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City of York Police Pension Fund
Actuarial Valuation
as of January 1, 2013

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013
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Comments

The purpose of the valuation report is to determine the actuarial status of the Plan and to serve as the basis for satisfying the reporting requirements under Act 205.

The Summary of Principal Plan Benefit Provisions page provides a summary of the basic plan benefit provisions in effect as of January 1, 2013.

The Actuarial Assumptions and Methods page is a summary of actuarial assumptions and methods used in determining the actuarial status of the Plan.

Section 1 of the report provides a summary of plan assets and summary of plan membership.

The market value of the fund as of December 31, 2012, is \$43,733,837. The net dollar-weighted rates of investment return during 2011 and 2012 on a market value basis were -2.50% and 12.18%, respectively.

As of January 1, 2013, there are 105 active members with total annual payroll of \$6,986,665. There are also 63 retired members currently receiving benefits under the Plan totaling \$2,472,610 annually, 9 disabled members currently receiving benefits under the Plan totaling \$288,477 annually, 33 spouse beneficiaries of deceased members currently receiving benefits under the Plan totaling \$649,626 annually, 2 members who have elected to participate in the deferred retirement option plan with benefits being deposited into their DROP accounts totaling \$69,246 annually and 9 vested former members entitled to deferred benefits under the Plan totaling \$277,680 annually.

Section 2 of the report provides the Act 205 funding calculations.

Page 1 of Section 2 shows the calculation of the actuarial value of assets. As of December 31, 2012, the actuarial value of assets is \$44,072,678. This is equal to 101% of the market value of assets.

As of January 1, 2013, there is an unfunded actuarial accrued liability under the Plan of \$39,453,206. The normal cost of the Plan, which is the cost of benefits being accrued during the current year, is \$1,599,599, which is 22.9% of annual payroll.

Page 3 of Section 2 shows the analysis of the change in the unfunded actuarial accrued liability from January 1, 2011, to January 1, 2013. There was an actuarial loss during the period of \$5,222,426.

Page 5 of Section 2 illustrates the minimum municipal obligation for the Plan. The financial requirement of the Plan is \$5,041,836. This includes the normal cost, \$1,599,599, assumed annual administrative expenses, \$156,266, and amortization of the unfunded actuarial accrued liability, \$3,285,971. The financial requirement is reduced by expected member contributions to the Plan during 2013, \$350,593. This results in a minimum municipal obligation of \$4,691,243. This calculation of the minimum municipal obligation is for illustrative purposes only since the calculation of the minimum municipal obligation for purposes of determining the City's required contribution to the Plan is prepared through the budgeting process by September 30 each year for the upcoming calendar year.

Pages 6 through 12 of Section 2 illustrate calculations of the theoretical plan assets and unfunded actuarial accrued liability excluding bond issue assets. This information will be used for purposes of State aid allocations during 2014 and 2015.

Section 3 of the report provides supplemental information for reporting under Governmental Accounting Standards Board Statement Nos. 67 and 68.

Section 4 of the report provides demographic data for the members of the Plan.

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Actuarial Certification

In preparing this report, we have relied upon the data furnished to us. The data with respect to receipts and disbursements and assets of the Plan as well as the data with respect to participants and beneficiaries were furnished by the City of York. The data has been reviewed and has been determined to be reasonable and consistent.

The information as contained in this report is a projection of liabilities based upon stated assumptions and is not an exact statement of the Plan's ultimate benefits and liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as at the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the assignment, an analysis of the potential range of such future measurements was not performed.

I certify that all costs, liabilities, rates of interest, and other factors under the Plan in Section 2 of the report have been determined on the basis of actuarial assumptions and methods, each of which is reasonable (taking into account the experience of the Plan and reasonable expectations) or which, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption and method were reasonable, and which, in combination, offer my best estimate of anticipated experience under the Plan.

An approximation technique for the valuation of the disability benefit has been utilized. The approximation technique for the valuation of the disability benefit is a loading factor of 5.0% added to basic pension costs. This same approximation technique has been used in prior actuarial valuations of the Plan. It is my best estimate that the use of the approximation technique will cause little or no distortion in the valuation results.

I am a member of the American Academy of Actuaries, a Fellow of the Society of Actuaries, and an Enrolled Actuary under ERISA, and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

3/20/2014
Date

David H. Killick
David H. Killick, F.S.A.
Consulting Actuary
Enrolled Actuary No. 11-03880

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013
Summary of Principal Plan Benefit Provisions

Eligibility

All full-time members of the police force are eligible to participate on their dates of employment.

