

FINAL

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

October 1, 2005 Actuarial Report

**For the Fiscal and Plan Year
October 1, 2006
through
September 30, 2007**

Prepared By:

**STANLEY, HOLCOMBE & ASSOCIATES, INC.
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August 6, 2007

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& A**

Stanley,
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& Associates, Inc. _____

August 6, 2007

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

October 1, 2005 Actuarial Report

Dear Board Members:

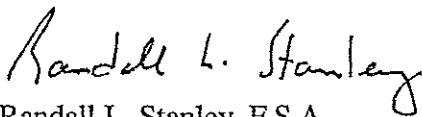
Enclosed is our report on the actuarial valuation of the City of Miami Fire Fighters' and Police Officers' Retirement Trust as of October 1, 2005, for the fiscal year beginning October 1, 2006.

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.

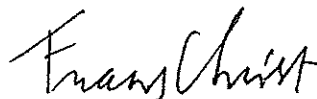
Our responses to the Triennial Experience Study and actuarial asset valuation methodology are covered on pages 13-30. All known issues are addressed, with the exception of the retirement probabilities, which will be finalized concurrently with the October 1, 2006 actuarial valuation.

The City contribution requirement under the revised Asset Valuation Method is \$39,823,900. The revised method is the 20% Write-up method, commencing October 1, 2000.

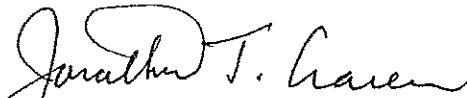
Respectfully submitted,



Randall L. Stanley, F.S.A.
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Enclosures (15)

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

October 1, 2005 ACTUARIAL REPORT

Table of Contents

	-Page-
SUMMARY OF RESULTS - Regular Fund	1-2
SUMMARY OF RESULTS - COLA Fund	3
REVIEW OF COSTS	4-12
Summary Discussion	4
Comparison of Deposit Requirements	4
Table 1 – Historical City Costs	4
Analysis of Cost Changes.....	5
Table 2 – Gain/Loss Analysis	5
Plan Assets	8
Table 3 – Actuarial vs. Market Value of Assets	8
Expected Ongoing Cost Levels	9
Sources of Benefit Funding.....	9
Table 4 – Funding Sources.....	9
Funding Progress	10
Governmental Accounting Standards	10
Table 5 – GASB 5 Assets and Liabilities	10
Application of GASB 27	12
COLA Fund	12
Cumulative Experience Position.....	12

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

October 1, 2005 ACTUARIAL REPORT

Table of Contents

	-Page-
Triennial Experience Study	13
(A) Actuarial Asset Valuation Method	14
Table 6 - Actuarial and Market Value of Assets	15
20% Write Up Method.....	16
5 - Year Roll Forward Method.....	16
Table 7 - Asset Values Under Alternative Methods	17
Table 8 - 20% Write Up Method and Market Value of Assets.....	18
Table 9 - 20% Write Up and Market Returns.....	18
Table 10 - 5-Year Roll Forward and Market Returns	19
Table 11 - Asset Valuation Methods Comparative Statistics (15 yrs.).....	20
Table 12 - Asset Valuation Methods Comparative Statistics (5 yrs.).....	20
Table 13 - Contribution Rates (10 Years) - Actual Contributions.....	22
Table 14 - Contribution Rates (10 Years) - Hypothetical Contributions.....	22
(B) Post-Disablement Mortality	23
Table 15 - Disabled Mortality Rates	23
(C) Asset Valuation for Retirement Office	24
(D) Cumulative Gain/Loss for COLA Transfers	25
(E) Retirement Assumptions	26
Table 16 - Actual and Expected Retirements (17 Years).....	26
Table 17 - Actual and Expected Retirements by Points.....	27
Table 18 - Actual and Expected Retirements by Service.....	28
Table 19 - Actual and Expected Retirements by Age	28
Table 20 - Retirement Assumptions and R64 and 20 Years.....	29
(F) Summary and Conclusions	30
Enrolled Actuary's Statement.....	31

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

October 1, 2005 ACTUARIAL REPORT

Table of Contents
(Continued)

-Page-

EXHIBITS

1A	City Contribution Requirement for 2006/2007 Fiscal Year (Prior Asset Valuation).....	32
1B	City Contribution Requirement for 2006/2007 Fiscal Year (Revised Asset Valuation).....	34
2A	Development of Actuarial Asset Value (Prior Basis - 5 Years for Funding)	36
2B	Development of Actuarial Asset Value (3 Years for COLA Transfers).....	37
2C	Calculation of Excess Investment Return.....	38
2D	Calculation of Excess Investment Return (Modified)	39
2E	Development of Actuarial Asset Value (Revised Basis as of October 1, 2001)	40
2F	Development of Actuarial Asset Value (Revised Basis as of October 1, 2002)	41
2G	Development of Actuarial Asset Value (Revised Basis as of October 1, 2003)	42
2H	Development of Actuarial Asset Value (Revised Basis as of October 1, 2004)	43
2I	Development of Actuarial Asset Value (Revised Basis as of October 1, 2005)	44
3	Summary of Asset Transactions	45
4	Distribution of Assets	46
5	Summary of Accounting Information.....	48
6	Comparison of Funding Progress.....	49
7	Member Statistics	50
8	Summary of Principal System Provisions	53
9A	Summary of Actuarial Basis (Prior Basis).....	57
9B	Summary of Actuarial Basis (Revised Basis).....	61
10	Information Under Florida Statutes	65
11	Disclosure Information.....	67

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

October 1, 2005 ACTUARIAL REPORT

Table of Contents
(Continued)

	-Page-
COLA Exhibits	
12 COLA Fund Increases	72
13 COLA Fund Assets and Liabilities	74
14A Cumulative Experience Position Net of Asset Transfers (Prior Basis)	76
14B Cumulative Experience Position Net of Asset Transfers (Revised Basis, as of October 1, 2001).....	77
14C Cumulative Experience Position Net of Asset Transfers (Revised Basis, as of October 1, 2002).....	78
14D Cumulative Experience Position Net of Asset Transfers (Revised Basis, as of October 1, 2003).....	79
14E Cumulative Experience Position Net of Asset Transfers (Revised Basis, as of October 1, 2004).....	80
14F Cumulative Experience Position Net of Asset Transfers (Revised Basis, as of October 1, 2005).....	81
15 Summary of Principal COLA Provisions	82
16 Summary of Actuarial Basis - COLA Fund	85
17 Disclosure Information.....	89
18 Accrued (Prepaid) Contributions Projected to September 30, 2007	93

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

Comparative Summary of Principal Valuation Results - Regular Fund

	Actuarial Valuation Prepared as of	
	<u>10/1/2005</u>	<u>10/1/2004</u>
A. <u>Participant Data (Ex.7)</u>		
Active Members	1,455	1,468
Total Annual Payroll	\$91,514,713	\$89,152,510
Retired Members and Beneficiaries	1,503	1,424
Total Annualized Benefits	\$60,210,186	\$54,428,554
Disabled Members	215	215
Total Annualized Benefits	\$4,000,445	\$3,900,165
Terminated Vested Members	25	29
Total Annualized Benefits	\$548,262	\$622,362
B. <u>Assets</u>	-\$-	-\$-
Actuarial Value (Ex. 2)	1,064,923,468	894,601,110
Market Value (Ex. 4)	1,091,902,222	957,896,348
C. <u>Liabilities (Excl. COLA)</u>		
Present Value of Benefits (Ex. 1)		
Active Members -		
Retirement	745,872,622	724,325,645
Vesting	13,018,170	11,688,866
Disability	20,472,984	18,941,517
Death	6,696,478	6,162,571
Return of Contributions	<u>1,268,051</u>	<u>1,325,733</u>
Total	787,328,305	762,444,332
Inactive Members -		
Retired and Beneficiaries	636,085,262	574,935,994
Disabled	36,959,492	36,223,791
Terminated Vested	<u>4,141,293</u>	<u>4,922,742</u>
Total	677,186,047	616,082,527
Total	<u>1,464,514,352</u>	<u>1,378,526,859</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>10/1/2005</u>	<u>10/1/2004</u>
D. <u>Actuarial Present Value of Accrued Benefits</u> (Exhibit 5)	-\$-	-\$-
Vested Accrued Benefits		
Inactive Members and Beneficiaries	677,186,047	616,082,527
Active Members	<u>349,344,070</u>	<u>351,757,589</u>
Total	1,026,530,117	967,840,116
Non-Vested Accrued Benefits	<u>15,806,454</u>	<u>14,211,787</u>
Total	1,042,336,571	982,051,903
E. <u>Pension Cost</u> (Exhibit 1)		
Normal Cost	46,229,930	56,875,889
Payment to Amortize Unfunded Liability	N/A	N/A
Expected Plan Sponsor Contribution	39,823,900	50,635,213
As % of Payroll	43.52%	56.8%
Expected Member Contribution	6,406,030	6,240,676
As % of Payroll	7.00%	7.00%
F. <u>Past Contributions</u>	Year Ending <u>9/30/2005</u>	Year Ending <u>9/30/2004</u>
	-\$-	-\$-
Required Plan Sponsor Contribution	45,545,130	36,341,515
Required Member Contributions	6,924,447	6,781,158
Actual Contributions		
Plan Sponsor	45,545,130	36,341,515
Members	6,924,447	6,781,158
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)	835,868,800	798,000,200
Present Value Future Contributions (at attained age)	56,367,337	53,813,642

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

Comparative Summary of Principal Valuation Results – COLA Fund

	<u>Actuarial Valuation</u> <u>Prepared as of</u>		
	<u>10/1/2005</u>	<u>10/1/2004</u>	
A. <u>Participant Data</u>			
Active Members			
Total Annual Payroll			
Retired Members and Beneficiaries	1,503	1,424	
Total Annualized Benefits	\$10,167,702	\$8,402,876	
Disabled Members	215	215	
Total Annualized Benefits	\$2,273,698	\$1,903,762	
Terminated Vested Members			
Total Annualized Benefits			
Table	\$941	\$920	
B. <u>Assets</u>			
Actuarial Value (Ex. 13)	295,874,961	249,415,066	
Market Value (Ex. 13)	275,166,765	210,347,686	
C. <u>Liabilities (COLA Only)</u>			
Present Value of Benefits (Ex. 13)			
Active Members -	Reserve for Current Actives	34,530,830	34,993,131
	Reserve for Contribution Refunds	N/A	N/A
	Reserve for Future Actives	<u>5,179,625</u>	<u>5,248,970</u>
	Total (excl. 457 Service)	39,710,455	40,242,101
Inactive Members -	Frozen COLA I Benefits	2,157,847	2,301,952
	COLA II Benefits	<u>153,087,840</u>	<u>143,125,133</u>
	Total	155,245,687	145,427,085
Total		<u>194,956,142</u>	<u>185,669,186</u>

Comparative Summary of Total Assets - Combined

Market Value (Ex. 4)	<u>1,336,399,435</u>	<u>1,168,244,034</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, 2006 for the City of Miami Fire Fighters' and Police Officers' Retirement Trust. This is the twenty second 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, 2005.

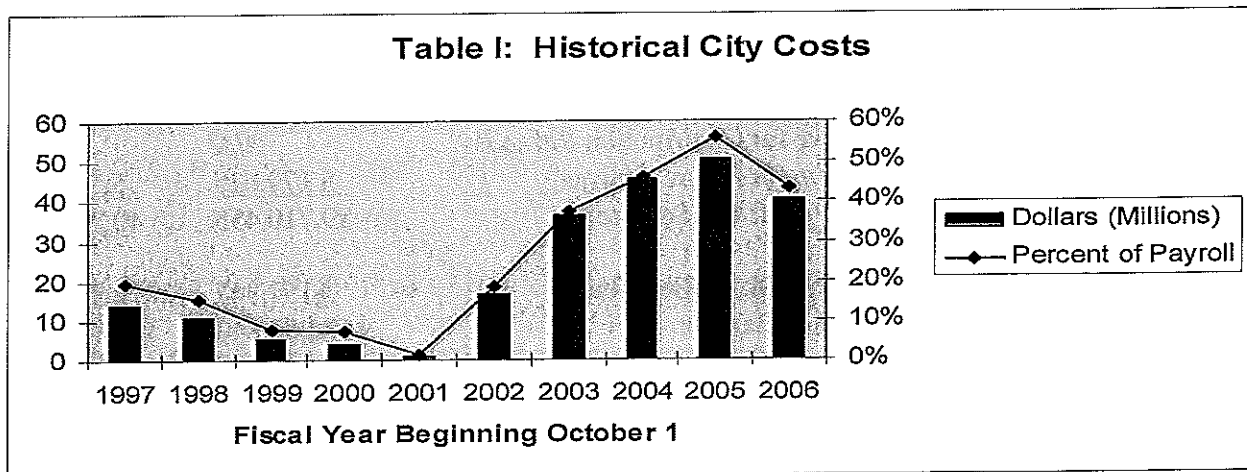
Comparison of Deposit Requirements

The City contribution requirement, and the results calculated for the 2006/2007 fiscal year, are as follows:

	Revised Basis <u>2006/2007</u>	Prior Basis <u>2006/2007</u>	<u>2005/2006</u>	<u>2004/2005</u>
	-\$-	-\$-	-\$-	-\$-
Past Service Cost	N/A	N/A	N/A	N/A
Normal Cost	39,823,900	54,863,607	50,635,213	45,545,130
Payment Timing	<u>718,178</u>	<u>0</u>	<u>0</u>	<u>0</u>
	40,542,078	54,863,607	50,635,213	45,545,130

The 2006/2007 deposit amount of \$40,542,078 is approximately \$10 million less than the \$50,635,213 for the prior year and \$14.3 million less than the cost using the prior asset valuation method.

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



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, 2004 to October 1, 2005 Valuations

	<u>Normal Cost</u>	
	<u>-\$-</u>	<u>-%-</u>
2004/2005 Normal Cost	50,635,213	56.80
2005/2006 Normal Cost Expected (for continuing participants)	51,034,758	56.80
<u>Element of Experience</u>		
Salary Increases	+1,115,480	+0.01
Turnover	-318,360	-0.18
Mortality	+199,182	+0.15
Retirement	-894,984	-0.35
New Participants	+28,016	-0.83
Disability	-52,926	-0.12
Investment Return, Contribution Lag	-102,750	+0.24
Assumption Change	--	--
457 Service Purchases	+309,517	+0.35
COLA Transfer	+3,558,559	+3.89
Other, Data	<u>-12,885</u>	<u>-0.01</u>
Total	+3,828,849	+3.15
Asset Valuation Method Change	-15,039,707	-16.43
2005/2006 Normal Cost	39,823,900	43.52

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 (3 year smoothing) exceeded the investment return on the funding basis (5 year smoothing). 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, 2004 through September 30, 2005, covered payroll for the continuing actives increased more than expected, resulting in an increase of \$1,115,480 in the Normal Cost. Covered payroll for continuing active participants at September 30, 2005 was approximately 102.3% of expected. (This compares to 106.0% of expected for the previous year, which increased the normal cost by \$4,091,000.)

Mortality - For active members there was one death, as compared to 2 expected; for inactive members there were 25 deaths (13 without survivors), as compared to about 38 expected.

Disability - During the past year there were 3 disabilities, as compared to 4 expected. Over the past 25 years, there have been 118 disabilities, as compared to about 145 expected.

