Years			
1. Benefit Payments	69,825,105	347,941	11,412,130
2. Contribution Refunds	573,228	1,934	
3. Custodial and Investment Expenses	4,522,986	120,199	658,950
4. Other Expense			
5. Securities Lending Fees	128,226	3,409	16,784
6. Building Depreciation	<u>36,389</u>	<u>979</u>	<u>7,279</u>
	75,085,934	474,462	12,095,137
E. Book Value as of 9/30/2006 (B)+(C)-(D)	986,464,058	32,348,177	175,696,792
F. Net Change in Unrealized Gains (Losses)	21,193,853	669,878	3,948,624
G. Market Value as of 9/30/2006 (A)+(C)-(D)+(F)	1,180,917,520	38,713,432	210,269,219
H. January 1, 2007 Allocation to COLA II (discounted)	<u>(33,046,442)</u>	N/A	<u>33,046,442</u>
I. Net Market Value as of 9/30/2006	1,147,871,078	38,713,432	243,315,661

\*Based on unaudited financial statements.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Distribution of Assets as of September 30, 2006<sup>(1)</sup>

Membership and Benefits and Cost-of-Living Adjustment Accounts

<u>Description</u>	<u>Market</u>	<u>Book</u>
	-\$-	-\$-
Bills, Bonds, Notes	386,975,732	378,912,496
Corporate Stocks	927,421,074	722,670,756
Money Market Funds and Time Deposits	8,774,111	8,796,590
Mutual Funds	70,146,046	47,817,762
Real Estate <sup>(2)</sup>	<u>2,600,000</u>	<u>2,256,267</u>
<b>A: Sub-Total</b>	<b>1,397,337,843</b>	<b>1,161,946,697</b>
<b>B: Cash</b>	<b>34,742,271</b>	<b>34,742,271</b>
Receivables:		
City Contributions		
Accounts Receivable	226	226
Member Contributions		
Accrued Interest	2,450,939	2,450,939
Securities Proceeds	<u>3,724,736</u>	<u>3,724,736</u>
<b>C: Sub-Total</b>	<b>6,175,901</b>	<b>6,175,901</b>
Payables:		
Budget Advance	(36,054)	(36,054)
Transfer	(3,433)	(3,433)
Tax Withheld	10,579	10,579
Accounts Payable	262,967	262,967
Securities Purchased	<u>8,121,785</u>	<u>8,121,785</u>
<b>D: Sub-Total</b>	<b>8,355,844</b>	<b>8,355,844</b>
<b>E. Total (A+B+C-D)</b>	<b>1,429,900,171</b>	<b>1,194,509,026</b>
Accounts:		
COLA I Account	38,713,432	32,348,177
COLA II Account	210,269,219	175,696,792
COLA II Transfer (1/1/2007)	33,046,442	33,046,442
<b>F: Membership &amp; Benefits Account</b>	<b>1,147,871,078</b>	<b>953,417,615</b>

<sup>(1)</sup>Based on unaudited financial statements.

<sup>(2)</sup>Carried at depreciated cost for Book Value and at appraised value for Market Value.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Investment Results

Yield on Mean Values for 12-Month Period Ending 9/30/2006

	-\$-	<u>Market</u> -%-	<u>Book</u> -%-
<u>Membership and Benefits Accounts*</u>			
Interest	18,586,213	1.7	2.0
Dividends	10,136,593	1.0	1.1
Rental and Other Income, less Depreciation	391,737	0.0	0.0
Realized Gains	53,157,985	4.9	5.8
Securities Lending (Net)	297,720	0.0	0.0
Increase in Unrealized Gains	20,850,120	1.9	--
Custodial and Investment Expenses	(4,522,986)	(0.4)	(0.5)
Real Estate Adjustment to Appraised Value	<u>343,733</u>	<u>0.0</u>	<u>--</u>
	99,241,115	9.1	8.3
<u>COLA I Account</u>			
Interest	494,418	1.4	1.6
Dividends	269,816	0.7	0.9
Rental and Other Income, less Depreciation	10,403	0.0	0.0
Realized Gains	1,413,957	3.9	4.7
Securities Lending (Net)	7,916	0.0	0.0
Increase in Unrealized Gains	669,878	1.9	--
Custodial and Investment Expenses	<u>(120,199)</u>	<u>(0.3)</u>	<u>(0.4)</u>
	2,746,189	7.6	6.8
<u>COLA II Account</u>			
Interest	2,712,160	1.4	1.7
Dividends	1,480,075	0.8	0.9
Rental and Other Income, less Depreciation	55,297	0.0	0.0
Realized Gains	7,757,387	4.1	5.0
Securities Lending (Net)	45,364	0.0	0.0
Increase in Unrealized Gains	3,948,624	2.1	--
Custodial and Investment Expenses	<u>(658,953)</u>	<u>(0.3)</u>	<u>(0.4)</u>
	15,339,954	8.1	7.2

\*Before 1/1/2007 COLA transfer

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Accounting Information  
As of October 1, 2006

	<u>October 1, 2006</u>	<u>October 1, 2005</u>
	-\$-	-\$-
I. <u>Present Value of Vested Accrued Benefits</u>		
A. Service Retirements and Beneficiaries	707,181,317	636,085,262
B. Disability Retirements	36,353,990	36,959,492
C. Vested Terminated Members	3,794,003	4,141,293
D. Active Members	<u>331,524,872</u>	<u>349,344,070</u>
E. Total	1,078,854,182	1,026,530,117
II. <u>Present Value of Non-Vested Accrued Benefits</u>	17,985,120	15,806,454
III. <u>Present Value of Accrued Benefits</u>	1,096,839,302	1,042,336,571
IV. The values of accumulated plan benefits were determined in accordance with the Academy of Actuaries Interpretations and FASB Statement No. 35, <u>Accounting and Reporting by Defined Benefit Pension Plans.</u>		
V. <u>Statement of Changes in Accrued Benefits</u>		
A. Present Value of Accrued Benefits at Beginning of Year		1,042,336,571
B. Increase (Decrease) During the Year Attributable to:		
1. Benefits Accumulated		44,894,428
2. Benefits Paid and Contributions Refunded		(70,398,333)
3. Plan Amendment		0
4. Assumption Changes		1,953,487
5. Increase Due to Decrease in Discount Period		<u>78,053,149</u>
6. Net Increase		54,502,731
C. Present Value of Accrued Benefits at End of Year		1,096,839,302

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Comparison of Funding Progress  
((\$000))

I. <u>Assets</u>	<u>10/1/2006</u>	<u>10/1/2005</u>	<u>10/1/2004</u>
	-\$-	-\$-	-\$-
A. Book Value	953,418	918,643	866,132
B. Market Value	1,147,871	1,091,902	957,896
II. <u>Liabilities</u>			
A. Retired and Vested	747,329	677,186	616,083
B. Active			
Employee Contributions	116,287	121,189	118,102
Other Vested	215,238	228,156	233,655
Non-Vested Accrued	<u>17,985</u>	<u>15,806</u>	<u>14,212</u>
C. Total Accrued	1,096,839	1,042,337	982,052
III. <u>Ratios</u>	<u>%</u>	<u>%</u>	<u>%</u>
IA/IIC	86.9	88.1	88.2
IB/IIC	104.7	104.8	97.5

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Note: Item II amounts are present values of accrued benefits.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Member Statistics

I. Active Members

<u>Number of</u>	<u>10/1/2006</u>	<u>10/1/2005</u>	<u>10/1/2004</u>
Males	1,268	1,247	1,261
Females	<u>217</u>	<u>208</u>	<u>207</u>
Total	1,485	1,455	1,468

Averages

Current Age	38.7	39.4	39.6
Past Service	12.4	13.1	13.6
Credited Past Service	12.4	13.1	13.6
Annual Earnings	\$60,851	\$62,897	\$60,253

II. Inactive Members

A. Retirees and Beneficiaries

Number	1,570	1,503	1,424
Average Annual Benefit	\$42,579	\$40,060	\$38,222
Average Age	63.3	63.4	63.3

