



The Employee Benefits Company

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City of York Police Pension Fund
Actuarial Valuation
as of January 1, 2011

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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, 2011.

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, 2010, is \$38,977,924. The net dollar-weighted rates of investment return during 2009 and 2010 on a market value basis were 21.66% and 12.41%, respectively.

As of January 1, 2011, there are 99 active members with total annual payroll of \$6,250,388. There are also 66 retired members currently receiving benefits under the Plan totaling \$2,348,252 annually, 9 disabled members currently receiving benefits under the Plan totaling \$266,817 annually, 34 spouse beneficiaries of deceased members currently receiving benefits under the Plan totaling \$585,499 annually, 2 members who have elected to participate in the deferred retirement option plan with benefits being deposited into their DROP accounts totaling \$73,951 annually and 9 vested former members entitled to deferred benefits under the Plan totaling \$286,418 annually.

Page 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, 2010, the actuarial value of assets is \$42,073,130. This is equal to 108% of the market value of assets.

As of January 1, 2011, there is an unfunded actuarial accrued liability under the Plan of \$34,558,425. The normal cost of the Plan, which is the cost of benefits being accrued during the current year, is \$1,426,485, which is 22.8% of annual payroll.

Page 4 of Section 2 shows the analysis of the change in the unfunded actuarial accrued liability from January 1, 2009, to January 1, 2011. There was an actuarial gain during the period of \$621,793.

Page 5 of Section 2 illustrates the minimum municipal obligation for the Plan. The financial requirement of the Plan is \$4,237,221. This includes the normal cost, \$1,426,485, assumed annual administrative expenses, \$131,873, and amortization of the unfunded actuarial accrued liability, \$2,678,863. The financial requirement is reduced by expected member contributions to the Plan during 2011, \$313,708. This results in a minimum municipal obligation of \$3,923,513. 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.

Page 6 of Section 2 indicates the actuarial present value of accumulated plan benefits. As of January 1, 2011, the total actuarial present value of accumulated plan benefits is \$68,566,239. This compares to net assets available for benefits of \$38,977,924.

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Pages 7 through 13 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 2012 and 2013.

Section 3 of the report provides supplemental information for reporting under Governmental Accounting Standards Board Statements No. 25 and 27.

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

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011
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.

3/22/2012
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, 2011
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

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011
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, 2011
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, 2011
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 130% or less than 70% 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, 2011

Section 1

Summary of Plan Assets and Summary of Plan Membership

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2011
Receipts and Disbursements - January 1, 2009 to December 31, 2009

Market Value at 1/1/2009 \$ 28,041,478.00

Receipts

Employer Contributions	
Received	\$ 2,403,309.00
Receivable at 1/1/2009	(1,986,149.00)
Receivable at 12/31/2009	3,120,371.00
Total Employer Contributions	\$ 3,537,531.00

Employee Contributions	
Received	\$ 305,397.00
Receivable at 1/1/2009	0.00
Receivable at 12/31/2009	11,182.00
Total Employee Contributions	316,579.00

Investment Income Received 846,553.00

Change in Market Value 4,892,382.00

Total Receipts 9,593,045.00

Disbursements

Monthly Benefit Payments \$ (3,110,264.00)

Refund of Employee Contributions (30,470.00)

Administrative Expenses (117,472.00)

Total Disbursements (3,258,206.00)

Market Value at 12/31/2009 \$ 34,376,317.00

Approximate Net Dollar-Weighted Rate of Investment Return 21.66%

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2011
Receipts and Disbursements - January 1, 2010 to December 31, 2010

Market Value at 1/1/2010 \$ 34,376,317.00

Receipts

Employer Contributions

Received	\$ 3,562,658.00	
Receivable at 1/1/2010	(3,120,371.00)	
Receivable at 12/31/2010	<u>3,080,427.00</u>	
Total Employer Contributions		\$ 3,522,714.00