Turnover - From October 1, 2004 to September 30, 2005, there were 27 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 ten years:

<u>Age</u>	<u>1996/1999</u>		<u>1999/2002</u>		<u>2002/2003</u>		<u>2003/2004</u>		<u>2004/2005</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	2.9	3	3.7	3	0.5	0	0.4	0	0.4	0
25-29	13.9	10	12.3	11	3.9	4	3.2	5	2.7	3
30-34	20.3	21	17.9	21	5.7	7	5.2	5	4.8	14
35-39	25.0	20	20.2	13	5.5	3	5.2	3	5.0	4
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>
	76.8	74	67.9	67	20.6	20	18.4	19	17.0	27

Retirement - There were 83 retirements during the period (19 firefighters, 64 police), as compared to about 62 expected. In addition, four vested terminations retired during the year. This resulted in a \$894,984 decrease in the Normal Cost. Note that retirees electing DROP are included among the actual retirees for the last six years.

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

Age	<u>1996/1999</u>		<u>1999/2002</u>		<u>2002/2003</u>		<u>2003/2004</u>		<u>2004/2005</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>
Under 44	74.4	16	97.0	14	11.1	13	11	41	11.9	19
45-49	332.5	61	259.6	36	26.4	27	27	70	22.6	35
50-54	159.1	49	138.9	32	29	17	38	55	23.9	21
55-59	31.1	12	31.8	8	14.4	12	12	20	3.6	7
60+	<u>3</u>	<u>1</u>	<u>6.0</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>4</u>	<u>0</u>	<u>1</u>
	600.1	139	533.3	91	81.9	71	89	190	62	83

Investment Return - The rate of return for the year ending September 30, 2005 was 15.6% on mean market value, as shown in Exhibit 4 and 4.85% (net of 1/1/2007 COLA transfer) on actuarial asset value (Exhibit 2A). As shown in Exhibit 2C, there will be a COLA transfer of \$33,668,905 as of January 1, 2007, resulting in no City minimum contribution to the COLA fund as of that date.

These comments on investment return relate to the prior asset valuation method. The change to the revised asset valuation method (Exhibit 2D) resulted in a \$15 million decrease in costs, with no impact on the COLA transfer. The revised actuarial asset value is discussed in detail below.

New Participants - During the year there were 101 new participants, who decreased the City contribution requirement for the Fund by 0.83%. Last year, 57 new participants decreased the rate by 0.87%.

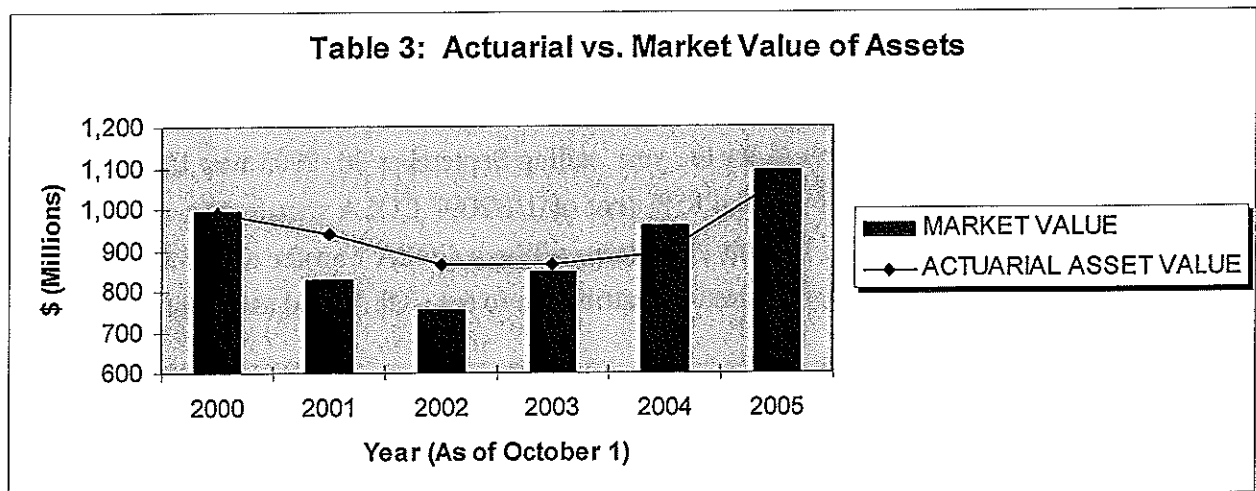
Plan Assets

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, 2005 was 15.6%, as compared to the 7.75% assumption.

The prior actuarial asset valuation method (Exhibit 2A) involves a moving average of the ratios of market to book values. Under the method used for funding (Exhibit 2A), 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, 2005, this resulted in an actuarial asset value of \$156.6 million less than market value, as compared to \$63.3 million less as of September 30, 2004.

The revised asset valuation method results in an actuarial asset value of \$1,064.9 million as of October 1, 2005 (Exhibit 2I).

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.



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, 2005 was 17.11%. This results in an asset transfer of \$33,668,908 from the Regular Fund to the COLA Fund on January 1, 2007 (Exhibit 2C).

Expected Ongoing Cost Levels

System costs have increased dramatically over the past 5 years, due almost exclusively to asset performance. Since the City's contribution requirement is the primary variable, it has been significantly impacted.

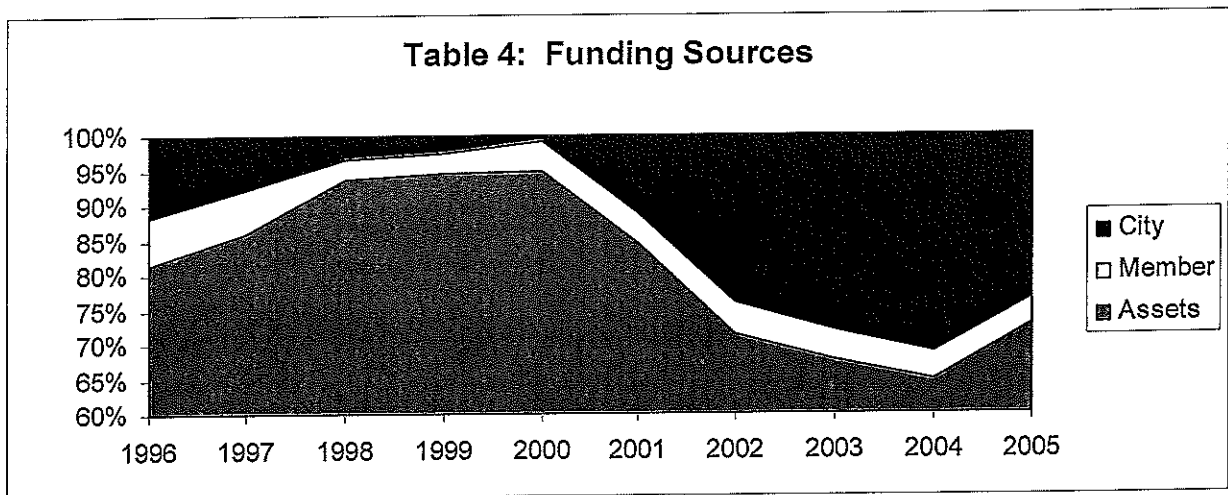
Nevertheless, it is important to distinguish between individual annual costs (which may be somewhat erratic) and expected ongoing annual costs. The following table compares the City contribution requirement as a percentage of payroll to the theoretical entry age normal contribution percentages:

<u>Valuation Date</u>	<u>Contribution %</u>	<u>EAN %</u>
10/1/2005 (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 most recent four years 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, 2005, the actuarial value of assets equals 73% of the present value of benefits, the present value of employee contributions equals 4%, and the present value of future normal costs equal 23% 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, 2005 is \$1,091,902,000, as compared to the value of accrued benefits of \$1,042,337,000 for a ratio of 104.8%. The ratio as of October 1, 2004 was 97.5%.

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

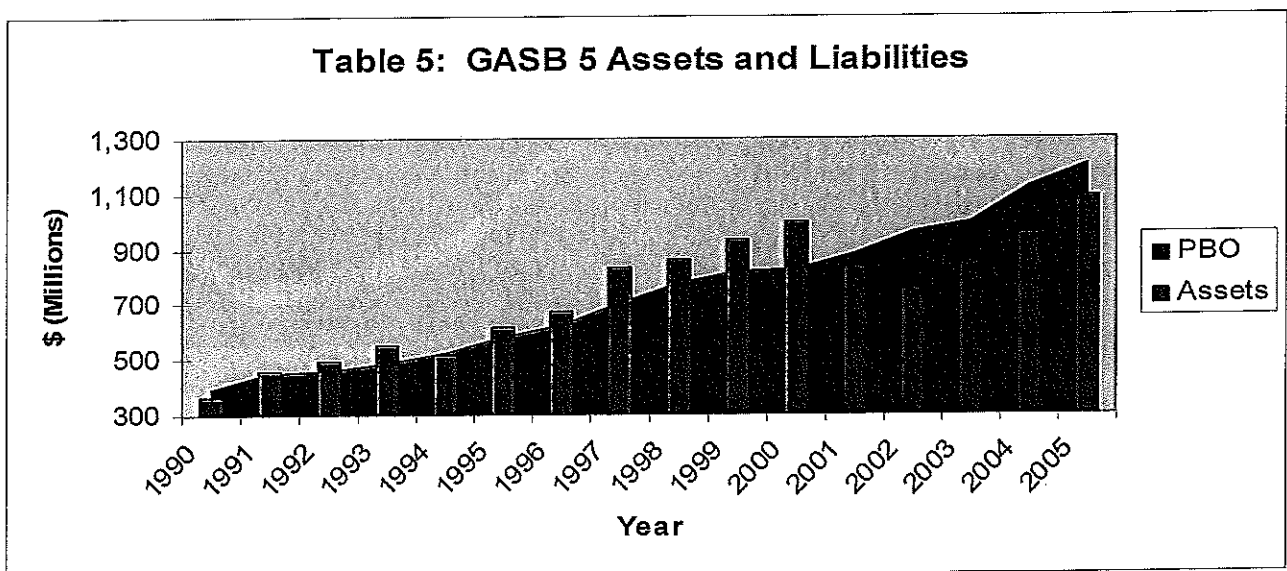
Governmental Accounting Standards

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 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, 2005 the pension obligation is \$1,204.5 million. This compares to assets of \$1,091.9 million, for a funded ratio of 91%. Last year the funded ratio was 85%. 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 issued 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.

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 GASB 25.

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 updated information provided as of 10/1/2005. 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 \$941 table as of 1/1/2005), 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 impact of the 20% Write-Up Method on the cumulative experience position is shown in Exhibits 14A through 14F. The additional assets reflected under the 20% Write-Up Method increase the cumulative experience gain from \$30,270,392 to \$159,890,586.

COLA Transfer Calculations

The COLA transfer calculations (Exhibit 2D) have been in place since the year ending September 30, 1992. The transfer mechanism in item I has essentially been unchanged since then, except for the treatment of investment expenses. Effective with the October 1, 1998 valuation, the investment return assumption was changed from 7.75% gross of expenses to 7.75% net of expenses. This resulted in the intended reduction of the actual returns by the investment expenses.

In addition, we have concluded that the value of the COLA transfer for the prior year should not be reflected in cash flow for determination of the actual return.

Exhibit 2D reflects these recommended changes as this valuation. As will be noted, there is no impact on the excess return transfer as of January 1, 2007, since the excess return calculated under either approach was more than 7.5%. However, in years when the actual return did not exceed expected return by 7.5% or more, the results would have been different. If the revised methodology were applied for all COLA transfer calculations since September 30, 1992, the cumulative difference would have been a reduction of COLA transfers of \$9.6 million.

Triennial Experience Study

The triennial experience study, covering the period October 1, 2002 through September 30, 2005, by Pension Board Consultants, Inc., was presented at the January 18, 2006 Board meeting. The report resulted in our April 27 letter and discussion at the July 7 and August 11 Board meetings.

The PBC report and January 18 presentation contained the following recommendations:

- **Retirement:** Increase retirement probabilities for ages 40-50 (or wait until more experience is available); (pages 2, 6-8)
- **Post disablement Mortality:** Consider updating; (pages 2, 21-23)
- **Salary Scale, Turnover, Disability, Active Healthy Lives Mortality, Net Investment Yield, Marriage Assumption:** No Changes
- **Consider merging COLA and Regular Funds, reinitialize Regular Fund assets at market value, add investment expense assumption, and provide automatic annual COLA**

In its July 7 meeting, the Board directed SH&A to review:

- **Alternative Actuarial Asset valuation methods and to scrutinize retirement experience over an extended period of time.**

(A) Actuarial Asset Valuation Method: Although the actuarial asset valuation method was not specifically addressed by the Experience Study, questions were raised in the January 18 and July 7, 2006 Board meetings about whether the current 5-year actuarial asset valuation method could (or should) be changed.

The asset valuation periods for FIPO funding have been as follows:

<u>Valuation</u>	<u>Period</u>
10/1/01 & prior	3 years
10/1/02	4 years
10/1/03 & later	5 years

(A) Actuarial Asset Valuation Method: (continued)

The current actuarial asset valuation methodology (for funding) is:

- (1) Determine the ratios of market value to book value as of the current and four most recent valuations;
- (2) Apply the average of the ratios (calculated in (1)) to the book value of assets as of the valuation date.

Under Florida Law, the actuarial asset value must be between 80% and 120% of market value.

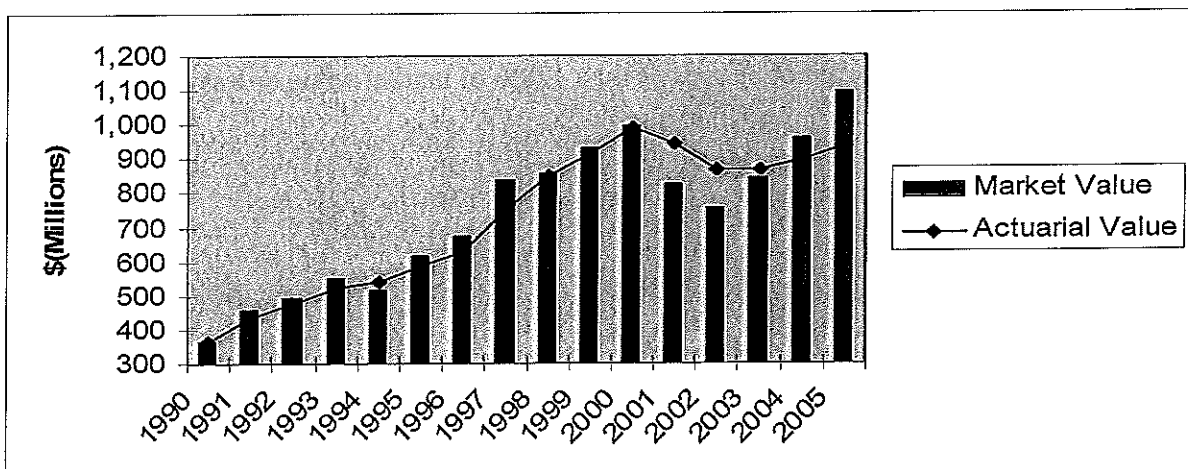
The current actuarial asset valuation method used to determine COLA asset transfers is the same as for funding, except that only three years of market to book ratios are used. The five year smoothing period was adopted to reduce volatility in the minimum contribution requirement. The three year method was left in place for the COLA transfer calculation, in order to avoid any impact on the COLA transfers.

Characteristics of the current method for funding are:

- (A) In periods of erratic market value returns, it helps smooth market value aberrations, which is the primary purpose of asset valuation methods.
- (B) It implicitly assumes that 5 years is a sufficiently long period for smoothing.
- (C) Changes in book value of assets can create volatility.