B. Disabled

Number	209	215	215
Average Annual Benefit	\$19,005	\$18,607	\$18,140
Average Age	65.6	65.2	64.6

C. Vested Terminated

Number	22	25	29
Average Deferred Benefit	\$21,502	\$21,930	\$21,461
Average Age	44.5	43.4	44.6

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

**Age-Service Distribution**

Age	<u>Completed Years of Service</u>									<u>Earnings</u>		
	<u>0-1</u>	<u>2-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35+</u>	<u>Total</u>	<u>Total</u>	<u>Average</u>
											<u>-\$-</u>	<u>-\$-</u>
15-24	37	41	0	0	0	0	0	0	0	78	2,787,969	35,743
25-29	27	88	56	0	0	0	0	0	0	171	7,731,261	45,212
30-34	14	72	127	42	2	0	0	0	0	257	13,259,209	51,592
35-39	6	31	104	87	64	0	0	0	0	292	16,854,937	57,722
40-44	1	14	46	50	131	84	3	0	0	329	22,414,633	68,130
45-49	0	5	13	23	57	98	50	0	0	246	18,535,850	75,349
50-54	0	1	3	6	13	36	25	8	0	92	7,287,116	79,208
55-59	0	1	0	0	1	5	7	1	2	17	1,288,305	75,783
60-64	0	0	0	0	1	2	0	0	0	3	204,672	68,224
65+	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	85	253	349	208	269	225	85	9	2	1,485	90,363,952	60,851

Average Age: 38.7

Average Service: 12.4

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Reconciliation of Participant Counts

	<u>Actives</u>	<u>Retirees &amp; Beneficiaries</u>	<u>Disableds</u>	<u>Vested Terminated</u>
10/1/2005	1,455	1,503	215	25
Changes due to:				
Retirement	-89	+89		-3
Withdrawal	-12			
Disability	-2		+2	
Death	-1	-31	-8	
New Beneficiary		+9		
New Hires	+134			
Data Changes				
	<hr/>	<hr/>	<hr/>	<hr/>
10/1/2006	1,485	1,570	209	22



**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Principal System Provisions

(Based on Ordinance No. 10002, as Amended  
by Ordinances Nos. 112351 and 11944, and Resolution 657)

Effective Date: January 1, 1940, as restated effective May 23, 1985, and amended through September 30, 2006.

Fiscal Year: October 1 - September 30.

Membership: Police officers and fire fighters.

Covered Compensation: An employee's base salary, including pick-up contributions, for all straight time hours worked, plus assignment pay and payments received for vacation and sick leave taken, jury duty, and death-in-family leave taken. Earnable compensation shall not include overtime pay; payments for accrued sick leave, accrued vacation leave, or accrued compensatory leave; holiday pay; premium pay for holidays worked; the value of any employment benefits or non-monetary entitlements; or any other form of remuneration.

Contributions: Members: 7% of Compensation, effective 10/01/99.  
City: Balance, as actuarially determined.

Creditable Service: Service credited under Retirement System; military service (maximum of four years) during wartime for which Member makes contributions; maternity leave (maximum of 180 days for each leave) for which Member makes contributions; up to 5 years, without member contributions, if member was an employee before period of military service.

Average Final Compensation: Average Compensation during the highest year of Creditable Service.

Normal Service Age: Age 50

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Principal System Provisions  
(Continued)

- Service Retirement:** 3.0% of Average Final Compensation for each of the first fifteen years of Creditable Service plus 3.5% of Average Final Compensation for each year of Creditable Service after the fifteenth year; maximum of 100% for those with less than 100% under prior rules on 9/30/98.
- Early Service Retirement:** After 20 years of Creditable Service. Benefits are based on Average Final Compensation and Creditable Service at retirement date. Actuarial equivalence for early commencement.
- Rule of 64 Retirement:** Service retirement on the basis of combined age and Creditable Service equaling 64 or more.
- Disability:** Ordinary Disability: After 10 or more years of Creditable Service, and not eligible for service retirement. Not incurred as accident in performance of duties. 90% of benefit rate times Average Final Compensation times Creditable Service, with a minimum benefit of 30% of Average Final Compensation; 10 years' certain and life normal form.
- Accidental Disability: Incurred as accident in performance of duties. 66 2/3% of Average Final Compensation, or 66 2/3% of Final Compensation, whichever is greater. 40% joint & survivor normal form, with a minimum of 10 years' certain and life.
- Deferred Retirement Option Plan:** Members who are eligible for Service Retirement or Rule of 64 Retirement after September 1998 may elect self-directed Deferred Retirement Option Plan, for a maximum of 4 years. An actuarially equivalent Back DROP option (maximum of 4 years) may be elected prior to DROP entry; combined years of DROP may not exceed 4.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Principal System Provisions  
(Continued)

- Death: Ordinary Death: (a) Between 3 and 10 years of Creditable Service, and death not accidentally incurred in performance of duties: Lump sum benefit equal to 50% of Compensation received in year preceding death. (b) After 10 years of Creditable Service and before eligibility for Early Service or Rule of 64 Retirement, accrued benefit, deferred to earlier of member's 50th birthday or Rule of 64 eligibility, payable for 10 years. Beneficiary does not have to survive deferred period or 10 years' certain period. (c) If eligible for Service, Early Service, or Rule of 64 retirement, considered to have retired on the date of death. Surviving spouse would receive 40% of the member's monthly retirement allowance.
- Accidental Death: Incurred in performance of duties. (a) Pension of 50% of Average Final compensation to spouse until death or remarriage. If there is no spouse, or if spouse dies or remarries before youngest child is 18, payable until attainment of age 18. If no spouse or no children under 18, benefit is payable to dependent parents. (b) After 10 years of Creditable Service and before eligibility for Early Service or Rule of 64 Retirement, accrued benefit, deferred to earlier of member's 50th birthday or Rule of 64 eligibility, payable for 10 years. Beneficiary does not have to survive deferral period or 10 years' certain period.
- Employment Termination: After 10 years of Creditable Service, based on Creditable Service and Average Final Compensation at termination date. If Member contributions are withdrawn, benefit is forfeited. Benefits are deferred to Normal Retirement Age.
- Optional Allowances: Normal form is joint and 40% contingent survivor, with a minimum of 10 years' certain and life. Option 1 is cash refund annuity, based on present value at retirement. Option 2 is joint and 100% survivor. Option 3 is joint and 50% contingent survivor. Option 4 is open option. Option 5 is determined by Board due to incapacity of Member. Option 6 is withdrawal of member contributions with credited interest; monthly benefits is 1/2 of normal level.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

**Summary of Principal System Provisions**  
(Continued)

**Transfer of Compensated Leave Balances:** Accumulated leave balances may be transferred into system immediately prior to retirement to purchase additional Creditable Service, on an actuarially equivalent basis.

**Transfer of 457 Balances:** 457 balances of Firefighters may be transferred into System at any time prior to retirement to purchase additional Service for multiplier purposes.

**Changes Since Prior Valuation:** None.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Prior Basis)

Valuation Date: October 1, 2006 for Fiscal Year beginning October 1, 2007.  
 Valuation Method: Aggregate Cost Method.  
 Asset Valuation Method: 20% Write-Up Method: Expected value is based on the Interest Discount/Investment Return rate applied to the actuarial asset value as of previous valuation date and cash flow during the year. 20% of the difference between the Expected Value and the Market Value (net of pending transfers to the COLA Fund) is added to the Expected Value.

The result cannot be greater than 120% of market value or less than 80% of market value (net of pending COLA transfers).

Actuarial Assumptions:

Interest Discount/  
Investment Return: 7.75%, compounded annually.  
 Inflation: 4.0%, compounded annually.