Normal Retirement

The normal retirement requirement is attainment of age 50 and completion of 20 years and six months of service.

The normal retirement pension is payable in semi-monthly installments for life with payments continuing after the member's death to the surviving spouse or, if no surviving spouse, to dependent children under the age of 18.

The amount of annual pension is equal to 50% of the yearly salary paid to officers or employees of the same rank the member holds at the time of retirement. An additional incremental pension is provided equal to 1/40 of the annual pension for each complete year of service in excess of 20 (but not beyond age 65) up to a maximum of \$1,200 additional per year. The calculation of salary includes base salary plus longevity increments.

Postretirement Cost-of-Living Increase

The pension is increased by 50% of the dollar increase granted to active patrolmen of the highest pay grade. For certain members who retired between January 1, 2003, and January 15, 2003, the pension is increased by 4.0% per year.

Disability Retirement

A disability benefit is provided due to a service related total and permanent disability. The disability retirement pension is equal to the pension based upon the normal retirement formula.

A disability benefit is provided due to a nonservice related total and permanent disability after completion of ten years of service. The disability retirement pension is equal to 30% of salary at the time of disability plus 2% of salary for each year of service in excess of ten, up to a maximum pension of 50% of salary.

Such disability pension is reduced by Workers' Compensation benefits received.

Preretirement Death Benefits

If a member dies after being eligible to retire, a death benefit is payable to his surviving spouse, or if no surviving spouse, to dependent children under the age of 18 in an amount equal to the benefit the member would have been receiving had he been retired on the day of his death.

Deferred Retirement Option Plan (DROP)

Effective January 1, 2007, an active member who has met the eligibility requirements for normal retirement may elect to participate in the deferred retirement option plan (DROP) for a period of not

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Summary of Principal Plan Benefit Provisions

less than one year nor more than three years. His monthly pension shall be calculated as of his date of participation in the DROP and shall be deposited into a self-directed account, with the monies in such account distributed to the member in a lump sum at retirement.

Vesting

A member may vest his benefits upon termination after completion of 12 years of service. The vested benefit is a deferred pension beginning at normal retirement equal to the benefit accrued to the date of termination.

A member may also vest his benefits upon termination after completion of 20 years and 6 months of service. The vested benefit is a deferred pension beginning at normal retirement equal to 50% of final salary at the date of termination of employment if the member continues to make contributions to the Plan until attainment of age 50 equal to the amount he was contributing at the date of termination. If the member continues to make contributions to the Plan until attainment of age 50 equal to the amount he would have contributed if he continued in employment until age 50, final salary is based upon his final salary at age 50 if he had continued in employment until age 50.

Accrued Pension

The benefit accrued at any date other than the normal retirement date is equal to the projected normal retirement benefit multiplied by the ratio of the number of years of service to date to the total number of years of service projected at normal retirement.

Employee Contributions

5% of salary plus \$1 per month. Employee contributions are not credited with interest. Contributions are refunded on termination before eligibility for retirement or on death if member is not eligible for widow or children's benefit.

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013
Actuarial Assumptions and Methods

Interest

8.00%

Salary

5.00% Annual Increase

Withdrawal

Table D-1: Rates of withdrawal at selected ages:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	5.5000%	35	2.5000%	50	0.0000%
25	5.0000%	40	1.0000%	55	0.0000%
30	4.0000%	45	0.5000%	60	0.0000%

Mortality

UP1984 Table with 5 year postretirement age setback for females
(This table does not include projected mortality improvements.)

Disability

Loading of 5.00% added to basic pension costs.

Retirement

It is assumed that all members enter the Deferred Retirement Option Program (DROP) upon the later of attainment of age 52 and age at the completion of 20 years and 6 months service. It is also assumed that participation in the DROP continues for three years.

Preretirement Death Benefit

Liabilities computed on the assumption that all participants will have spouses of the same age at the date of eligibility for the benefit.

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013
Actuarial Assumptions and Methods

Expenses

Provision for administrative expenses added to normal cost.

Inflation

Moderate inflation based on long term historical average rates is a component of the actuarial assumptions used herein. Provision is not made for advance funding of sharply higher rates of inflation experienced in some years. The effects of such higher rates are reflected in the funding after their occurrence.