Nevertheless, the current methodology, in conjunction with the prior 4 year and 3 year methods, has relatively effectively dampened much of the market volatility, as shown in Table 6.

Table 6 – Actuarial and Market Value of Assets



(A) Actuarial Asset Valuation Method: (continued)

Therefore, in our opinion the current asset valuation methodology has achieved its objectives relatively well in the past, by not immediately recognizing all of the investment gains in earlier years and not recognizing all of the investment losses more recently.

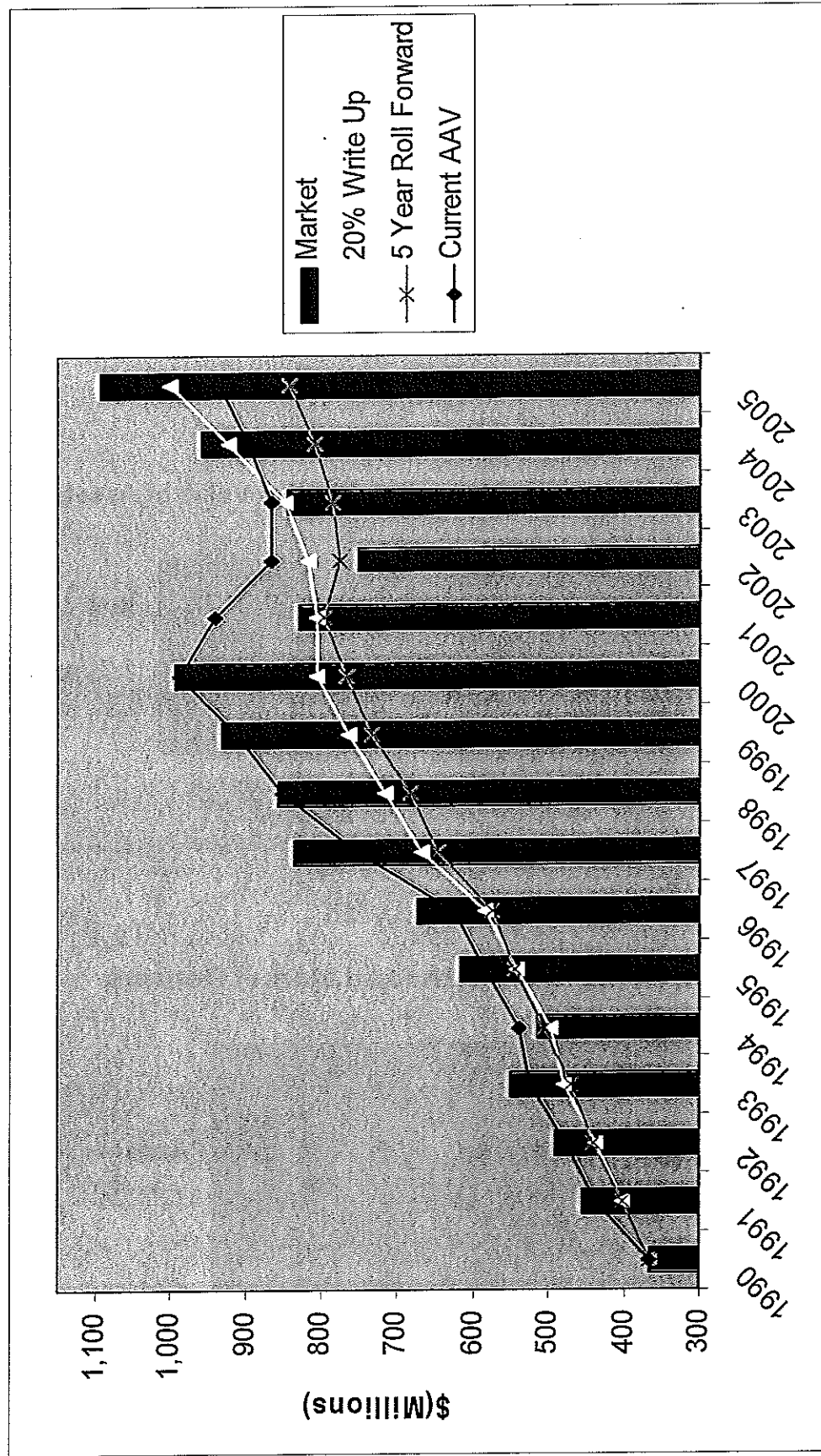
Despite this, increased market volatility in recent years might well indicate the need to look at other asset valuation methods. Table 7 shows the illustrative impact of two alternative 5-year methods (with no changes in cash flow):

- **20% Write Up Method** – Under this method the actuarial value of assets is equal to the expected value (using last year actuarial value of assets, cash flow and the valuation interest rate) plus 20% of the difference between the expected actuarial value of assets and the market value of assets.
- **5-Year Roll Forward Method** – Under this method, 20% of the difference between expected return on the actuarial value of assets and the return on market value of assets is recognized in each of the current and 4 subsequent years. On an ongoing basis this means that 5 years of investment gains or losses are factors in the determination of the current actuarial asset value.

COLA transfers would continue to be determined under the 3-year moving average method, and the 20% adjustment between expected value and market value would be to market value net of any COLA transfer attributable to investment return in the year just ended.

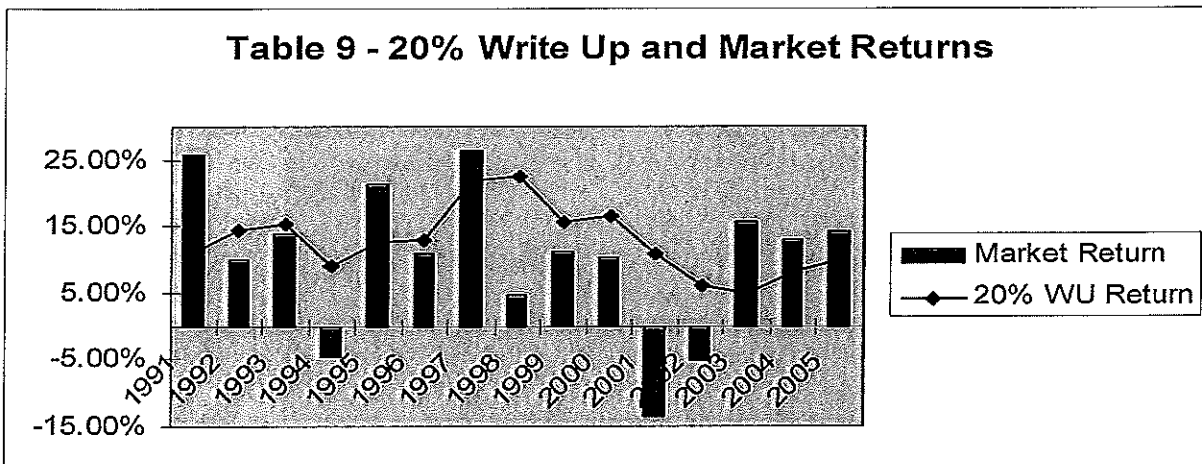
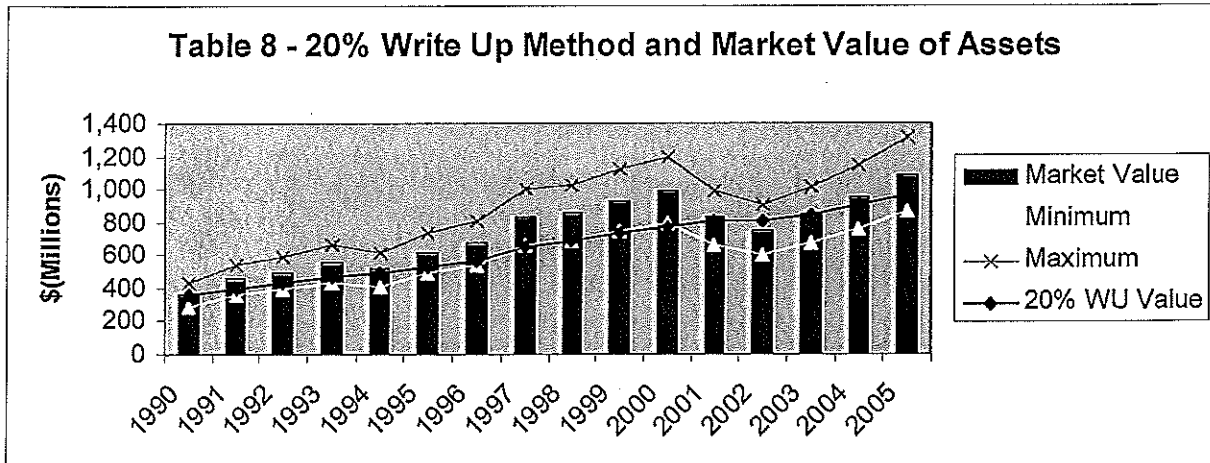
The result under either method cannot be greater than 120% of market value or less than 80% of market value.

Table 7 – Asset Values Under Alternative Methods



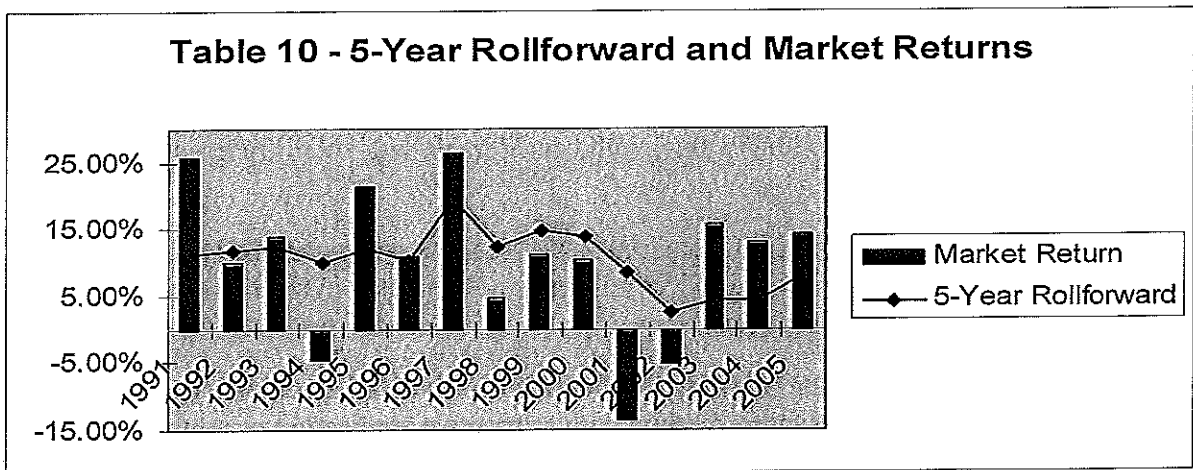
(A) Actuarial Asset Valuation Method: (continued)

Table 7 shows that the 20% Write Up Method would have produced more stability of results than the current method over the past 15 years. This is the relative strength of this method. The weakness of this method is that it tends to lag in periods of sustained market gains or losses. Table 8 shows that the method lagged the market during the late 1990's. As shown in Table 9, the worst investment return would have been +4.9% in the year ending September 30, 2003.



(A) Actuarial Asset Valuation Method: (continued)

The 5-Year Roll Forward Method (or the 4-Year version) are popular asset smoothing methods in the State. Table 10 shows how this method (5 years) would have performed during the 15-year period. As will be noted, it would have effectively dampened the market peaks and valleys, except for the year ending September 2002, when the 5-year roll forward from 1997 disappeared and an additional 1/5 of the negative return for 2001 was reflected. It can be expected to lag the market until the negative market value returns of 2001 and 2002 are no longer reflected (in 2006 and 2007, respectively).



Actuarial Asset Valuation Method: (continued)

Table 11 compares the hypothetical September 30, 2005 values as well as the average return and standard deviation of the return for market value, the current smoothing method, the 20% write-up, and 5-year roll forward methods.

<u>Method</u>	<u>September 30, 2005 Value</u>	<u>Average Return</u>	<u>Volatility</u>
	-\$-	-%-	-%-
Market Value	1,091,902,222	11.1	10.8
Current Method	935,303,274	10.5	8.4
20% Write Up	970,230,833	12.8	5.1
5-Year Roll Forward	842,852,226	10.4	4.4

The volatility measure for each method is the standard deviation of annual returns in relation to the average return. By this measure the 5-Year Roll Forward method would have produced the best stability of results for this 15-year period. However, the 20% Write Up method would have produced the greatest 9/30/05 smoothed value, with considerably less volatility than market values.

At September 30, 2005 the \$935 million Actuarial Asset Value was approximately \$157 million below the \$1.1 billion market value. This \$157 million is not reflected in the funding requirements for the 2006/2007 fiscal year.

The only possibilities for immediate funding impact due to an actuarial asset valuation method change would involve adoption of a new method with retroactive application or reinitialization at market value.

For illustration purposes actuarial asset values have also been determined under the retrospective scenario, with asset values reinitialized at market value at October 1, 2000. The results are as follows:

<u>Method</u>	<u>September 30, 2005 Value</u>	<u>Average Return</u>	<u>Volatility</u>
	-\$-	-%-	-%-
Market Value	1,091,902,222	4.1	13.3
Current Method	935,303,274	2.0	4.9
20% Write Up	1,059,002,858	4.1	4.4
5-Year Roll Forward	911,131,765	2.0	3.0

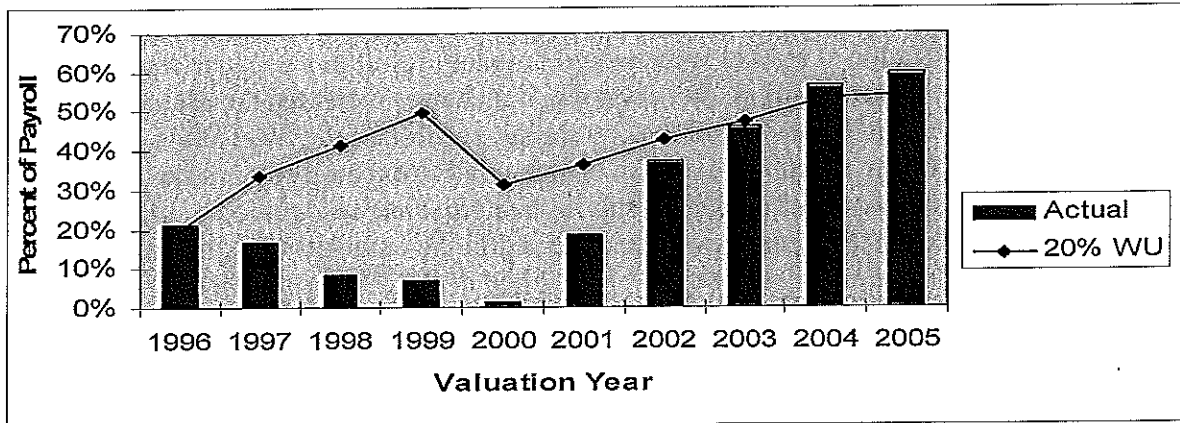
(A) Actuarial Asset Valuation Method: (continued)

As discussed in our February 20, 2003 letter, the February 21, 2003 Workshop and the July 7, 2006 Board meeting, any change in actuarial asset value which resulted in an immediate increase in value due to reinitialization at market value would probably result in a negative impact on the Trust's cumulative experience position. For example, if a change increased the actuarial asset value by \$90 million, our understanding of the continuing position of the State Division of Retirement is that the change would not increase the cumulative experience position by \$90 million. Since the change would effectively result in the immediate recognition of market value gains which could be expected to emerge and be reflected in the cumulative experience position in the future, the cumulative experience would be deprived of the \$90 million in expected future gains. However, based on the June 1, 2006 e-mail from the actuary for the State Division of Retirement, the prospective redetermination of actuarial asset values from October 1, 2000 would not be expected to eliminate the potential cumulative gain recognition.

