CITY OF LAUDERHILL CONFIDENTIAL AND MANAGERIAL EMPLOYEES RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were 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, meet the requirements of Section 112.664(1), Florida Statutes, and Section 60T-1.0035, Florida Administrative Code.

By: Date: 9/28/2018

Donald A. DuLaney, Jr. A.S.A., E.A.
Senior Consulting Actuary Enrolled
Actuary #17-4191

DuLaney and Company

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When reviewing the report, please note the following:

DuLaney and Company has prepared this report in order to satisfy the requirements set forth under Florida Statutes (FS) 112.664 and Ch. 60T-1.0035, F.A.C. These schedules have no impact on the funding requirements of the Plan. We have uploaded the semi-colon delimited file as described under Ch. 60T-1.0035.

The actuarial funding assumptions shown in our October 1, 2017 actuarial valuation report have been used in the preparation of this report, except as required for certain disclosures herein.

This report contains figures using an investment return assumption that is 2.0% higher than the actual funding assumption, in order to provide a balanced view, in light of the requirement to use an investment return assumption that is 2.0% lower than the actual funding assumption.

The schedules showing the projected number of years until the Fund becomes insolvent are required, but do not reflect what will occur. This is because no future contributions from any current funding source are assumed, as required for these disclosures, contrary to Florida Statutes.

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	Actual	Under Section 112.664(1)(a), F.S.	Under Section 112.664(1)(b), F.S.	Under Section 112.664(1)(b), F.S.
	Discount Rate: 7.50% FRS 7/1/2016 Mortality 9/30/2017	Discount Rate: 7.50% FRS 7/1/2016 Mortality 9/30/2017	Discount Rate: 5.50% FRS 7/1/2016 Mortality 9/30/2017	Discount Rate: 9.50% FRS 7/1/2016 Mortality 9/30/2017
1. Total pension liability:				
a. Service cost	$ 1,192,878	$ 1,192,878	$ 1,742,355	$ 854,108
b. Interest	$ 2,631,751	$ 2,631,751	$ 2,462,337	$ 2,698,695
c. Benefit changes	$ 239,847	$ 239,847	$ 283,368	$ 207,536
d. Difference between expected and actual experience	$ 1,006,660	$ 1,006,660	$ 1,227,205	$ 879,046
e. Changes in assumptions	$ (171,005)	$ (171,005)	$ 25,310	$ (288,318)
f. Benefit payments	$ (1,438,380)	$ (1,438,380)	$ (1,438,380)	$ (1,438,380)
g. Contribution refunds	$ (91,990)	$ (91,990)	$ (91,990)	$ (91,990)
h. Net change in total pension liability	$ 3,369,761	$ 3,369,761	$ 4,210,205	$ 2,820,697
i. Total pension liability – beginning	$ 34,833,328	$ 34,833,328	$ 43,767,286	$ 28,606,706
j. Total pension liability – ending	$ 38,203,089	$ 38,203,089	$ 47,977,491	$ 31,427,403
2. Plan fiduciary net position:				
a. Contributions – City	$ 2,959,421	$ 2,959,421	$ 2,959,421	$ 2,959,421
b. Contributions – State	$ -	$ -	$ -	$ -
c. Contributions – Member	$ 1,175,518	$ 1,175,518	$ 1,175,518	$ 1,175,518
d. Net investment income	$ 2,697,940	$ 2,697,940	$ 2,697,940	$ 2,697,940
e. Benefit payments	$ (1,438,380)	$ (1,438,380)	$ (1,438,380)	$ (1,438,380)
f. Contributions refunds	$ (91,990)	$ (91,990)	$ (91,990)	$ (91,990)
g. Administrative expense	$ (125,920)	$ (125,920)	$ (125,920)	$ (125,920)
h. Other	$ -	$ -	$ -	$ -
i. Net change in plan fiduciary net position	$ 5,176,589	$ 5,176,589	$ 5,176,589	$ 5,176,589
j. Plan fiduciary net position – beginning	$ 20,498,006	$ 20,498,006	$ 20,498,006	$ 20,498,006
k. Plan fiduciary net position – ending	$ 25,674,595	$ 25,674,595	$ 25,674,595	$ 25,674,595
3. Net pension liability/(asset) [(a)1.j. minus (a)2.k.]	$ 12,528,494	$ 12,528,494	$ 22,302,896	$ 5,752,808