Cost-of-Living Increase

5.00% per year. For certain members who retired between January 1, 2003 and January 15, 2003 -
4.00% per year

Actuarial Value of Assets

Each year the investment gain (excess of actual investment income including realized and unrealized appreciation over expected investment income) or loss is recognized over a five-year period. In no event is the actuarial value of assets allowed to be greater than 120% or less than 80% of market value.

Actuarial Cost Method

Entry Age Normal using level percentage of future payroll amortization of the initial unfunded actuarial accrued liability based on a 4.0% annual increase in covered payroll assumption and using level percentage of future payroll amortization of the increase in the unfunded actuarial accrued liability as of January 1, 2005, attributable to the change in the postretirement cost-of-living increase benefit based upon a 5.0% annual increase in covered payroll assumption.

City of York Police Pension Fund
Actuarial Valuation
as of January 1, 2013

Section 1

Summary of Plan Assets and Summary of Plan Membership

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2013
Receipts and Disbursements - January 1, 2011 to December 31, 2011

Market Value at 1/1/2011		\$ 38,977,924.00
Receipts		
Employer Contributions		
Received	\$ 3,163,196.00	
Receivable at 1/1/2011	(3,080,427.00)	
Receivable at 12/31/2011	<u>3,664,911.00</u>	
Total Employer Contributions		\$ 3,747,680.00
Employee Contributions		
Received	\$ 332,025.00	
Receivable at 1/1/2011	(11,452.00)	
Receivable at 12/31/2011	<u>12,561.00</u>	
Total Employee Contributions		333,134.00
Investment Income Received		352,565.00
Change in Market Value	<u>(1,284,461.00)</u>	
Total Receipts		3,148,918.00
Disbursements		
Monthly Benefit Payments	\$ (3,231,739.00)	
Refund of Employee Contributions	(5,952.00)	
Administrative Expenses	<u>(155,621.00)</u>	
Total Disbursements		<u>(3,393,312.00)</u>
Market Value at 12/31/2011		<u><u>\$ 38,733,530.00</u></u>
Approximate Net Dollar-Weighted Rate of Investment Return		<u>(2.50%)</u>

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2013
Receipts and Disbursements - January 1, 2012 to December 31, 2012

Market Value at 1/1/2012 \$ 38,733,530.00

Receipts

Employer Contributions			
Received	\$ 3,255,326.00		
Receivable at 1/1/2012	(3,664,911.00)		
Receivable at 12/31/2012	<u>4,462,635.00</u>		
Total Employer Contributions		\$ 4,053,050.00	
Employee Contributions			
Received	\$ 345,916.00		
Receivable at 1/1/2012	(12,561.00)		
Receivable at 12/31/2012	<u>0.00</u>		
Total Employee Contributions		333,355.00	
Investment Income Received		378,040.00	
Change in Market Value		<u>3,889,652.00</u>	
Total Receipts			8,654,097.00

Disbursements

Monthly Benefit Payments	\$ (3,264,836.00)	
Refund of Employee Contributions	(6,911.00)	
Lump Sum DROP Account Payments	(225,132.00)	
Administrative Expenses	<u>(156,911.00)</u>	
Total Disbursements		<u>(3,653,790.00)</u>
Market Value at 12/31/2012		<u>\$ 43,733,837.00</u>

Approximate Net Dollar-Weighted Rate of Investment Return 12.18%

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013
Assets and Liabilities

Assets

Cash	\$ 0.00
Mutual Funds	<u>39,271,202.00</u>
Total Assets in Fund	\$ 39,271,202.00
Employer Contributions Receivable	4,462,635.00
Employee Contributions Receivable	0.00
Accrued Income	<u>0.00</u>
Total Assets	\$ 43,733,837.00
Liabilities	
Total Liabilities	<u>0.00</u>
Net Assets	<u><u>\$ 43,733,837.00</u></u>

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013
Summary of Plan Membership

Active Members	Number of Members	Annual Payroll
Active Members as of 1/1/2011	99	
New Members During the Period	13	
Returned to Active	0	
Members No Longer Active:		
Retired with Disability Benefit	0	
Retired with Service Retirement Benefit	0	
Elected DROP Benefit	(2)	
Separated with Deferred Benefit	(2)	
Separated with Refund of Contributions	(3)	
Separated with Neither Deferred Benefit nor Refund of Contributions	0	
Deceased	0	
Total	(7)	
Active Members as of 1/1/2013	105	\$ 6,986,665
Vested Former Members	Number of Members	Annual Benefit
Vested Former Members as of 1/1/2011	9	
Separated with Deferred Benefit	2	
Beneficiary of Deceased Participant	0	
Returned to Active	0	
Retired with Service Retirement Benefit	(2)	
Deceased or Paid in Full	0	
Vested Former Members as of 1/1/2013	9	\$ 277,680
DROP Members		
DROP Members as of 1/1/2011	2	
Elected DROP Benefit	2	
Retired from DROP Benefit	(2)	
Deceased	0	
DROP Members as of 1/1/2013	2	\$ 69,246
Retired Members		
Retired Members as of 1/1/2011	66	
Retired with Service Retirement Benefit	2	
Retired from DROP Benefit	2	
Deceased or Paid in Full	(7)	
Retired Members as of 1/1/2013	63	\$ 2,472,610

