

April 26, 2016

Mr. Javier Collazo  
Finance Director  
City of Hialeah  
501 Palm Avenue  
Hialeah, Florida 33010-4719

**Re: City of Hialeah Elected Officers Retirement System  
October 1, 2015 Actuarial Valuation**

Dear Javier:

As requested, we are pleased to enclose ten (10) copies of the October 1, 2015 Actuarial Valuation Report for the City of Hialeah Elected Officers Retirement System.

We appreciate the opportunity to work with you on this important project and look forward to presenting the key financial results of our Actuarial Valuation at an upcoming meeting with the interested parties. Please provide the date and time for the meeting in order for us to attend and present the key financial results of our Report.

As you are aware, a copy of the Report should be filed with the State at the following address upon approval.

Mr. Douglas E. Beckendorf, A.S.A.  
Florida Division of Retirement  
Post Office 9000  
Tallahassee, Florida 32315-9000

If you should have any question concerning the above, please do not hesitate to contact us.

Sincerest regards,



Lawrence F. Wilson, A.S.A.  
Senior Consultant and Actuary

Enclosures

cc: Ms. Ines F. Beecher (w/ enclosure)  
Ms. Lorena Bravo (w/ enclosure)  
Mr. Nestor Caballero (w/ enclosure)



**CITY OF HIALEAH ELECTED OFFICERS RETIREMENT SYSTEM**

*ACTUARIAL VALUATION AS OF OCTOBER 1, 2015*

This Valuation Determines the Annual Contribution for the System Year October 1, 2015 through September 30, 2016 with City Contribution to Be Paid in the Fiscal Year October 1, 2016 to September 30, 2017

April 26, 2016



**City of Hialeah Elected Officers  
Retirement System**

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April 26, 2016

City Council  
c/o Mr. Javier Collazo  
Finance Director  
City of Hialeah  
501 Palm Avenue  
Hialeah, Florida 33010-4719

Dear City Council Members:

### **October 1, 2015 Actuarial Valuation**

We are pleased to present our October 1, 2015 Actuarial Valuation for the City of Hialeah Elected Officers Retirement System. The purpose of this report is to indicate appropriate contribution levels, monitor minimum funding requirements and comment on the actuarial stability of the System. Gabriel, Roeder, Smith & Company (GRS), as System actuary, is authorized to prepare an annual Actuarial Valuation. This report is prepared for and at the request of the City Council.

This report consists of this commentary, detailed Tables I through XVIII, and the State Required Exhibit on Table XIX. The Tables contain basic System cost figures plus significant details on the benefits, liabilities and experience of the System. We suggest you thoroughly review the report at your convenience and contact us with any questions that may arise.

### **Retirement System Costs**

Our Actuarial Valuation develops the required minimum System contribution under the Florida Protection of Public Employee Retirement Benefits Act. The minimum contribution consists of payment of annual normal costs including expenses and amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law and includes an interest adjustment to reflect the assumed payment date (not less than normal cost). The minimum required contribution for System year ending September 30, 2016 to be paid in fiscal year ending September 30, 2017 is **\$175,894 (22.2%)**. The figure in parentheses is the minimum required System contribution expressed as a percentage of covered annual payroll as of October 1, 2015 (\$791,668).

This total cost is to be met by Member and City contributions. We anticipate Members will contribute **\$20,637 (2.6%)**. The resulting minimum required City contribution to be paid in fiscal year ending September 30, 2017 is **\$155,257 (19.6%)**.

### **Changes in Actuarial Assumptions, Methods and System Benefits**

System provisions remain unchanged from the October 1, 2014 Actuarial Valuation. System provisions are summarized on Table X.

The actuarial assumptions and methods remain unchanged from the October 1, 2014 Actuarial Valuation. The actuarial assumptions and methods are outlined on Table XI.

Minimum required contribution amounts reflect F.S., 112.66 (13) requirements that the City contribute not less than the normal cost. This City funding requirement was added by Chapter 2011-216.

### **Comparison of October 1, 2014 and October 1, 2015 Valuation Results**

Table II of our report provides information of a comparative nature. The left columns of the Table indicate the costs as calculated for October 1, 2014. The right columns indicate the costs as calculated for October 1, 2015.

Comparing the left and right columns of Table II shows the effect of System experience during the year. The number of active participants and covered payroll decreased by approximately 8%. Total normal cost, the unfunded actuarial accrued liability and the net City minimum funding requirement decreased both as a dollar amount and as a percentage of covered payroll. The System remains in a surplus position.

System assets exceed the value of vested accrued benefits resulting in a Vested Benefit Security Ratio (VBSR) of 131.7% - a decrease from 137.7% as of October 1, 2014. The VBSR is measured on a market value of assets basis.