Employee Contributions

Received	\$ 301,413.00	
Receivable at 1/1/2010	(11,182.00)	
Receivable at 12/31/2010	<u>11,452.00</u>	
Total Employee Contributions		301,683.00

Investment Income Received 673,808.00

Change in Market Value 3,353,319.00

Total Receipts 7,851,524.00

Disbursements

Monthly Benefit Payments \$ (3,099,417.00)

Refund of Employee Contributions (4,226.00)

Administrative Expenses (146,274.00)

Total Disbursements (3,249,917.00)

Market Value at 12/31/2010 \$ 38,977,924.00

Approximate Net Dollar-Weighted Rate of Investment Return 12.41%

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011

Assets and Liabilities

Assets

Cash	\$	0.00
Mutual Funds		<u>35,808,283.00</u>
Total Assets in Fund		\$ 35,808,283.00
Employer Contributions Receivable		3,080,427.00
Employee Contributions Receivable		11,452.00
Due from General Fund		77,762.00
Accrued Income		<u>0.00</u>
Total Assets		\$ 38,977,924.00

Liabilities

Total Liabilities		<u>0.00</u>
Net Assets		<u><u>\$ 38,977,924.00</u></u>

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011
Summary of Plan Membership

Active Members	<u>Number of Members</u>	<u>Annual Payroll</u>
Active Members as of 1/1/2009	105	
New Members During the Period	13	
Returned to Active	0	
Members No Longer Active:		
Retired with Disability Benefit	(1)	
Retired with Service Retirement Benefit	0	
Elected DROP Benefit	(2)	
Separated with Deferred Benefit	(8)	
Separated with Refund of Contributions	(8)	
Separated with Neither Deferred Benefit nor Refund of Contributions	0	
Deceased	0	
Total	<u>(19)</u>	
Active Members as of 1/1/2011	<u>99</u>	<u>\$ 6,250,388</u>
Vested Former Members	<u>Number of Members</u>	<u>Annual Benefit</u>
Vested Former Members as of 1/1/2009	1	
Separated with Deferred Benefit	8	
Beneficiary of Deceased Participant	0	
Returned to Active	0	
Retired with Service Retirement Benefit	0	
Deceased or Paid in Full	<u>0</u>	
Vested Former Members as of 1/1/2011	<u>9</u>	<u>\$ 286,418</u>
DROP Members		
DROP Members as of 1/1/2009	0	
Elected DROP Benefit	2	
Retired from DROP Benefit	0	
Deceased	<u>0</u>	
DROP Members as of 1/1/2011	<u>2</u>	<u>\$ 73,951</u>
Retired Members		
Retired Members as of 1/1/2009	77	
Retired with Service Retirement Benefit	0	
Retired from DROP Benefit	0	
Deceased or Paid in Full	<u>(11)</u>	
Retired Members as of 1/1/2011	<u>66</u>	<u>\$ 2,348,252</u>

City of York Police Pension Fund
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Summary of Plan Membership

Disabled Members	Number of Members	Annual Benefit
Disabled Members as of 1/1/2009	8	
Retired with Disability Benefit	1	
Retired from DROP Benefit	0	
Deceased	0	
Disabled Members as of 1/1/2011	9	\$ 266,817
 Spouse Beneficiaries of Deceased Members		
Spouse Beneficiaries of Deceased Members as of 1/1/2009	30	
Additional Spouse Beneficiaries of Deceased Members	7	
Deceased	(3)	
Spouse Beneficiaries of Deceased Members as of 1/1/2011	34	\$ 585,499

City of York Police Pension Fund
Actuarial Valuation
as of January 1, 2011

Section 2

Act 205 Funding Calculations

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011
Actuarial Value of Assets