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Summary of Plan Membership

Disabled Members	<u>Number of Members</u>	<u>Annual Benefit</u>
Disabled Members as of 1/1/2011	9	
Retired with Disability Benefit	0	
Retired from DROP Benefit	0	
Deceased	<u>0</u>	
Disabled Members as of 1/1/2013	<u>9</u>	<u>\$ 288,477</u>
 Spouse Beneficiaries of Deceased Members		
Spouse Beneficiaries of Deceased Members as of 1/1/2011	34	
Additional Spouse Beneficiaries of Deceased Members	4	
Deceased	<u>(5)</u>	
Spouse Beneficiaries of Deceased Members as of 1/1/2013	<u>33</u>	<u>\$ 649,626</u>

City of York Police Pension Fund
Actuarial Valuation
as of January 1, 2013

Section 2

Act 205 Funding Calculations

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013
Actuarial Value of Assets

	2009	2010	2011	2012
Market Value at 1/1	\$ 28,041,478.00	\$ 34,376,317.00	\$ 38,977,924.00	\$ 38,733,530.00
Contributions	3,854,110.00	3,824,397.00	4,080,814.00	4,386,405.00
Benefit Payments and Expenses	(3,258,206.00)	(3,249,917.00)	(3,393,312.00)	(3,653,790.00)
Expected Investment Income ¹	2,267,154.40	2,773,084.56	3,145,734.00	3,127,987.00
Expected Value at 12/31	\$ 30,904,536.40	\$ 37,723,881.56	\$ 42,811,160.00	\$ 42,594,132.00
Market Value at 12/31	34,376,317.00	38,977,924.00	38,733,530.00	43,733,837.00
Gain/(Loss): (Market Value less Expected Value)	\$ 3,471,780.60	\$ 1,254,042.44	\$ (4,077,630.00)	\$ 1,139,705.00
Percentage of Gain/(Loss) to be recognized in the future	20%	40%	60%	80%
Gain/(Loss) to be recognized in the future	\$ 694,356.12	\$ 501,616.98	\$ (2,446,578.00)	\$ 911,764.00
Market Value at 12/31/2012				\$ 43,733,837.00
Total (Gain)/Loss for 2009-2012 to be recognized in the future				<u>338,840.90</u>
Actuarial Value of Assets at 12/31/2012				<u><u>\$ 44,072,677.90</u></u> ²
2011 Approximate Net Dollar-Weighted Rate of Investment Return				0.61%
2012 Approximate Net Dollar-Weighted Rate of Investment Return				0.74%

¹ 8.00% annual interest rate

² Actuarial Value of Assets cannot be greater than 120% nor be less than 80% of the Market Value.

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2013
Unfunded Actuarial Accrued Liability and Normal Cost

Unfunded Actuarial Accrued Liability

Actuarial Present Value of Future Benefits

Active Members Retirement Pension Benefits	\$ 43,725,474
Active Members Vested Withdrawal Benefits	786,370
Active Members Disability Benefits	2,186,278
Active Members Preretirement Death Benefits	226,697
Active Members Refund of Member Contributions	213,148 ¹
Refund of Employee Contributions to Terminated Members	1,781
Vested Former Members Benefits	4,304,330
Retired Members Benefits	37,220,888
Disabled Members Benefits	4,265,203
Surviving Spouses Benefits	4,906,356
Monies Accumulated in DROP Accounts	<u>62,118</u>
Total	\$ 97,898,643
Actuarial Present Value of Future Normal Costs	<u>(14,372,759)</u>
Actuarial Accrued Liability	\$ 83,525,884
Actuarial Value of Assets	<u>(44,072,678)</u>
Unfunded Actuarial Accrued Liability	<u><u>\$ 39,453,206</u></u>
 Normal Cost	
Normal Cost	<u><u>\$ 1,599,599</u></u>
Normal Cost as a Percentage of Annual Payroll	<u><u>22.9%</u></u>