Mortality: 1994 Group Annuity Mortality Table, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.0507%	.0284%
30	.0801%	.0351%
40	.1072%	.0709%
50	.2579%	.1428%
60	.7976%	.4439%
70	2.3730%	1.3730%

Disabled Mortality: In accordance with Pension Benefit Guaranty Corporation non-OASDI basis, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
30	0.13%	0.11%
40	0.31%	0.19%
50	0.83%	0.51%
60	2.05%	1.30%
70	4.85%	3.21%

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Prior Basis)  
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>		<u>Salary Increase**</u>
		<u>&lt;5</u>	<u>5+</u>	
20	.00085	.0240	.0192	.088
21	.00095	.0240	.0192	.086
22	.00105	.0240	.0192	.083
23	.00110	.0240	.0192	.081
24	.00125	.0240	.0192	.078
25	.00130	.0240	.0192	.075
26	.00140	.0240	.0192	.073
27	.00150	.0240	.0192	.071
28	.00160	.0240	.0192	.068
29	.00170	.0240	.0192	.066
30	.00180	.0240	.0192	.065
31	.00200	.0240	.0192	.064
32	.00220	.0240	.0192	.064
33	.00245	.0240	.0192	.063
34	.00265	.0240	.0192	.062
35	.00285	.0240	.0192	.061
36	.00305	.0228	.0182	.061
37	.00325	.0216	.0173	.060
38	.00345	.0204	.0163	.060
39	.00370	.0192	.0154	.059
40	.00390	.0180	.0144	.058
41	.00470	.0168	.0134	.058
42	.00555	.0156	.0125	.057
43	.00635	.0144	.0115	.057
44	.00720	.0132	.0106	.057
45	.00800	.0120	.0096	.056
46	.00880	.0096	.0077	.056
47	.00965	.0072	.0057	.056
48	.01045	.0048	.0038	.056
49	.01130	.0024	.0019	.055
50	.01210	.0000	.0000	.055

\*\* A 7% additional increase applies in the final year of Creditable Service, and a 5% additional increase applies after 22 years.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Prior Basis)  
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>		<u>Salary Increase*</u>
		<u>&lt;5</u>	<u>5+</u>	
51	.01295	.0000	.0000	.053
52	.01375	.0000	.0000	.051
53	.01455	.0000	.0000	.050
54	.01540	.0000	.0000	.048
55	.01620	.0000	.0000	.047
56	.01785	.0000	.0000	.046
57	.01870	.0000	.0000	.044
58	.01950	.0000	.0000	.043
59	.02030	.0000	.0000	.041
60	.00000	.0000	.0000	.040
61	.00000	.0000	.0000	.040
62	.00000	.0000	.0000	.040
63	.00000	.0000	.0000	.040
64	.00000	.0000	.0000	.040
65	.00000	.0000	.0000	.040

\* A 7% additional increase applies in the final year of Creditable Service, and a 5% additional increase applies after 22 years.

After eligibility for Rule of 64 Retirement, the following decrements apply, based on service:

<u>Years of Service</u>	<u>%</u>
<u>After R64 and 20 Years, or Age 60</u>	
0-4	10
5-9	25
10+ or age 65	100

There is no explicit assumption on the percentage of retirements expected to enter the DROP. No distinction is necessary, since funding is calculated to expected retirement or expected DROP entry.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Prior Basis)  
(Continued)

Type of Disability:	100% of the disabilities are expected to be accidental disabilities.
Recovery:	No probabilities of recovery are used.
Type of Death:	100% of the assumed deaths are expected to be ordinary deaths.
Remarriage:	No probabilities of remarriage are used.
Spouse's Ages:	Females are assumed to be 3 years younger than males.
Marital Status:	All employees are assumed to be married.
Investment Expenses:	None; the investment return assumption of 7.75% is net of investment expenses.
Withdrawal of Employee Contributions:	It is assumed that employees do not withdraw their contribution balances upon employment termination or retirement.
Compensated Absence Balance Transfers:	No liabilities or costs are included for the provision to transfer compensated absence balances into FIPO to purchase additional creditable service, based on our understanding that assets will be transferred immediately prior to retirement to cover 100% of the liability for the additional service.
Adjustments from Valuation Date:	One year's interest is added to the calculated deposit to reflect ordinance provision.
Sources of Data:	Asset data is from unaudited financial statements. Membership data was furnished by Administrator.
Changes Since Prior Valuation:	None.



**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Revised Basis)

Valuation Date: October 1, 2006 for Fiscal Year beginning October 1, 2007.

Valuation Method: Aggregate Cost Method.

Asset Valuation Method: 20% Write-Up Method: Expected value is based on the Interest Discount/Investment Return rate applied to the actuarial asset value as of previous valuation date and cash flow during the year. 20% of the difference between the Expected Value and the Market Value (net of pending transfers to the COLA Fund) is added to the Expected Value.

The result cannot be greater than 120% of market value or less than 80% of market value (net of pending COLA transfers).

Actuarial Assumptions:

Interest Discount/  
Investment Return: 7.75%, compounded annually.

Inflation: 4.0%, compounded annually.

Mortality: 1994 Group Annuity Mortality Table, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.0507%	.0284%
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40	.1072%	.0709%
50	.2579%	.1428%
60	.7976%	.4439%
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Disabled Mortality:

In accordance with Pension Benefit Guaranty Corporation non-OASDI basis, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
30	0.13%	0.11%
40	0.31%	0.19%
50	0.83%	0.51%
60	2.05%	1.30%
70	4.85%	3.21%

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Revised Basis)  
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>		<u>Salary Increase**</u>
		<u>&lt;5</u>	<u>5+</u>	
20	.00085	.0240	.0192	.088
21	.00095	.0240	.0192	.086
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25	.00130	.0240	.0192	.075
26	.00140	.0240	.0192	.073
27	.00150	.0240	.0192	.071
28	.00160	.0240	.0192	.068
29	.00170	.0240	.0192	.066
30	.00180	.0240	.0192	.065
31	.00200	.0240	.0192	.064
32	.00220	.0240	.0192	.064
33	.00245	.0240	.0192	.063
34	.00265	.0240	.0192	.062
35	.00285	.0240	.0192	.061
36	.00305	.0228	.0182	.061
37	.00325	.0216	.0173	.060
38	.00345	.0204	.0163	.060
39	.00370	.0192	.0154	.059
40	.00390	.0180	.0144	.058
41	.00470	.0168	.0134	.058
42	.00555	.0156	.0125	.057
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47	.00965	.0072	.0057	.056
48	.01045	.0048	.0038	.056
49	.01130	.0024	.0019	.055
50	.01210	.0000	.0000	.055

\*\* A 7% additional increase applies in the final year of Creditable Service, and a 5% additional increase applies after 22 years.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Revised Basis)  
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>		<u>Salary Increase*</u>
		<u>&lt;5</u>	<u>5+</u>	
51	.01295	.0000	.0000	.053
52	.01375	.0000	.0000	.051
53	.01455	.0000	.0000	.050
54	.01540	.0000	.0000	.048
55	.01620	.0000	.0000	.047
56	.01785	.0000	.0000	.046
57	.01870	.0000	.0000	.044
58	.01950	.0000	.0000	.043
59	.02030	.0000	.0000	.041
60	.00000	.0000	.0000	.040
61	.00000	.0000	.0000	.040
62	.00000	.0000	.0000	.040
63	.00000	.0000	.0000	.040
64	.00000	.0000	.0000	.040
65	.00000	.0000	.0000	.040

\* A 7% additional increase applies in the final year of Creditable Service, and a 5% additional increase applies after 22 years.

Retirement: If eligible for Rule of 64 Retirement, the following decrements apply, based on service:

<u>Years of Service</u>	<u>Police %</u>	<u>Fire %</u>
<20	0	0
20-24	20	5
25-29	25	25
30-31	50	25
32	100	100

There is no explicit assumption on the percentage of retirements expected to enter the DROP. No distinction is necessary, since funding is calculated to expected retirement or expected DROP entry.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Revised Basis)  
(Continued)

Type of Disability: 100% of the disabilities are expected to be accidental disabilities.