	2007	2008	2009	2010
Market Value at 1/1	\$ 36,900,719.72	\$ 40,677,834.00	\$ 28,041,478.00	\$ 34,376,317.00
Contributions	3,282,223.00	3,336,208.00	3,854,110.00	3,824,397.00
Benefit Payments and Expenses	(3,209,887.00)	(3,395,726.00)	(3,258,206.00)	(3,249,917.00)
Expected Investment Income ¹	2,954,951.02	3,251,846.00	2,267,154.40	2,773,084.56
Expected Value at 12/31	\$ 39,928,006.74	\$ 43,870,162.00	\$ 30,904,536.40	\$ 37,723,881.56
Market Value at 12/31	40,677,834.00	28,041,478.00	34,376,317.00	38,977,924.00
Gain/(Loss): (Market Value less Expected Value)	\$ 749,827.26	\$ (15,828,684.00)	\$ 3,471,780.60	\$ 1,254,042.44
Percentage of Gain/(Loss) to be recognized in the future	20%	40%	60%	80%
Gain/(Loss) to be recognized in the future	\$ 149,965.45	\$ (6,331,473.60)	\$ 2,083,068.36	\$ 1,003,233.95
Market Value at 12/31/2010				\$ 38,977,924.00
Total (Gain)/Loss for 2007-2010 to be recognized in the future				<u>3,095,205.84</u>
Actuarial Value of Assets at 12/31/2010				<u><u>\$ 42,073,129.84</u></u> ²
2009 Approximate Net Dollar-Weighted Rate of Investment Return				9.67%
2010 Approximate Net Dollar-Weighted Rate of Investment Return				2.19%

¹ 8.00% annual interest rate

² Actuarial Value of Assets cannot be greater than 130% nor be less than 70% of the Market Value.

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2011
Unfunded Actuarial Accrued Liability and Normal Cost

Unfunded Actuarial Accrued Liability

Actuarial Present Value of Future Benefits

Active Members Retirement Pension Benefits	\$	38,071,895
Active Members Vested Withdrawal Benefits		780,183
Active Members Disability Benefits		1,903,602
Active Members Preretirement Death Benefits		200,082
Active Members Refund of Member Contributions		197,753 ¹
Vested Former Members Benefits		4,302,376
Retired Members Benefits		36,369,573
Disabled Members Benefits		4,151,306
Surviving Spouses Benefits		3,775,803
Monies Accumulated in DROP Accounts		<u>99,766</u>
Total	\$	89,852,339
Actuarial Present Value of Future Normal Costs		<u>(13,220,784)</u>
Actuarial Accrued Liability	\$	76,631,555
Actuarial Value of Assets		<u>(42,073,130)</u>
Unfunded Actuarial Accrued Liability	\$	<u><u>34,558,425</u></u>
 Normal Cost		
Normal Cost	\$	<u><u>1,426,485</u></u>
Normal Cost as a Percentage of Annual Payroll		<u><u>22.8%</u></u>

¹ Accumulated Member Contributions Without Interest as of 1/1/2011 = \$2,770,325

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011
Amortization of Unfunded Actuarial Accrued Liability

Initial Date	Initial Amount	Outstanding Balance	Amortization Amount	Remaining Amortization	Nature
January 1, 2001	\$ 238,409	\$ 111,211	\$ 25,790	5 Years	Actuarial Loss
January 1, 2002	3,278,889	2,861,607	259,748	22 Years	Investment Loss
January 1, 2002	1,456,486	786,632	157,556	6 Years	Other Actuarial Loss
January 1, 2003	(5,388,794)	(4,136,259)	(508,204)	12 Years	Assumption Chg.
January 1, 2003	6,559,017	5,943,158	539,464	22 Years	Investment Loss
January 1, 2003	1,250,255	760,477	135,247	7 Years	Other Actuarial Loss
January 1, 2005	17,134,010	19,777,901	1,117,993	24 Years ¹	COLA Amendment
January 1, 2005	3,000,561	2,189,875	324,587	9 Years	Actuarial Loss
January 1, 2007	(1,251,418)	(1,043,734)	(135,373)	11 Years	Assumption Chg.
January 1, 2007	1,446,775	1,206,669	156,506	11 Years	Actuarial Loss
January 1, 2009	(8,412,443)	(8,030,076)	(793,357)	18 Years	Assumption Chg.
January 1, 2009	15,455,237	14,752,757	1,457,546	18 Years	Actuarial Loss
January 1, 2011	(621,793)	(621,793)	(58,640)	20 Years	Actuarial Gain
Total	\$ 34,145,191	\$ 34,558,425	\$ 2,678,863		