¹ Accumulated Member Contributions Without Interest as of 1/1/2013 = \$3,213,806

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2013
Analysis of the Change in the Unfunded Actuarial Accrued Liability

Unfunded Actuarial Accrued Liability at 1/1/2011 \$ 34,558,425

Additions

Normal Costs	\$ 2,924,294	
Administrative Expenses	312,532	
Interest on Unfunded Actuarial Accrued Liability, Normal Costs, and Administrative Expenses	<u>6,133,163</u>	
Total		9,369,989

Contributions

Employer Contributions	\$ (7,800,730)	
Employee Contributions	(666,489)	
Interest on Contributions	<u>(204,389)</u>	
Total		(8,671,608)

Adjustment for Funding Deviation (1,026,026)

Modification in the Benefit Plan 0

Change in Actuarial Assumptions 0

Actuarial Loss

Investment Loss	\$ 6,061,719	
Experience Gain	(1,865,319)	
Funding Deviation	<u>1,026,026</u>	
Total		<u>5,222,426</u>

Unfunded Actuarial Accrued Liability at 1/1/2013 \$ 39,453,206

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013
Amortization of Unfunded Actuarial Accrued Liability

Initial Date	Initial Amount	Outstanding Balance	Amortization Amount	Remaining Amortization	Nature
January 1, 2001	\$ 238,409	\$ 71,782	\$ 25,790	3 Years	Actuarial Loss
January 1, 2002	3,278,889	2,754,280	259,748	20 Years	Investment Loss
January 1, 2002	1,456,486	563,594	157,556	4 Years	Other Actuarial Loss
January 1, 2003	(5,388,794)	(3,682,903)	(508,204)	10 Years	Assumption Chg.
January 1, 2003	6,559,017	5,720,248	539,464	20 Years	Investment Loss
January 1, 2003	1,250,255	583,202	135,247	5 Years	Other Actuarial Loss
January 1, 2005	17,134,010	20,497,113	1,232,587	22 Years ¹	COLA Amendment
January 1, 2005	3,000,561	1,825,118	324,587	7 Years	Actuarial Loss
January 1, 2007	(1,251,418)	(913,309)	(135,373)	9 Years	Assumption Chg.
January 1, 2007	1,446,775	1,055,884	156,506	9 Years	Actuarial Loss
January 1, 2009	(8,412,443)	(7,584,083)	(793,357)	16 Years	Assumption Chg.
January 1, 2009	15,455,237	13,933,384	1,457,546	16 Years	Actuarial Loss
January 1, 2011	(621,793)	(593,530)	(58,640)	18 Years	Actuarial Gain
January 1, 2013	5,222,426	5,222,426	492,514	20 Years	Actuarial Loss
Total	\$ 39,367,617	\$ 39,453,206	\$ 3,285,971		

Projected plan year in which the unfunded accrued liability is fully amortized is 2034.

Aggregation of Changes in Unfunded Actuarial Accrued Liability

Date of Aggregation	Aggregated Target Date	Outstanding Balance	Amortization Amount	Remaining Amortization
January 1, 2013	2041	<u>\$ 39,453,206</u>	<u>\$ 3,285,971</u>	29 Years

¹ Level Percentage of Future Payroll Amortization

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2013
Illustration of Minimum Municipal Obligation

Financial Requirements

Normal Cost	\$ 1,599,599	
Administrative Expenses	156,266 ¹	
Amortization of Unfunded Actuarial Accrued Liability	<u>3,285,971</u>	
Total		\$ 5,041,836
Expected Member Contributions		<u>(350,593)</u>
Minimum Municipal Obligation		\$ 4,691,243
Estimated Allocation of General Municipal Pension System State Aid		<u>0</u>
Net Minimum Municipal Obligation		<u><u>\$ 4,691,243</u></u>

¹ Total Administrative Expenses for Plan Year 1/1/2011 to 12/31/2011 - \$ 155,621
 Total Administrative Expenses for Plan Year 1/1/2012 to 12/31/2012 - \$ 156,911

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2013
**Receipts and Disbursements Excluding Bond Issue Assets -
 January 1, 2011 to December 31, 2011**

Market Value at 1/1/2011 \$ 28,900,772.32

Receipts

Employer Contributions Received \$ 4,845,462.00

Employee Contributions

Received	\$ 332,025.00	
Receivable at 1/1/2011	(11,452.00)	
Receivable at 12/31/2011	<u>12,561.00</u>	
Total Employee Contributions Received		333,134.00