Recovery: No probabilities of recovery are used.

Type of Death: 100% of the assumed deaths are expected to be ordinary deaths.

Remarriage: No probabilities of remarriage are used.

Spouse's Ages: Females are assumed to be 3 years younger than males.

Marital Status: All employees are assumed to be married.

Investment Expenses: None; the investment return assumption of 7.75% is net of investment expenses.

Withdrawal of Employee Contributions: It is assumed that employees do not withdraw their contribution balances upon employment termination or retirement.

Compensated Absence Balance Transfers: No liabilities or costs are included for the provision to transfer compensated absence balances into FIPO to purchase additional creditable service, based on our understanding that assets will be transferred immediately prior to retirement to cover 100% of the liability for the additional service.

Adjustments from Valuation Date: One year's interest is added to the calculated deposit to reflect ordinance provision.

Sources of Data: Asset data is from unaudited financial statements and includes an appraised value for the real estate to be used for Market Value. Membership data was furnished by Administrator.

Changes Since Prior Valuation: Retirement decrements changed to separate decrements for Police and Fire, as shown above. The prior decrements, after eligibility for Rule of 64 Retirement, were applied based on service, as follows:

Years of Service	%
<u>After R64 and 20 Years, or Age 60</u>	
0-4	10
5-9	25
10+ or age 65	100

For Market Value purposes, the real estate is included at appraised value instead of depreciated cost.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Information Under Florida Statutes

**I. Comparison of Salary Increases**

<u>Year Ending</u>	<u>Actual</u> -%-	<u>Assumed</u> -%-
9/30/06	2.84	5.79
9/30/05	8.15	5.77
9/30/04	10.20	5.78
9/30/03	5.38	4.00
9/30/02	2.43	2.00
9/30/01	4.79	2.00
9/30/00	7.12	2.00
9/30/99	0.52	2.75
9/30/98	(1.35)	2.75
9/30/97	(1.07)	2.75
9/30/96	0.76	2.75
9/30/95	5.50	2.75
9/30/94	2.86	3.00
9/30/93	6.37	6.80
9/30/92	3.48	6.80
9/30/91	2.65	6.80
9/30/90	2.79	7.00
9/30/89	8.64	7.00
9/30/88	6.05	7.00
9/30/87	7.45	7.50
9/30/86	7.49	7.50
9/30/85	14.28	7.50
9/30/84	11.53	7.50

**II. Comparison of Investment Returns**

<u>Year Ending</u> -%-	<u>Actual MV</u> -%-	<u>Actual AAV*</u> -%-	<u>Assumed</u> -%-
9/30/06	9.1	7.57	7.75
9/30/05 (Revised)	15.6	7.83	7.75
9/30/05 (Prior)	15.6	8.43	7.75
9/30/04	12.9	4.29	7.75
9/30/03	15.7	3.26	7.75
9/30/02	(5.5)	(3.93)	7.75
9/30/01	(10.6)	(1.29)	7.75
9/30/00	12.7	16.01	7.75
9/30/99	13.8	13.40	7.75
9/30/98	6.9	19.45	7.75
9/30/97	28.3	26.34	8.00
9/30/96	13.2	11.27	8.00
9/30/95	21.0	12.86	7.75
9/30/94	(1.7)	5.18	7.75
9/30/93	15.8	13.73	7.75
9/30/92	9.9	12.48	7.75
9/30/91	25.9	20.93	7.75
9/30/90	0.4	1.89	7.50
9/30/89	N.A.	16.09	7.50
9/30/88	N.A.	0.08	7.50
9/30/87	N.A.	22.64	7.00
9/30/86	N.A.	21.66	7.00

\* Based on mean actuarial asset values for periods ending 9/30. Rates of return on AAV prior to 9/30/05 are based on prior asset valuation methods, with COLA transfers treated as cash flow.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Information Under Florida Statutes  
(Continued)

III. Comparison of Payroll Growth

<u>Year Ending</u>	<u>Actual</u> -%-	<u>Assumed</u> -%-
9/30/06	(1.3)	N.A.
9/30/05	2.6	N.A.
9/30/04	(9.9)	N.A.
9/30/03	2.1	N.A.
9/30/02	8.1	N.A.
9/30/01	6.3	N.A.
9/30/00	8.5	N.A.
9/30/99	4.6	N.A.
9/30/98	6.8	N.A.
9/30/97	(4.5)	N.A.
9/30/96	1.9	N.A.
9/30/95	(1.9)	N.A.
9/30/94	1.1	N.A.
9/30/93	7.5	N.A.
9/30/92	2.1	N.A.
9/30/91	(7.6)	5.00
9/30/90	(0.8)	5.00
9/30/89	9.5	5.00
9/30/88	3.4	5.00
9/30/87	5.9	5.00
9/30/86	5.8	5.00
9/30/85	7.8	5.00
9/30/84	9.7	5.00

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Disclosure Information Under GASB 25

(Excluding COLA Fund)

**I. Funding Status and Progress as of September 30, 2006 and 2005**

Pension benefit obligation:

	<u>\$(Millions)</u>		
	<u>Sept. 30, 2006</u>		<u>Sept. 30, 2005</u>
	<u>EAR</u>	<u>PBO</u>	<u>PBO</u>
	-\$-	-\$-	-\$-
- Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	747.3	747.3	677.2
- Current employees -			
Accumulated employee contributions including interest	116.3	116.3	121.2
Employer - financed vested	215.2	215.2	228.2
Employer - financed nonvested	<u>181.7</u>	<u>171.7</u>	<u>177.9</u>
Total pension benefit obligation	1,260.5	1,250.5	1,204.5
Net assets available for benefits (market value)	<u>1,147.9</u>	<u>1,147.9</u>	<u>1,091.9</u>
Unfunded pension benefit obligation	112.6	102.6	112.6

The pension benefit obligation was determined as part of actuarial valuations at September 30, 2006 and September 30, 2005. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.75 percent per year compounded annually, (b) projected salary increases of 4.00 percent per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0 percent to 4.8 percent per year, attributable to seniority/merit.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Disclosure Information Under GASB 25  
(Excluding COLA Fund)

**II. Contributions Required and Contributions Made**

The funding policy provides for periodic employer contributions at actuarially determined rates that are sufficient to pay benefits when due. Contributions for normal costs are determined using the aggregate actuarial cost method. This cost method does not provide for an unfunded actuarial accrued liability.

Contributions totaling \$58,333,807 (\$50,635,213 employer and \$7,698,594 employee) were made for the year ending September 30, 2006. These contributions consisted of (a) \$57,451,634 normal cost, (b) \$0 amortization of the unfunded actuarial accrued liability, (c) \$0 noninvestment expenses and (d) \$882,173 for Section 457 Service buybacks.

Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the standardized measure of the pension obligation as of the beginning of the preceding year.