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, 2011	2051	<u>\$ 34,558,425</u>	<u>\$ 2,678,863</u>	41 Years

¹ Level Percentage of Future Payroll Amortization

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2011
Analysis of the Change in the Unfunded Actuarial Accrued Liability

Unfunded Actuarial Accrued Liability at 1/1/2009 \$ 35,280,357

Additions

Normal Costs	\$ 2,911,351	
Administrative Expenses	263,746	
Interest on Unfunded Actuarial Accrued Liability, Normal Costs, and Administrative Expenses	<u>6,246,586</u>	
Total		9,421,683

Contributions

Employer Contributions	\$ (7,060,245)	
Employee Contributions	(618,262)	
Interest on Contributions	<u>(309,541)</u>	
Total		(7,988,048)
Adjustment for Funding Deviation		(1,533,774)
Modification in the Benefit Plan		0
Change in Actuarial Assumptions		0
Actuarial Gain		
Investment Loss	\$ 1,395,241	
Experience Gain	(3,550,808)	
Funding Deviation	<u>1,533,774</u>	
Total		<u>(621,793)</u>
Unfunded Actuarial Accrued Liability at 1/1/2011		<u><u>\$ 34,558,425</u></u>

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011
Illustration of Minimum Municipal Obligation

Financial Requirements

Normal Cost	\$ 1,426,485	
Administrative Expenses	131,873 ¹	
Amortization of Unfunded Actuarial Accrued Liability	<u>2,678,863</u>	
Total		\$ 4,237,221
Expected Member Contributions		<u>(313,708)</u>
Minimum Municipal Obligation		\$ 3,923,513
Estimated Allocation of General Municipal Pension System State Aid		<u>0</u>
Net Minimum Municipal Obligation		<u><u>\$ 3,923,513</u></u>

¹ Total Administrative Expenses for Plan Year 1/1/2009 to 12/31/2009 - \$ 117,472
Total Administrative Expenses for Plan Year 1/1/2010 to 12/31/2010 - \$ 146,274

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011
Actuarial Present Value of Accumulated Plan Benefits

Vested Benefits		
Retired Members	\$ 44,296,682	
Other Members	21,465,305	
Monies Accumulated in DROP Accounts	99,766	
Total Vested Benefits	<u> </u>	\$ 65,861,753
Nonvested Benefits		<u>2,704,486</u>
Total Actuarial Present Value of Accumulated Plan Benefits		<u><u>\$ 68,566,239</u></u>
Net Assets Available for Benefits as of 1/1/2011		<u><u>\$ 38,977,924</u></u>

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2011
**Receipts and Disbursements Excluding Bond Issue Assets -
 January 1, 2009 to December 31, 2009**

Market Value at 1/1/2009		\$ 18,072,741.18
Receipts		
Employer Contributions Received	\$ 5,084,673.00	
Employee Contributions		
Received	\$ 305,397.00	
Receivable at 1/1/2009	0.00	
Receivable at 12/31/2009	<u>11,182.00</u>	
Total Employee Contributions Received		316,579.00
Investment Income		545,603.67
Change in Market Value		<u>3,153,141.70</u>
Total Receipts		9,099,997.37
Disbursements		
Monthly Benefit Payments	\$ (3,110,264.00)	
Refund of Employee Contributions	(30,470.00)	
Administrative Expenses	<u>(117,472.00)</u>	
Total Disbursements		<u>(3,258,206.00)</u>
Market Value at 12/31/2009		<u><u>\$ 23,914,532.55</u></u>