Investment Income 261,414.66

Change in Market Value (952,383.07)

Total Receipts 4,487,627.59

Disbursements

Monthly Benefit Payments \$ (3,231,739.00)

Refund of Employee Contributions (5,952.00)

Administrative Expenses (155,621.00)

Total Disbursements (3,393,312.00)

Market Value at 12/31/2011 \$ 29,995,087.91

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2013
**Receipts and Disbursements Excluding Bond Issue Assets -
 January 1, 2012 to December 31, 2012**

Market Value at 1/1/2012 \$ 29,995,087.91

Receipts

Employer Contributions Received	\$ 5,406,932.00	
Employee Contributions		
Received	\$ 345,916.00	
Receivable at 1/1/2012	(12,561.00)	
Receivable at 12/31/2012	<u>0.00</u>	
Total Employee Contributions Received	333,355.00	
Investment Income	292,752.64	
Change in Market Value	<u>3,012,130.67</u>	
Total Receipts		9,045,170.31

Disbursements

Monthly Benefit Payments	\$ (3,264,836.00)	
Refund of Employee Contributions	(6,911.00)	
Lumo Sum DROP Account Payments	(225,132.00)	
Administrative Expenses	<u>(156,911.00)</u>	
Total Disbursements		<u>(3,653,790.00)</u>
Market Value at 12/31/2012		<u><u>\$ 35,386,468.22</u></u>

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013
Assets and Liabilities Excluding Bond Issue Assets

Assets

Total Assets \$ 35,386,468.22

Liabilities

Total Liabilities 0.00

Net Assets \$ 35,386,468.22

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013
Actuarial Value of Assets

	2009	2010	2011	2012
Market Value at 1/1	\$ 18,072,741.18	\$ 23,914,532.55	\$ 28,900,772.32	\$ 29,995,087.91
Contributions	5,401,252.00	5,434,610.00	5,178,596.00	5,740,287.00
Benefit Payments and Expenses	(3,258,206.00)	(3,249,917.00)	(3,393,312.00)	(3,653,790.00)
Expected Investment Income ¹	1,531,541.13	2,000,550.32	2,383,473.15	2,483,066.91
Expected Value at 12/31	\$ 21,747,328.31	\$ 28,099,775.87	\$ 33,069,529.47	\$ 34,564,651.82
Market Value at 12/31	23,914,532.55	28,900,772.32	29,995,087.91	35,386,468.22
Gain/(Loss): (Market Value less Expected Value)	\$ 2,167,204.24	\$ 800,996.45	\$ (3,074,441.56)	\$ 821,816.40
Percentage of Gain/(Loss) to be recognized in the future	20%	40%	60%	80%
Gain/(Loss) to be recognized in the future	\$ 433,440.85	\$ 320,398.58	\$ (1,844,664.94)	\$ 657,453.12
Market Value at 12/31/2012				\$ 35,386,468.22
Total (Gain)/Loss for 2009-2012 to be recognized in the future				<u>433,372.39</u>
Actuarial Value of Assets at 12/31/2012				<u><u>\$ 35,819,840.61</u></u> ²
2011 Approximate Net Dollar-Weighted Rate of Investment Return				1.78%
2012 Approximate Net Dollar-Weighted Rate of Investment Return				2.22%

¹ 8.00% annual interest rate

² Actuarial Value of Assets cannot be greater than 120% nor be less than 80% of the Market Value.

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013
Unfunded Actuarial Accrued Liability Excluding Bond Issue Assets

Actuarial Present Value of Future Benefits	\$ 97,898,643
Actuarial Present Value of Future Normal Costs	<u>(14,372,759)</u>
Actuarial Accrued Liability	\$ 83,525,884
Actuarial Value of Assets	<u>(35,819,841)</u>
Unfunded Actuarial Accrued Liability	<u><u>\$ 47,706,043</u></u>

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2013
**Analysis of the Change in the Unfunded Actuarial Accrued Liability
 Excluding Bond Issue Assets**