### **System Experience**

Table VII indicates the System experienced an actuarial gain of \$476,069. This suggests actual System experience was more favorable than expected under the actuarial assumptions.

Table XVII provides figures on recent System experience (salary, turnover and investment yield). System salary experience indicates that actual salary increases averaged approximately 1.4% this year. Salary experience was generally a source of actuarial gain when compared to the 8.0% pay increase assumption. The latest three, five and ten-year average salary increases are 1.3%, 5.9% and 7.4%, respectively.

Active member turnover this year was 90% of the assumed and was generally an offsetting source of actuarial loss. The latest three and five-year average turnover is 60% and 50% of expected turnover, respectively.

Smoothed actuarial value investment return this year was 7.5% which exceeded the 6.0% investment return assumption. Smoothed actuarial value investment return was an additional source of actuarial gain during the previous year. The latest three, five and ten-year average annual smoothed actuarial value investment returns are 8.8%, 8.3% and 6.6%, respectively. One, three, five and ten-year average annual market value investment returns are (0.1%), 6.6%, 7.3% and 6.7%, respectively.

### **Member Census and Financial Data**

The City submitted the October 1, 2015 Member census data used for this valuation to us. This information contains name, Social Security number, date of birth, date of hire and actual salary paid for the previous year. Dates of termination and retirement are provided where applicable. The City updated information on inactive participants including retirees, beneficiaries and vested terminees.

We received financial information concerning System assets from the City. The information was provided as of September 30, 2015. We do not audit the Member census data and asset information that is provided to us. However, we perform certain reasonableness checks and on this basis we believe that the information that we received is reliable.

### **Summary**

In our opinion the benefits provided for under the current System will be sufficiently funded through the payment of the amount as indicated in this and future Actuarial Valuation reports. We will continue to update you on the future payment requirements for the System through our actuarial reports. These reports will also continue to monitor the future experience of the System.

The actuarial assumptions used in this Actuarial Valuation are as adopted by the City Council based on historical and expected future experience. Each assumption represents an estimate of future System experience. We continue to suggest an Experience Study be performed to determine any suggested updates to the actuarial assumptions.

If all actuarial assumptions are met and if all future minimum required contributions are paid, System assets will be sufficient to pay all System benefits. System minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act with normal cost determined as a level percent of covered payroll and a level dollar amortization payment using an initial amortization period of 15 years.

The Unfunded Actuarial Accrued Liability (UAAL) may not be appropriate for assessing the sufficiency of System assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions. The UAAL would be different if it reflected the market value of assets rather than the actuarial value of assets.

The Unfunded Actuarial Present Value of Vested Accrued Benefits and the corresponding Vested Benefit Security Ratio may be appropriate for assessing the sufficiency of System assets to meet the estimated cost of settling benefit obligations but may not be appropriate for assessing the need for or the amount of future contributions.

The GASB Net Pension Liability and System Fiduciary Net Position as a Percentage of Total Pension Liability may not be appropriate for assessing the sufficiency of System assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: System 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 the end of an amortization period); and changes in System provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report should not be relied on for any purpose other than the purpose described in the primary communication. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

This report may be provided to parties other than the City Council only in its entirety and only with the permission of an approved representative of the City Council.

The signing actuaries are independent of the System sponsor.

The undersigned are Members of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. We are available to respond to any questions with regards to matters covered in this report.

Very truly yours,



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Lawrence F. Wilson, E.A., A.S.A.  
Senior Consultant and Actuary



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Jennifer M. Borregard, E.A.  
Consultant and Actuary



**City of Hialeah Elected Officers  
Retirement System**

**Summary of Retirement System Costs as of October 1, 2015**

	<b><u>Cost Data</u></b>	<b><u>% of Payroll</u></b>
A. Participant Data Summary (Table III)		
1. Active employees	11	N/A
2. Terminated vested	7	N/A
3. Receiving benefits	8	N/A
4. Annual payroll of active employees	\$ 791,668	100.0%
B. Total Normal Costs		
1. Age retirement benefits	\$ 125,550	15.9%
2. Termination benefits	44,065	5.6%
3. Death benefits	354	0.0%
4. Disability benefits	0	0.0%
5. Estimated expenses	5,925	0.7%
6. Total annual normal costs	<u>\$ 175,894</u>	22.2%
C. Total Actuarial Accrued Liability		
1. Age retirement benefits active employees	\$ 2,698,273	340.8%
2. Termination benefits active employees	421,919	53.3%
3. Death benefits active employees	2,334	0.3%
4. Disability benefits active employees	0	0.0%
5. Retired or terminated vested participants receiving benefits	2,867,438	362.2%
6. Terminated vested participants entitled to future benefits	2,422,651	306.0%
7. Deceased participants whose beneficiaries are receiving benefits	0	0.0%
8. Disabled participants receiving benefits	0	0.0%
9. Miscellaneous liability	0	0.0%
10. Total actuarial accrued liability	<u>\$ 8,412,615</u>	1062.6%
D. Smoothed Actuarial Value of Assets (Table VI)	\$ 9,872,781	1247.1%
E. Unfunded Actuarial Accrued Liability (C-D)	\$ (1,460,166)	(184.4%)

**Table I  
(Cont'd)**

**City of Hialeah Elected Officers  
Retirement System**

**Summary of Retirement System Costs as of October 1, 2015**

	<b><u>Cost Data</u></b>	<b><u>% of Payroll</u></b>
F. Preliminary Minimum Required Contribution		
1. Total normal cost	\$ 175,894	22.2%
2. Amortization of unfunded liability	(147,552)	(18.6%)
3. Interest adjustment	1,313	0.2%
4. Total preliminary required contribution	<u>\$ 29,655</u>	3.7%
G. Minimum Required Contribution (F.S., 112.66 (13)) (Greater of F.1. and F.4.)	\$ 175,894	22.2%
H. Contribution Sources		
1. Expected City	\$ 155,257	19.6%
2. Expected Member	\$ 20,637	2.6%
I. Actuarial Gain / (Loss) (Table VII)	\$ 476,069	60.1%
J. Actuarial Present Value of Vested Accumulated Benefits		
1. Retired, terminated vested, beneficiaries and disabled receiving benefits including DROP participants	\$ 2,867,438	362.2%
2. Terminated vested participants entitled to future benefits and miscellaneous	2,422,651	306.0%
3. Active participants entitled to future benefits	<u>2,221,658</u>	280.6%
4. Total actuarial present value of vested accumulated benefits	\$ 7,511,747	948.9%
K. Market Value of Assets (Table V)	\$ 9,893,539	1249.7%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (J. - K., not less than zero)	\$ 0	0.0%
M. Vested Benefit Security Ratio (K. ÷ J.)	131.7%	N/A

**Table II**

**City of Hialeah Elected Officers  
Retirement System**

**Comparison of Cost Data of October 1, 2014 and October 1, 2015 Valuations**

	<b>October 1, 2014</b>		<b>October 1, 2015</b>	
	<b>Cost Data</b>	<b>% of Annual Compensation</b>	<b>Cost Data</b>	<b>% of Annual Compensation</b>
A. Participants				
1. Active employees	12	N/A	11	N/A
2. Terminated vested	6	N/A	7	N/A
3. Receiving benefits	9	N/A	8	N/A
4. Annual payroll of active employees	\$ 857,758	100.0%	\$ 791,668	100.0%
B. Total Normal Costs	\$ 223,943	26.1%	\$ 175,894	22.2%
C. Total Actuarial Accrued Liability	\$ 8,309,422	968.7%	\$ 8,412,615	1062.6%
D. Smoothed Actuarial Value of Assets	\$ 9,146,093	1066.3%	\$ 9,872,781	1247.1%
E. Unfunded Actuarial Accrued Liability	\$ (836,671)	(97.5%)	\$ (1,460,166)	(184.4%)
F. Minimum Required City Contribution	\$ 203,796	23.8%	\$ 155,257	19.6%
G. Actuarial Gain / (Loss)	\$ 553,836	64.6%	\$ 476,069	60.1%
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 0	0.0%	\$ 0	0.0%
I. Vested Benefit Security Ratio	137.7%	N/A	131.7%	N/A

**Table III**

**City of Hialeah Elected Officers  
Retirement System**

**Characteristics of Participants in  
Actuarial Valuation as of October 1, 2015**

**A. Active System Participants Summary**

1. Active participants fully vested	6
2. Active participants partially vested	0
3. Active participants non-vested	5
4. Total active participants	<u>11</u>
5. Annual rate of pay of active participants	\$ 791,668

**B. Retired and Terminated Vested Participant Summary**

1. Retired or terminated vested participants receiving benefits	8
2. Terminated vested participants entitled to future benefits	7
3. Deceased participants whose beneficiaries are receiving benefits	0
4. Disabled participants receiving benefits	0

**C. Projected Annual Retirement Benefits**

1. Retired or terminated vested receiving benefits	\$ 281,298
2. Terminated vested entitled to future benefits	242,600
3. Beneficiaries of deceased participants	0
4. