

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

October 1, 2003 Actuarial Report

**For the Fiscal and Plan Year
October 1, 2004
through
September 30, 2005**

Prepared By:

**STANLEY, HOLCOMBE & ASSOCIATES, INC.
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February 25, 2004

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& A**

Stanley,
Holcombe
& Associates, Inc.

February 25, 2004

Pension Board
City of Miami Fire Fighters' and
Police Officers' Retirement Trust
Post Office Box 330708
Miami, FL 33233-0708

October 1, 2003 Actuarial Report

Dear Board Members:

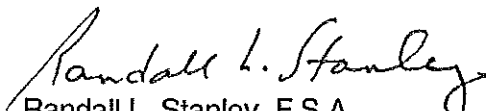
Enclosed is our report on the actuarial valuation of the City of Miami Fire Fighters' and Police Officers' Retirement Trust as of October 1, 2003, for the fiscal year beginning October 1, 2004.


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.

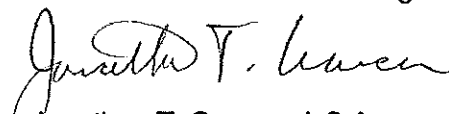
The costs in this report do not reflect any future impact of Section 415 of the Internal Revenue Code.

The City contribution requirement is \$45,545,130. As previously decided, this amount was calculated using a 5-year averaging period for the asset valuation method. (The COLA transfer calculations are to continue to utilize the 3-year basis.). The member contribution rate is 7%.

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

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Enclosures (15)

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

October 1, 2003 ACTUARIAL REPORT

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

Comparative Summary of Principal Valuation Results – Regular Fund

		<u>Actuarial Valuation as of</u>	
		<u>10/1/2003</u>	<u>10/1/2002</u>
A. <u>Participant Data</u> (Ex.7)			
Active Members		1,622	1685
Total Annual Payroll		\$98,920,675	\$96,873,690
Retired Members and Beneficiaries		1,256	1,197
Total Annualized Benefits		\$42,008,191	\$38,078,517
Disabled Members		222	231
Total Annualized Benefits		\$3,942,336	\$3,993,423
Terminated Vested Members		17	17
Total Annualized Benefits		\$305,401	\$300,385
B. <u>Assets</u>			
		-\$-	-\$-
Actuarial Value (Ex. 2)		865,776,458	865,450,392
Market Value (Ex. 4)		844,864,362	753,228,750
C. <u>Liabilities</u> (Excl. COLA)			
Present Value of Benefits (Ex. 1)			
Active Memebers-	Retirement	766,801,817	741,558,604
	Vesting	11,169,688	11,408,703
	Disability	19,271,587	19,169,985
	Death	5,689,319	5,565,755
	Return of Contributions	1,340,555	1,419,208
	Total	<u>804,272,966</u>	<u>779,122,255</u>
Inactive Members-	Retired, Beneficiaries	434,062,955	392,568,785
	Disabled	36,955,417	37,593,834
	Terminated Vested	2,943,754	3,299,352
	Total	<u>473,962,126</u>	<u>433,461,971</u>
Total		<u><u>1,278,235,092</u></u>	<u><u>1,212,584,226</u></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)

	<u>Actuarial Valuation as of</u>	
	<u>10/1/2003</u>	<u>10/1/2002</u>
D. <u>Actuarial Present Value of Accrued Benefits</u> (Exhibit 5)	-\$-	-\$-
Vested Accrued Benefits		
Inactive Members and Beneficiaries	473,962,126	433,461,971
Active Members	<u>391,556,458</u>	<u>367,758,099</u>
Total	865,518,584	801,220,070
Non-Vested Accrued Benefits	<u>16,668,674</u>	<u>16,275,631</u>
Total	<u>882,187,258</u>	<u>817,495,701</u>
E. <u>Pension Cost</u> (Exhibit 1)		
Normal Cost	52,469,577	43,122,673
Payment to Amortize Unfunded Liability	N/A	N/A
Expected Plan Sponsor Contribution	45,545,130	36,341,515
As % of Payroll	46.04%	37.51%
Expected Member Contribution	6,924,447	6,781,158
As % of Payroll	7.00%	7.00%
F. <u>Past Contributions</u>	<u>Year Ending</u> <u>9/30/2003</u>	<u>Year Ending</u> <u>9/30/2002</u>
	-\$-	-\$-
Required Plan Sponsor Contribution	18,163,588	1,051,629
Required Member Contributions	6,275,753	5,904,029
Actual Contributions		
Plan Sponsor and Contribution Surplus Account	18,163,588	5,400,784
Members	6,275,753	5,904,029
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)	784,744,342	788,893,099
Present Value Future Contributions (at attained age)	54,415,244	54,647,741

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

Comparative Summary of Principal Valuation Results – COLA Fund

		Actuarial Valuation Prepared as of	
		10/1/2003	10/1/2002
A. <u>Participant Data</u>			
Active Members			
Total Annual Payroll			
Retired Members and Beneficiaries		\$1,256	\$1,197
Total Annualized Benefits		\$8,324,787	\$7,694,900
Disabled Members		\$222	\$231
Total Annualized Benefits		\$1,986,783	\$1,966,293
Terminated Vested Members			
Total Annualized Benefits			
Table		\$920	\$880
B. <u>Assets</u>			
		-\$-	-\$-
Actuarial Value (Ex. 13)		223,036,047	202,802,941
Market Value (Ex. 13)		194,754,295	174,072,401
C. <u>Liabilities (COLA Only)</u>			
Present Value of Benefits (Ex. 13)			
Active Members -	Reserve for Current Actives	38,100,609	39,556,204
	Reserve for Contribution Refunds	5,752	7,681
	Reserve for Future Actives	5,715,091	5,933,431
	Total	43,821,452	45,497,316
Inactive Members -	Frozen COLA I Benefits	2,532,124	2,764,616
	COLA II Benefits	124,465,873	122,150,057
	Total	126,997,997	124,914,673
Total		170,819,449	170,411,989
 <u>Comparative Summary of Total Assets - Combined</u>			
Market Value (Ex. 4)		1,039,618,657	927,301,151

**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, 2004 for the City of Miami Fire Fighters' and Police Officers' Retirement Trust. This report is intended to reflect the provisions and requirements of Ordinance No. 10002, as amended through September 30, 2003.

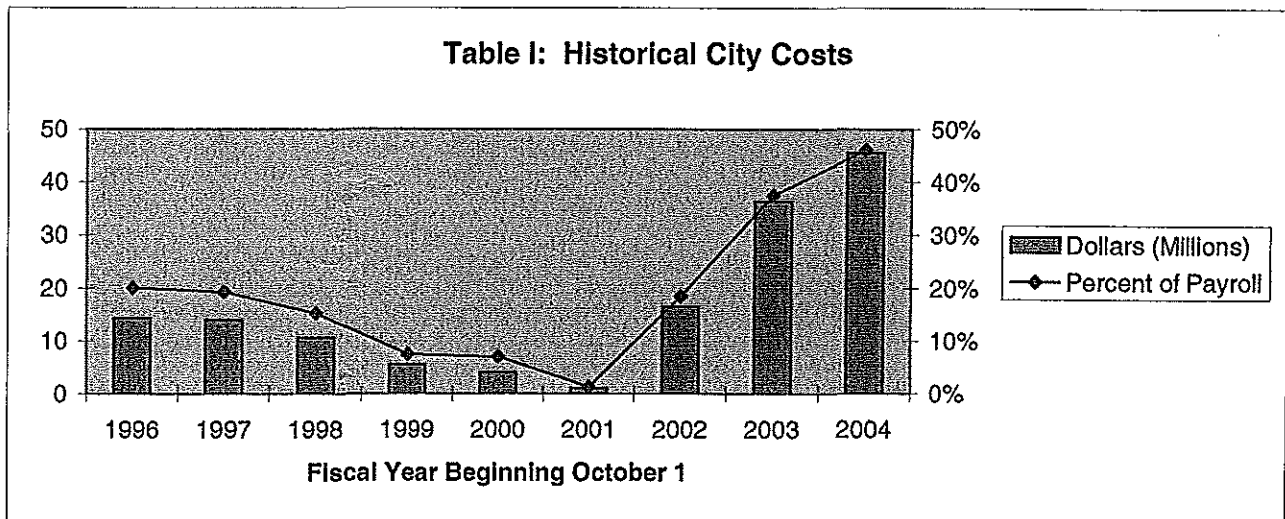
Comparison of Deposit Requirements

The City contribution requirement, and the results calculated for the 2004/2005 fiscal year, are as follows:

	<u>2004/2005</u>	<u>2003/2004</u>	<u>2002/2003</u>
Past Service Cost	-\$- N/A	-\$- N/A	-\$- N/A
Normal Cost	45,545,130	36,341,515	18,163,588
Payment Timing	0	0	0
	<hr/> 45,545,130	<hr/> 36,341,515	<hr/> 18,163,588

The 2004/2005 deposit amount of \$45,545,130 is approximately \$9 million more than the \$36,341,575 for the prior year. As of October 1, 2003 there is a contribution surplus of \$3,382,512, which will decrease to \$0 at October 1, 2004, based on our understanding that the surplus was used to reduce the 2003/2004 contribution requirement.

As can be seen from Table I, Normal Costs have increased dramatically over the last three years following the decline in equity prices. Before that, decreases in Normal Costs were prevalent as equity prices increased.



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 from October 1, 2002 to October 1, 2003 Valuations

	<u>Normal Cost</u>	
	<u>-\$-</u>	<u>-%-</u>
2002/2003 Normal Cost	36,341,515	37.51
2003/2004 Normal Cost Expected (for continuing participants)	37,139,661	37.51
<u>Element of Experience</u>		
Salary Increases	+1,185,000	+ 0.73
Turnover	+248,000	+ 0.03
Mortality	+186,000	+ 0.17
Retirement	- 1,783,000	- 0.58
New Participants	+95,000	- 0.29
Disability	- 83,000	- 0.17
Investment Return, Contribution Lag	+ 8,600,000	+ 8.69
Assumption Change	--	--
Other, Data	- 43,000	- 0.05
Total	+8,405,469	+8.53
2003/2004 Normal Cost	45,545,130	46.04
Payment Timing	0	
	<u>45,545,130</u>	

As may be noted from the table, the effect of one element of experience (investment return) in the 2002/2003 year was responsible for virtually the entire increase in Normal Cost. Salary increases also contributed to the increase in cost while retirement experience was favorable. Following is a more detailed description of the elements of experience:

Salary Increases - During the period October 1, 2002 through September 30, 2003, covered payroll for the continuing actives increased more than expected, resulting in an increase of \$1,185,000 in the Normal Cost. Covered payroll for continuing active participants at September 30, 2003 was approximately 101.3% of expected. (This compares to 100.4% of expected for the previous year, which increased the normal cost by \$584,000.)