The cumulative experience gain as of October 1, 2005 under the prior asset valuation methodology (Exhibit 14A) was \$30,270,392, down from a peak of \$395,095,369 as of October 1, 1999 (Attachment A - page 45A in October 1, 2003 Actuarial Report). Under the revised methodology the cumulative gain as of October 1, 2005 is \$159,890,586 (Exhibit 14F).

Table 13 compares the City contributions for each of the past 10 years based on the 20% Write-up Method, with the current method and no changes in cash flow. This means that the calculated 20% Write-up asset method does not reflect the differences in City contribution requirements.

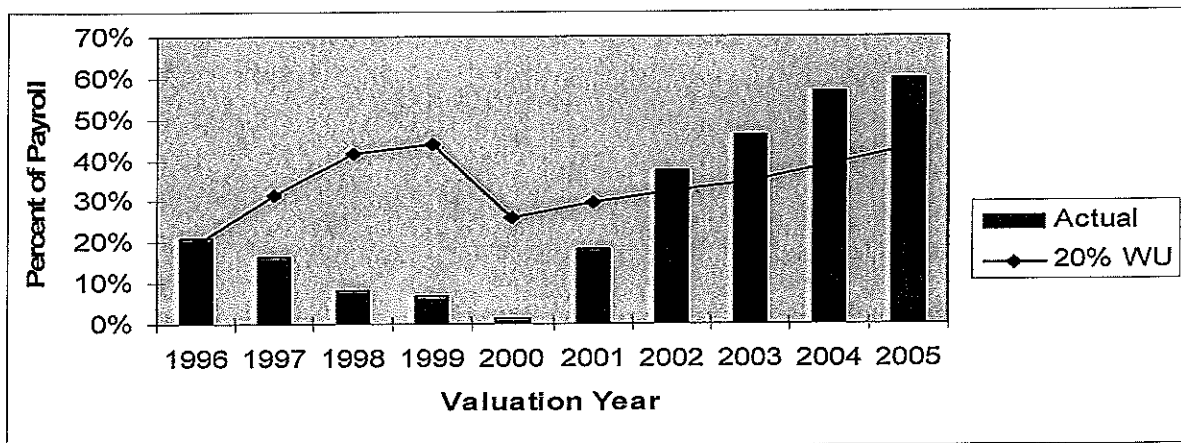
Table 13 – Contribution Rates (10 Years) – Actual Contributions



As will be noted, the contributions would not have decreased as much as they did under the current asset valuation method, and they would have been lower than under the current method for the last 2 years.

Table 14 is the same as Table 13, but with interim City contributions modified to reflect the contribution calculation results under the 20% Write-up Method. The contribution pattern is the same as shown in Table 13, but with higher contributions for the 1997-2001 period, with substantially lower contributions in more recent years. Over this 10-year period, aggregate City contributions would have totaled approximately \$50 million more than under the current method.

Table 14 – Contribution Rates (10 Years) – Hypothetical Contributions



(B) Post-Disablement Mortality: The Experience Study recommendation was that consideration be given to updating this assumption.

The disabled mortality table was changed from the PBGC Table With OASDI to the PBGC Table Without OASDI as of the October 1, 1997 actuarial valuation. The two Tables compare to the mortality table used for healthy lives (1994 Group Annuity Table), and the 2006 PBGC Table, as follows:

Age	<u>Healthy-Current</u>		<u>Disabled-Current</u>		<u>Disabled-Prior</u>		<u>New PBGC</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
30	.0801%	.0351%	.13%	.11%	3.62%	2.37%	.08%	.04%
40	.1072%	.0709%	.31%	.19%	2.82%	2.09%	.11%	.07%
50	.2579%	.1428%	.83%	.51%	3.83%	2.57%	.25%	.16%
60	.7976%	.4439%	2.05%	1.30%	6.03%	3.31%	.90%	.64%
70	2.3730%	1.3730%	4.85%	3.21%			2.41%	1.69%

As will be noted, the new PBGC Table is very close to the table we use for FIPO for healthy lives.

Over the 3-year Experience Study period, there were 22 deaths, compares to 30 expected. Over the past 9 years there have been 68 expected and 55 actual deaths.

Given the lack of statistical significance for FIPO experience, the fact that the current table has produced reasonable results for the past 9 years may not be conclusive. Therefore, any of the following actions would be reasonable.

- (1) Retain current table;
- (2) Use same table as actives, possibly set forward 5 or 10 years;
- (3) Shift to new PBGC Table.

Recommendation: Await revisions to Section 60-T of State Administrative Code.

(C) **Asset Valuation for Retirement Office:** The asset valuation used by Koch Reiss is depreciated cost, based on a GASB 34 requirement. As of September 30, 2005 the depreciated cost was \$2,298,993. This compares to the most recently appraised valuation amount of \$2.5 million.

The question raised in the Board meeting was whether the State Division of Retirement would object to our use of appraised value when the audit report reflects depreciated cost.

I have also discussed this issue with the Division. The reaction was that the use of market value would be preferable to depreciated cost, particularly after the two measures have significantly diverged.

To some extent this reflects the flavor of Chapter 112, Part VII, Actuarial Soundness of Retirement Systems.

Chapter 112.661, Investment Policies, subsection 17, Valuation of Illiquid Investments, specifies that this issue should be covered by the board's investment policy, that the board verify the determination of fair market value, and that the board disclose each such investment to the Department of Management Services.

Recommendation: This would represent a potential improvement in asset valuation for FIPO, and that the Board should pursue implementation of this change, effective with the October 1, 2006 actuarial valuation.

(D) Cumulative Gain/Loss for COLA Transfers: Ordinance Section 40-204 (c) (4) specifies that excess returns will be transferred to the COLA Fund only if the system remained in a net positive experience position, determined on a cumulative basis from October 1, 1982.

This section pre-dates and parallels Section 112.61, Part VII F.S., which provides that “actuarial experience may be used to fund additional benefits, provided that the present value of such benefits does not exceed the net actuarial experience accumulated from all sources of gains and losses.”

The reason this issue was raised in the January Board meeting was that the January 1, 2007 COLA transfer amount of \$33,668,908 (based on system returns for the 2004/2005 year – Exhibit 2C) is in relatively close proximity to the cumulative experience gain of \$30,270,392 (after the January 1, 2007 transfer (Exhibit 14)). The issue became whether the transfer could be negatively impacted by an experience loss in the 2005/2006 year.

We have discussed our position that the determination of the experience position should only be as of September 30, 2005 with the Division Actuary, who did not disagree. In our opinion this means that any transfer should not be affected by experience subsequent to the original experience determination date

(E) **Retirement Assumptions:** Actual and Expected retirements, and the resultant impact on annual costs (gain/loss) have been as follows:

<u>Period</u>	<u>Expected</u>	<u>Actual</u>	<u>(Gain)/Loss</u>	
			<u>-\$-</u>	<u>-%-</u>
2004/2005	62	83	(1,112,000)	-5%
2003/2004	89	190	(1,744,000)	+1.5%
2002/2003	82	71	(1,783,000)	-6%
2001/2002	87 ⁽³⁾	17	(579,000)	-2.0%
2000/2001	<u>72</u>	<u>8</u>	<u>138,000</u>	<u>+1%</u>
Avg. (5 yrs.)	78.4	74	(1,016,000)	-3%
1999/2000	374 ⁽²⁾	63	(1,826,000)	-2.0%
1998/1999	339	30	(1,674,000)	-2.6%
1997/1998	123	25	(283,000)	+4%
1996/1997	134	84	324,000	+8%
1995/1996	<u>134</u>	<u>33</u>	<u>519,000</u>	<u>.0%</u>
Avg. (5 yrs.)	220.8	47	(588,000)	-7%
1994/1995	264	89	645,000	-5.0%
1993/1994	55	28	389,000	+2%
1992/1993	43	10	240,000	-1%
1991/1992	32	2	(69,000)	.0%
1990/1991	<u>62</u>	<u>132⁽¹⁾</u>	<u>(10,000)</u>	<u>+1%</u>
Avg. (5 yrs.)	91.2	52	239,000	-1%
1989/1990	111	36	365,000	+4%
1988/1989	91	18	226,000	-1%
Avg. (10 yrs.)	149.6	60	(802,000)	-5%
Avg. (17 yrs.)	126.7	54	(367,000)	-3%

- Notes: (1) Including 108 who retired in early retirement window.
 (2) Retirement assumptions changed from 100% at R64 to 15%/year under 50, 30%/year for ages 50-59, and 100% at ages 60 and above
 (3) Retirement assumptions changed to:

<u>Years of Service (after R64 and 20 Years)</u>	<u>%</u>
0-4	10
5-9	25
10+	100

(E) Retirement Assumptions: (continued)

A review of the gain/loss history suggests the following:

- (1) 3 years is too short a time frame from which to make decisions ; and
- (2) The current assumptions have resulted in an average gain of .3% of payroll over the past 5 and 17 years; this is a desirable result, which might be virtually impossible to improve upon.

However, the Experience Study recommendation to fine tune the retirement probabilities should be considered. Given the current service basis, the Board accepted our recommendation at its July 7, 2006 meeting that any changes be based on service or points (instead of age) and that actual retirements be more thoroughly scrutinized, in comparison to the current assumptions over the past several years.

Our approach to this analysis was to retrieve the retirement experience for each year, beginning with the 1988/89 year, separately for police and fire. This 17-year period covered 27,967 years of exposure (eligibility for retirement), consisting of 9,890 years for police and 18,077 years for firefighters. The results for the period are summarized as follows:

	Firefighters			Police Officers			Combined		
	<u>Expected</u>	<u>Actual</u>	<u>A/E</u>	<u>Expected</u>	<u>Actual</u>	<u>A/E</u>	<u>Expected</u>	<u>Actual</u>	<u>A/E</u>
64-69	92.95	60.00	64.55%	120.30	254.00	211.14%	213.25	314.00	147.25%
70-74	129.35	80.00	61.85%	96.55	169.00	175.04%	225.90	249.00	110.23%
75-79	118.40	94.00	79.39%	63.70	76.00	119.31%	182.10	170.00	93.36%
80-84	124.85	85.00	68.08%	55.90	41.00	73.35%	180.75	126.00	69.71%
85+	75.25	38.00	50.50%	64.50	25.00	38.76%	139.75	63.00	45.08%
Total	540.80	357.00	66.01%	400.95	565.00	140.92%	941.75	922.00	97.90%

As may be noted in Table 17, on a combined basis, there were 922 actual retirements during the period, as compared to 941.75 predicted by the current actuarial assumptions, for an actual to expected ratio of 98%. In conjunction with an average annual gain of .3% of payroll (Table 16), the current assumptions would have effectively predicted experience over the 17-year period current assumptions.

However, as will be noted in Table 17, the actual to expected ratios are 66% for firefighters and 141% for police, which suggests potential areas for refinement, with different assumptions sets for the two groups. Table 17 also displays a pronounced difference in incidence of retirements for the two groups, with significant deferral of retirements for fire, with police retirements considerably more accelerated.

(E) Retirement Assumptions: (continued)

Table 18 shows the retirement experience by years of service. Again, the pattern of later retirement for fire fighters is evident. For police, retirement incidence is very pronounced in the years immediately following retirement eligibility.

	Firefighters			Police Officers			Combined		
	Expected	Actual	A/E	Expected	Actual	A/E	Expected	Actual	A/E
0	19.40	16.00	82.47%	32.00	107.00	334.38%	51.40	123.00	239.30%
1	25.20	15.00	59.52%	40.60	66.00	162.56%	65.80	81.00	123.10%
2	30.75	18.00	58.54%	41.05	102.00	248.48%	71.80	120.00	167.13%
3	32.10	23.00	71.65%	28.40	52.00	183.10%	60.50	75.00	123.97%
4	50.40	30.00	59.52%	36.30	48.00	132.23%	86.70	78.00	89.97%
5	64.80	53.00	81.79%	40.00	60.00	150.00%	104.80	113.00	107.82%
6	47.45	34.00	71.65%	27.75	32.00	115.32%	75.20	66.00	87.77%
7	42.20	40.00	94.79%	22.25	22.00	98.88%	64.45	62.00	96.20%
8	31.75	34.00	107.09%	18.85	28.00	148.54%	50.60	62.00	122.53%
9	55.75	27.00	48.43%	23.25	15.00	64.52%	79.00	42.00	53.16%
10+	<u>141.00</u>	<u>67.00</u>	47.52%	<u>90.50</u>	<u>33.00</u>	36.46%	<u>231.50</u>	<u>100.00</u>	43.20%
Total	540.80	357.00	66.01%	400.95	565.00	140.92%	941.75	922.00	97.90%

Table 19 shows the retirement experience by age. Since no further insight is evident on this basis, this confirms that the retirement assumptions should be based on points (current basis) or service.

	Firefighters			Police Officers			Combined		
	Expected	Actual	A/E	Expected	Actual	A/E	Expected	Actual	A/E
<45	42.55	23.00	54.05%	55.80	116.00	207.89%	98.35	139.00	141.33%
45-49	210.70	129.00	61.22%	167.05	272.00	162.83%	377.75	401.00	106.15%
50-54	217.10	158.00	72.78%	106.05	117.00	110.33%	323.15	275.00	85.10%
55-59	60.45	41.00	67.82%	59.20	48.00	81.08%	119.65	89.00	74.38%
60+	<u>10.00</u>	<u>6.00</u>	60.00%	<u>12.85</u>	<u>12.00</u>	93.39%	<u>22.85</u>	<u>18.00</u>	78.77%
Total	540.80	357.00	66.01%	400.95	565.00	140.92%	941.75	922.00	97.90%

(E) Retirement Assumptions: (continued)

The wide disparity in retirement incidence between police and fire, combined with the nominal gains (losses), suggest the following preliminary empirical assumptions, to be finalized as part of the October 1, 2006 actuarial valuation:

<u>Service</u>	<u>Current</u>		<u>Fire</u> -%-	<u>Police</u> -%-
0-4	10%/year	-	6	20
5-9	25%/year	-	15	40
10-14	100%/year	-	60	100
15+		-	100	100

(F) Summary and Conclusions

While the Experience Study recommended no significant changes, the issue of some change to retirement probabilities may well have some merit. In our judgment the current assumptions may well be as effective in predicting future experience as possible. However, more detailed analyses over the past years shows significant differences between police and fire. We recommend that any refinements be deferred until the October 1, 2006 valuation.

With respect to the issue of post-disablement mortality, a change to the current active table (set forward 5 years) would be a desirable change, effective after finalization of revised rules under Section 60-T of the State Administrative Code.

The actuarial asset valuation method for funding is changed to the 20% Write Up Method, determined prospectively from October 1, 2000. This change does not result in the redetermination of any City contribution requirements for actuarial valuations prior to October 1, 2005. In addition, it does not directly impact any transfers to the COLA fund.

We recommend that the retirement office be valued at market value for funding purposes, beginning with the October 1, 2006 or 2007 valuation.

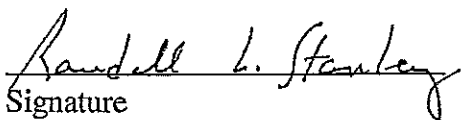
The cumulative gain/loss requirement for COLA transfer purposes appears to be satisfied under current rules, with the cumulative experience position determined as of a September 30 valuation date, in conjunction with a potential transfer as of January 1 (which is 15 months later).