Unfunded Actuarial Accrued Liability at 1/1/2011	\$	45,998,380
Additions		
Normal Costs	\$ 2,924,294	
Administrative Expenses	312,532	
Interest on Unfunded Actuarial Accrued Liability, Normal Costs, and Administrative Expenses	<u>8,036,772</u>	
Total		11,273,598
Contributions		
Employer Contributions	\$ (10,252,394)	
Employee Contributions	(666,489)	
Interest on Contributions	<u>(246,283)</u>	
Total		(11,165,166)
Adjustment for Funding Deviation		(954,531)
Modification in the Benefit Plan		0
Change in Actuarial Assumptions		0
Actuarial Loss		
Investment Loss	\$ 3,464,550	
Experience Gain	(1,865,319)	
Funding Deviation	<u>954,531</u>	
Total		<u>2,553,762</u>
Unfunded Actuarial Accrued Liability at 1/1/2013	\$	<u><u>47,706,043</u></u>

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013

Amortization of Unfunded Actuarial Accrued Liability Excluding Bond Issue Assets

Initial Date	Initial Amount	Outstanding Balance	Amortization Amount	Remaining Amortization	Nature
January 1, 1985	\$ 13,063,083	\$ 18,138,956	\$ 1,844,592	12 Years ¹	Initial Unfunded
January 1, 1994	(862,142)	(81,287)	(81,287)	1 Year	Assumption Chg.
January 1, 1999	432,970	46,837	46,837	1 Year	Actuarial Loss
January 1, 2000	571,136	118,984	61,783	2 Years	Actuarial Loss
January 1, 2001	399,825	120,388	43,251	3 Years	Actuarial Loss
January 1, 2002	1,349,977	1,133,983	106,943	20 Years	Investment Loss
January 1, 2002	1,356,584	524,936	146,749	4 Years	Other Actuarial Loss
January 1, 2003	(2,434,441)	(1,663,790)	(229,586)	10 Years	Assumption Chg.
January 1, 2003	2,812,689	2,453,006	231,337	20 Years	Investment Loss
January 1, 2003	935,933	436,579	101,245	5 Years	Other Actuarial Loss
January 1, 2005	17,134,010	20,497,113	1,232,587	22 Years ¹	COLA Amendment
January 1, 2005	2,495,605	1,517,975	269,963	7 Years	Actuarial Loss
January 1, 2007	(512,633)	(311,817)	(55,454)	7 Years	Assumption Chg.
January 1, 2007	678,334	412,602	73,379	7 Years	Actuarial Loss
January 1, 2009	(5,421,823)	(4,887,944)	(511,319)	16 Years	Assumption Chg.
January 1, 2009	9,274,415	8,361,176	874,648	16 Years	Actuarial Loss
January 1, 2011	(1,744,718)	(1,665,416)	(164,540)	18 Years	Actuarial Gain
January 1, 2013	2,553,762	2,553,762	240,839	20 Years	Actuarial Loss
Total	\$ 42,082,566	\$ 47,706,043	\$ 4,231,967		

Projected plan year in which the unfunded accrued liability is fully amortized is 2034.

Aggregation of Changes in Unfunded Actuarial Accrued Liability

Date of Aggregation	Aggregated Target Date	Outstanding Balance	Amortization Amount	Remaining Amortization
January 1, 2013	2045	\$ 29,567,087	\$ 2,387,375	33 Years

¹ Level Percentage of Future Payroll Amortization

City of York Police Pension Fund
Actuarial Valuation
as of January 1, 2013

Section 3

Supplemental Information for GASB Reporting

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2013
 Supplemental Information for GASB Statement Nos. 67 & 68 Reporting

Schedule of Funding Progress

Valuation Date	Market Value of Assets (a)	Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Net Position as a % of Total Liability (b-a)/b	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
1/1/2011	\$ 38,977,924	\$ 76,631,555	\$ 37,653,631	49.1%	50.9%	\$ 6,250,388	602.4%
1/1/2012	38,733,530						
1/1/2013	43,733,837	83,525,884	39,792,047	47.6%	52.4%	6,986,665	569.5%

Schedule of Interest Rate Sensitivity Testing

Interest Rate ¹	Market Value of Assets (a)	Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Net Position as a % of Total Liability (b-a)/b	Funded Ratio (a/b)
7.00%	\$ 43,733,837	\$ 95,364,434	\$ 51,630,597	54.1%	45.9%
8.00%	43,733,837	83,525,884	39,792,047	47.6%	52.4%
9.00%	43,733,837	73,840,013	30,106,176	40.8%	59.2%

¹ Valuation interest rate is 8.00%

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2013
 Supplemental Information for GASB Statement Nos. 67 & 68 Reporting