**III. Analysis of Funding Progress (\$ Millions)**

<u>Fiscal Year</u>	(1) <u>Net Assets Available for Benefits</u> (\$)	(2) <u>Entry Age Reserve</u> (\$)	(3) <u>Percent Funded</u> (%)	(4) <u>Unfunded EAR (2)-(1)</u> (\$)	(5) <u>Annual Covered Payroll</u> (\$)	(4)/(5) (%)
1992	492.0	483.7	102	(8.3)	67.1	(12)
1993	550.6	513.4	107	(37.2)	72.0	(52)
1994	516.4	587.5	88	71.1	72.9	98
1995	616.5	614.4	100	(2.1)	71.5	(3)
1996	674.7	650.0	104	(24.7)	72.9	(34)
1997	835.3	727.1	115	(108.2)	69.6	(155)
1998	857.7	800.7	107	(57.0)	74.3	(77)
1999	932.8	843.2	111	(89.6)	77.7	(115)
2000	994.6	863.4	115	(131.2)	84.3	(156)
2001	828.9	932.7	89	103.8	89.7	116
2002	753.2	999.8	75	246.6	96.9	254
2003	844.9	1,067.9	79	223.0	98.9	225
2004	957.9	1,152.8	83	194.9	89.2	218
2005	1091.9	1,221.6	89	129.7	91.5	142
2006	1147.9	1,260.5	91	112.6	90.4	125



**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(Excluding COLA Fund)

IV. Revenues and Expenses

Revenues by Source				
<u>Fiscal Year</u> (\$)	<u>Employee Contributions</u> (\$)	<u>Employer Contributions</u> (\$)	<u>Investment Income</u> (\$)	<u>Total</u>
1992	6,115,655	10,029,747	44,569,353	60,714,755
1993	6,455,623	10,442,881	50,309,468	67,207,972
1994	7,435,034	9,296,175	36,915,202	53,646,411
1995	8,318,833	10,880,346	38,919,229	58,118,408
1996	7,852,469	16,547,235	55,421,603	79,821,307
1997	7,664,034	14,377,032	83,180,597	105,221,663
1998	7,692,571	14,155,472	96,007,011	117,855,054
1999	8,556,140	10,376,473	66,039,984	84,972,597
2000	6,257,588	5,400,784	129,752,337	141,410,709
2001	6,336,918	5,481,599	17,717,791	29,536,308
2002	6,721,236	5,400,784	(27,704,711)	(15,582,691)
2003	7,193,936	15,024,366	30,466,098	52,684,400
2004	24,415,150	32,959,003	53,963,150	111,337,303
2005	18,607,681	45,545,130	71,904,910	136,057,721
2006	7,698,594	50,635,213	71,669,124	130,002,931

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(Excluding COLA Fund)

IV. Revenues and Expenses (Continued)

Fiscal Year	Expenses by Type			
	<u>Benefits</u> (\$)	<u>Administrative Expenses</u> (\$)	<u>Refunds</u> (\$)	<u>Total</u> (\$)
1992	22,345,166	1,137,047	751,088	24,233,301
1993	22,735,888	1,314,925	672,376	24,723,189
1994	23,787,091	1,420,693	510,074	25,717,858
1995	25,846,564	1,567,841	703,269	28,117,674
1996	29,506,924	1,870,188	822,497	32,199,609
1997	33,841,809	2,079,183	1,225,239	37,146,231
1998	35,593,108	2,543,855	391,524	38,537,297
1999	36,900,501	2,689,079	258,383	39,847,963
2000	41,237,423	2,710,752	258,804	44,206,979
2001	41,386,774	2,933,939	481,746	44,802,459
2002	42,766,860	2,825,903	364,256	45,957,019
2003	46,083,206	2,922,537	429,225	49,434,968
2004	53,249,450	3,334,460	301,580	56,885,490
2005	66,518,783	3,865,995	257,859	70,642,637
2006	69,825,105	4,687,601	573,228	75,085,934

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(Excluding COLA Fund)

V. Schedule of Employer Contributions

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u> ( <u>\$</u> )	<u>Percentage Contributed</u> ( <u>%</u> )	<u>Net Pension Obligation</u> ( <u>\$</u> )
1994	9,296,175	100	0
1995	10,880,346	100	0
1996	16,547,235	100	0
1997	14,377,032	100	0
1998	14,155,472	100	0
1999	10,376,473	100	0
2000	5,400,784	100	0
2001	4,003,892	100	0
2002	1,051,629	100	0
2003	18,163,588	100	0
2004	36,341,515	100	0
2005	45,545,130	100	0
2006	50,635,213	100	0
2007	40,542,078	100	0

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(COLA Fund)

I. COLA Increases by Duration Since Retirement (Including 2006 Increment)

<u>Years Retired</u>	<u>No.</u>	<u>FIPO Benefits</u>	<u>COLA Benefits</u>	<u>%</u>
		<u>-\$-</u>	<u>-\$-</u>	
0 - 5	454	2,133,331	283	0.0
5 -10	199	799,704	25,257	3.2
10-15	260	1,004,084	85,200	8.5
15-20	255	812,688	174,286	21.4
20-25	159	318,335	153,308	48.2
25-30	233	247,371	249,728	101.0
30-35	175	125,592	205,211	163.4
35-40	51	28,460	72,436	254.5
40-45	21	10,575	30,167	285.3
45-50	4	2,246	7,434	331.0
50+	8	3,343	8,417	251.8
Total	<u>1,819</u>	<u>5,485,729</u>	<u>1,011,727</u>	<u>18.4</u>

II. COLA Increases by Attained Age (2006 Table)

<u>Age</u>	<u>No.</u>	<u>FIPO Benefits</u>	<u>COLA Benefits</u>	<u>%</u>
		<u>-\$-</u>	<u>-\$-</u>	
<45	30	104,031	660	0.6
45-50	191	881,805	1,066	0.1
50-54	241	1,016,896	10,182	1.0
55-59	305	1,214,107	59,079	4.9
60-64	264	942,963	111,802	11.9
65-69	181	482,049	115,213	23.9
70-74	190	368,789	185,089	50.2
75-79	226	301,199	263,761	87.6
80-84	136	132,244	181,240	137.1
85-89	40	30,135	60,109	199.5
>90	15	11,511	23,526	204.4
Total	<u>1,819</u>	<u>5,485,729</u>	<u>1,011,727</u>	<u>18.4</u>

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST  
(COLA Fund)**

III. COLA Increases vs. CPI (including 2006 Increment)

<u>Years Retired</u>	<u>No.</u>	<u>COLA</u> <u>-%-</u>	<u>CPI</u> <u>-%-</u>	<u>COLA/CPI</u> <u>%</u>
0 - 5	454	0.0	2.6	0.5
5 -10	199	3.2	17.2	18.4
10-15	260	8.5	28.0	30.3
15-20	255	21.4	47.5	45.1
20-25	159	48.2	83.3	57.8
25-30	233	101.0	142.5	70.8
30-35	175	163.4	265.4	61.6
35-40	51	254.5	414.3	61.4
40-45	21	285.3	521.9	54.7
45-50	4	331.0	572.1	57.8
50+	8	251.8	825.7	30.5
Total	1,819	18.4	36.9	50.0

IV. Consumer Price Index (CPI-U)

<u>Year</u>	<u>December Index</u>	<u>Annual %</u>	<u>Year</u>	<u>December Index</u>	<u>Annual %</u>
1956	27.6	2.9	1981	94.0	8.9
1957	28.4	3.0	1982	97.6	3.9
1958	28.9	1.8	1983	101.3	3.8
1959	29.4	1.5	1984	105.3	4.0
1960	29.8	1.5	1985	109.3	3.8
1961	30.0	0.7	1986	110.5	1.1
1962	30.4	1.2	1987	115.4	4.4
1963	30.9	1.6	1988	120.5	4.4
1964	31.2	1.2	1989	126.1	4.6
1965	31.8	1.9	1990	133.8	6.2
1966	32.9	3.4	1991	137.9	3.0
1967	33.9	3.0	1992	141.9	2.9
1968	35.5	4.7	1993	145.8	2.7
1969	37.7	6.1	1994	149.7	2.7
1970	39.8	5.5	1995	153.5	2.5
1971	41.1	3.4	1996	158.6	3.3
1972	42.5	3.4	1997	161.3	1.7
1973	46.2	8.7	1998	163.9	1.6
1974	51.9	12.2	1999	168.3	2.7
1975	55.5	7.0	2000	174.0	3.4
1976	58.2	4.8	2001	176.7	1.6
1977	62.1	6.8	2002	180.9	2.4
1978	67.7	9.0	2003	184.3	1.9
1979	76.7	13.3	2004	190.3	3.3
1980	86.3	12.4	2005	196.8	3.4
			2006	201.8	2.5

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST  
(COLA Fund)**

**I. Summary of Assets Available for Benefits at October 1, 2006**

**A. COLA Accounts (Exhibit 2)**

1.	COLA I Account at 9/30/2006	38,713,432
2.	COLA II Account at 9/30/2006	210,269,219

**B. Transfers of Excess Investment Income**

1.	\$33,668,908 due on 1/1/2007	33,046,442
2.	\$32,675,538 due on 1/1/2008	29,764,675