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, 2005 for the Retirement Fund and for the COLA Fund.

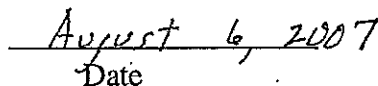
All costs and cost components are calculated on the basis of actuarial assumptions which reasonably reflect the experience of the Trust.

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. 05-602



Date

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

City Contribution Requirement for 2006/2007 Fiscal Year
(Current Basis)

	<u>2006/2007</u>	<u>2005/2006</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	745,872,622	724,325,645
b. Disability	20,472,984	18,941,517
c. Death	6,696,478	6,162,571
d. Turnover	13,018,170	11,688,866
e. Return of Contributions	<u>1,268,051</u>	<u>1,325,733</u>
f. Total	787,328,305	762,444,332
2. <u>Retired Members and Beneficiaries</u>		
a. Service Retirements + Beneficiaries	636,085,262	574,935,994
b. Disability Retirements	36,959,492	36,223,791
c. Terminated Vested Members	<u>4,141,293</u>	<u>4,922,742</u>
d. Total	677,186,047	616,082,527
3. Total	<u>1,464,514,352</u>	<u>1,378,526,859</u>

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

City Contribution Requirement for 2006/2007 Fiscal Year
(Current Basis)

	<u>2006/2007</u>	<u>2005/2006</u>
	-\$-	-\$-
II. <u>Normal Cost (Cont'd)</u>		
A. Total Present Value of Future Benefits	1,464,514,352	1,378,526,859
B. Present Value of Future Member Contributions ⁽¹⁾	56,367,337	53,813,642
C. Actuarial Asset Value	935,303,274	894,601,110
D. Unfunded Actuarial Accrued Liability	<u>0</u>	<u>0</u>
E. Present Value of Future Normal Costs (A-B-C-D)	472,843,741	430,112,107
F. Present Value of Future Payrolls	835,868,800	798,000,200
G. Current Payroll for those under Expected Retirement Age	90,009,335	87,187,996
H. Current Normal Cost - Payable 10/1/2006 [(E)x(G) / (F)] (1.0775)	54,863,607	50,635,213
I. Covered Payroll	91,514,713	89,152,510
J. Normal Cost as Percentage of Payroll (H)/(I)	59.95%	56.8%
III. <u>Quarterly City Contribution Schedule</u>		
A. Past Service Cost	0	0
B. Normal Cost	54,863,607	50,635,213
C. Payment Timing	<u>0</u>	<u>0</u>
D. Total	54,863,607	50,635,213

⁽¹⁾7% of Covered Payroll

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

City Contribution Requirement for 2006/2007 Fiscal Year
(Revised Asset Valuation Method)

	2006/2007	
	Revised Basis	Current Basis
	-\$-	-\$-
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	745,872,622	745,872,622
b. Disability	20,472,984	20,472,984
c. Death	6,696,478	6,696,478
d. Turnover	13,018,170	13,018,170
e. Return of Contributions	1,268,051	1,268,051
f. Total	787,328,305	787,328,305
2. <u>Retired Members and Beneficiaries</u>		
a. Service Retirements + Beneficiaries	636,085,262	636,085,262
b. Disability Retirements	36,959,492	36,959,492
c. Terminated Vested Members	4,141,293	4,141,293
d. Total	677,186,047	677,186,047
3. Total	1,464,514,352	1,464,514,352

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

City Contribution Requirement for 2006/2007 Fiscal Year
(Revised Asset Valuation Method)

	<u>Revised Basis</u> -\$-	<u>Current Basis</u> -\$-
II. <u>Normal Cost (Cont'd)</u>		
A. Total Present Value of Future Benefits	1,464,514,352	1,464,514,352
B. Present Value of Future Member Contributions ⁽¹⁾	56,367,337	56,367,337
C. Actuarial Asset Value	1,064,923,468	935,303,274
D. Unfunded Actuarial Accrued Liability	<u>0</u>	<u>0</u>
E. Present Value of Future Normal Costs (A-B-C-D)	343,223,547	472,843,741
F. Present Value of Future Payrolls	835,868,800	835,868,800
G. Current Payroll for those under Expected Retirement Age	90,009,335	90,009,335
H. Current Normal Cost - Payable 10/1/2006 [(E)x(G) / (F)] (1.0775)	39,823,900	54,863,607
I. Covered Payroll	91,514,713	91,514,713
J. Normal Cost as Percentage of Payroll (H)/(I)	43.52%	59.95%
III. <u>Quarterly City Contribution Schedule</u>		
A. Past Service Cost	0	0
B. Normal Cost	39,823,900	54,863,607
C. Payment Timing	<u>718,178</u>	<u>0</u>
D. Total	40,542,078	54,863,607

⁽¹⁾7% of Covered Payroll

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

I. Development of Actuarial Asset Value (5 Years, for Funding Purposes)

	<u>9/30/2005</u>	<u>9/30/2004</u>	<u>9/30/2003</u>	<u>9/30/2002</u>	<u>9/30/2001</u>
	-\$-	-\$-	-\$-	-\$-	-\$-
A. Book Value	918,642,613	866,131,977	811,680,164	808,430,731	836,848,564
B. Market Value	1,091,902,222	957,896,348	844,864,362	753,228,750	828,863,088
C. B/A	1.1886039	1.1059473	1.0408833	0.9317171	0.9904577
D. $1/5 \sum (C)$			1.0515219		
E. Adjusted Market Value at 9/30/2005 D x \$918,642,613			965,972,826		
F. Contribution Surplus at 9/30/2005				0	
G. 1. 80% of Market Value			873,521,778		
2. 120% of Market Value			1,310,282,666		
H. Preliminary Actuarial Asset Value			965,972,826		
I. Present Value of 1/1/2007 COLA Transfer, discounted at 7.75%			30,669,552		
J. Actuarial Asset Value (H-I)			935,303,274		

II. Rate of Return on Actuarial Asset Value

A. Actuarial Asset Value at 10/01/2004	-\$-	894,601,110
B. Contributions		
1. City		45,545,130
2. Members		18,607,681
3. Total		64,152,811
C. Benefits		66,776,642
D. Present Value of 1/1/2007 COLA Transfer		30,669,552
E. Contribution Surplus		0
F. Actuarial Asset Value at 10/01/2005		935,303,274
G. Net Return on Investment [F+E+D+C-B-A]		73,995,547
H. Rate of Return [2 x G/(A+F-G)]		8.43% *

*Before 1/1/2007 COLA transfer. Rate net of transfer is 4.85%.

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

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

	<u>9/30/2005</u>	<u>9/30/2004</u>	<u>9/30/2003</u>
	-\$-	-\$-	-\$-
A. Book Value	918,642,613	866,131,977	811,680,164
B. Market Value	1,091,902,222	957,896,348	844,864,362
C. B/A	1.1886039	1.1059473	1.0408833

D. $1/3 \sum (C)$		1.1118115	
E. Adjusted Market Value at 9/30/2005 D x \$918,642,613		1,021,357,422	
F. Contribution Surplus at 9/30/2005		0	
G. 1. 80% of Market Value		873,521,778	
2. 120% of Market Value		1,310,282,666	
H. Preliminary Actuarial Asset Value		1,021,357,422	
I. Present Value of 1/1/2007 COLA Transfer, discounted at 7.75%		30,669,552	
J. Actuarial Asset Value (H-I)		990,687,870	

II. Rate of Return on Actuarial Asset Value

A. Actuarial Asset Value at 10/01/2004	-\$-	876,833,278
B. Contributions		
1. City		45,545,130
2. Members		18,607,681
3. Total		<u>64,152,811</u>
C. Benefits		66,776,642
D. Present Value of 1/1/2007 COLA Transfer		30,669,552
E. Contribution Surplus		0
F. Actuarial Asset Value at 10/01/2005		990,687,870
G. Net Return on Investment [F+E+D+C-B-A]		147,147,975
H. Rate of Return [2 x G/(A+F-G)]		17.11% *

*Before 1/1/2007 COLA transfer. Rate net of transfer is 13.30%.

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

Calculation of Excess Investment Return
On Membership and Benefits Accounts for 2004/2005 Fiscal Year
2007 COLA Transfer

I.	Net Actual Return on Actuarial Asset Value		-\$-
	A. Preliminary Actuarial Asset Value as of 10/1/2005		1,021,357,422
	B. Benefits Paid During Plan Year		66,518,783
	C. Value of COLA transfer for 2003/2004 Year		12,904,448
	D. Contributions Refunded During Plan Year		257,859
	E. City Contributions During Plan Year (Required)		45,545,130
	F. Member Contributions During Plan Year		18,607,681
	G. Actuarial Asset Value as of 10/1/2004		<u>876,833,278</u>
	H. Total Actual Return During Plan year (A)+(B)+(C)+(D)-(E)-(F)-(G)		160,052,423
	I. Investment Expenses Paid During Plan Year		<u>3,724,841</u>
	J. Net Actual Return During Plan Year		156,327,582
II.	Net Expected Return on Actuarial Asset Value		
	A. Actuarial Asset Value as of 10/1/2004		876,833,278
	B. Benefits Paid During Plan Year		66,518,783
	C. Value of COLA transfer for 2003/2004 Year		12,904,448
	D. Contributions Refunded During Plan Year		257,859
	E. City Contributions During Plan Year		45,545,130
	F. Member Contributions During Plan Year		18,607,681
	G. Expected Rate of Return		7.75%
	H. Expected Return During Plan Year		69,582,408 *
	I. Base Amount for Expected Return (H)/.0775		897,837,523
	J. Excess Return on Assets (I)(J) - II(H)		86,745,174
	K. Excess Return as % of II(I)		9.661567% **
III.	Amount to be Transferred to COLA Fund		
	A.		
		<u>Excess Return</u>	<u>COLA Transfer</u>
		%	%
		\$	-\$-
	First	2.5	22,445,938
	Next	2.5	22,445,938
	Next	2.5	22,445,938
	Remainder		19,407,360
			75
			50
			25
			0
			<u>0</u>
	B. Total Transfer Amount at 1/1/2007		<u>33,668,908</u>

*Assumes Uniform Quarterly Contributions and Monthly Benefits

$$\frac{[(876,833,278) + 45,545,130 + (18,607,681) (2.5/4) - (66,518,783 + 257,859) (13/24)](.0775)}{1} =$$

69,582,408

**Before 1/1/2007 COLA transfer.

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

Calculation of Excess Investment Return
On Membership and Benefits Accounts for 2004/2005 Fiscal Year
2007 COLA Transfer

I.	Net Actual Return on Actuarial Asset Value		-\$-
	A. Preliminary Actuarial Asset Value as of 10/1/2005		1,021,357,422
	B. Benefits Paid During Plan Year		66,518,783
	C. Contributions Refunded During Plan Year		257,859
	D. City Contributions During Plan Year (Required)		45,545,130
	E. Member Contributions During Plan Year		18,607,681
	F. Actuarial Asset Value as of 10/1/2004		<u>876,833,278</u>
	G. Total Actual Return During Plan year (A)+(B)+(C)-(D)-(E)-(F)		147,147,975
II.	Net Expected Return on Actuarial Asset Value		
	A. Actuarial Asset Value as of 10/1/2004		876,833,278
	B. Benefits Paid During Plan Year		66,518,783
	C. Contributions Refunded During Plan Year		257,859
	D. City Contributions During Plan Year		45,545,130
	E. Member Contributions During Plan Year		18,607,681
	F. Expected Rate of Return		7.75%
	G. Expected Return During Plan Year		69,582,408 *
	H. Base Amount for Expected Return (G)/.0775		897,837,523
	I. Excess Return on Assets (I(G) - II(G))		77,565,567
	J. Excess Return as % of II(H)		8.639154% **
III.	Amount to be Transferred to COLA Fund		
	A.	<u>Excess Return</u>	<u>COLA Transfer</u>
		%	%
		\$	-\$-
	First	2.5 22,445,938	75 16,834,454
	Next	2.5 22,445,938	50 11,222,969
	Next	2.5 22,445,938	25 5,611,485
	Remainder	10,227,753	<u>0</u>
	B.	Total Transfer Amount at 1/1/2007	<u>33,668,908</u>

*Assumes Uniform Quarterly Contributions and Monthly Benefits
 $[(876,833,278) + 45,545,130 + (18,607,681) (2.5/4) - (66,518,783 + 257,859) (13/24)](.0775) =$

69,582,408

**Before 1/1/2007 COLA transfer.

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

EXHIBIT 2E

Actuarial Asset Value – 20% Prospective Write Up of 10/01/2000 Actuarial Value

I. Determination of Actuarial Asset Value as of October 1, 2001

	-\$-
A. Actuarial Value of Assets as of 10/01/2000	988,775,090
B. City Contributions	4,003,892
C. Member Contribution	6,336,918
D. Benefits Paid	41,386,774
E. Contributions Refunded	481,746
F. Expected Return (at 7.75%)	<u>75,373,347</u>
G. Expected Actuarial Value of Assets (A+B+C-D-E+F)	1,032,620,727
H. Market Value of Assets (Net 01/01/02 and 01/01/03 COLA Transfers)	828,863,088
I. Difference (H-G)	(203,757,639)
J. 20% of Difference	(40,751,528)
K. Preliminary Actuarial Asset Value (G+J)	991,869,199
L. Maximum Actuarial Asset Value (120% of H)	994,635,706
M. Minimum Actuarial Asset Value (80% of H)	663,090,470
N. Actuarial Asset Value at 10/1/2001	991,869,199
O. Contribution Surplus Account Balance	1,477,707
P. Final Actuarial Value at 10/01/2001 (N - O)	<u>990,391,492</u>

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

EXHIBIT 2F

Actuarial Asset Value – 20% Prospective Write Up of 10/01/2000 Actuarial Value

I. Determination of Actuarial Asset Value as of October 1, 2002

	-\$-
A. Actuarial Value of Assets as of 10/01/2001	990,391,492
B. City Contributions	1,051,629
C. Member Contribution	6,721,236
D. Benefits Paid	42,766,860
E. Contributions Refunded	364,256
F. Expected Return (at 7.75%)	<u>75,321,230</u>
G. Expected Actuarial Value of Assets (A+B+C-D-E+F)	1,030,354,471
H. Market Value of Assets (Net 01/01/03 and 01/01/04 COLA Transfers)	753,228,750
I. Difference (H-G)	(277,125,721)
J. 20% of Difference	(55,425,144)
K. Preliminary Actuarial Asset Value (G+J)	974,929,327
L. Maximum Actuarial Asset Value (120% of H)	903,874,500
M. Minimum Actuarial Asset Value (80% of H)	602,583,000
N. Actuarial Asset Value at 10/1/2002	903,874,500
O. Contribution Surplus Account Balance	6,278,444
P. Final Actuarial Value at 10/01/2002 (N - O)	<u><u>897,596,056</u></u>

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

EXHIBIT 2G

Actuarial Asset Value – 20% Prospective Write Up of 10/01/2000 Actuarial Value

I. <u>Determination of Actuarial Asset Value as of October 1, 2003</u>	-\$-
A. Actuarial Value of Assets as of 10/01/2002	897,596,056
B. City Contributions	18,163,588
C. Member Contribution	7,193,936
D. Benefits Paid	46,083,206
E. Contributions Refunded	429,225
F. Expected Return (at 7.75%)	<u>68,839,396</u>
G. Expected Actuarial Value of Assets (A+B+C-D-E+F)	945,280,545
H. Market Value of Assets (Net 01/01/04 and 01/01/05 COLA Transfers)	844,864,179
I. Difference (H-G)	(100,416,366)
J. 20% of Difference	(20,083,273)
K. Preliminary Actuarial Asset Value (G+J)	925,197,272
L. Maximum Actuarial Asset Value (120% of H)	1,013,837,015
M. Minimum Actuarial Asset Value (80% of H)	675,891,343
N. Actuarial Asset Value at 10/1/2003	925,197,272
O. Contribution Surplus Account Balance	3,382,512
P. Final Actuarial Value at 10/01/2003 (N - O)	<u><u>921,814,760</u></u>