Schedule of Changes to Unfunded Actuarial Accrued Liability ¹

Modification in Plan	\$	0
Changes in Actuarial Assumptions		0
2011 Investment (Gain)/Loss		3,584,298
2012 Investment (Gain)/Loss		(793,986)
Experience (Gain)/Loss		(1,865,319)

Schedule of Contributions from the Employer and Other Contributing Entities

Year	Actuarially ² Determined Contribution	Contributions ³ From Employer	Contribution Deficiency/ (Surplus)
2003	\$ 719,845	\$ 719,845	\$ 0
2004	1,087,478	1,087,478	0
2005	1,172,257	1,172,257	0
2006	2,949,964	2,949,964	0
2007	2,988,309	2,988,309	0
2008	3,052,400	3,052,400	0
2009	3,120,388	3,537,531	(417,143)
2010	3,244,829	3,522,714	(277,885)
2011	3,384,038	3,747,680	(363,642)
2012	3,509,807	4,053,050	(543,243)

¹ Determined on a market value basis

² Minimum Municipal Obligation under Act 205 of 1984

³ Includes general municipal pension system State aid

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2013
Supplemental Information for GASB Statement Nos. 67 & 68 Reporting

Notes and Disclosures:

Discount Rate Determination for GASB Nos. 67 & 68 Purposes

This discount rate is based on the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. The plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the plan assets are expected to be invested using a strategy to achieve that return. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability to ultimately achieve a 100% funded status.

Actuarial Determinations and Disclosures

The Actuarial Accrued Liability information provided in Section 3 was determined using the same actuarial methods and assumptions as listed at the beginning of this actuarial valuation report.

City of York Police Pension Fund
Actuarial Valuation
as of January 1, 2013

Section 4

Participant Information

CITY OF YORK POLICE PENSION FUND

DEMOGRAPHIC DATA FOR ACTIVE MEMBERS

01/01/2013

Age	Years of Service											Total		
	0-1	2	3	4-5	6-10	11-15	16-20	21-25	26-30	30+				
Under No. of 20 Payroll (\$000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24 No. of Payroll (\$000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29 No. of Payroll (\$000)	5 231	1 58	5 311	3 188	0	0	0	0	0	0	0	0	0	14 788
30-34 No. of Payroll (\$000)	4 188	1 58	3 186	7 439	4 257	1 66	0	0	0	0	0	0	0	20 1,194
35-39 No. of Payroll (\$000)	3 151	0	0	0	4	9	1	0	0	0	0	0	0	17 1,085
40-44 No. of Payroll (\$000)	0	0	1	0	3	12	9	0	0	0	0	0	0	25 1,716
45-49 No. of Payroll (\$000)	0	0	0	0	1	72	3	14	0	0	0	0	0	20 1,541
50-54 No. of Payroll (\$000)	0	0	0	0	0	66	3	2	0	0	0	0	0	7 526
55-59 No. of Payroll (\$000)	0	0	0	0	0	0	2	0	0	0	0	0	0	2 136
60-64 No. of Payroll (\$000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65 & Over No. of Payroll (\$000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Total Members	12	2	9	10	12	24	18	16	1	1	1	105
Total Annual Payroll	570	116	559	627	773	1,635	1,274	1,273	83	76	6,986	

Average Age: 39.0 Years Average Service to Date: 11.6 Years Average Salary: \$66,540

Number of Males: 103 Number of Females: 2 Number Inactive: 0

CITY OF YORK POLICE PENSION FUND

DEMOGRAPHIC DATA FOR RETIRED MEMBERS AND MEMBERS TERMINATED WITH VESTING
01/01/2013

RETIRED MEMBERS			MEMBERS TERMINATED WITH VESTING		
AGE	NUMBER	ANNUAL PENSIONS PAYABLE (\$)	AGE	NUMBER	ANNUAL PENSIONS PAYABLE (\$)
Under 30	0	0	Under 25	0	0
30 - 34	0	0	25 - 29	0	0
35 - 39	0	0	30 - 34	0	0
40 - 44	1	36,644	35 - 39	0	0
45 - 49	1	34,273	40 - 44	1	21,919
50 - 54	9	339,086	45 - 49	8	255,761
55 - 59	13	497,100	50 - 54	0	0
60 - 64	15	543,630	55 - 59	0	0
65 - 69	18	658,764	60 - 64	0	0
70 - 74	20	736,570	65 - 69	0	0
75 - 79	9	283,606	Over 69	0	0
80 - 84	10	208,090			
Over 84	11	142,196			
TOTALS	107	3,479,959	TOTALS	9	277,680