**C. Minimum City Contributions<sup>(1)</sup>  
\$4,502,359 beginning 1/1/2009, payable  
for 6 years discounted**

19,104,340

**D. City Contribution due 1/1/2008**

0

**E. Assets Available for COLA Benefits**

330,898,108

**II. COLA Fund Liabilities for Benefits at 10/1/2006<sup>(3)</sup>**

**A. Present Value of Existing COLA Benefits for Inactives**

1.	Frozen COLA I benefits	1,965,162
2.	COLA II benefits	<u>172,898,871</u>
3.	Total inactive COLA benefits	174,864,033

**B. Present Value of Projected COLA Benefits for Current Actives**

1.	Reserve for current actives	36,475,945
2.	Reserve for future actives (15% of B1)	<u>5,471,392</u>
3.	Total	41,947,337

**C. Total Liability Allocated (A3+B4)**

216,811,370

**D. Contingency Reserve [20% of I(E)-I(B)(2)]**

60,226,687

**E. Unallocated Reserve<sup>(2)</sup>**

53,860,051

**F. Total Liability for COLA Benefits**

330,898,108

Notes: (1)  $(1/1.0775)^{2.25} \ddot{a}_{\overline{6}|} = 4.2431846$

(2) For \$1,024 Table

(3) Service for COLA excludes 457 buyback service.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST  
(COLA Fund)**

III. Derivation of Increase in Table as of January 1, 2007

A. Liability based on current \$1,024 table

1. Inactive COLA II Benefits	172,898,871
2. Present Value of Projected COLA benefits for current actives	36,475,945
3. Reserve for future actives [15% of (2)]	<u>5,471,392</u>
4. Total	214,846,208

B. Assets available to increase table

1. Total assets available for COLA Benefits	330,898,108
2. Total Liability Allocated (current \$1,024 table)	216,811,370
3. Contingency Reserve II(D)	<u>60,226,687</u>
4. Available Assets [(1)-(2)-(3)]	53,860,051
5. \$32,675,538 due on 1/1/2008, discounted	<u>29,764,675</u>
6. Net Available Assets [(4)-(5)]	24,095,376
7. Increase ratio [(B6)/(A4)]	0.11215
8. Table increase [\$1,024x(7)]	115
9. New table amount [\$1,024+(8)]	1,139
10. Actual new table amount	<u>1,139</u>

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST  
(COLA Fund)**

Cumulative Experience Position Net of Asset Transfers

I. Calculation of Expected Unfunded Actuarial Accrued Liability at 10/1/2006

	-\$-
A. Expected Unfunded Actuarial Accrued Liability at 10/1/2005	316,518,596
B. Entry Age Normal Cost for 2005/2006 Year Paid or Payable by Employer	25,496,455
C. Interest on (A) and (B)	26,506,166
D. Contributions for 2005/2006 Year Paid or Payable by Employer (Required)	50,635,213
E. Interest on (D)	<u>3,924,229</u>
F. Expected Unfunded Actuarial Accrued Liability at 9/30/2006	313,961,775
G. Additional Unfunded Actuarial Accrued Liability due to Assumption Changes	(4,770,409)
H. Additional Unfunded Actuarial Accrued Liability due to Florida Law 99-1	<u>0</u>
I. Final Expected Unfunded Actuarial Accrued Liability at 9/30/2006	309,191,366

II. Determination of Net Cumulative Experience Position at 10/1/2006

A. Expected Unfunded Actuarial Liability as of September 30, 2006	309,191,366
B. Entry Age Reserve - Actives	513,121,992
- Inactives	<u>747,329,310</u>
- Total	1,260,451,302
C. Actuarial Asset Value	1,133,007,182
D. Actual Unfunded Actuarial Liability (B)-(C)	<u>127,444,120</u>
E. Cumulative Experience Gain (Loss) (A)-(D)	181,747,246

III. Future Transfers of Excess Investment Income at 10/1/2006

A. \$33,668,908 due on 1/1/2007, discounted	33,046,442
B. \$32,675,538 due on 1/1/2008, discounted	<u>29,764,675</u>
C. Total Future Transfers at 10/1/2006 (A)+(B)	62,811,117



**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(COLA Fund)

Summary of Principal COLA Provisions

- Effective Date:** January 1, 1994, amended January 1, 1995.
- Eligibility:** All inactive members in Miami Fire Fighters' and Police Officers' Retirement Trust.
- Prior COLA:** Benefits granted through 1993 continue to be paid, in addition to benefits to be granted in the future.
- Available Assets:** Existing COLA assets as of January 1, 1995; beginning with the 1991/92 fiscal year, a percentage of excess investment return on FIPO assets (75% of first 2.5%, 50% of next 2.5%, 25% of next 2.5%), subject to a minimum City contribution of \$2.5 million, increasing 4% annually.
- Allocated Assets:** Current COLA assets as of September 30, 2005, plus present value of \$2.5 million minimum guarantee for 14 years. The 4% future annual increases is not pre-allocated. A contingency reserve of 22% has been established for adverse experience.
- COLA Benefits:** In addition to prior COLA, benefits are based on attached table, with \$1,024 monthly benefit for 25 years of creditable service and 22 completed years of retirement (after age 46). The \$1,024 amount is reduced by 5% for each year of retirement less than 22 and each year of creditable service less than 25 and increased similarly for years of retirement greater than 22 and years of creditable service greater than 25.
- Benefits are based on the FIPO option elected. Tabular amounts are adjusted, based on the FIPO adjustments at the time of FIPO benefit commencement, for options other than Option 8 (Joint & 40%). Surviving spouses receive the percentage of the table amount determined under the FIPO election.
- Service-incurred and accidental disabilities and deaths receive benefits based on the greater of 25 years or actual creditable service.
- Changes from Prior Year Valuation:** Table changed from \$1,024 to \$1,139 (at 25 years of creditable service and 22 years of retirement).



Miami Firefighters' and Police Officers' Retirement Trust  
 2007 Monthly Retirement Supplements (\$1139 Table)