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

EXHIBIT 2H

Actuarial Asset Value – 20% Prospective Write Up of 10/01/2000 Actuarial Value

I. <u>Determination of Actuarial Asset Value as of October 1, 2004</u>	-\$-
A. Actuarial Value of Assets as of 10/01/2003	921,814,760
B. City Contributions	36,341,515
C. Member Contribution	24,415,150
D. Benefits Paid	53,249,450
E. Contributions Refunded	301,580
F. Expected Return (at 7.75%)	<u>72,135,517</u>
G. Expected Actuarial Value of Assets (A+B+C-D-E+F)	1,001,155,912
H. Market Value of Assets (Net 01/01/05 and 01/01/06 COLA Transfers)	945,920,062
I. Difference (H-G)	(55,235,850)
J. 20% of Difference	(11,047,170)
K. Preliminary Actuarial Asset Value (G+J)	990,108,742
L. Maximum Actuarial Asset Value (120% of H)	1,135,104,074
M. Minimum Actuarial Asset Value (80% of H)	756,736,050
N. Actuarial Asset Value at 10/1/2004	990,108,742
O. Contribution Surplus Account Balance	0
P. Final Actuarial Value at 10/01/2004 (N - O)	<u><u>990,108,742</u></u>

**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, 2005

	-\$-
A. Actuarial Value of Assets as of 10/01/2004	990,108,742
B. City Contributions	45,545,130
C. Member Contribution	18,607,681
D. Benefits Paid	66,518,783
E. Contributions Refunded	257,859
F. Expected Return (at 7.75%)	<u>78,361,257</u>
G. Expected Actuarial Value of Assets (A+B+C-D-E+F)	1,065,846,168
H. Market Value of Assets (Net 01/01/06 and 01/01/07 COLA Transfers)	1,061,232,670
I. Difference (H-G)	(4,613,498)
J. 20% of Difference	(922,700)
K. Preliminary Actuarial Asset Value (G+J)	1,064,923,468
L. Maximum Actuarial Asset Value (120% of H)	1,273,479,204
M. Minimum Actuarial Asset Value (80% of H)	848,986,136
N. Actuarial Asset Value at 10/1/2005	1,064,923,468
O. Contribution Surplus Account Balance	0
P. Final Actuarial Value at 10/01/2005 (N – O)	<u>1,064,923,468</u>

II. Rate of Return on Actuarial Asset Value

	-\$-
A. Actuarial Asset Value at 10/01/2004	990,108,742
B. Contributions	
1. City (Including amount from Contribution Surplus Account)	45,545,130
2. Members	<u>18,607,681</u>
3. Total	64,152,811
C. Benefits and Refunds	66,776,642
D. Contribution Surplus	0
E. Actuarial Asset Value at 10/01/2005	1,064,923,468
F. Net Return on Investment [E+D+C-B-A]	77,438,557
G. Rate of Return [2 x F/(A+E-F)]	7.83%

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

Summary of Asset Transactions for Year Ending September 30, 2005 *

	<u>Membership and Benefits Accounts</u>	<u>COLA I Account</u>	<u>COLA II Account</u>
	-\$-	-\$-	-\$-
A. Market Value as of October 1, 2004	957,896,348	32,255,552	178,092,134
B. Book Value as of October 1, 2004	866,131,977	29,165,541	161,031,297
C. Income During Year			
1. City Contributions	45,545,130		3,848,635
2. Member Contributions	18,607,681		
3. Other Contributions			
4. Interest	16,252,509	437,489	2,429,242
5. Dividends	9,236,580	247,779	1,356,567
6. Net Realized Gains (Losses)	45,828,388	1,229,076	6,715,235
7. Securities Lending Income	348,257	9,365	51,232
8. Rental and Other Income	<u>239,176</u>	<u>6,295</u>	<u>34,462</u>
	136,057,721	1,930,004	14,435,373
D. Disbursements During Years			
1. Benefit Payments	66,518,783	368,080	10,246,430
2. Contribution Refunds	257,859	1,882	
3. Custodial and Investment Expenses	3,724,841	100,052	547,750
4. Other Expense			
5. Securities Lending Fees	104,654	2,814	15,396
6. Building Depreciation	<u>36,500</u>	<u>976</u>	<u>5,250</u>
	70,642,637	473,804	10,814,826
E. Book Value as of 9/30/2005 (B)+(C)-(D)	931,547,061	30,621,741	164,651,844
F. Net Change in Unrealized Gains (Losses)	81,495,238	2,605,366	13,562,966
G. Market Value as of 9/30/2005 (A)+(C)-(D)+(F)	1,104,806,670	36,317,118	195,275,647
H. January 1, 2006 Allocation to COLA II (discounted)	<u>(12,904,448)</u>	N/A	<u>12,904,448</u>
I. Net Market Value as of 9/30/2005	1,091,902,222	36,317,118	208,180,095

*Based on unaudited financial statements.

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

Distribution of Assets as of September 30, 2005⁽¹⁾

Membership and Benefits and Cost-of-Living Adjustment Accounts

<u>Description</u>	<u>Market</u>	<u>Book</u>
	-\$-	-\$-
Bills, Bonds, Notes	370,817,643	365,881,886
Corporate Stocks	872,513,591	682,821,456
Money Market Funds and Time Deposits	8,001,359	8,003,587
Mutual Funds	59,133,188	44,180,063
Real Estate ⁽²⁾	<u>2,298,993</u>	<u>2,298,993</u>
A: Sub-Total	1,312,764,774	1,103,185,985
B: Cash	35,254,534	35,254,534
Receivables:		
City Contributions		
Accounts Receivable	226	226
Member Contributions		
Accrued Interest	2,276,231	2,276,231
Securities Proceeds	<u>2,099,296</u>	<u>2,099,296</u>
C: Sub-Total	4,375,753	4,375,753
Payables:		
Budget Advance	(238,913)	(238,913)
Transfer	1,300	1,300
Tax Withheld	(864)	(864)
Accounts Payable	253,971	253,971
Securities Purchased	<u>15,980,132</u>	<u>15,980,132</u>
D: Sub-Total	15,995,626	15,995,626
E. Total (A+B+C-D)	1,336,399,435	1,126,820,646
Accounts:		
COLA I Account	36,317,118	30,621,741
COLA II Account	195,275,647	164,651,844
COLA II Transfer (1/1/2006)	12,904,448	12,904,448
F: Membership & Benefits Account	1,091,902,222	918,642,613

⁽¹⁾Based on unaudited financial statements.

⁽²⁾Carried at depreciated cost.

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

Investment Results

Yield on Mean Values for 12-Month Period Ending 9/30/2005

	-\$-	<u>Market</u> -%-	<u>Book</u> -%-
<u>Membership and Benefits Accounts*</u>			
Interest	16,252,509	1.7	1.9
Dividends	9,236,580	1.0	1.1
Rental and Other Income, less Depreciation	202,676	0.0	0.0
Realized Gains	45,828,388	4.8	5.3
Securities Lending (Net)	243,603	0.0	0.0
Increase in Unrealized Gains	81,495,238	8.5	--
Custodial and Investment Expenses	(3,724,841)	(0.4)	(0.4)
	<u>149,534,153</u>	<u>15.6</u>	<u>7.9</u>
 <u>COLA I Account</u>			
Interest	437,489	1.4	1.5
Dividends	247,779	0.8	0.9
Rental and Other Income, less Depreciation	5,319	0.0	0.0
Realized Gains	1,229,076	3.8	4.2
Securities Lending (Net)	6,551	0.0	0.0
Increase in Unrealized Gains	2,605,365	8.1	--
Custodial and Investment Expenses	(100,052)	(0.3)	(0.3)
	<u>4,431,527</u>	<u>13.8</u>	<u>6.3</u>
 <u>COLA II Account</u>			
Interest	2,429,242	1.4	1.5
Dividends	1,356,567	0.8	0.9
Rental and Other Income, less Depreciation	29,212	0.0	0.0
Realized Gains	6,715,235	3.8	4.2
Securities Lending (Net)	35,836	0.0	0.0
Increase in Unrealized Gains	13,562,966	7.8	--
Custodial and Investment Expenses	(547,750)	(0.3)	(0.3)
	<u>23,581,308</u>	<u>13.5</u>	<u>6.3</u>

*Before 1/1/2007 COLA transfer

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

Summary of Accounting Information
As of October 1, 2005

	<u>October 1, 2005</u>	<u>October 1, 2004</u>
	-\$-	-\$-
I. <u>Present Value of Vested Accrued Benefits</u>		
A. Service Retirements and Beneficiaries	636,085,262	574,935,994
B. Disability Retirements	36,959,492	36,223,791
C. Vested Terminated Members	4,141,293	4,922,742
D. Active Members	<u>349,344,070</u>	<u>351,757,589</u>
E. Total	1,026,530,117	967,840,116
II. <u>Present Value of Non-Vested Accrued Benefits</u>	15,806,454	14,211,787
III. <u>Present Value of Accrued Benefits</u>	1,042,336,571	982,051,903
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		982,051,903
B. Increase (Decrease) During the Year Attributable to:		
1. Benefits Accumulated		53,004,180
2. Benefits Paid and Contributions Refunded		(66,260,924)
3. Plan Amendment		0
4. Assumption Changes		0
5. Increase Due to Decrease in Discount Period		<u>73,541,412</u>
6. Net Increase		60,284,668
C. Present Value of Accrued Benefits at End of Year		1,042,336,571

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

Comparison of Funding Progress
(\$000)

I. <u>Assets</u>	<u>10/1/2005</u>	<u>10/1/2004</u>	<u>10/1/2003</u>
	-\$-	-\$-	-\$-
A. Book Value	918,643	866,132	811,680
B. Market Value	1,091,902	957,896	844,864
II. <u>Liabilities</u>			
A. Retired and Vested	677,186	616,083	473,962
B. Active			
Employee Contributions	121,189	118,102	115,003
Other Vested	228,156	233,655	276,553
Non-Vested Accrued	<u>15,806</u>	<u>14,212</u>	<u>16,669</u>
C. Total Accrued	1,042,337	982,052	882,187
III. <u>Ratios</u>	%	%	%
IA/IIC	88.1	88.2	92.0
IB/IIC	104.8	97.5	95.8

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>10/1/2005</u>	<u>10/1/2004</u>	<u>10/1/2003</u>
Males	1,247	1,261	1,397
Females	<u>208</u>	<u>207</u>	<u>225</u>
Total	1,455	1,468	1,622
 <u>Averages</u>			
Current Age	39.4	39.6	40.1
Past Service	13.1	13.6	14.3
Credited Past Service	13.1	13.6	14.1
Annual Earnings	\$62,897	\$60,253	\$60,987

II. Inactive Members

A. Retirees and Beneficiaries			
Number	1,503	1,424	1,256
Average Annual Benefit	\$40,060	\$38,222	\$33,446
Average Age	63.4	63.3	64.6
B. Disabled			
Number	215	215	222
Average Annual Benefit	\$18,607	\$18,140	\$17,758
Average Age	65.2	64.6	64
C. Vested Terminated			
Number	25	29	17
Average Deferred Benefit	\$21,930	\$21,461	\$17,965
Average Age	43.4	44.6	47.3

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

Age-Service Distribution

<u>Age</u>	<u>Completed Years of Service</u>									<u>Total</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>Avg.</u>
											-\$-	-\$-
15-24	20	17	1	-	-	-	-	-	-	38	1,452,907	38,234
25-29	31	63	65	1	-	-	-	-	-	160	7,728,403	48,303
30-34	26	47	127	45	4	-	-	-	-	249	13,038,978	52,365
35-39	12	21	99	91	68	1	-	-	-	292	16,827,113	57,627
40-44	1	10	36	56	153	97	3	-	-	356	24,624,053	69,169
45-49	3	2	14	18	56	130	31	1	-	255	19,304,401	75,704
50-54	-	1	3	2	15	31	25	10	-	87	7,229,790	83,101
55-59	-	1	-	1	2	7	2	2	-	15	1,119,110	74,607
60-64	-	-	-	-	3	-	-	-	-	3	189,957	63,319
65+	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	93	162	345	214	301	266	61	13	0	1,455	91,514,713	62,897

Average Age: 39.4

Average Service: 13.1

**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>
10/1/2004	1,468	1,424	215	29
Changes due to:				
Retirement	-83	+87		-4
Withdrawal	-27			+1
Disability	-3		+3	
Death	-1	-20	-4	-1
New Beneficiary		+12		
New Hires	+101			
Data Changes			+1	
	-----	-----	-----	-----
10/1/2005	1,455	1,503	215	25

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, 2005.
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. $66 \frac{2}{3}\%$ of Average Final Compensation, or $66 \frac{2}{3}\%$ 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:

Police Officers are no longer allowed to purchase additional service using 457 balances, effective June 20, 2005.

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

Summary of Actuarial Basis (Prior Basis)

Valuation Date: October 1, 2005 for Fiscal Year beginning October 1, 2006.

Valuation Method: Aggregate Cost Method.

Asset Valuation Method: Average of ratios of market to book values as of current and four 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.
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><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><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, 2005 for Fiscal Year beginning October 1, 2006.

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 (Revised 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 (Revised 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.

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 (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. Membership data was furnished by Administrator.
Changes Since Prior Valuation:	Actuarial Asset Valuation Method changed from 5-year average ratio of market values to book values, to 20% Write-Up Method, prospectively from October 1, 2000. No redetermination of City contribution requirements for actuarial valuation dates of October 1, 2004 and prior. COLA transfers are not affected.