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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.50% and FRS 7/1/2016 Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2017	$25,145,486	$1,748,569	$1,820,340	$25,217,257
10/1/2018	$25,217,257	$2,173,154	$1,809,801	$24,853,904
10/1/2019	$24,853,904	$2,459,764	$1,771,802	$24,165,942
10/1/2020	$24,165,942	$2,526,999	$1,717,683	$23,356,626
10/1/2021	$23,356,626	$2,727,285	$1,649,474	$22,278,815
10/1/2022	$22,278,815	$2,837,109	$1,564,520	$21,006,225
10/1/2023	$21,006,225	$2,889,193	$1,467,122	$19,584,154
10/1/2024	$19,584,154	$2,898,250	$1,360,127	$18,046,032
10/1/2025	$18,046,032	$2,908,027	$1,244,401	$16,382,406
10/1/2026	$16,382,406	$2,931,078	$1,118,765	$14,570,093
10/1/2027	$14,570,093	$2,929,835	$982,888	$12,623,146
10/1/2028	$12,623,146	$2,902,123	$837,906	$10,558,929
10/1/2029	$10,558,929	$2,865,817	$684,452	$8,377,564
10/1/2030	$8,377,564	$2,829,082	$522,227	$6,070,709
10/1/2031	$6,070,709	$2,796,688	$350,427	$3,624,448
10/1/2032	$3,624,448	$2,747,055	$168,819	$1,046,212
10/1/2033	$1,046,212	$2,715,801		

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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.50% and FRS 7/1/2016 Mortality

Number of Years Expected Benefit Payments Sustained: 16.39

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.50% and FRS 7/1/2016 Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2017	$25,145,486	$1,748,569	$1,820,340	$25,217,257
10/1/2018	$25,217,257	$2,173,154	$1,809,801	$24,853,904
10/1/2019	$24,853,904	$2,459,764	$1,771,802	$24,165,942
10/1/2020	$24,165,942	$2,526,999	$1,717,683	$23,356,626
10/1/2021	$23,356,626	$2,727,285	$1,649,474	$22,278,815
10/1/2022	$22,278,815	$2,837,109	$1,564,520	$21,006,225
10/1/2023	$21,006,225	$2,889,193	$1,467,122	$19,584,154
10/1/2024	$19,584,154	$2,898,250	$1,360,127	$18,046,032
10/1/2025	$18,046,032	$2,908,027	$1,244,401	$16,382,406
10/1/2026	$16,382,406	$2,931,078	$1,118,765	$14,570,093
10/1/2027	$14,570,093	$2,929,835	$982,888	$12,623,146
10/1/2028	$12,623,146	$2,902,123	$837,906	$10,558,929
10/1/2029	$10,558,929	$2,865,817	$684,452	$8,377,564
10/1/2030	$8,377,564	$2,829,082	$522,227	$6,070,709
10/1/2031	$6,070,709	$2,796,688	$350,427	$3,624,448
10/1/2032	$3,624,448	$2,747,055	$168,819	$1,046,212
10/1/2033	$1,046,212	$2,715,801		

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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.50% and FRS 7/1/2016 Mortality