	Completed Years of Retirement (after age 46)																									
	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	
10	342	356	370	384	399	413	427	441	456	470	484	498	513	527	541	555	569	584	598	612	626	641	655	669	683	
11	410	427	444	461	478	495	513	530	547	564	581	598	615	632	649	666	683	700	718	735	752	769	786	803	820	
12	478	498	518	538	558	578	598	618	638	658	678	698	718	738	757	777	797	817	837	857	877	897	917	937	957	
13	547	570	592	615	638	661	683	706	729	752	775	797	820	843	866	888	911	934	957	980	1002	1025	1048	1071	1093	
14	615	641	666	692	718	743	769	794	820	846	871	897	923	948	974	999	1025	1051	1076	1102	1128	1153	1179	1204	1230	
15	683	712	740	769	797	826	854	883	911	940	968	997	1025	1054	1082	1111	1139	1167	1196	1224	1253	1281	1310	1338	1367	
16	752	783	814	846	877	908	940	971	1002	1034	1065	1096	1128	1159	1190	1222	1253	1284	1316	1347	1378	1410	1441	1472	1503	
17	820	854	888	923	957	991	1025	1059	1093	1128	1162	1196	1230	1264	1298	1333	1367	1401	1435	1469	1503	1538	1572	1606	1640	
18	888	925	962	999	1036	1074	1111	1148	1185	1222	1259	1296	1333	1370	1407	1444	1481	1518	1555	1592	1629	1666	1703	1740	1777	
19	957	997	1036	1076	1116	1156	1196	1236	1276	1316	1355	1395	1435	1475	1515	1555	1595	1634	1674	1714	1754	1794	1834	1874	1914	
20	1025	1068	1111	1153	1196	1239	1281	1324	1367	1410	1452	1495	1538	1580	1623	1666	1709	1751	1794	1837	1879	1922	1965	2007	2050	
21	1093	1139	1185	1230	1276	1321	1367	1412	1458	1503	1549	1595	1640	1686	1731	1777	1822	1868	1914	1959	2005	2050	2096	2141	2187	
22	1162	1210	1259	1307	1355	1404	1452	1501	1549	1597	1646	1694	1743	1791	1839	1888	1936	1985	2033	2082	2130	2178	2227	2275	2324	
23	1230	1281	1333	1384	1435	1486	1538	1589	1640	1691	1743	1794	1845	1896	1948	1999	2050	2101	2153	2204	2255	2306	2358	2409	2460	
24	1298	1353	1407	1461	1515	1569	1623	1677	1731	1785	1839	1894	1948	2002	2056	2110	2164	2218	2272	2326	2381	2435	2489	2543	2597	
25	1367	1424	1481	1538	1595	1652	1709	1765	1822	1879	1936	1993	2050	2107	2164	2221	2278	2335	2392	2449	2506	2563	2620	2677	2734	
26	1435	1495	1555	1615	1674	1734	1794	1854	1914	1973	2033	2093	2153	2213	2272	2332	2392	2452	2511	2571	2631	2691	2751	2810	2870	
27	1503	1566	1629	1691	1754	1817	1879	1942	2005	2067	2130	2193	2255	2318	2381	2443	2506	2568	2631	2694	2756	2819	2882	2944	3007	
28	1572	1637	1703	1768	1834	1899	1965	2030	2096	2161	2227	2292	2358	2423	2489	2554	2620	2685	2751	2816	2882	2947	3013	3078	3144	
29	1640	1709	1777	1845	1914	1982	2050	2119	2187	2255	2324	2392	2460	2529	2597	2665	2734	2802	2870	2939	3007	3075	3144	3212	3280	
30	1709	1780	1851	1922	1993	2064	2136	2207	2278	2349	2420	2492	2563	2634	2705	2776	2848	2919	2990	3061	3132	3203	3275	3346	3417	
31	1777	1851	1925	1999	2073	2147	2221	2295	2369	2443	2517	2591	2665	2739	2813	2887	2961	3035	3109	3184	3258	3332	3406	3480	3554	
32	1845	1922	1999	2076	2153	2230	2306	2383	2460	2537	2614	2691	2768	2845	2922	2998	3075	3152	3229	3306	3383	3460	3537	3613	3690	
33	1914	1993	2073	2153	2232	2312	2392	2472	2551	2631	2711	2791	2870	2950	3030	3109	3189	3269	3349	3428	3508	3588	3668	3747	3827	
34	1982	2064	2147	2230	2312	2395	2477	2560	2642	2725	2808	2890	2973	3055	3138	3221	3303	3386	3468	3551	3633	3716	3799	3881	3964	
35	2050	2136	2221	2306	2392	2477	2563	2648	2734	2819	2904	2990	3075	3161	3246	3332	3417	3502	3588	3673	3759	3844	3930	4015	4100	
36	2119	2207	2295	2383	2472	2560	2648	2736	2825	2913	3001	3090	3178	3266	3354	3443	3531	3619	3707	3796	3884	3972	4061	4149	4237	
37	2187	2278	2369	2460	2551	2642	2734	2825	2916	3007	3098	3189	3280	3371	3463	3554	3645	3736	3827	3918	4009	4100	4192	4283	4374	
38	2255	2349	2443	2537	2631	2725	2819	2913	3007	3101	3195	3289	3383	3477	3571	3665	3759	3853	3947	4041	4135	4229	4323	4416	4510	
39	2324	2420	2517	2614	2711	2808	2904	3001	3098	3195	3292	3389	3485	3582	3679	3776	3873	3969	4066	4163	4260	4357	4453	4550	4647	
40	2392	2492	2591	2691	2791	2890	2990	3090	3189	3289	3389	3488	3588	3688	3787	3887	3987	4086	4186	4285	4385	4485	4584	4684	4784	
41	2460	2563	2665	2768	2870	2973	3075	3178	3280	3383	3485	3588	3690	3793	3895	3998	4100	4203	4305	4408	4510	4613	4715	4818	4920	
42	2529	2634	2739	2845	2950	3055	3161	3266	3371	3477	3582	3688	3793	3898	4004	4109	4214	4320	4425	4530	4636	4741	4846	4952	5057	
43	2597	2705	2813	2922	3030	3138	3246	3354	3463	3571	3679	3787	3895	4004	4112	4220	4328	4436	4545	4653	4761	4869	4977	5086	5194	
44	2665	2776	2887	2998	3109	3221	3332	3443	3554	3665	3776	3887	3998	4109	4220	4331	4442	4553	4664	4775	4886	4997	5108	5219	5331	
45	2734	2848	2961	3075	3189	3303	3417	3531	3645	3759	3873	3987	4100	4214	4328	4442	4556	4670	4784	4898	5012	5126	5239	5353	5467	
46	2802	2919	3035	3152	3269	3386	3502	3619	3736	3853	3969	4086	4203	4320	4436	4553	4670	4787	4903	5020	5137	5254	5370	5487	5604	
47	2870	2990	3109	3229	3349	3468	3588	3707	3827	3947	4066	4186	4305	4425	4545	4664	4784	4903	5023	5143	5262	5382	5501	5621	5741	
48	2939	3061	3184	3306	3428	3551	3673	3796	3918	4041	4163	4285	4408	4530	4653	4775	4898	5020	5143	5265	5387	5510	5632	5755	5877	
49	3007	3132	3258	3383	3508	3633	3759	3884	4009	4135	4260	4385	4510	4636	4761	4886	5012	5137	5262	5387	5513	5638	5763	5889	6014	
50	3075	3203	3332	3460	3588	3716	3844	3972	4100	4229	4357	4485	4613	4741	4869	4997	5126	5254	5382	5510	5638	5766	5894	6022	6151	

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(COLA Fund)

Summary of Actuarial Basis

Valuation Date: January 1, 2007.

Valuation Method: Accrued Benefit Cost Method, based on benefits granted to date.

Asset Valuation Method: Market Value, plus present value of future minimum City contributions.

Actuarial Assumptions:

Investment Return: 7.75% compounded annually.

Mortality: 1994 Group Annuity Mortality Table, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.0507%	.0284%
30	.0801%	.0351%
40	.1072%	.0709%
50	.2579%	.1428%
60	.7976%	.4439%
70	2.3730%	1.3730%

Disabled Mortality: In accordance with Pension Benefit Guaranty Corporation non-OASDI basis, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
30	0.13%	0.11%
40	0.31%	0.19%
50	0.83%	0.51%
60	2.05%	1.30%
70	4.85%	3.21%

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST  
(COLA Fund)**

Summary of Actuarial Basis  
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>	
		<u>&lt;5</u>	<u>5+</u>
20	.00085	.0240	.0192
21	.00095	.0240	.0192
22	.00105	.0240	.0192
23	.00110	.0240	.0192
24	.00125	.0240	.0192
25	.00130	.0240	.0192
26	.00140	.0240	.0192
27	.00150	.0240	.0192
28	.00160	.0240	.0192
29	.00170	.0240	.0192
30	.00180	.0240	.0192
31	.00200	.0240	.0192
32	.00220	.0240	.0192
33	.00245	.0240	.0192
34	.00265	.0240	.0192
35	.00285	.0240	.0192
36	.00305	.0228	.0182
37	.00325	.0216	.0173
38	.00345	.0204	.0163
39	.00370	.0192	.0154
40	.00390	.0180	.0144
41	.00470	.0168	.0134
42	.00555	.0156	.0125
43	.00635	.0144	.0115
44	.00720	.0132	.0106
45	.00800	.0120	.0096
46	.00880	.0096	.0077
47	.00965	.0072	.0057
48	.01045	.0048	.0038
49	.01130	.0024	.0019
50	.01210	.0000	.0000