**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> -%-
9/30/05	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> -%-
9/30/05 (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> -%-
9/30/05	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 5 and 25
(Excluding COLA Fund)

I. Funding Status and Progress as of September 30, 2005 and 2004

Pension benefit obligation:	<u>\$(Millions)</u>	
	<u>Sept. 30, 2005</u>	<u>Sept. 30, 2004</u>
	-\$-	-\$-
- Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	677.2	616.1
- Current employees - Accumulated employee contributions including interest	121.2	118.1
Employer - financed vested	228.2	233.7
Employer - financed nonvested	<u>177.9</u>	<u>158.3</u>
Total pension benefit obligation	1,204.5	1,126.2
Net assets available for benefits (market value)	<u>1,091.9</u>	<u>957.9</u>
Unfunded pension benefit obligation	112.6	168.3

The pension benefit obligation was determined as part of actuarial valuations at September 30, 2005 and September 30, 2004. 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 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 \$64,152,811 (\$45,545,130 employer and \$18,607,681 employee) were made for the year ending September 30, 2005. These contributions consisted of (a) \$52,421,726 normal cost, (b) \$0 amortization of the unfunded actuarial accrued liability, (c) \$0 noninvestment expenses and (d) \$11,731,085 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)

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
2004	957.9	1126.2	85	168.3	89.2	189
2005	1091.9	1204.5	91	112.6	91.5	123

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

(Excluding COLA Fund)

IV. Revenues and Expenses

Revenues by Source				
<u>Fiscal</u> <u>Year</u>	<u>Employee</u> <u>Contributions</u> (\$)	<u>Employer</u> <u>Contributions</u> (\$)	<u>Investment</u> <u>Income</u> (\$)	<u>Total</u>
(\$)				
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
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

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

(Excluding COLA Fund)
(Continued)

IV. Revenues and Expenses (Continued)

Fiscal Year	Expenses by Type			
	Benefits	Administrative Expenses	Refunds	Total
	(\$)	(\$)	(\$)	(\$)
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
2004	53,249,450	3,334,460	301,580	56,885,490
2005	66,518,783	3,865,995	257,859	70,642,637

**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	100	0
2005	45,545,130	100	0
2006	50,635,213	100	0

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

(COLA Fund)

I. COLA Increases by Duration Since Retirement (Including 2005 Increment)

<u>Years Retired</u>	<u>No.</u>	<u>FIPO Benefits</u>	<u>COLA Benefits</u>	<u>%</u>
		<u>-\$-</u>	<u>-\$-</u>	
0 - 5	379	2,039,759	1,161	0.1
5 -10	259	1,111,695	45,025	4.1
10-15	316	1,148,726	158,247	13.8
15-20	162	423,225	131,059	31.0
20-25	156	269,614	158,929	58.9
25-30	224	217,911	251,262	115.3
30-35	153	104,717	186,344	177.9
35-40	41	23,525	62,898	267.4
40-45	19	9,804	30,176	307.8
45-50	2	1,038	3,201	308.5
50+	8	3,343	8,417	251.8
Total	1,719	5,353,358	1,036,726	19.4

II. COLA Increases by Attained Age (2005 Table)

<u>Age</u>	<u>No.</u>	<u>FIPO Benefits</u>	<u>COLA Benefits</u>	<u>%</u>
		<u>-\$-</u>	<u>-\$-</u>	
<45	40	168,746	947	0.6
45-50	169	764,145	1,216	0.2
50-54	242	1,166,811	21,564	1.8
55-59	278	1,169,073	65,791	5.6
60-64	246	882,992	121,914	13.8
65-69	176	440,149	121,492	27.6
70-74	204	368,553	218,560	59.3
75-79	207	257,618	259,426	100.7
80-84	111	101,028	158,110	156.5
85-89	34	25,977	49,561	190.8
>90	12	8,266	18,144	219.5
Total	1,719	5,353,358	1,036,726	19.4

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

III. COLA Increases vs. CPI (including 2005 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	379	0.1	1.5	3.8
5 -10	259	4.1	17.4	23.2
10-15	316	13.8	32.1	42.9
15-20	162	31.0	56.9	54.4
20-25	156	58.9	87.3	67.5
25-30	224	115.3	156.4	73.7
30-35	153	177.9	275.2	64.7
35-40	41	267.4	421.6	63.4
40-45	19	307.8	519.2	59.3
45-50	2	308.5	567.6	54.3
50+	8	251.8	806.4	31.2
Total	<u>1,719</u>	<u>19.4</u>	<u>35.1</u>	<u>55.1</u>

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

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

I. Summary of Assets Available for Benefits at October 1, 2005

A. COLA Accounts (Exhibit 2)	-\$-
1. COLA I Account at 9/30/2005	36,317,118
2. COLA II Account at 9/30/2005	195,275,647
B. Transfers of Excess Investment Income	
1. \$13,147,517 due on 1/1/2006	12,904,448
2. \$33,668,908 due on 1/1/2007	30,669,552
C. Minimum City Contributions ⁽¹⁾ \$4,329,190 beginning 1/1/2008, payable for 7 years discounted	20,708,196
D. City Contribution due 1/1/2007	<u>0</u>
E. Assets Available for COLA Benefits	295,874,961

II. COLA Fund Liabilities for Benefits at 10/1/2005⁽³⁾

A. Present Value of Existing COLA Benefits for inactives	
1. Frozen COLA I benefits	2,157,847
2. COLA II benefits	153,087,840
3. Total inactive COLA benefits	<u>155,245,687</u>
B. Present Value of Projected COLA Benefits for Current Actives	
1. Reserve for current actives	34,530,830
2. Reserve for future actives (15% of B1)	5,179,625
3. Total	<u>39,710,455</u>
C. Total Liability Allocated (A3+B4)	194,956,142
D. Contingency Reserve [20% of I(E)-I(B)(2)]	53,041,082
E. Unallocated Reserve ⁽²⁾	<u>47,877,737</u>
F. Total Liability for COLA Benefits	295,874,961

Notes: (1) $(1/1.0775)^{2.25} \cdot \frac{1}{71} \cdot 4.7833881$

(2) For \$941 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, 2006

		-\$-
A.	Liability based on current \$941 table	
1.	Inactive COLA II Benefits	153,087,840
2.	Present Value of Projected COLA benefits for current actives	34,530,830
3.	Reserve for future actives [15% of (2)]	<u>5,179,625</u>
4.	Total	192,798,295
B.	Assets available to increase table	
1.	Total assets available for COLA Benefits	295,874,961
2.	Total Liability Allocated (current \$941 table)	194,956,142
3.	Contingency Reserve II(D)	<u>53,041,082</u>
4.	Available Assets [(1)-(2)-(3)]	47,877,737
5.	\$33,668,908 due on 1/1/2007, discounted	<u>30,669,552</u>
6.	Net Available Assets [(4)-(5)]	17,208,185
7.	Increase ratio [(B6)/(A4)]	.08925
8.	Table increase [\$941x(7)]	83
9.	New table amount [\$941+(8)]	<u>1,024</u>
10.	Actual new table amount	<u>1,024</u>

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

Cumulative Experience Position Net of Asset Transfers

I.	<u>Calculation of Expected Unfunded Actuarial Accrued Liability at 10/1/2005 (Prior Basis)</u>	
		-\$-
A.	Expected Unfunded Actuarial Accrued Liability at 10/1/2004	315,154,741
B.	Entry Age Normal Cost for 2004/2005 Year Paid or Payable by Employer	24,143,147
C.	Interest on (A) and (B)	26,295,586
D.	Contributions for 2004/2005 Year Paid or Payable by Employer (Required)	45,545,130
E.	Interest on (D)	<u>3,529,748</u>
F.	Expected Unfunded Actuarial Accrued Liability at 9/30/2005	316,518,596
G.	Additional Unfunded Actuarial Accrued Liability due to Method Changes	(90,905,096)
H.	Additional Unfunded Actuarial Accrued Liability due to Florida Law 99-1	<u>0</u>
I.	Final Expected Unfunded Actuarial Accrued Liability at 9/30/2005	225,613,500
II.	<u>Determination of Net Cumulative Experience Position at 10/1/2005</u>	
A.	Expected Unfunded Actuarial Liability as of September 30, 2005	225,613,500
B.	Entry Age Reserve - Actives	544,365,431
	- Inactives	<u>677,186,047</u>
	- Total	1,221,551,478
C.	Actuarial Asset Value (Net of Future Transfers)	1,026,208,370
D.	Actual Unfunded Actuarial Liability (B)-(C)	<u>195,343,108</u>
E.	Cumulative Experience Gain (Loss) (A)-(D)	30,270,392
III.	<u>Future Transfers of Excess Investment Income at 10/1/2005</u>	
A.	\$13,147,517 due on 1/1/2006, discounted	12,904,448
B.	\$33,668,908 due on 1/1/2007, discounted	<u>33,046,442</u>
C.	Total Future Transfers at 10/1/2005 (A)+(B)	43,574,000

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

Cumulative Experience Position Net of Asset Transfers

I. <u>Calculation of Expected Unfunded Actuarial Accrued Liability at 10/1/2001</u>	
A. (i) Expected Unfunded Actuarial Accrued Liability at 10/1/2000	-\$- 269,677,837
B. Entry Age Normal Cost for 2002/2003 Year Paid or Payable by Employer	15,638,156
C. Interest on (A) and (B)	22,111,989
D. Contributions for 2000/2001 Year Paid or Payable by Employer (Required)	4,003,892
E. Interest on (D)	<u>310,302</u>
F. Expected Unfunded Actuarial Accrued Liability at 9/30/2001	303,113,788
G. Additional Unfunded Actuarial Accrued Liability due to Assumption and Method Changes	16,856,132
H. Additional Unfunded Actuarial Accrued Liability due to Florida Law 99-1	<u>0</u>
I. Final Expected Unfunded Actuarial Accrued Liability at 9/30/2001	319,969,920
II. <u>Determination of Net Cumulative Experience Position at 10/1/2001</u>	
A. Expected Unfunded Actuarial Liability as of September 30, 2001	319,969,920
B. Entry Age Reserve - Actives	502,653,559
- Inactives	<u>430,016,405</u>
- Total	932,669,964
C. Actuarial Asset Value	990,391,492
D. Actual Unfunded Actuarial Liability (B)-(C)	<u>(57,721,528)</u>
E. Cumulative Experience Gain (Loss) (A)-(D)	377,691,448
III. <u>Future Transfers of Excess Investment Income at 10/1/2001</u>	
A. \$33,619,502 due on 1/1/2002, discounted	32,997,950
B. \$0 due on 1/1/2003, discounted	<u>0</u>
C. Total Future Transfers at 10/1/2001 (A) + (B)	32,997,950

**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 10/1/2002

A. (i) Expected Unfunded Actuarial Accrued Liability at 10/1/2001	-\$-
	319,969,920
B. Entry Age Normal Cost for 2001/2002 Year Paid or Payable by Employer	17,402,263
C. Interest on (A) and (B)	26,146,344
D. Contributions for 2001/2002 Year Paid or Payable by Employer (Required)	1,051,629
E. Interest on (D)	81,501
F. Expected Unfunded Actuarial Accrued Liability at 9/30/2002	362,385,397
G. Additional Unfunded Actuarial Accrued Liability due to Assumption and Method Changes	(39,947,311)
H. Additional Unfunded Actuarial Accrued Liability due to Florida Law 99-1	0
I. Final Expected Unfunded Actuarial Accrued Liability at 9/30/2002	322,438,086

II. Determination of Net Cumulative Experience Position at 10/1/2002

A. Expected Unfunded Actuarial Liability as of September 30, 2002	322,438,086
B. Entry Age Reserve - Actives	566,386,564
- Inactives	433,461,971
- Total	999,848,535
C. Actuarial Asset Value	897,596,056
D. Actual Unfunded Actuarial Liability (B)-(C)	102,252,479
E. Cumulative Experience Gain (Loss) (A)-(D)	220,185,607

III. Future Transfers of Excess Investment Income at 10/1/2002

A. \$0 due on 1/1/2003, discounted	0
B. \$0 due on 1/1/2004, discounted	0
C. Total Future Transfers at 10/1/2002 (A) + (B)	0

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

Cumulative Experience Position Net of Asset Transfers

I. <u>Calculation of Expected Unfunded Actuarial Accrued Liability at 10/1/2003</u>	
	-\$-
A. (i) Expected Unfunded Actuarial Accrued Liability at 10/1/2002	322,438,086
B. Entry Age Normal Cost for 2002/2003 Year Paid or Payable by Employer	16,824,159
C. Interest on (A) and (B)	26,292,824
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	345,983,803
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	304,734,366
II. <u>Determination of Net Cumulative Experience Position at 10/1/2003</u>	
A. Expected Unfunded Actuarial Liability as of September 30, 2003	304,734,366
B. Entry Age Reserve - Actives	593,967,164
- Inactives	<u>473,962,126</u>
- Total	1,067,929,290
C. Actuarial Asset Value	921,814,760
D. Actual Unfunded Actuarial Liability (B)-(C)	<u>146,114,530</u>
E. Cumulative Experience Gain (Loss) (A)-(D)	158,619,836
III. <u>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

**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 10/1/2004</u>	
	-\$-
A. (i) Expected Unfunded Actuarial Accrued Liability at 10/1/2003	304,734,366
B. Entry Age Normal Cost for 2003/2004 Year Paid or Payable by Employer	24,094,147
C. Interest on (A) and (B)	25,484,210
D. Contributions for 2003/2004 Year Paid or Payable by Employer (Required)	36,341,515
E. Interest on (D)	<u>2,816,467</u>
F. Expected Unfunded Actuarial Accrued Liability at 9/30/2004	315,154,741
G. Additional Unfunded Actuarial Accrued Liability due to Assumption and Method Changes	0
H. Additional Unfunded Actuarial Accrued Liability due to Florida Law 99-1	<u>0</u>
I. Final Expected Unfunded Actuarial Accrued Liability at 9/30/2004	315,154,741
<u>II. Determination of Net Cumulative Experience Position at 10/1/2004</u>	
A. Expected Unfunded Actuarial Liability as of September 30, 2004	315,154,741
B. Entry Age Reserve - Actives	536,690,870
- Inactives	<u>616,082,527</u>
- Total	1,152,773,397
C. Actuarial Asset Value	990,108,742
D. Actual Unfunded Actuarial Liability (B)-(C)	<u>162,664,655</u>
E. Cumulative Experience Gain (Loss) (A)-(D)	152,490,086
<u>III. Future Transfers of Excess Investment Income at 10/1/2004</u>	
A. \$0 due on 1/1/2005, discounted	0
B. \$13,147,517 due on 1/1/2006, discounted	<u>11,976,286</u>
C. Total Future Transfers at 10/1/2004 (A) + (B)	11,976,286

**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 10/1/2005</u>	
	-\$-
A. (i) Expected Unfunded Actuarial Accrued Liability at 10/1/2004	315,154,741
B. Entry Age Normal Cost for 2004/2005 Year Paid or Payable by Employer	24,143,147
C. Interest on (A) and (B)	26,295,586
D. Contributions for 2004/2005 Year Paid or Payable by Employer (Required)	45,545,130
E. Interest on (D)	<u>3,529,748</u>
F. Expected Unfunded Actuarial Accrued Liability at 9/30/2005	316,518,596
G. Additional Unfunded Actuarial Accrued Liability due to Assumption and Method Changes	0
H. Additional Unfunded Actuarial Accrued Liability due to Florida Law 99-1	<u>0</u>
I. Final Expected Unfunded Actuarial Accrued Liability at 9/30/2005	316,518,596
<u>II. Determination of Net Cumulative Experience Position at 10/1/2005</u>	
A. Expected Unfunded Actuarial Liability as of September 30, 2005	316,518,596
B. Entry Age Reserve - Actives	544,365,431
- Inactives	<u>677,186,047</u>
- Total	1,221,551,478
C. Actuarial Asset Value	1,064,923,468
D. Actual Unfunded Actuarial Liability (B)-(C)	<u>156,628,010</u>
E. Cumulative Experience Gain (Loss) (A)-(D)	159,890,586
<u>III. Future Transfers of Excess Investment Income at 10/1/2005</u>	
A. \$13,147,517 due on 1/1/2006, discounted	12,904,448
B. \$33,668,908 due on 1/1/2007, discounted	<u>30,669,552</u>
C. Total Future Transfers at 10/1/2005 (A)+(B)	43,574,000

**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 \$941 to \$1,024 (at 25 years of creditable service and 22 years of retirement).