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011
**Receipts and Disbursements Excluding Bond Issue Assets -
January 1, 2010 to December 31, 2010**

Market Value at 1/1/2010 \$ 23,914,532.55

Receipts

Employer Contributions Received \$ 5,132,927.00

Employee Contributions

 Received \$ 301,413.00

 Receivable at 1/1/2010 (11,182.00)

 Receivable at 12/31/2010 11,452.00

 Total Employee Contributions Received 301,683.00

Investment Income 468,747.23

Change in Market Value 2,332,799.54

Total Receipts 8,236,156.77

Disbursements

Monthly Benefit Payments \$ (3,099,417.00)

Refund of Employee Contributions (4,226.00)

Administrative Expenses (146,274.00)

Total Disbursements (3,249,917.00)

Market Value at 12/31/2010 \$ 28,900,772.32

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011
Assets and Liabilities Excluding Bond Issue Assets

Assets

Total Assets \$ 28,900,772.32

Liabilities

Total Liabilities 0.00

Net Assets \$ 28,900,772.32

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011
Actuarial Value of Assets

	2007	2008	2009	2010
Market Value at 1/1	\$ 20,202,959.17	\$ 23,880,500.72	\$ 18,072,741.18	\$ 23,914,532.55
Contributions	4,859,081.00	4,971,378.00	5,401,252.00	5,434,610.00
Benefit Payments and Expenses	(3,209,887.00)	(3,395,726.00)	(3,258,206.00)	(3,249,917.00)
Expected Investment Income ¹	1,682,204.49	1,973,466.14	1,531,541.13	2,000,550.32
Expected Value at 12/31	\$ 23,534,357.66	\$ 27,429,618.86	\$ 21,747,328.31	\$ 28,099,775.87
Market Value at 12/31	23,880,500.72	18,072,741.18	23,914,532.55	28,900,772.32
Gain/(Loss): (Market Value less Expected Value)	\$ 346,143.06	\$ (9,356,877.68)	\$ 2,167,204.24	\$ 800,996.45
Percentage of Gain/(Loss) to be recognized in the future	20%	40%	60%	80%
Gain/(Loss) to be recognized in the future	\$ 69,228.61	\$ (3,742,751.07)	\$ 1,300,322.54	\$ 640,797.16
Market Value at 12/31/2010				\$ 28,900,772.32
Total (Gain)/Loss for 2007-2010 to be recognized in the future				<u>1,732,402.76</u>
Actuarial Value of Assets at 12/31/2010				<u><u>\$ 30,633,175.08</u></u> ²
2009 Approximate Net Dollar-Weighted Rate of Investment Return				7.88%
2010 Approximate Net Dollar-Weighted Rate of Investment Return				3.06%

¹ 8.00% annual interest rate

² Actuarial Value of Assets cannot be greater than 130% nor be less than 70% of the Market Value.

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011
Unfunded Actuarial Accrued Liability Excluding Bond Issue Assets

Actuarial Present Value of Future Benefits	\$ 89,852,339
Actuarial Present Value of Future Normal Costs	<u>(13,220,784)</u>
Actuarial Accrued Liability	\$ 76,631,555
Reserve for Benefits Excluding Bond Issue Assets	<u>(30,633,175)</u>
Unfunded Actuarial Accrued Liability	<u><u>\$ 45,998,380</u></u>