Mortality - For active members there was one death, as compared to 2 expected; for inactive members there were 32 deaths (20 without survivors), as compared to about 34 expected.

Disability - During the past year there was 1 disability, as compared to 4.7 expected. Over the past 23 years, there have been 114 disabilities, as compared to about 136 expected.

Turnover - From October 1, 2002 to September 30, 2003, there were 20 employee terminations, as compared to about 21 predicted by the actuarial assumptions. Following is a comparison of the expected and actual turnover rates for the past six years:

Age	<u>1997/1998</u>		<u>1998/1999</u>		<u>1998/1999</u>		<u>2000/2001</u>		<u>2001/2002</u>		<u>2002/2003</u>	
	<u>Expected</u>	<u>Actual</u>	<u>Expected</u>	<u>Actual</u>	<u>Expected</u>	<u>Actual</u>	<u>Expected</u>	<u>Actual</u>	<u>Expected</u>	<u>Actual</u>	<u>Expected</u>	<u>Actual</u>
20-24	0.6	0	0.9	1	1.3	1	1.4	1	1.0	1	0.5	0
25-29	3.6	3	3.8	4	4.5	2	4.1	7	3.7	2	3.9	4
30-34	5.5	7	5.3	7	5.9	7	5.9	9	6.1	5	5.7	7
35-39	7.9	5	7.4	4	7.2	6	6.8	3	6.2	4	5.5	3
40+	<u>4.9</u>	<u>3</u>	<u>4.1</u>	<u>7</u>	<u>4.0</u>	<u>3</u>	<u>4.9</u>	<u>16</u>	<u>4.9</u>	<u>0</u>	<u>5.0</u>	<u>6</u>
	22.5	18	21.5	23	22.9	19	23.1	36	21.8	12	20.6	20

Retirement - There were 71 retirements during the period, as compared to about 81.9 expected (32 firefighters, 39 police). This resulted in a \$1,783,000 decrease in the Normal Cost. Note that retirees electing DROP are included among the actual retirees.

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

Age	<u>1997/1998</u>		<u>1998/1999</u>		<u>1999/2000</u>		<u>2000/2001</u>		<u>2001/2002</u>		<u>2002/2003</u>	
	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual
Under 45	9.1	7	56.8	2	72.7	8	10.5	1	13.8	5	11.1	13
45-49	78.6	9	187.9	16	197.0	24	29.7	5	32.9	7	26.4	27
50-54	31.1	8	75.0	9	84.0	24	24.6	5	30.3	3	29.0	17
55-59	3.7	1	17.0	2	18.0	6	5.4	0	8.4	2	14.4	12
60+	<u>0.5</u>	<u>0</u>	<u>2.0</u>	<u>1</u>	<u>2.0</u>	<u>1</u>	<u>2.0</u>	<u>0</u>	<u>2.0</u>	<u>0</u>	<u>1.0</u>	<u>2</u>
	122.9	25	338.7	30	373.7	63	72.2	11	87.4	17	81.9	71

Investment Return - The rate of return for the year ending September 30, 2003 was 15.7% on mean market value, as shown in Exhibit 4 and 3.26% on actuarial asset value (Exhibit 2). A loss on the actuarial value of assets combined with the effect of the timing of the 2003/2004 fiscal year contribution increased the Normal Cost by \$8.6 million. In addition, there will be no COLA transfer as of January 1, 2005, resulting in a City minimum contribution of \$3,848,635 to the COLA fund as of that date.

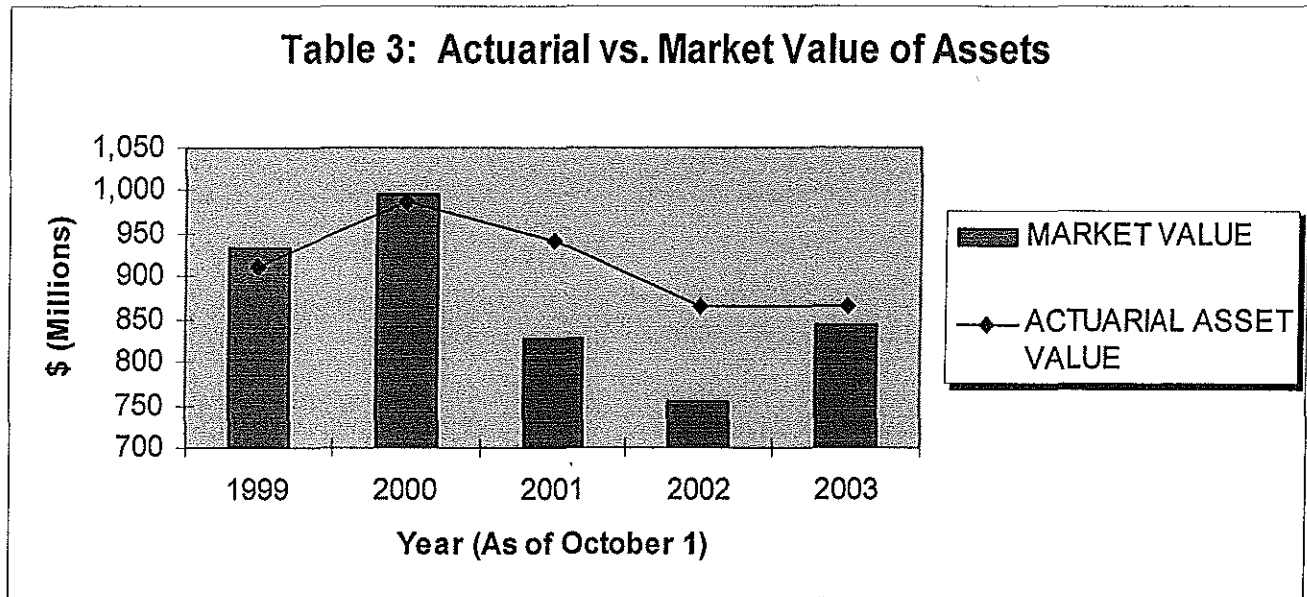
New Participants - During the year there were 30 new participants, who decreased the City contribution requirement for the Fund by .17%. Last year, 30 new participants increased the rate by .20%.

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, 2003 was 15.7%, as compared to the 7.75% assumption.

The actuarial asset valuation method (Exhibit 2) involves a moving average of the ratios of market to book values. Under the method, one-fifth of the change in unrealized gains or losses is immediately reflected, in addition to one-fifth of the relationships existing as of the four previous valuation dates. The result is not allowed to exceed 120% of the market value of assets, nor be less than 80% of market value (shown in Exhibit 4). As of September 30, 2003, this resulted in an actuarial asset value of \$20.9 million more than market value, as compared to \$112.2 more as of September 30, 2003.

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.



Expected Ongoing Cost Levels

System costs have increased dramatically over the past 3 years, due almost exclusively to asset performance.

Since the City’s contribution requirement is the primary variable, it has been significantly impacted.

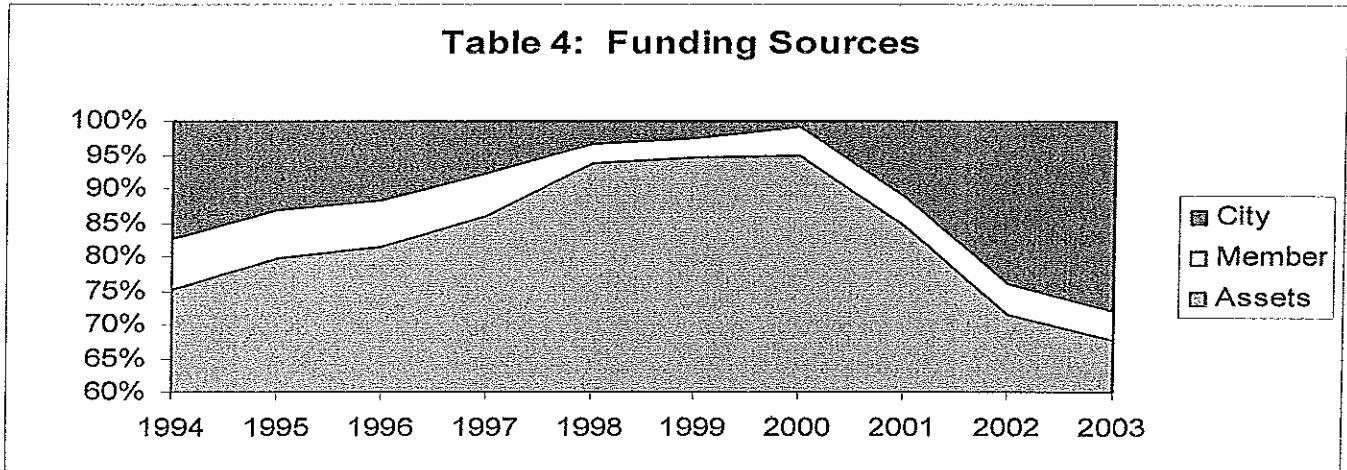
Nevertheless, it is important to distinguish between individual annual costs (which may be somewhat erratic) and expected ongoing annual costs. The following table compares the City contribution requirement as a percentage of payroll to the theoretical entry age normal contribution percentages:

<u>Valuation Date</u>	<u>Contribution %</u>	<u>EAN %</u>
10/1/2003	46	28
10/1/2002	38	28
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 most recent two years the contribution requirement has exceeded the theoretical contribution level, due to erosion of assets.

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 3 sources; the actuarial value of assets, the present value of member contributions, and the present value of future normal costs (city).



As seen on 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, 2003, the actuarial value of assets equals 68% of the present value of benefits, the present value of employee contributions equals 4%, and the present value of future normal costs equal 28% 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, 2003 is \$844,864,000, as compared to the value of accrued benefits of \$882,187,000 for a ratio of 95.8%. The ratio as of October 1, 2002 was 92.1%.