Number of Years Expected Benefit Payments Sustained: 16.39

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 5.50% and FRS 7/1/2016 Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2017	$25,145,486	$1,748,569	$1,334,916	$24,731,833
10/1/2018	$24,731,833	$2,173,154	$1,300,489	$23,859,168
10/1/2019	$23,859,168	$2,459,764	$1,244,611	$22,644,015
10/1/2020	$22,644,015	$2,526,999	$1,175,928	$21,292,944
10/1/2021	$21,292,944	$2,727,285	$1,096,112	$19,661,771
10/1/2022	$19,661,771	$2,837,109	$1,003,377	$17,828,039
10/1/2023	$17,828,039	$2,889,193	$901,089	$15,839,935
10/1/2024	$15,839,935	$2,898,250	$791,495	$13,733,180
10/1/2025	$13,733,180	$2,908,027	$675,354	$11,500,507
10/1/2026	$11,500,507	$2,931,078	$551,923	$9,121,352
10/1/2027	$9,121,352	$2,929,835	$421,104	$6,612,621
10/1/2028	$6,612,621	$2,902,123	$283,886	$3,994,384
10/1/2029	$3,994,384	$2,865,817	$140,881	$1,269,448
10/1/2030	$1,269,448	$2,829,082		

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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 5.50% and FRS 7/1/2016 Mortality

Number of Years Expected Benefit Payments Sustained: 13.45

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 9.50% and FRS 7/1/2016 Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2017	$25,145,486	$1,748,569	$2,305,764	$25,702,681
10/1/2018	$25,702,681	$2,173,154	$2,338,530	$25,868,057
10/1/2019	$25,868,057	$2,459,764	$2,340,627	$25,748,920
10/1/2020	$25,748,920	$2,526,999	$2,326,115	$25,548,036
10/1/2021	$25,548,036	$2,727,285	$2,297,517	$25,118,268
10/1/2022	$25,118,268	$2,837,109	$2,251,473	$24,532,632
10/1/2023	$24,532,632	$2,889,193	$2,193,363	$23,836,802
10/1/2024	$23,836,802	$2,898,250	$2,126,829	$23,065,381
10/1/2025	$23,065,381	$2,908,027	$2,053,080	$22,210,434
10/1/2026	$22,210,434	$2,931,078	$1,970,765	$21,250,121
10/1/2027	$21,250,121	$2,929,835	$1,879,594	$20,199,881
10/1/2028	$20,199,881	$2,902,123	$1,781,138	$19,078,896
10/1/2029	$19,078,896	$2,865,817	$1,676,369	$17,889,447
10/1/2030	$17,889,447	$2,829,082	$1,565,116	$16,625,481
10/1/2031	$16,625,481	$2,796,688	$1,446,578	$15,275,371
10/1/2032	$15,275,371	$2,747,055	$1,320,675	$13,848,992
10/1/2033	$13,848,992	$2,715,801	$1,186,654	$12,319,844
10/1/2034	$12,319,844	$2,686,783	$1,042,763	$10,675,824
10/1/2035	$10,675,824	$2,640,085	$888,799	$8,924,539
10/1/2036	$8,924,539	$2,600,351	$724,314	$7,048,502
10/1/2037	$7,048,502	$2,585,189	$546,811	$5,010,124
10/1/2038	$5,010,124	$2,538,105	$355,402	$2,827,421
10/1/2039	$2,827,421	$2,489,544	$150,352	$488,229
10/1/2040	$488,229	$2,420,531		

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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 9.50% and FRS 7/1/2016 Mortality

Number of Years Expected Benefit Payments Sustained: 23.20

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2017
Valuation Date: 10/1/2017

PENSION COST	ACTUAL Interest Rate: 7.50% FRS 7/1/2016 Mortality	Interest Rate: 7.50% FRS 7/1/2016 Mortality	Interest Rate: 5.50% FRS 7/1/2016 Mortality	Interest Rate: 9.50% FRS 7/1/2016 Mortality
Normal Cost	961,749	961,749	1,412,163	689,372
Administrative Expenses	125,920	125,920	125,920	125,920
Payment Required to Amortize UAAL	1,913,558	1,913,558	2,710,275	1,251,935
Interest Adjustment	96,913	96,913	180,413	46,230
Total Required Contribution	**3,098,140**	**3,098,140**	**4,428,771**	**2,113,457**
TRC as % of Payroll	46.44%	46.44%	66.39%	31.68%

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