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011

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	\$ 18,898,925	\$ 1,705,429	14 Years ¹	Initial Unfunded
January 1, 1992	(1,298,803)	(122,487)	(122,487)	1 Year	Assumption Chg.
January 1, 1994	(862,142)	(226,282)	(81,307)	3 Years	Assumption Chg.
January 1, 1997	182,895	19,785	19,785	1 Year	Actuarial Loss
January 1, 1998	371,982	77,502	40,239	2 Years	Actuarial Loss
January 1, 1999	432,970	130,354	46,837	3 Years	Actuarial Loss
January 1, 2000	571,136	220,999	61,783	4 Years	Actuarial Loss
January 1, 2001	399,825	186,511	43,251	5 Years	Actuarial Loss
January 1, 2002	1,349,977	1,178,172	106,943	22 Years	Investment Loss
January 1, 2002	1,356,584	732,676	146,749	6 Years	Other Actuarial Loss
January 1, 2003	(2,434,441)	(1,868,597)	(229,586)	12 Years	Assumption Chg.
January 1, 2003	2,812,689	2,548,595	231,337	22 Years	Investment Loss
January 1, 2003	935,933	569,287	101,245	7 Years	Other Actuarial Loss
January 1, 2005	17,134,010	19,777,901	1,117,993	24 Years ¹	COLA Amendment
January 1, 2005	2,495,605	1,821,347	269,963	9 Years	Actuarial Loss
January 1, 2007	(512,633)	(374,133)	(55,454)	9 Years	Assumption Chg.
January 1, 2007	678,334	495,062	73,379	9 Years	Actuarial Loss
January 1, 2009	(5,421,823)	(5,175,387)	(511,319)	18 Years	Assumption Chg.
January 1, 2009	9,274,415	8,852,868	874,648	18 Years	Actuarial Loss
January 1, 2011	(1,744,718)	(1,744,718)	(164,540)	20 Years	Actuarial Gain
Total	\$ 38,784,878	\$ 45,998,380	\$ 3,674,888		

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, 2011	N/A	\$ 27,099,455	\$ 1,969,459	N/A Years

¹ Level Percentage of Future Payroll Amortization

City of York Police Pension Fund
 Actuarial Valuation as of January 1, 2011
Analysis of the Change in the Unfunded Actuarial Accrued Liability
Excluding Bond Issue Assets

Unfunded Actuarial Accrued Liability at 1/1/2009		\$ 48,239,714
Additions		
Normal Costs	\$ 2,911,351	
Administrative Expenses	263,746	
Interest on Unfunded Actuarial Accrued Liability, Normal Costs, and Administrative Expenses	<u>8,403,023</u>	
Total		11,578,120
Contributions		
Employer Contributions	\$ (10,217,600)	
Employee Contributions	(618,262)	
Interest on Contributions	<u>(436,822)</u>	
Total		(11,272,684)
Adjustment for Funding Deviation		(802,052)
Modification in the Benefit Plan		0
Change in Actuarial Assumptions		0
Actuarial Gain		
Investment Loss	\$ 1,004,038	
Experience Gain	(3,550,808)	
Funding Deviation	<u>802,052</u>	
Total		<u>(1,744,718)</u>
Unfunded Actuarial Accrued Liability at 1/1/2011		<u><u>\$ 45,998,380</u></u>

City of York Police Pension Fund
Actuarial Valuation
as of January 1, 2011

Section 3

Supplemental Information for GASB Reporting

City of York Police Pension Fund
Actuarial Valuation as of January 1, 2011
Supplemental Information for GASB Statement Nos. 25 & 27 Reporting

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
1/1/2001	\$ 34,479,683	\$ 34,718,092	\$ 238,409	99.3%	\$ 5,092,257	4.7%
1/1/2002	32,442,377	37,407,381	4,965,004	86.7%	5,393,437	92.1%
1/1/2003	32,332,762	39,534,359	7,201,597	81.8%	5,304,211	135.8%
1/1/2004	33,894,453					
1/1/2005	33,350,980	60,516,086	27,165,106	55.1%	5,143,232	528.2%
1/1/2006	35,656,929					
1/1/2007	36,900,720	64,763,758	27,863,038	57.0%	5,324,403	523.3%
1/1/2008	40,677,834					
1/1/2009	36,453,921	71,734,278	35,280,357	50.8%	6,218,166	567.4%
1/1/2010	40,604,557					
1/1/2011	42,073,130	76,631,555	34,558,425	54.9%	6,250,388	552.9%

Schedule of Contributions from the Employer and Other Contributing Entities

Year	Annual Required Contribution	Contributions From Employer	Percentage Contributed
2001	\$ 479,208	\$ 479,208	100.0%
2002	527,335	537,335	100.0%+
2003	719,845	719,845	100.0%
2004	1,087,478	1,087,478	100.0%
2005	1,172,257	1,172,257	100.0%
2006	2,949,964	2,949,964	100.0%
2007	2,988,309	2,988,309	100.0%
2008	3,052,400	3,052,400	100.0%
2009	3,120,388	3,537,531	100.0%+
2010	3,244,829	3,522,714	100.0%+

The above information was determined as part of the actuarial valuations at the dates listed. Additional information as of the current actuarial valuation:

Amortization Method: Level Dollar Closed, Level Percentage of Projected Payroll for COLA Amendment Closed
Remaining Amortization Period: 24 Years

Other Actuarial Assumptions and Methods stated previously in report.

¹ Includes general municipal pension system State aid

City of York Police Pension Fund
Actuarial Valuation
as of January 1, 2011

Section 4

Participant Information

CITY OF YORK POLICE PENSION FUND

DEMOGRAPHIC DATA FOR ACTIVE MEMBERS

01/01/2011

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
20-24 No. of Payroll (\$000)	2	0	0	0	0	0	0	0	0	0	0	0	2
25-29 No. of Payroll (\$000)	7	5	4	3	0	0	0	0	0	0	0	0	19
30-34 No. of Payroll (\$000)	324	277	237	180	0	0	0	0	0	0	0	0	1,018
35-39 No. of Payroll (\$000)	1	2	0	1	7	1	0	0	0	0	0	0	12
40-44 No. of Payroll (\$000)	48	111	0	61	433	62	0	0	0	0	0	0	715
45-49 No. of Payroll (\$000)	2	0	0	2	3	8	1	0	0	0	0	0	16
50-54 No. of Payroll (\$000)	96	0	0	120	191	504	70	0	0	0	0	0	981
55-59 No. of Payroll (\$000)	0	0	0	0	6	12	6	4	0	0	0	0	28
60-64 No. of Payroll (\$000)	0	0	0	0	372	805	412	294	0	0	0	0	1,883
65 & Over No. of Payroll (\$000)	0	0	0	0	0	1	10	5	0	0	0	0	16
	0	0	0	0	0	63	718	363	0	0	0	0	1,144
	0	0	0	0	0	0	2	1	1	1	0	0	4
	0	0	0	0	0	0	134	79	72	72	0	0	285
	0	0	0	0	0	0	2	0	0	0	0	0	2
	0	0	0	0	0	0	129	0	0	0	0	0	129
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0

Total Members	12	7	4	6	16	22	21	10	1	0	0	0	99
Total Annual Payroll	564	388	237	361	996	1,434	1,463	736	72	0	0	0	6,251
Average Age: 38.3 Years		Average Service to Date: 11.3 Years		Average Salary: \$63,135		Number of Males: 96		Number of Females: 3		Number Inactive: 0			

CITY OF YORK POLICE PENSION FUND

DEMOGRAPHIC DATA FOR RETIRED MEMBERS AND MEMBERS TERMINATED WITH VESTING
01/01/2011

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	0	0	35 - 39	0	0
45 - 49	1	34,273	40 - 44	5	145,281
50 - 54	11	369,862	45 - 49	4	141,137
55 - 59	16	566,725	50 - 54	0	0
60 - 64	14	474,079	55 - 59	0	0
65 - 69	19	694,219	60 - 64	0	0
70 - 74	12	379,358	65 - 69	0	0
75 - 79	11	285,240	Over 69	0	0
80 - 84	14	271,737			
Over 84	13	199,026			
TOTALS	111	3,274,519	TOTALS	9	286,418