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

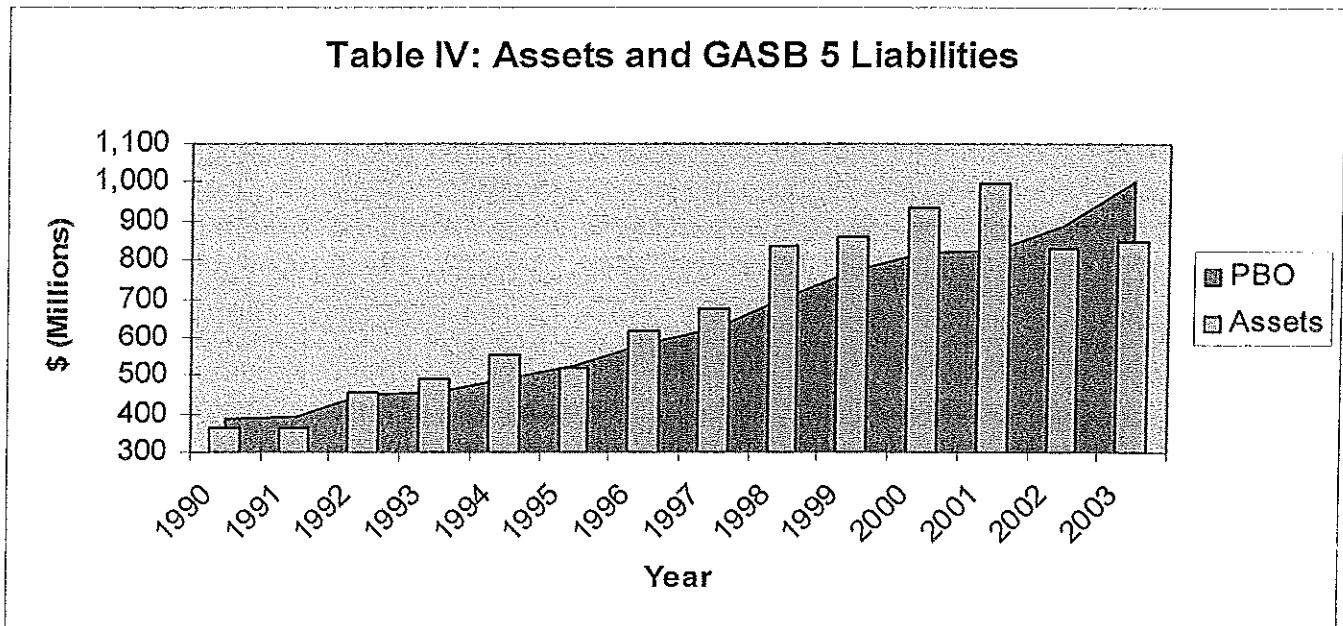
Governmental Accounting Standards

The Governmental Accounting Standards Board Statement No. 5, Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers, was required for financial reports issued for fiscal years beginning after December 15, 1986 (and before the effective dates of GASB 25 and GASB 27).

Statement 5 uses the computation and disclosure of a "standardized measure" of the pension obligation. This measure, the actuarial present value (APV) of credited projected benefits, is based on a proration of total projected benefits over total predicted service (past and prospective), including the impact of future expected salary increases. These calculations are typically used for disclosure items. They do not determine funding or expense requirements.

The GASB 5 disclosures include information for ten years on assets and pension obligation, contributions required and contributions made, revenues by source, and expenses by type. During the transition period when ten years of standardized measures were not available, the disclosure requirements were limited to the information available.

As of October 1, 2003 the pension obligation is \$1,000.9 million. This compares to assets of \$844.9 million, for a funded ratio of 84%. Last year the funded ratio was 78%. These amounts, together with other disclosures, are contained in Exhibit 11 and illustrated in the following Table 5:



These calculations are made for GASB 5. 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.

GASB Statement No. 25, Financial Reporting for Defined Benefit pension Plans and Statement No. 27, Accounting for Pensions by State and Local Governmental Employers were issued 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.

This is essentially the first GASB standard for disclosures comparing actual funding to GASB standards. The requirements of GASB25 include reporting a Schedule of Funding Progress and a Schedule of Employer Contributions.

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 the 1997 report, and discussion with FIPO auditors, the Schedule of Funding Progress is prepared using the Projected Unit Credit Actuarial Accrued Liability, which was previously required under GASB 5. This Schedule is shown in Exhibit 11, Section III.

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 GASB25.

Application of GASB27

The provisions of GASB27 are virtually identical to those of GASB25. It is our understanding that the schedules used for GASB25 disclosure may also be used for GASB27 purposes.

COLA Fund

Calculations were made based on the updated information provided as of 10/1/2003. The calculations reflect the approach adopted with the Amended Final Judgement 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 (including the additional benefit which is to be provided as of January 1, 2004), 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 55% 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 approach used to measure the cumulative experience position since October 1, 1992 has consistently utilized the actuarial value of assets in the calculations. This means that the portion of investment gains recognized by the actuarial asset valuation method was included in the expected unfunded liability, thereby reducing the measurement of the cumulative experience gains.

Our recommended adjustment involves the redetermination of the annual and cumulative experience position and the expected unfunded liability, without using the actuarial asset value. This results in an increase in the net experience gain position as of September 30, 2003 from (\$76,528,201) to \$78,150,927.

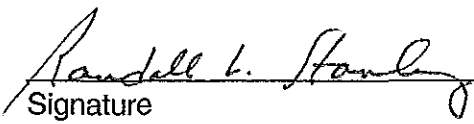
Since the revised method would not have impacted any past transfers to the COLA Fund, we recommend that this change be adopted.

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, 2003 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.


Signature
Enrolled Actuary No. 02-602

February 25, 2004
Date

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

City Contribution Requirement for 2003/2004 Fiscal Year

	2004/2005	2003/2004
	-\$-	-\$-
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	766,801,817	741,558,604
b. Disability	19,271,587	19,169,985
c. Death	5,689,319	5,565,755
d. Turnover	11,169,688	11,408,703
e. Return of Contributions	1,340,555	1,419,208
f. Total	804,272,966	779,122,255
2. <u>Retired Members and Beneficiaries</u>		
a. Service Retirements	418,956,376	377,765,262
b. Beneficiaries	15,106,579	14,803,523
c. Disability Retirements	36,955,417	37,593,834
d. Terminated Vested Members	2,943,754	3,299,352
e. Total	473,962,126	433,461,971
3. Total	1,278,235,092	1,212,584,226

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

City Contribution Requirement for 2004/2005 Fiscal Year

	2004/2005	2003/2004
	-\$-	-\$-
II. <u>Normal Cost</u> (Cont'd)		
A. Total Present Value of Future Benefits	1,278,235,092	1,212,584,226
B. Present Value of Future Member Contributions ⁽¹⁾	54,415,244	54,647,741
C. Actuarial Asset Value	865,776,458	865,450,392
D. Unfunded Actuarial Accrued Liability	0	0
E. Present Value of Future Normal Costs (A-B-C-D)	358,043,390	292,486,093
F. Present Value of Future Payrolls	784,744,342	788,893,099
G. Current Payroll for those under Expected Retirement Age	92,643,979	90,970,103
H. Current Normal Cost - Payable 10/1/2003 [(E)x(G) / (F)] (1.0775)	45,545,130	36,341,515
I. Covered Payroll	98,920,675	96,873,690
J. Normal Cost as Percentage of Payroll (H)/(I)	46.04%	37.51%
III. <u>Quarterly City Contribution Schedule</u>		
A. Past Service Cost	0	0
B. Normal Cost	45,545,130	36,341,515
C. Payment Timing	0	0
D. Total	45,545,130	36,341,515

(1) 7% of Future Covered Payroll

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

Contribution Surplus Account

	- \$-
A. Contribution Surplus At October 1, 2003	3,382,512
B. Actual 2002/2003 Contribution Made on 10/1/2003	32,959,003
C. Required Contribution As of 10/1/2003	36,341,515
D. Interest at 7.75%	0
E. Contribution Surplus at September 30, 2004 (A) + (B) - (C) + (D)	<u>0</u>

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

I. Development of Actuarial Asset Value (5 Years)

	<u>9/30/2003</u>	<u>9/30/2002</u>	<u>9/30/2001</u>	<u>9/30/2000</u>	<u>9/30/1999</u>
	-\$-	-\$-	-\$-	-\$-	-\$-
A. Book Value	811,680,164	808,430,731	836,848,564	854,106,177	760,554,174
B. Market Value	844,864,362	753,228,750	828,863,088	994,587,398	932,848,186
C. B/A	1.0408833	0.9317171	0.9904577	1.1644775	1.2265375
<hr style="border-top: 1px dashed black;"/>					
D. $1/5 \sum (C)$			1.0708146		
E. Adjusted Market Value at 9/30/2003 D x \$811,680,164			869,158,970		
F. Contribution Surplus at 9/30/2003			(3,382,512)		
G. 1. 80% of (Market Value - (F)) 2. 120% of (Market Value - (F))			673,185,480 1,009,778,220		
H. Preliminary Actuarial Asset Value (E- F)			865,776,458		
I. Present Value of 1/1/2005 COLA Transfer, discounted at 7.75%			0		
J. Actuarial Asset Value			865,776,458		

II. Rate of Return on Actuarial Asset Value

	-\$-
A. Actuarial Asset Value at 10/01/2002	865,450,392
B. Contributions	
1. City (Including amount from surplus account)	18,163,588
2. Members	7,193,936
3. Total	<u>25,357,524</u>
C. Benefits and Expenses	49,434,967
D. Present Value of 1/1/2005 COLA Transfer	0
E. Contribution Surplus	3,382,512
F. Actuarial Asset Value at 10/01/2003	865,776,458
G. Net Return on Investment [F + E + D + C - B - A]	27,786,021
H. Rate of Return [2 x G / (A + F - G)]	3.26%

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

I. Development of Actuarial Asset Value (For COLA Transfer Only)

	<u>9/30/2003</u>	<u>9/30/2002</u>	<u>9/30/2001</u>
	-\$-	-\$-	-\$-
A. Book Value	811,680,164	808,430,731	836,848,564
B. Market Value	844,864,362	753,228,750	828,863,088
C. B/A	1.0408833	0.9317171	0.9904577

D. $1/3 \sum (C)$		0.9876860	
E. Adjusted Market Value at 9/30/2003 D x \$811,680,164		801,685,135	
F. Contribution Surplus at 9/30/2003		(3,382,512)	
G. 1. 80% of (Market Value - (F)) 2. 120% of (Market Value - (F))		673,185,480 1,009,778,220	
H. Preliminary Actuarial Asset Value (E - F)		798,302,623	
I. Present Value of 1/1/2005 COLA Transfer, discounted at 7.75%		0	
J. Actuarial Asset Value		798,302,623	

II. Rate of Return on Actuarial Asset Value

	-\$-
A. Actuarial Asset Value at 10/01/2002	825,503,081
B. Contributions	
1. City (Including amount from surplus account)	18,163,588
2. Members	7,193,936
3. Total	<u>25,357,524</u>
C. Benefits and Expenses	49,434,967
D. Present Value of 1/1/2005 COLA Transfer	0
E. Contribution Surplus	3,382,512
F. Actuarial Asset Value at 10/01/2003	798,302,623
G. Net Return on Investment [F + E + D + C - B - A]	259,497
H. Rate of Return [2 x G / (A + F - G)]	0.03%

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

Calculation of Excess Investment Return
On Membership and Benefits Accounts for 2002/2003 Fiscal Year
2005 COLA Transfer

I. Net Actual Return on Actuarial Asset Value	-\$-
A. Preliminary Actuarial Asset Value as of 10/1/2003	798,302,623
B. Benefits Paid During Plan Year	46,083,206
C. Value of COLA transfer for 2001/2002 Year	0
D. Contributions Refunded During Plan Year	429,225
E. City Contributions During Plan Year (Required)	18,163,588
F. Member Contributions During Plan Year	7,193,936
G. Actuarial Asset Value as of 10/1/2002	<u>825,503,081</u>
H. Total Actual Return During Plan year (A) + (B) + (C) + (D) - (E) - (F) - (G)	(6,045,551)
I. Investment Expenses Paid During Plan Year	2,529,528
J. Net Actual Return During Plan Year	(8,575,079)

II. Net Expected Return on Actuarial Asset Value	
A. Actuarial Asset Value as of 10/1/2002	825,503,081
B. Benefits Paid During Plan Year	46,083,206
C. Value of COLA transfer for 2001/2002 Year	0
D. Contributions Refunded During Plan Year	429,225
E. City Contributions During Plan Year (Required)	18,163,588
F. Member Contributions During Plan Year	7,193,936
G. Expected Rate of Return	7.75%
H. Expected Return During Plan Year	63,252,191 *
I. Base Amount for Expected Return (H)/.0775	816,157,303
J. Excess Return on Assets (I(J) - II(H))	(71,827,270)
K. Excess Return as % of II(I)	(8.800665%)

III. Amount to be Transferred to COLA Fund

A. <u>Excess Return</u>		<u>COLA Transfer</u>	
	%	%	\$
First	2.5	75	0
Next	2.5	50	0
Next	2.5	25	0
		--	--
B. Total Transfer Amount at 1/1/2005			<u><u>0</u></u>

*Assumes Uniform Quarterly Contributions and Monthly Benefits

$$[(825,503,081) + (18,163,588 + 7,193,936) (2.5/4) - (46,083,206 + 429,225) (13/24)](.0775) =$$

63,252,191

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

Summary of Asset Transactions for Year Ending September 30, 2003

	<u>Membership and Benefits Accounts</u>	<u>COLA I Account</u>	<u>COLA II Account</u>
	-\$-	-\$-	-\$-
A. Market Value as of October 1, 2002	753,228,750	25,894,352	148,178,049
B. Book Value as of October 1, 2002	808,430,731	27,792,074	159,037,595
C. Income During Year			
1. City Contributions	15,024,366		3,558,280
2. Member Contributions	7,193,936		
3. Other Contributions			
4. Interest	17,424,546	480,712	3,139,752
5. Dividends	6,517,736	183,227	1,179,094
6. Net Realized Gains (Losses)	5,982,288	192,217	1,363,094
7. Income Transfer	0	N/A	0
8. Securities Lending Income	249,933	6,933	44,909
9. Rental and Other Income	291,595	8,101	51,802
	<u>52,684,400</u>	<u>871,190</u>	<u>9,336,931</u>
D. Disbursements During Years			
1. Benefit Payments	46,083,206	418,100	8,914,218
2. Contribution Refunds	429,225	9,806	
3. Custodial and Investment Expenses	2,529,528	75,804	491,479
4. Non-Vested Refunds Payable	283,308		
5. Securities Lending Fees	74,982	2,080	13,471
6. Building Depreciation	34,718	1,202	6,806
	<u>49,434,968</u>	<u>506,992</u>	<u>9,425,974</u>
E. Book Value as of 9/30/2003 (B) + (C)-(D)	811,680,164	28,156,272	158,948,552
F. Net Change in Unrealized Gains (Losses)	88,386,179	3,048,845	17,357,894
G. Market Value as of 9/30/2003 (A) + (C)-(D) + (F)	844,864,362	29,307,395	165,446,900
H. January 1, 2004 Allocation to COLA II (discounted)	<u>0</u>	<u>N/A</u>	<u>0</u>
I. Net Market Value as of 9/30/2003	844,864,362	29,307,395	165,446,900

⁽¹⁾Based on unaudited financial statements.

⁽²⁾Based on unaudited financial statements.

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

Distribution of Assets as of September 30, 2003

Membership and Benefits and Cost-of-Living Adjustment Accounts

<u>Description</u>	<u>Market</u>	<u>Book</u>
	-\$-	-\$-
Bills, Bonds, Notes	323,645,914	312,516,052
Corporate Stocks	644,016,524	619,562,652
Money Market Funds and Time Deposits	3,512,183	3,157,272
Guaranteed Inv. Contract	0	0
Mutual Funds	42,893,957	37,998,933
Real Estate	<u>2,384,445</u>	<u>2,384,445</u>
A: Sub-Total	1,016,453,023	975,619,354
B: Cash	26,545,867	26,545,867
Receivables:		
City Contributions		
Accounts Receivable	142	142
Member Contributions		
Accrued Interest	2,293,597	2,293,597
Securities Proceeds	<u>3,858,605</u>	<u>3,858,605</u>
C: Sub-Total	6,152,344	6,152,344
Payables:		
Budget Advance	(90,377)	(90,377)
Deferred Rental Income		
Tax Withheld	(14)	(14)
Accounts Payable	405,772	405,772
Securities Purchased	<u>9,217,196</u>	<u>9,217,196</u>
D: Sub-Total	<u>9,532,577</u>	<u>9,532,577</u>
E: Total (A + B + C-D)	1,039,618,657	998,784,988
Accounts:		
COLA I Account	29,307,395	28,156,272
COLA II Account	165,446,900	158,948,552
COLA II Transfer (1/1/2004)	0	0
F: Membership & Benefits Account	844,864,362	811,680,164

⁽¹⁾Based on unaudited financial statements.

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

Investment Results

Yield on Mean Values for 12-Month Period Ending 9/30/2003

	-\$-	<u>Market</u> -%-	<u>Book</u> -%-
<u>Membership and Benefits Accounts</u>			
Interest	17,424,546	2.4	2.2
Dividends	6,517,736	0.9	0.8
Rental and Other Income, less Depreciation	256,877	0.0	0.0
Realized Gains	5,982,288	0.8	0.8
Securities Lending (Net)	174,951	0.0	0.0
Increase in Unrealized Gains	88,386,179	11.9	--
Custodial and Investment Expenses	(2,529,528)	(0.3)	(0.3)
	<u>116,213,049</u>	<u>15.7</u>	<u>3.5</u>
<u>COLA I Account</u>			
Interest	480,712	1.9	1.8
Dividends	183,227	0.7	0.7
Rental and Other Income, less Depreciation	6,899	0.0	0.0
Realized Gains	192,217	0.7	0.7
Securities Lending (Net)	4,853	0.0	0.0
Increase in Unrealized Gains	3,048,845	12.0	--
Custodial and Investment Expenses	(75,804)	(0.3)	(0.3)
	<u>3,840,949</u>	<u>15.0</u>	<u>2.9</u>
<u>COLA II Account</u>			
Interest	3,139,752	2.2	2.0
Dividends	1,179,094	0.8	0.8
Rental and Other Income, less Depreciation	44,996	0.0	0.0
Realized Gains	1,363,094	0.9	0.9
Securities Lending (Net)	31,438	0.0	0.0
Increase in Unrealized Gains	17,357,894	11.9	--
Custodial and Investment Expenses	(491,479)	(0.3)	(0.3)
	<u>22,624,789</u>	<u>15.5</u>	<u>3.4</u>

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

Summary of Accounting Information
As of October 1, 2003

	<u>October 1, 2003</u>	<u>October 1, 2002</u>
I. <u>Present Value of Vested Accrued Benefits</u>	-\$-	-\$-
A. Service Retirements and Beneficiaries	434,062,955	392,568,785
B. Disability Retirements	36,955,417	37,593,834
C. Vested Terminated Members	2,943,754	3,299,352
D. Active Members	<u>391,556,458</u>	<u>367,758,099</u>
E. Total	865,518,584	801,220,070
II. <u>Present Value of Non-Vested Accrued Benefits</u>	<u>16,668,674</u>	<u>16,275,631</u>
III. <u>Present Value of Accrued Benefits</u>	882,187,258	817,495,701

The values of accumulated plan benefits were determined in accordance with the Academy of Actuaries Interpretations and FASB Statement No. 35, Accounting and Reporting by Defined Benefit Pension Plans.

V. Statement of Changes in Accrued Benefits

	-\$-
A. Present Value of Accrued Benefits at Beginning of Year	<u>817,495,701</u>
B. Increase (Decrease) During the Year Attributable to:	
1. Benefits Accumulated	<u>49,650,428</u>
2. Benefits Paid and Contributions Refunded	(46,512,431)
3. Plan Amendment	0
4. Assumption Changes	0
5. Increase Due to Decrease in Discount Period	<u>61,553,560</u>
6. Net Increase	64,691,557
C. Present Value of Accrued Benefits at End of Year	882,187,258

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

Comparison of Funding Progress
((\$000))

I. <u>Assets</u>	<u>10/01/2003</u>	<u>10/01/2002</u>	<u>10/01/2001</u>
	-\$-	-\$-	-\$-
A. Book Value	811,680	808,431	836,849
B. Market Value	844,864	753,229	828,863
II. <u>Liabilities</u>			
A. Retired and Vested	473,962	433,462	430,016
B. Active			
Employee Contributions	115,003	113,613	108,597
Other Vested	276,553	254,145	225,342
Non-Vested Accrued	<u>16,669</u>	<u>16,276</u>	<u>13,837</u>
C. Total Accrued	882,187	817,496	777,792
III. <u>Ratios</u>	%	%	%
IA/IIC	92.0	98.9	107.6
IB/IIC	95.8	92.1	106.6

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

Member Statistics

I. Active Members

<u>Number of</u>	<u>Date</u>		
	<u>10/01/2003</u>	<u>10/01/2002</u>	<u>10/01/2001</u>
Males	1,397	1,453	1,443
Females	225	232	233
Total	1,622	1,685	1,676

Averages

Current Age	40.1	39.6	39.0
Past Service	14.3	13.9	13.3
Credited Past Service	14.1	13.7	13.1
Annual Earnings	\$60,987	\$57,492	\$53,493

II. Inactive Members

A. Retirees and Beneficiaries

Number	1,256	1,197	1,189
Average Annual Benefit	\$33,446	\$31,812	\$31,454
Average Age	64.6	64.6	64.0

B. Disabled

Number	222	231	236
Average Annual Benefit	\$17,758	\$17,288	\$16,859
Average Age	64.0	63.7	63.2

C. Vested Terminated

Number	17	17	17
Average Deferred Benefit	\$17,965	\$17,670	\$17,670
Average Age	47.3	46.2	45.2

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

Age-Service Distribution

Age	Completed Years of Service									Total	Earnings	
	0-1	2-4	5-9	10-14	15-19	20-24	25-29	30-34	35+		Total	Avg.
											-\$-	-\$-
15-24	7	16	-	-	-	-	-	-	-	23	923,792	40,165
25-29	7	97	52	-	-	-	-	-	-	156	7,272,526	46,619
30-34	6	76	131	49	-	-	-	-	-	262	12,725,613	48,571
35-39	6	33	71	116	68	3	-	-	-	297	16,434,776	55,336
40-44	1	7	30	74	157	161	5	-	-	435	28,489,972	65,494
45-49	-	2	17	15	54	162	40	-	-	290	21,075,726	72,675
50-54	1	-	1	8	11	49	48	13	-	131	10,078,909	76,938
55-59	-	-	-	1	5	6	5	5	2	24	1,706,741	71,114
60-64	-	-	-	1	3	-	-	-	-	4	212,620	53,155
65+	-	-	-	-	-	-	-	-	-	-	--	--
TOTAL	28	231	302	264	298	381	98	18	2	1622	98,920,675	60,987

Average Age: 40.1

Average Service: 14.3

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

Reconciliation of Participant Counts

	<u>Actives</u>	<u>Retirees & Beneficiaries</u>	<u>Disableds</u>	<u>Vested Terminated</u>
10/01/2002	1,685	1,197	231	17
Changes due to:				
Retirement	-71	+ 71		
Withdrawal	-20			
Disability	-1		+1	
Death	-1	-22	-10	
New Beneficiary		+ 11		
New Hires	+ 28			
Data Changes	+ 2	-1		
10/01/2003	<u>1,622</u>	<u>1,256</u>	<u>222</u>	<u>17</u>

**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, 2003.

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 benefit 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.
Changes Since Prior Valuation:	None.

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

Summary of Actuarial Basis

Valuation Date: October 1, 2003 for Fiscal Year beginning October 1, 2004.

Valuation Method: Aggregate Cost Method.

Asset Valuation Method: Average of ratios of market to book values as of current and five most recent September 30's. Average ratio is applied to book value at current September 30. The result cannot be greater than 120% of market value or less than 80% of market value.

Actuarial Assumptions:

Interest Discount/
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	0.0507%	0.0284%
30	0.0801%	0.0351%
40	0.1072%	0.0709%
50	0.2579%	0.1428%
60	0.7976%	0.4439%
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
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>		<u>Salary Increase *</u>
		<u>< 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
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>		<u>Salary Increase*</u>
		<u><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: After eligibility for Rule of 64 Retirement, the following decrements apply, based on service:

<u>Years of Service</u>	<u>%</u>
20-24	10
25-29	25
30+	100

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

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:	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:	Asset Valuation Method was changed from a 4-year average ratio to a 5-year average ratio at October 1, 2003; prior 3-year basis retained for excess investment return transfer for COLA purposes.

**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>
	-%-	-%-
9/30/2003	5.38	4.00
9/30/2002	2.43	2.00
9/30/2001	4.79	2.00
9/30/2000	7.12	2.00
9/30/1999	0.52	2.75
9/30/1998	(1.35)	2.75
9/30/1997	(1.07)	2.75
9/30/1996	0.76	2.75
9/30/1995	5.50	2.75
9/30/1994	2.86	3.00
9/30/1993	6.37	6.80
9/30/1992	3.48	6.80
9/30/1991	2.65	6.80
9/30/1990	2.79	7.00
9/30/1989	8.64	7.00
9/30/1988	6.05	7.00
9/30/1987	7.45	7.50
9/30/1986	7.49	7.50
9/30/1985	14.28	7.50
9/30/1984	11.53	7.50

II. Comparison of Investment Returns

<u>Year Ending</u>	<u>Actual MV</u>	<u>Actual AAV(1)</u>	<u>Assumed</u>
	-%-	-%-	-%-
9/30/2003	15.7	3.26	7.75
9/30/2002	(5.5)	(3.93)	7.75
9/30/2001	(10.6)	(1.29)	7.75
9/30/2000	12.7	16.01	7.75
9/30/1999	13.8	13.40	7.75
9/30/1998	6.9	19.45	7.75
9/30/1997	28.3	26.34	8.00
9/30/1996	13.2	11.27	8.00
9/30/1995	21.0	12.86	7.75
9/30/1994	(1.7)	5.18	7.75
9/30/1993	15.8	13.73	7.75
9/30/1992	9.9	12.48	7.75
9/30/1991	25.9	20.93	7.75
9/30/1990	0.4	1.89	7.50
9/30/1989	N.A.	16.09	7.50
9/30/1988	N.A.	0.08	7.50
9/30/1987	N.A.	22.64	7.00
9/30/1986	N.A.	21.66	7.00

(1) Based on mean actuarial asset values for periods ending 9/30.

**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>
	-%-	-%-
9/30/2003	2.1	N.A.
9/30/2002	8.1	N.A.
9/30/2001	6.3	N.A.
9/30/2000	8.5	N.A.
9/30/1999	4.6	N.A.
9/30/1998	6.8	N.A.
9/30/1997	(4.5)	N.A.
9/30/1996	1.9	N.A.
9/30/1995	(1.9)	N.A.
9/30/1994	1.1	N.A.
9/30/1993	7.5	N.A.
9/30/1992	2.1	N.A.
9/30/1991	(7.6)	5.00
9/30/1990	(0.8)	5.00
9/30/1989	9.5	5.00
9/30/1988	3.4	5.00
9/30/1987	5.9	5.00
9/30/1986	5.8	5.00
9/30/1985	7.8	5.00
9/30/1984	9.7	5.00

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

Disclosure Information Under GASB 5 and 25
(Excluding COLA Fund)

I. Funding Status and Progress as of September 30, 2003 and 2002

Pension benefit obligation:	<u>\$(Millions)</u>	
	<u>Sept. 30, 2003</u>	<u>Sept. 30, 2002</u>
	-\$-	-\$-
- Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	474.0	433.5
- Current employees - Accumulated employee contributions including interest	115.0	113.6
Employer - financed vested	276.6	254.1
Employer - financed nonvested	<u>135.3</u>	<u>158.9</u>
Total pension benefit obligation	1,000.9	960.1
Net assets available for benefits (market value)	<u>844.9</u>	<u>753.2</u>
Unfunded pension benefit obligation	156.0	206.2

The pension benefit obligation was determined as part of actuarial valuations at September 30, 2003 and September 30, 2002. 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 5.1 percent per year, attributable to seniority/merit.

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

Disclosure Information Under GASB 5 and 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 \$22,218,302 (\$15,024,366 employer and \$7,193,936 employee) were made for the year ending September 30, 2003. These contributions consisted of (a) \$22,218,302 normal cost, (b) \$0 amortization of the unfunded actuarial accrued liability, and (c) \$0 noninvestment expenses.

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)

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) (%)
1987	309.1	335.7	92	26.6	63.3	42
1988	307.7	357.9	86	50.2	65.4	77
1989	364.2	385.9	94	21.7	71.6	30
1990	364.7	394.6	92	29.9	71.1	42
1991	455.3	450.0	101	(5.3)	71.4	(7)
1992	492.0	458.1	107	(33.9)	67.1	(50)
1993	550.6	488.2	113	(62.4)	72.0	(87)
1994	516.4	522.9	99	6.5	72.9	9
1995	616.5	583.1	106	(33.4)	71.5	(47)
1996	674.7	620.7	109	(54.0)	72.9	(74)
1997	835.3	702.1	119	(133.2)	69.6	(191)
1998	857.7	774.5	111	(83.2)	74.3	(112)
1999	932.8	820.2	114	(112.6)	77.7	(145)
2000	994.6	823.1	121	(171.5)	84.3	(203)
2001	828.9	884.7	94	55.8	89.7	62
2002	753.2	960.1	78	206.2	96.9	213
2003	844.9	1000.9	84	156.0	98.9	158

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

(Excluding COLA Fund)

IV. Revenues and Expenses

Fiscal Year	Revenues by Source			Total
	Employee Contributions	Employer Contributions	Investment Income	
	(\$)	(\$)	(\$)	(\$)
1987	5,385,969	14,200,675	48,891,929	68,478,573
1988	5,516,972	11,515,831	19,011,633	36,044,436
1989	5,989,692	11,157,203	33,064,932	50,211,827
1990	6,303,644	9,579,771	37,046,457	52,929,872
1991	6,474,938	8,959,044	46,689,710	62,123,692
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
Fiscal Year	Expenses by Type			Total
	Benefits	Administrative Expenses	Refunds	
	(\$)	(\$)	(\$)	(\$)
1987	12,655,732	522,090	556,895	13,734,717
1988	13,556,449	443,765	650,068	14,650,282
1989	14,179,715	493,209	371,459	15,044,383
1990	15,572,994	568,072	659,176	16,800,242
1991	16,764,637	973,982	555,661	18,294,280
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

**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>Percentage Contributed</u> (%)	<u>Net Pension Obligation</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		

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

(COLA Fund)

I. COLA Increases by Duration Since Retirement (Including 2004 Increment)

<u>Years Retired</u>	<u>No.</u>	<u>FIPO Benefits</u>	<u>COLA Benefits</u>	<u>%</u>
		<u>-\$-</u>	<u>-\$-</u>	
0 - 5	212	926,694	2,562	0.3
5-10	302	1,208,193	55,375	4.6
10-15	233	768,422	109,420	14.2
15-20	173	408,451	125,275	30.7
20-25	173	218,962	159,271	72.7
25-30	217	198,895	221,301	111.3
30-35	107	62,013	112,767	181.8
35-40	42	20,888	55,624	266.3
40-45	11	5,452	16,408	300.9
45-50	3	1,490	4,955	332.5
50 +	2	835	2,797	334.9
Total	<u>1,475</u>	<u>3,820,295</u>	<u>865,755</u>	<u>22.7</u>

II. COLA Increases by Attained Age (2004 Table)

<u>Age</u>	<u>No.</u>	<u>FIPO Benefits</u>	<u>COLA Benefits</u>	<u>%</u>
		<u>-\$-</u>	<u>-\$-</u>	
<45	29	74,406	1,295	1.7
45-50	77	286,631	249	0.1
50-54	195	775,530	22,746	2.9
55-59	254	965,594	60,134	6.2
60-64	211	670,507	92,971	13.9
65-69	179	402,410	111,298	27.7
70-74	214	335,425	205,385	61.2
75-79	193	210,734	213,192	101.2
80-84	85	69,547	103,919	149.4
85-89	31	25,896	45,136	174.3
>90	7	3,615	9,430	260.9
Total	<u>1,475</u>	<u>3,820,295</u>	<u>865,755</u>	<u>22.7</u>

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

III. COLA Increases vs. CPI (including 2004 Increment)

<u>Years Retired</u>	<u>No.</u>	<u>COLA</u>	<u>CPI</u>	<u>COLA/CPI</u>
		<u>-%-</u>	<u>-%-</u>	<u>-%-</u>
0-5	212	0.3	2.8	9.8
5-10	302	4.6	15.2	30.1
10-15	233	14.2	30.7	46.4
15-20	173	30.7	59.5	51.6
20-25	173	72.7	93.2	78.0
25-30	217	111.3	185.4	60.0
30-35	107	181.8	303.5	59.9
35-40	42	266.3	428.9	62.1
40-45	11	300.9	504.6	59.6
45-50	3	332.5	555.9	59.8
50+	2	334.9	592.9	56.5
Total	1475	22.7	41.4	54.8

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>
		<u>-%-</u>			<u>-%-</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	185.0 *	2.3
1979	76.7	13.3			
1980	86.3	12.4			

* October 2003

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

I. Summary of Assets Available for Benefits at October 1, 2003

	-\$-
A. COLA Accounts	
1. COLA I Account (Exhibit 3) at 9/30/2003	29,307,395
2. COLA II Account (Exhibit 3) at 9/30/2003	165,446,900
B. Transfers of Excess Investment Income	
1. \$0 due on 1/1/2004	0
2. \$0 due on 1/1/2005	0
C. Minimum City Contributions ⁽¹⁾ \$3,700,611 beginning 1/1/2004, payable for 11 years discounted	28,281,752
D. Additional City Contribution due 1/1/2005	0
E. Assets Available for COLA Benefits	223,036,047

II. COLA Fund Liabilities for Benefits at 10/1/2003

	Prior Assumptions	Revised Assumptions
A. Present Value of Existing COLA Benefits for Inactives	-\$-	-\$-
1. Frozen COLA I benefits	2,532,124	2,532,124
2. COLA II benefits	124,465,873	124,465,873
3. Total inactive COLA benefits	126,997,997	126,997,997
B. Present Value of Projected COLA Benefits for Current Actives		
1. Reserve for current actives	39,071,449	38,100,609
2. Reserve for contribution refunds	5,669	5,752
3. Reserve for future actives (15% of B1)	5,860,717	5,715,091
4. Total	44,937,835	43,821,452
C. Total Liability Allocated (A3 + B4)	171,935,832	170,819,449
D. Contingency Reserve [20% of I(E)-I(B)(2)]	49,067,930 ⁽³⁾	44,607,209
E. Unallocated Reserve ⁽²⁾	2,032,285	7,609,389
F. Total Liability for COLA Benefits	223,036,047	223,036,047

Notes: (1) $(1/1.0775)^{0.25} \ddot{a}_{\overline{11}|} = 7.6424546$

(2) For \$880 Table

(3) Prior method was 22%

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

III. Derivation of Increase in Table as of January 1, 2004

		-\$-
A.	Liability based on current \$880 table	
	1. Inactive COLA II Benefits	124,465,873
	2. Present Value of Projected COLA benefits for current actives	38,100,609
	3. Reserve for future actives [15% of (2)]	<u>5,715,091</u>
	4. Total COLA II Liability	<u>168,281,573</u>
B.	Assets available to increase table	
	1. Total assets available for COLA Benefits	223,036,047
	2. Total Liability Allocated (current \$880 table)	170,819,449
	3. Contingency Reserve II(D)	<u>44,607,209</u>
	4. Available Assets [(1)-(2)-(3)]	7,609,389
	5. \$0 due on 1/1/2005, discounted	<u>0</u>
	6. Net Available Assets [(4)-(5)]	7,609,389
	7. Increase ratio [(B6)/(A4)]	0.04522
	8. Table increase [\$880x(7)]	40
	9. New table amount [\$880 + (8)]	920
	10. Actual new table amount	<u>920</u>

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

Cumulative Experience Position Net of Asset Transfers

<u>I. Calculation of Expected Unfunded Actuarial Accrued Liability at 10/1/2003</u>	
	-\$-
A. (i) Expected Unfunded Actuarial Accrued Liability at 10/1/2002 (Prior Method)	227,592,770
(ii) Adjustment to Revised Method	134,792,627
(iii) Expected Unfunded Actuarial Accrued Liability at 10/1/2002 (Revised Method)	362,385,397
B. Entry Age Normal Cost for 2002/2003 Year Paid or Payable by Employer	16,824,159
C. Interest on (A) and (B)	29,388,741
D. Contributions for 2002/2003 Year Paid or Payable by Employer (Required)	18,163,588
E. Interest on (D)	<u>1,407,678</u>
F. Expected Unfunded Actuarial Accrued Liability at 9/30/2003	389,027,031
G. Additional Unfunded Actuarial Accrued Liability due to Assumption and Method Changes	(41,249,437)
H. Additional Unfunded Actuarial Accrued Liability due to Florida Law 99-1	<u>0</u>
I. Final Expected Unfunded Actuarial Accrued Liability at 9/30/2003	347,777,594
<u>II. Determination of Net Cumulative Experience Position at 10/1/2003</u>	
A. Expected Unfunded Actuarial Liability as of September 30, 2003	347,777,594
B. Entry Age Reserve - Actives	593,967,164
- Inactives	<u>473,962,126</u>
- Total	1,067,929,290
C. Actuarial Asset Value (Net of Future Transfers)	798,302,623
D. Actual Unfunded Actuarial Liability (B)-(C)	<u>269,626,667</u>
E. Cumulative Experience Gain (Loss) (A)-(D)	78,150,927
<u>III. Future Transfers of Excess Investment Income at 10/1/2003</u>	
A. \$0 due on 1/1/2004, discounted	0
B. \$0 due on 1/1/2005, discounted	<u>0</u>
C. Total Future Transfers at 10/1/2003 (A) + (B)	0

Miami FIPO Cumulative Gain/(Loss) Position
Comparison of Prior Method with Individual Entry Normal Method

Current "FIL" METHOD

Valuation Year	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Expected UAAL (BOY)		127,641,351	128,507,179	156,388,205	138,725,571	133,426,700	151,525,292	149,680,142	211,915,040	185,366,805	212,274,670	227,592,827
Plan Change								46,786,371				
FIL Normal Cost		743,464	810,249	889,151	918,587	995,515	1,064,132	0	0	0	0	8,063,014
Interest		9,949,823	10,022,101	12,188,995	11,171,533	10,753,777	11,825,680	15,226,155	16,423,416	14,365,927	16,451,287	18,263,328
Contributions Paid or Payable by Employer (Required)		9,120,612	10,618,444	10,880,346	16,547,235	14,377,032	14,155,472	10,376,473	5,400,784	4,003,892	1,051,629	18,163,588
Interest on Contributions		706,847	822,929	843,227	841,756	718,818	579,490	502,610	418,561	310,302	81,501	1,407,678
Expected UAAL (EOY)		128,507,179	127,898,156	157,742,778	133,426,700	130,080,142	149,680,142	200,813,585	222,519,111	195,418,538	227,592,827	234,347,903
Assumption Changes		0	0	(19,017,207)	0	21,445,150	0	11,101,455	(37,465,722)	16,856,132	0	(41,249,437)
Plan Changes, Florida Law 99-1		0	28,490,049	0	0	0	0	0	313,416	0	0	0
Final Expected UAAL	127,641,351	128,507,179	156,388,205	138,725,571	133,426,700	151,525,292	149,680,142	211,915,040	185,366,805	212,274,670	227,592,827	193,098,466
Entry Age Reserve	483,722,957	513,374,364	587,511,102	614,392,908	649,954,363	727,095,736	753,880,034	843,182,583	863,357,558	932,669,964	999,848,535	1,067,929,290
Actuarial Asset Value	476,616,853	523,029,875	540,345,379	585,596,805	625,960,216	750,889,476	850,724,632	911,710,668	988,775,090	941,782,512	825,503,081	798,302,623
Actual Unfunded Actuarial Liability	7,106,104	(9,655,511)	47,165,723	28,796,103	23,994,147	(23,793,740)	(96,844,598)	(68,528,085)	(125,417,532)	(9,112,548)	174,345,454	269,626,667
Cumulative Experience Gain (Loss)	120,535,247	138,162,690	109,222,482	109,929,468	109,432,553	175,319,032	246,524,740	280,443,125	310,784,337	221,387,218	53,247,373	(76,528,201)

Proposed IND. EA NORMAL METHOD

Valuation Year	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Expected UAAL (BOY)		127,641,351	136,763,315	172,321,434	161,516,438	165,613,302	192,920,344	203,476,260	279,901,235	269,677,837	319,969,920	362,385,397
Plan Change								46,786,371				0
Gross Ind. EA Normal Cost		13,989,133	14,776,367	14,426,372	15,782,599	14,801,699	17,288,442	17,856,259	16,518,291	21,078,195	23,306,292	23,099,912
EE Contributions		5,583,362	7,435,034	8,318,833	7,852,469	7,664,034	7,692,571	8,556,140	6,257,588	5,440,039	5,904,029	6,275,753
Net Ind. EA Normal Cost		8,405,771	7,341,333	6,107,539	7,930,130	7,137,665	9,595,871	9,300,119	10,260,703	15,638,156	17,402,263	16,824,159
Interest		10,543,652	11,168,110	13,828,245	13,555,725	13,820,077	15,695,007	20,116,113	22,487,550	22,111,989	26,146,344	29,388,741
Contributions Paid or Payable by Employer (Required)		9,120,612	10,618,444	10,880,346	16,547,235	14,377,032	14,155,472	10,376,473	5,400,784	4,003,892	1,051,629	18,163,588
Interest on Contributions		706,847	822,929	843,227	841,756	718,818	579,490	502,610	418,561	310,302	81,501	1,407,678
Expected UAAL (EOY)		136,763,315	143,831,385	180,533,645	165,613,302	171,475,194	203,476,260	268,799,780	306,830,143	303,113,788	362,385,397	389,027,031
Assumption Changes		0	0	(19,017,207)	0	21,445,150	0	11,101,455	(37,465,722)	16,856,132	0	(41,249,437)
Plan Changes, Florida Law 99-1		0	28,490,049	0	0	0	0	0	313,416	0	0	0
Final Expected UAAL (EOY)	127,641,351	136,763,315	172,321,434	161,516,438	165,613,302	192,920,344	203,476,260	279,901,235	269,677,837	319,969,920	362,385,397	347,777,594
Entry Age Reserve	483,722,957	513,374,364	587,511,102	614,392,908	649,954,363	727,095,736	753,880,034	843,182,583	863,357,558	932,669,964	999,848,535	1,067,929,290
Actuarial Asset Value	476,616,853	523,029,875	540,345,379	585,596,805	625,960,216	750,889,476	850,724,632	911,710,668	988,775,090	941,782,512	825,503,081	798,302,623
Actual Unfunded Actuarial Liability	7,106,104	(9,655,511)	47,165,723	28,796,103	23,994,147	(23,793,740)	(96,844,598)	(68,528,085)	(125,417,532)	(9,112,548)	174,345,454	269,626,667
Cumulative Experience Gain (Loss)	120,535,247	146,418,826	125,155,711	132,720,335	141,619,155	216,714,084	300,320,858	348,429,320	395,095,389	329,082,468	188,039,943	78,150,927

FIL NORMAL COST

Valuation Date	10/01/92	10/01/93	10/01/94	10/01/95	10/01/96	10/01/97	10/01/98	10/01/99	10/01/00	10/01/01	10/01/02	10/01/03
Present Value of Benefits	619,803,855	663,288,976	718,643,983	769,522,903	735,420,922	872,737,696	907,414,694	962,663,082	1,043,789,317	1,126,709,684	1,212,584,226	1,278,235,092
Present Value of Future Ee Contributions	52,278,784	60,905,148	53,868,985	55,572,707	53,754,660	53,562,242	24,360,892	25,902,241	47,003,793	48,487,458	54,647,741	54,415,244
Actuarial Asset Value	483,329,964	523,029,875	540,345,379	585,596,805	625,960,216	750,889,476	850,724,632	911,710,668	988,775,090	941,782,512	865,450,392	865,776,458
Expected Unfunded Actuarial Liability	127,841,351	128,507,179	156,388,205	138,725,571	133,426,700	151,525,292	149,680,142	211,915,040	185,366,805	212,274,670	227,592,827	184,410,568
PV of Future Employer Normal Costs	(43,446,244)	(49,153,226)	(31,958,586)	(10,372,180)	(77,720,654)	(83,239,314)	(117,350,972)	(186,864,867)	(177,356,371)	(75,834,956)	64,893,266	173,632,822

PV Future Payroll
Covered Payroll
Normal Cost at Beginning of Year
Normal Cost at End of Year

788,893,099
90,970,103
7,483,076
8,063,014

**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, 2003, plus present value of \$2.5 million minimum guarantee for 11 years. The 4% future annual increases is not pre-allocated. A contingency reserve of 20% has been established for adverse experience.
COLA Benefits:	<p>In addition to prior COLA, benefits are based on attached table, with \$920 monthly benefit for 25 years of creditable service and 22 completed years of retirement (after age 46). The \$920 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.</p> <p>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.</p> <p>Service-incurred and accidental disabilities and deaths receive benefits based on the greater of 25 years or actual creditable service.</p>
Changes from Prior Valuation:	The \$880 table was increased to the \$920 table.

Miami Firefighters' and Police Officers' Retirement Trust
2004 Monthly Retirement Supplements (920 Table)

		Completed Years of Retirement (after age 46)																								
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
10		0	0	0	23	34	46	57	69	80	92	103	115	126	138	149	161	172	184	195	207	218	230	241	253	264
11		0	0	0	28	41	55	69	83	97	110	124	138	152	166	179	193	207	221	235	248	262	276	290	304	317
12		0	0	0	32	48	64	80	97	113	129	145	161	177	193	209	225	241	258	274	290	306	322	338	354	370
13		0	0	0	37	55	74	92	110	129	147	166	184	202	221	239	258	276	294	313	331	350	368	386	405	423
14		0	0	0	41	62	83	103	124	145	166	186	207	228	248	269	290	311	331	352	373	393	414	435	455	476
15		0	0	0	46	69	92	115	138	161	184	207	230	253	276	299	322	345	368	391	414	437	460	483	506	529
16		0	0	0	51	76	101	126	152	177	202	228	253	278	304	329	354	380	405	430	455	481	506	531	557	582
Y	17	0	0	0	55	83	110	138	166	193	221	248	276	304	331	359	386	414	442	469	497	524	552	580	607	635
E	18	0	0	0	60	90	120	149	179	209	239	269	299	329	359	389	419	449	478	508	538	568	598	628	658	688
A	19	0	0	0	64	97	129	161	193	225	258	290	322	354	386	419	451	483	515	547	580	612	644	676	708	741
R	20	0	0	0	69	103	138	172	207	241	276	311	345	380	414	449	483	518	552	587	621	656	690	725	759	794
S	21	0	0	0	74	110	147	184	221	258	294	331	368	405	442	478	515	552	589	626	662	699	736	773	810	846
	22	0	0	0	78	117	156	195	235	274	313	352	391	430	469	508	547	587	626	665	704	743	782	821	860	899
O	23	0	0	0	83	124	166	207	248	290	331	373	414	455	497	538	580	621	662	704	745	787	828	869	911	952
F	24	0	0	0	87	131	175	218	262	306	350	393	437	481	524	568	612	656	699	743	787	830	874	918	961	1005
	25	0	0	0	92	138	184	230	276	322	368	414	460	506	552	598	644	690	736	782	828	874	920	966	1012	1058
C	26	0	0	0	97	145	193	241	290	338	386	435	483	531	580	628	676	725	773	821	869	918	966	1014	1063	1111
R	27	0	0	0	101	152	202	253	304	354	405	455	506	557	607	658	708	759	810	860	911	961	1012	1063	1113	1164
E	28	0	0	0	106	159	212	264	317	370	423	476	529	582	635	688	741	794	846	899	952	1005	1058	1111	1164	1217
D	29	0	0	0	110	166	221	276	331	386	442	497	552	607	662	718	773	828	883	938	994	1049	1104	1159	1214	1270
I	30	0	0	0	115	172	230	287	345	402	460	518	575	633	690	748	805	863	920	978	1035	1093	1150	1208	1265	1323
T	31	0	0	0	120	179	239	299	359	419	478	538	598	658	718	777	837	897	957	1017	1076	1136	1196	1256	1316	1375
A	32	0	0	0	124	186	248	310	373	435	497	559	621	683	745	807	869	932	994	1056	1118	1180	1242	1304	1366	1428
B	33	0	0	0	129	193	258	322	386	451	515	580	644	708	773	837	902	966	1030	1095	1159	1224	1288	1352	1417	1481
L	34	0	0	0	133	200	267	333	400	467	534	600	667	734	800	867	934	1001	1067	1134	1201	1267	1334	1401	1467	1534
E	35	0	0	0	138	207	276	345	414	483	552	621	690	759	828	897	966	1035	1104	1173	1242	1311	1380	1449	1518	1587
	36	0	0	0	143	214	285	356	428	499	570	642	713	784	856	927	998	1070	1141	1212	1283	1355	1426	1497	1569	1640
S	37	0	0	0	147	221	294	368	442	515	589	662	736	810	883	957	1030	1104	1178	1251	1325	1398	1472	1546	1619	1693
E	38	0	0	0	152	228	304	379	455	531	607	683	759	835	911	987	1063	1139	1214	1290	1366	1442	1518	1594	1670	1746
R	39	0	0	0	156	235	313	391	469	547	626	704	782	860	938	1017	1095	1173	1251	1329	1408	1486	1564	1642	1720	1799
V	40	0	0	0	161	241	322	402	483	563	644	725	805	886	966	1047	1127	1208	1288	1369	1449	1530	1610	1691	1771	1852
I	41	0	0	0	166	248	331	414	497	580	662	745	828	911	994	1076	1159	1242	1325	1408	1490	1573	1656	1739	1822	1904
C	42	0	0	0	170	255	340	425	511	596	681	766	851	936	1021	1106	1191	1277	1362	1447	1532	1617	1702	1787	1872	1957
E	43	0	0	0	175	262	350	437	524	612	699	787	874	961	1049	1136	1224	1311	1398	1486	1573	1661	1748	1835	1923	2010
	44	0	0	0	179	269	359	448	538	628	718	807	897	987	1076	1166	1256	1346	1435	1525	1615	1704	1794	1884	1973	2063
	45	0	0	0	184	276	368	460	552	644	736	828	920	1012	1104	1196	1288	1380	1472	1564	1656	1748	1840	1932	2024	2116
	46	0	0	0	189	283	377	471	566	660	754	849	943	1037	1132	1226	1320	1415	1509	1603	1697	1792	1886	1980	2075	2169
	47	0	0	0	193	290	386	483	580	676	773	869	966	1063	1159	1256	1352	1449	1546	1642	1739	1835	1932	2029	2125	2222
	48	0	0	0	198	297	396	494	593	692	791	890	989	1088	1187	1286	1385	1484	1582	1681	1780	1879	1978	2077	2176	2275
	49	0	0	0	202	304	405	506	607	708	810	911	1012	1113	1214	1316	1417	1518	1619	1720	1822	1923	2024	2125	2226	2328
	50	0	0	0	207	310	414	517	621	724	828	931	1035	1139	1242	1346	1449	1553	1656	1760	1863	1967	2070	2174	2277	2381

Miami Firefighters' and Police Officers' Retirement Trust
2004 Monthly Retirement Supplements (920 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	276	287	299	310	322	333	345	356	368	379	391	402	414	425	437	448	460	471	483	494	506	518	529	541	552
	11	331	345	359	373	386	400	414	428	442	455	469	483	497	511	524	538	552	566	580	593	607	621	635	649	662
	12	386	402	419	435	451	467	483	499	515	531	547	563	580	596	612	628	644	660	676	692	708	724	741	757	773
	13	442	460	478	497	515	534	552	570	589	607	626	644	662	681	699	718	736	754	773	791	810	828	846	865	883
	14	497	518	538	559	580	600	621	642	662	683	704	725	745	766	787	807	828	849	869	890	911	932	952	973	994
	15	552	575	598	621	644	667	690	713	736	759	782	805	828	851	874	897	920	943	966	989	1012	1035	1058	1081	1104
	16	607	633	658	683	708	734	759	784	810	835	860	886	911	936	961	987	1012	1037	1063	1088	1113	1139	1164	1189	1214
Y	17	662	690	718	745	773	800	828	856	883	911	938	966	994	1021	1049	1076	1104	1132	1159	1187	1214	1242	1270	1297	1325
E	18	718	748	777	807	837	867	897	927	957	987	1017	1047	1076	1106	1136	1166	1196	1226	1256	1286	1316	1346	1375	1405	1435
A	19	773	805	837	869	902	934	966	998	1030	1063	1095	1127	1159	1191	1224	1256	1288	1320	1352	1385	1417	1449	1481	1513	1546
R	20	828	863	897	932	966	1001	1035	1070	1104	1139	1173	1208	1242	1277	1311	1346	1380	1415	1449	1484	1518	1553	1587	1622	1656
S	21	883	920	957	994	1030	1067	1104	1141	1178	1214	1251	1288	1325	1362	1398	1435	1472	1509	1546	1582	1619	1656	1693	1730	1766
	22	938	978	1017	1056	1095	1134	1173	1212	1251	1290	1329	1369	1408	1447	1486	1525	1564	1603	1642	1681	1720	1760	1799	1838	1877
O	23	994	1035	1076	1118	1159	1201	1242	1283	1325	1366	1408	1449	1490	1532	1573	1615	1656	1697	1739	1780	1822	1863	1904	1946	1987
F	24	1049	1093	1136	1180	1224	1267	1311	1355	1398	1442	1486	1530	1573	1617	1661	1704	1748	1792	1835	1879	1923	1967	2010	2054	2098
	25	1104	1150	1196	1242	1288	1334	1380	1426	1472	1518	1564	1610	1656	1702	1748	1794	1840	1886	1932	1978	2024	2070	2116	2162	2208
C	26	1159	1208	1256	1304	1352	1401	1449	1497	1546	1594	1642	1691	1739	1787	1835	1884	1932	1980	2029	2077	2125	2174	2222	2270	2318
R	27	1214	1265	1316	1366	1417	1467	1518	1569	1619	1670	1720	1771	1822	1872	1923	1973	2024	2075	2125	2176	2226	2277	2328	2378	2429
E	28	1270	1323	1375	1428	1481	1534	1587	1640	1693	1746	1799	1852	1904	1957	2010	2063	2116	2169	2222	2275	2328	2381	2433	2486	2539
D	29	1325	1380	1435	1490	1546	1601	1656	1711	1766	1822	1877	1932	1987	2042	2098	2153	2208	2263	2318	2374	2429	2484	2539	2594	2650
I	30	1380	1438	1495	1553	1610	1668	1725	1783	1840	1898	1955	2013	2070	2128	2185	2243	2300	2358	2415	2473	2530	2588	2645	2703	2760
T	31	1435	1495	1555	1615	1674	1734	1794	1854	1914	1973	2033	2093	2153	2213	2272	2332	2392	2452	2512	2571	2631	2691	2751	2811	2870
A	32	1490	1553	1615	1677	1739	1801	1863	1925	1987	2049	2111	2174	2236	2298	2360	2422	2484	2546	2608	2670	2732	2795	2857	2919	2981
B	33	1546	1610	1674	1739	1803	1868	1932	1996	2061	2125	2190	2254	2318	2383	2447	2512	2576	2640	2705	2769	2834	2898	2962	3027	3091
L	34	1601	1668	1734	1801	1868	1934	2001	2068	2134	2201	2268	2335	2401	2468	2535	2601	2668	2735	2801	2868	2935	3002	3068	3135	3202
E	35	1656	1725	1794	1863	1932	2001	2070	2139	2208	2277	2346	2415	2484	2553	2622	2691	2760	2829	2898	2967	3036	3105	3174	3243	3312
	36	1711	1783	1854	1925	1996	2068	2139	2210	2282	2353	2424	2496	2567	2638	2709	2781	2852	2923	2995	3066	3137	3209	3280	3351	3422
S	37	1766	1840	1914	1987	2061	2134	2208	2282	2355	2429	2502	2576	2650	2723	2797	2870	2944	3018	3091	3165	3238	3312	3386	3459	3533
E	38	1822	1898	1973	2049	2125	2201	2277	2353	2429	2505	2581	2657	2732	2808	2884	2960	3036	3112	3188	3264	3340	3416	3491	3567	3643
R	39	1877	1955	2033	2111	2190	2268	2346	2424	2502	2581	2659	2737	2815	2893	2972	3050	3128	3206	3284	3363	3441	3519	3597	3675	3754
V	40	1932	2013	2093	2174	2254	2335	2415	2496	2576	2657	2737	2818	2898	2979	3059	3140	3220	3301	3381	3462	3542	3623	3703	3784	3864
I	41	1987	2070	2153	2236	2318	2401	2484	2567	2650	2732	2815	2898	2981	3064	3146	3229	3312	3395	3478	3560	3643	3726	3809	3892	3974
C	42	2042	2128	2213	2298	2383	2468	2553	2638	2723	2808	2893	2979	3064	3149	3234	3319	3404	3489	3574	3659	3744	3830	3915	4000	4085
E	43	2098	2185	2272	2360	2447	2535	2622	2709	2797	2884	2972	3059	3146	3234	3321	3409	3496	3583	3671	3758	3846	3933	4020	4108	4195
	44	2153	2243	2332	2422	2512	2601	2691	2781	2870	2960	3050	3140	3229	3319	3409	3498	3588	3678	3767	3857	3947	4037	4126	4216	4306
	45	2208	2300	2392	2484	2576	2668	2760	2852	2944	3036	3128	3220	3312	3404	3496	3588	3680	3772	3864	3956	4048	4140	4232	4324	4416
	46	2263	2358	2452	2546	2640	2735	2829	2923	3018	3112	3206	3301	3395	3489	3583	3678	3772	3866	3961	4055	4149	4244	4338	4432	4526
	47	2318	2415	2512	2608	2705	2801	2898	2995	3091	3188	3284	3381	3478	3574	3671	3767	3864	3961	4057	4154	4250	4347	4444	4540	4637
	48	2374	2473	2571	2670	2769	2868	2967	3066	3165	3264	3363	3462	3560	3659	3758	3857	3956	4055	4154	4253	4352	4451	4549	4648	4747
	49	2429	2530	2631	2732	2834	2935	3036	3137	3238	3340	3441	3542	3643	3744	3846	3947	4048	4149	4250	4352	4453	4554	4655	4756	4858
	50	2484	2588	2691	2795	2898	3002	3105	3209	3312	3416	3519	3623	3726	3830	3933	4037	4140	4244	4347	4451	4554	4658	4761	4865	4968

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

(COLA Fund)

Summary of Actuarial Basis

Valuation Date: January 1, 2004.

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	0.0507%	0.0284%
30	0.0801%	0.0351%
40	0.1072%	0.0709%
50	0.2579%	0.1428%
60	0.7976%	0.4439%
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><5</u>	<u>5+</u>
20	0.00085	0.0240	0.0192
21	0.00095	0.0240	0.0192
22	0.00105	0.0240	0.0192
23	0.00110	0.0240	0.0192
24	0.00125	0.0240	0.0192
25	0.00130	0.0240	0.0192
26	0.00140	0.0240	0.0192
27	0.00150	0.0240	0.0192
28	0.00160	0.0240	0.0192
29	0.00170	0.0240	0.0192
30	0.00180	0.0240	0.0192
31	0.00200	0.0240	0.0192
32	0.00220	0.0240	0.0192
33	0.00245	0.0240	0.0192
34	0.00265	0.0240	0.0192
35	0.00285	0.0240	0.0192
36	0.00305	0.0228	0.0182
37	0.00325	0.0216	0.0173
38	0.00345	0.0204	0.0163
39	0.00370	0.0192	0.0154
40	0.00390	0.0180	0.0144
41	0.00470	0.0168	0.0134
42	0.00555	0.0156	0.0125
43	0.00635	0.0144	0.0115
44	0.00720	0.0132	0.0106
45	0.00800	0.0120	0.0096
46	0.00880	0.0096	0.0077
47	0.00965	0.0072	0.0057
48	0.01045	0.0048	0.0038
49	0.01130	0.0024	0.0019
50	0.01210	0.0000	0.0000

- After eligibility for Rule of 64 Retirement.

**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>< 5</u>	<u>5 +</u>
51	0.01295	0.0000	0.0000
52	0.01375	0.0000	0.0000
53	0.01455	0.0000	0.0000
54	0.01540	0.0000	0.0000
55	0.01620	0.0000	0.0000
56	0.01785	0.0000	0.0000
57	0.01870	0.0000	0.0000
58	0.01950	0.0000	0.0000
59	0.02030	0.0000	0.0000
60	0.00000	0.0000	0.0000
61	0.00000	0.0000	0.0000
62	0.00000	0.0000	0.0000
63	0.00000	0.0000	0.0000
64	0.00000	0.0000	0.0000
65	0.00000	0.0000	0.0000

Retirement (Prior Basis): After eligibility for Rule of 64 Retirement, the following decrements apply, based on age:

<u>Age</u>	<u>%</u>
40-49	15
50-59	30
60 +	100

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

<u>Years of Service</u>	<u>%</u>
20-24	10
25-29	25
30 +	100

**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.
Contingency Reserve:	20% of assets available for COLA benefits.
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:	Retirement assumption changed from age based to service based and contingency reserve decreased from 22% to 20% of assets available for COLA benefits.

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

Disclosure Information Under GASB 5
(COLA Fund)

I. Funding Status and Progress as of September 30, 2003 and 2002

Pension benefit obligation:	<u>\$(Millions)</u>	
	<u>2003</u>	<u>2002</u>
- Retirees and beneficiaries currently receiving prior COLA benefits	2.5	2.8
- Retirees and beneficiaries receiving COLA tabular benefits (beginning January 1) and terminated employees not yet receiving tabular benefits	124.5	122.2
- Current Employees		
Accumulated employee contributions including interest	6.1	6.4
Employer - financed vested	0.0	0.0
Employer - financed non-vested	<u>32.0</u>	<u>33.1</u>
- Total pension benefit obligation	165.1	164.5
Net assets available for benefits	<u>194.8</u>	<u>174.1</u>
Unfunded pension benefit (obligation)/asset	29.7	9.6

The pension benefit obligations were determined as part of actuarial valuations at January 1, 2004 and January 1, 2003; based on data and asset information at September 30, 2003 and September 30, 2002. 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, 2003 and January 1, 2002.

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

Disclosure Information Under GASB 5
(COLA Fund)

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 lesser of 7.75 percent and the 7.75 percent assumption. There is no excess investment income transfer scheduled for January 1, 2004 or January 1, 2005. Instead, City contributions of \$3,700,611 and \$3,848,635 will become due on January 1, 2004 and January 1, 2005, respectively.

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)

* 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

Fiscal Year	Revenues by Source			
	Employee Contributions	Employer Contributions	Investment Income	Total
	(\$)	(\$)	(\$)	(\$)
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
Fiscal Year	Expenses by Type			
	Benefits	Administrative Expenses	Refunds	Total
	(\$)	(\$)	(\$)	(\$)
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