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST  
(COLA Fund)**

Summary of Actuarial Basis  
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>	
		<u>&lt; 5</u>	<u>5+</u>
51	.01295	.0000	.0000
52	.01375	.0000	.0000
53	.01455	.0000	.0000
54	.01540	.0000	.0000
55	.01620	.0000	.0000
56	.01785	.0000	.0000
57	.01870	.0000	.0000
58	.01950	.0000	.0000
59	.02030	.0000	.0000
60	.00000	.0000	.0000
61	.00000	.0000	.0000
62	.00000	.0000	.0000
63	.00000	.0000	.0000
64	.00000	.0000	.0000
65	.00000	.0000	.0000

Retirement: If eligible for Rule of 64 Retirement, the following decrements apply, based on service:

<u>Years of Service</u>	<u>%</u>
<u>After R64, 20 Years</u>	
0-4	10
5-9	25
10+	100

There is no explicit assumption on the percentage of retirements expected to enter the DROP. No distinction is necessary, since funding is calculated to expected retirement or expected DROP entry.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(COLA Fund)

Summary of Actuarial Basis  
(Continued)

Type of Disability:	100% of the disabilities are expected to be accidental disabilities.
Recovery:	No probabilities of recovery are used.
Type of Death:	100% of the assumed deaths are expected to be ordinary deaths.
Remarriage:	No probabilities of remarriage are used.
Spouse's Ages:	Females are assumed to be 3 years younger than males.
Marital Status:	All employees are assumed to be married.
Investment Expenses:	Not provided for.
Withdrawal of Employee Contributions:	It is assumed that employees do not withdraw their contribution balances upon employment termination or retirement.
Adjustments from Valuation Date:	Liabilities are discounted for 3 months at the Investment Return assumption.
Sources of Data:	Asset data is from unaudited financial statements. Membership data was furnished by Administrator.
Changes from Prior Year Valuation:	None.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Disclosure Information Under GASB 5  
(COLA Fund)  
(Based on 01/01/2005 \$1,024 Table)

I. Funding Status and Progress as of September 30, 2006 and 2005

Pension benefit obligation:	<u>\$(Millions)</u>	
	<u>2006</u>	<u>2005</u>
- Retirees and beneficiaries currently receiving prior COLA benefits	2.0	2.2
- Retirees and beneficiaries receiving COLA tabular benefits (beginning January 1) and terminated employees not yet receiving tabular benefits	172.9	153.1
- Current Employees Accumulated employee contributions including interest	3.7	4.7
Employer - financed vested	0.0	0.0
Employer - financed non-vested	<u>38.2</u>	<u>35.0</u>
- Total pension benefit obligation	216.8	195.0
Net assets available for benefits	<u>249.0</u>	<u>231.6</u>
Unfunded pension benefit (obligation)/asset	32.2	36.6

The pension benefit obligations were determined as part of actuarial valuations at January 1, 2007 and January 1, 2006, based on data and asset information at September 30, 2006 and September 30, 2005. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.75% per year compounded annually, (b) post retirement COLA benefits based on the table in effect at January 1, 2006 and January 1, 2005.



**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Disclosure Information Under GASB 5

(COLA Fund)

(Based on 01/01/2006 \$1,024 Table)

II. Contributions Required and Contributions Made

The funding policy provides for annual employer contributions for 21 years from January 1, 1994. The amount of the contribution was \$2.5 million, beginning January 1, 1994, increasing 4% per year each year thereafter, and reduced (but not below zero) by any excess investment income transfer due on the same date.

The excess investment income transfer consists of a portion of gains due to investment return exceeding the 7.75 percent assumption. The \$33,668,908 amount to be transferred on January 1, 2007 is due to excess investment income during the year ended September 30, 2005, and therefore already is part of the Retirement Trust. The \$32,675,538 amount to be transferred on January 1, 2008 is due to excess investment income during the year ended September 30, 2006.

III. Analysis of funding Progress (\$ Millions)

Fiscal Year	(1) Net Assets Available for Benefits*	(2) Pension Benefit Obligation**	(3) Percent Funded (%)	(4) Unfunded PBO (2)-(1) (\$)	(5) Annual Covered Payroll (\$)	(4)/(5) (%)
1993	40.8	32.5	126	(8.3)	72.0	(12)
1994	42.6	51.5	83	8.9	72.9	12
1995	63.8	52.0	123	(11.8)	71.5	(17)
1996	83.9	65.7	128	(18.1)	72.9	(25)
1997	117.7	70.8	166	(46.9)	69.6	(67)
1998	144.2	90.9	159	(53.3)	74.3	(72)
1999	180.7	116.3	155	(64.4)	77.7	(83)
2000	220.5	137.0	161	(83.5)	84.3	(99)
2001	195.0	158.4	123	(36.6)	89.7	(41)
2002	174.1	164.5	106	(9.6)	96.9	(10)
2003	194.8	165.1	118	(29.7)	98.9	(30)
2004	210.3	185.7	113	(24.7)	89.2	(28)
2005	231.6	195.0	119	(36.6)	91.5	(40)
2006	249.0	216.8	115	(32.2)	90.4	(36)

\* Excluding future City minimum contributions.

\*\* Excluding new increment, contingency reserves, and reserves for future actives.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Disclosure Information Under GASB 5  
(COLA Fund)

IV. Revenues and Expenses

<u>Fiscal Year</u>	<u>Revenues by Source</u>			
	<u>Employee Contributions</u> (\$)	<u>Employer Contributions</u> (\$)	<u>Investment Income</u> (\$)	<u>Total</u> (\$)
1987	1,246,688	298,682	871,969	2,417,339
1988	1,272,000	0	393,935	1,665,935
1989	1,381,407	0	686,477	2,067,884
1990	1,457,451	0	694,749	2,152,200
1991	1,505,015	0	1,024,972	2,529,987
1992	1,422,192	0	1,031,806	2,453,998
1993	1,493,735	0	1,151,821	2,645,556
1994	474,233	9,481,546	1,313,750	11,269,529
1995	506	16,818,431	3,754,787	20,573,724
1996	0	2,622,149	3,795,508	6,417,657
1997	4,226	12,736,609	7,724,214	20,465,049
1998	1,094	14,344,834	10,325,730	24,671,658
1999	11,792	17,020,337	9,278,121	26,310,250
2000	293	23,437,048	18,932,095	42,369,436
2001	0	28,380,385	6,709,796	35,090,181
2002	0	32,080,031	571,271	32,651,302
2003	0	3,558,280	6,649,841	10,208,121
2004	0	3,700,611	9,923,222	13,623,833
2005	0	3,848,635	12,516,741	16,365,377
2006	0	0	25,340,983	25,340,983

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Disclosure Information Under GASB 5  
(COLA Fund)  
(Continued)

IV. Revenues and Expenses (Continued)

<u>Fiscal Year</u>	<u>Expenses by Type</u>			
	<u>Benefits</u> (\$)	<u>Administrative Expenses</u> (\$)	<u>Refunds</u> (\$)	<u>Total</u> (\$)
1987	183,548	7,301	36,679	227,528
1988	321,908	387	68,950	391,245
1989	430,185	0	46,021	476,206
1990	534,058	0	85,067	619,125
1991	578,758	0	76,730	655,488
1992	628,793	20,956	78,054	727,803
1993	665,938	27,288	84,945	778,171
1994	1,657,947	7,430	72,595	1,737,972
1995	2,706,830	0	101,814	2,808,644
1996	3,051,315	0	84,143	3,135,458
1997	3,676,801	0	124,925	3,801,726
1998	4,695,927	0	30,136	4,726,063
1999	5,765,042	295,708	17,974	6,078,724
2000	7,016,378	334,588	13,932	7,364,898
2001	8,225,910	445,723	16,796	8,688,429
2002	8,943,616	437,703	11,101	9,392,420
2003	9,332,318	590,842	9,806	9,932,966
2004	9,916,255	609,251	6,313	10,531,819
2005	10,614,510	672,938	1,182	11,288,630
2006	11,760,071	807,594	1,934	12,569,599