Miami Firefighters' and Police Officers' Retirement Trust
2006 Monthly Retirement Supplements (1024 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
Y	10	0	0	0	26	38	51	64	77	90	102	115	128	141	154	166	179	192	205	218	230	243	256	269	282	294
E	11	0	0	0	31	46	61	77	92	108	123	138	154	169	184	200	215	230	246	261	276	292	307	323	338	353
A	12	0	0	0	36	54	72	90	108	125	143	161	179	197	215	233	251	269	287	305	323	340	358	376	394	412
R	13	0	0	0	41	61	82	102	123	143	164	184	205	225	246	266	287	307	328	348	369	389	410	430	451	471
V	14	0	0	0	46	69	92	115	138	161	184	207	230	253	276	300	323	346	369	392	415	438	461	484	507	530
I	15	0	0	0	51	77	102	128	154	179	205	230	256	282	307	333	358	384	410	435	461	486	512	538	563	589
C	16	0	0	0	56	84	113	141	169	197	225	253	282	310	338	366	394	422	451	479	507	535	563	591	620	648
E	17	0	0	0	61	92	123	154	184	213	246	276	307	338	369	399	430	461	492	522	553	584	614	645	676	707
S	18	0	0	0	67	100	133	166	200	233	266	300	333	366	399	433	466	499	532	566	599	632	666	699	732	765
E	19	0	0	0	72	108	143	179	215	251	287	323	358	394	430	466	502	538	573	609	645	681	717	753	788	824
R	20	0	0	0	77	115	154	192	230	269	307	346	384	422	461	499	538	576	614	653	691	730	768	806	845	883
S	21	0	0	0	82	123	164	205	246	287	328	369	410	451	492	532	573	614	655	696	737	778	819	860	901	942
O	22	0	0	0	87	131	174	218	261	305	348	392	435	479	522	566	609	653	696	740	783	827	870	914	957	1001
F	23	0	0	0	92	138	184	230	276	323	369	415	461	507	553	599	645	691	737	783	829	876	922	968	1014	1060
D	24	0	0	0	97	146	195	243	292	340	389	438	486	535	584	632	681	730	778	827	876	924	973	1021	1070	1119
I	25	0	0	0	102	154	205	256	307	358	410	461	512	563	614	666	717	768	819	870	922	973	1024	1075	1126	1178
T	26	0	0	0	108	161	215	269	323	376	430	484	538	591	645	699	753	806	860	914	968	1021	1075	1129	1183	1236
A	27	0	0	0	113	169	225	282	338	394	451	507	563	620	676	732	788	845	901	957	1014	1070	1126	1183	1239	1295
B	28	0	0	0	118	177	236	294	353	412	471	530	589	648	707	765	824	883	942	1001	1060	1119	1178	1236	1295	1354
L	29	0	0	0	123	184	246	307	369	430	492	553	614	676	737	799	860	922	983	1044	1106	1167	1229	1290	1352	1413
E	30	0	0	0	128	192	256	320	384	448	512	576	640	704	768	832	896	960	1024	1088	1152	1216	1280	1344	1408	1472
S	31	0	0	0	133	200	266	333	399	466	532	599	666	732	799	865	932	998	1065	1132	1198	1265	1331	1398	1464	1531
E	32	0	0	0	138	207	276	346	415	484	553	622	691	760	829	899	968	1037	1106	1175	1244	1313	1382	1452	1521	1590
R	33	0	0	0	143	215	287	358	430	502	573	645	717	788	860	932	1004	1075	1147	1219	1290	1362	1434	1505	1577	1649
V	34	0	0	0	148	223	297	371	445	520	594	668	742	817	891	965	1039	1114	1188	1262	1336	1411	1485	1559	1633	1708
I	35	0	0	0	154	230	307	384	461	538	614	691	768	845	922	998	1075	1152	1229	1306	1382	1459	1536	1613	1690	1766
C	36	0	0	0	159	238	317	397	476	556	635	714	794	873	952	1032	1111	1190	1270	1349	1428	1508	1587	1667	1746	1825
E	37	0	0	0	164	246	328	410	492	573	655	737	819	901	983	1065	1147	1229	1311	1393	1475	1556	1638	1720	1802	1884
S	38	0	0	0	169	253	338	422	507	591	676	760	845	929	1014	1098	1183	1267	1352	1436	1521	1605	1690	1774	1859	1943
E	39	0	0	0	174	261	348	435	522	609	696	783	870	957	1044	1132	1219	1306	1393	1480	1567	1654	1741	1828	1915	2002
R	40	0	0	0	179	269	358	448	538	627	717	806	896	986	1075	1165	1254	1344	1434	1523	1613	1702	1792	1882	1971	2061
V	41	0	0	0	184	276	369	461	553	645	737	829	922	1014	1106	1198	1290	1382	1475	1567	1659	1751	1843	1935	2028	2120
I	42	0	0	0	189	284	379	474	568	663	758	852	947	1042	1137	1231	1326	1421	1516	1610	1705	1800	1894	1989	2084	2179
C	43	0	0	0	195	292	389	486	584	681	778	876	973	1070	1167	1265	1362	1459	1556	1654	1751	1848	1946	2043	2140	2237
E	44	0	0	0	200	300	399	499	599	699	799	899	998	1098	1198	1298	1398	1498	1597	1697	1797	1897	1997	2097	2196	2296
S	45	0	0	0	205	307	410	512	614	717	819	922	1024	1126	1229	1331	1434	1536	1638	1741	1843	1946	2048	2150	2253	2355
E	46	0	0	0	210	315	420	525	630	735	840	945	1050	1155	1260	1364	1469	1574	1679	1784	1889	1994	2099	2204	2309	2414
R	47	0	0	0	215	323	430	538	645	753	860	968	1075	1183	1290	1398	1505	1613	1720	1828	1935	2043	2150	2258	2365	2473
V	48	0	0	0	220	330	440	550	660	771	881	991	1101	1211	1321	1431	1541	1651	1761	1871	1981	2092	2202	2312	2422	2532
I	49	0	0	0	225	338	451	563	676	788	901	1014	1126	1239	1352	1464	1577	1690	1802	1915	2028	2140	2253	2365	2478	2591
C	50	0	0	0	230	346	461	576	691	806	922	1037	1152	1267	1382	1498	1613	1728	1843	1958	2074	2189	2304	2419	2534	2650

Miami Firefighters' and Police Officers' Retirement Trust
 2006 Monthly Retirement Supplements (1024 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	307	320	333	346	358	371	384	397	410	422	435	448	461	474	486	499	512	525	538	550	563	576	589	602	614
11	369	384	399	415	430	445	461	476	492	507	522	538	553	568	584	599	614	630	645	660	676	691	707	722	737
12	430	448	466	484	502	520	538	556	573	591	609	627	645	663	681	699	717	735	753	771	788	806	824	842	860
13	492	512	532	553	573	594	614	635	655	676	696	717	737	758	778	799	819	840	860	881	901	922	942	963	983
14	553	576	599	622	645	668	691	714	737	760	783	806	829	852	876	899	922	945	968	991	1014	1037	1060	1083	1106
15	614	640	666	691	717	742	768	794	819	845	870	896	922	947	973	998	1024	1050	1075	1101	1126	1152	1178	1203	1229
16	676	704	732	760	788	817	845	873	901	929	957	986	1014	1042	1070	1098	1126	1155	1183	1211	1239	1267	1295	1324	1352
17	737	768	799	829	860	891	922	952	983	1014	1044	1075	1106	1137	1167	1198	1229	1260	1290	1321	1352	1382	1413	1444	1475
18	799	832	865	899	932	965	998	1032	1065	1098	1132	1165	1198	1231	1265	1298	1331	1364	1398	1431	1464	1498	1531	1564	1597
19	860	896	932	968	1004	1039	1075	1111	1147	1183	1219	1254	1290	1326	1362	1398	1434	1469	1505	1541	1577	1613	1649	1684	1720
20	922	960	998	1037	1075	1114	1152	1190	1229	1267	1306	1344	1382	1421	1459	1498	1536	1574	1613	1651	1690	1728	1766	1805	1843
21	983	1024	1065	1106	1147	1188	1229	1270	1311	1352	1393	1434	1475	1516	1556	1597	1638	1679	1720	1761	1802	1843	1884	1925	1966
22	1044	1088	1132	1175	1219	1262	1306	1349	1393	1436	1480	1523	1567	1610	1654	1697	1741	1784	1828	1871	1915	1958	2002	2045	2089
23	1106	1152	1198	1244	1290	1336	1382	1428	1475	1521	1567	1613	1659	1705	1751	1797	1843	1889	1935	1981	2028	2074	2120	2166	2212
24	1167	1216	1265	1313	1362	1411	1459	1508	1556	1605	1654	1702	1751	1800	1848	1897	1946	1994	2043	2092	2140	2189	2237	2286	2335
25	1229	1280	1331	1382	1434	1485	1536	1587	1638	1690	1741	1792	1843	1894	1946	1997	2048	2099	2150	2202	2253	2304	2355	2406	2458
26	1290	1344	1398	1452	1505	1556	1607	1657	1708	1759	1810	1862	1913	1964	2015	2066	2117	2168	2219	2270	2321	2372	2423	2474	2525
27	1352	1408	1464	1521	1577	1633	1690	1746	1802	1859	1915	1971	2028	2084	2140	2196	2253	2309	2365	2422	2478	2534	2591	2647	2703
28	1413	1472	1531	1590	1649	1708	1766	1825	1884	1943	2002	2061	2120	2179	2237	2296	2355	2414	2473	2532	2591	2650	2708	2767	2826
29	1475	1536	1597	1659	1720	1782	1843	1905	1966	2028	2089	2150	2212	2273	2335	2396	2458	2519	2580	2642	2703	2765	2826	2888	2949
30	1536	1600	1664	1728	1792	1856	1920	1984	2048	2112	2176	2240	2304	2368	2432	2496	2560	2624	2688	2752	2816	2880	2944	3008	3072
31	1597	1664	1731	1797	1864	1930	1997	2063	2130	2196	2263	2330	2396	2463	2529	2596	2662	2729	2796	2862	2929	2995	3062	3128	3195
32	1659	1728	1797	1866	1935	2004	2074	2143	2212	2281	2350	2419	2488	2557	2626	2695	2764	2833	2903	2972	3041	3110	3180	3249	3318
33	1720	1792	1864	1935	2007	2079	2150	2222	2294	2365	2437	2509	2580	2652	2724	2796	2867	2939	3011	3082	3154	3226	3297	3369	3441
34	1782	1856	1930	2004	2079	2153	2227	2301	2376	2450	2524	2598	2673	2747	2821	2895	2970	3044	3118	3192	3267	3341	3415	3489	3564
35	1843	1920	1997	2074	2150	2227	2304	2381	2458	2534	2611	2688	2765	2842	2919	2996	3072	3149	3226	3302	3379	3456	3533	3610	3686
36	1905	1984	2063	2143	2222	2301	2376	2458	2540	2621	2703	2785	2867	2949	3031	3113	3195	3277	3359	3441	3523	3604	3686	3768	3850
37	1966	2048	2130	2212	2294	2376	2458	2540	2621	2703	2785	2867	2949	3031	3113	3195	3277	3359	3441	3523	3604	3686	3768	3850	3932
38	2028	2112	2196	2281	2365	2450	2534	2619	2703	2788	2872	2957	3041	3126	3210	3295	3379	3464	3548	3633	3717	3802	3886	3971	4055
39	2089	2176	2263	2350	2437	2524	2611	2698	2785	2872	2959	3046	3133	3220	3308	3395	3482	3569	3656	3743	3830	3917	4004	4091	4178
40	2150	2240	2330	2419	2509	2598	2688	2778	2867	2957	3046	3136	3226	3315	3405	3494	3584	3674	3763	3853	3942	4032	4122	4211	4301
41	2212	2304	2396	2488	2580	2673	2765	2857	2949	3041	3133	3226	3318	3410	3502	3594	3686	3779	3871	3963	4055	4147	4239	4332	4424
42	2273	2368	2463	2557	2652	2747	2842	2936	3031	3126	3220	3315	3410	3505	3599	3694	3789	3884	3978	4073	4168	4262	4357	4452	4547
43	2335	2432	2529	2627	2724	2821	2918	3016	3113	3210	3308	3405	3502	3599	3697	3794	3891	3988	4086	4183	4280	4378	4475	4572	4669
44	2396	2496	2596	2696	2796	2895	2995	3095	3195	3295	3395	3494	3594	3694	3794	3894	3994	4093	4193	4293	4393	4493	4593	4692	4792
45	2458	2560	2662	2765	2867	2970	3072	3174	3277	3379	3482	3584	3686	3789	3891	3994	4096	4198	4301	4403	4506	4608	4710	4813	4915
46	2519	2624	2729	2834	2939	3044	3149	3254	3359	3464	3569	3674	3779	3884	3988	4093	4198	4303	4408	4513	4618	4723	4828	4933	5038
47	2580	2688	2796	2903	3011	3118	3226	3333	3441	3548	3656	3763	3871	3978	4086	4193	4301	4408	4516	4623	4731	4838	4946	5053	5161
48	2642	2752	2862	2972	3082	3192	3302	3412	3523	3633	3743	3853	3963	4073	4183	4293	4403	4513	4623	4733	4844	4954	5064	5174	5284
49	2703	2816	2929	3041	3154	3267	3379	3492	3604	3717	3830	3942	4055	4168	4280	4393	4506	4618	4731	4844	4956	5069	5181	5294	5407
50	2765	2880	2995	3110	3226	3341	3456	3571	3686	3802	3917	4032	4147	4262	4378	4493	4608	4723	4838	4954	5069	5184	5299	5414	5530

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

(COLA Fund)

Summary of Actuarial Basis

Valuation Date: January 1, 2006.

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><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>< 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: After eligibility 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 \$941 Table)

I. Funding Status and Progress as of September 30, 2005 and 2004

Pension benefit obligation:	<u>\$(Millions)</u>	
	<u>2005</u>	<u>2004</u>
- Retirees and beneficiaries currently receiving prior COLA benefits	2.2	2.3
- Retirees and beneficiaries receiving COLA tabular benefits (beginning January 1) and terminated employees not yet receiving tabular benefits	153.1	143.1
- Current Employees Accumulated employee contributions including interest	4.7	5.8
Employer - financed vested	0.0	0.0
Employer - financed non-vested	<u>35.0</u>	<u>34.5</u>
- Total pension benefit obligation	195.0	185.7
Net assets available for benefits	<u>231.6</u>	<u>210.3</u>
Unfunded pension benefit (obligation)/asset	36.6	24.7

The pension benefit obligations were determined as part of actuarial valuations at January 1, 2006 and January 1, 2005, based on data and asset information at September 30, 2005 and September 30, 2004. 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, 2005 and January 1, 2004.

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

Disclosure Information Under GASB 5
(COLA Fund)
(Based on 01/01/2005 \$941 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 \$13,147,517 amount to be transferred on January 1, 2006 is due to excess investment income during the year ended September 30, 2004, and therefore already is part of the Retirement Trust. 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.

III. Analysis of funding Progress (\$ Millions)

<u>Fiscal Year</u>	(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)

* 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
2004	0	3,700,611	9,923,222	13,623,833
2005	0	3,848,635	12,516,741	16,365,377

**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

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

Accrued (Prepaid) Contributions Projected to September 30, 2007

	-\$-
A. City Contribution Requirement on 10/1/2006	39,823,900
B. Interest on (A) to 9/30/2007	3,086,352
C. Contribution on 10/2/2006	13,715,901.75
D. Interest on (C) to 9/30/2007 (364 days)	1,060,070
E. Contribution on 1/2/2007	14,235,823.44
F. Interest on (E) to 9/30/2007 (272 days)	822,168
G. Contribution on 4/2/2007	12,559,137.81
H. Interest on (G) to 9/30/2007 (182 days)	<u>485,333</u>
I. Accrued (Prepaid) as of 9/30/2007 = (A) + (B) - (C) - (D) - (E) - (F) - (G) - (H)	<u><u>31,818</u></u>

Note: The \$31,818 accrued contribution as of 9/30/2007 is equivalent to a contribution of \$31,215 on 7/02/2007.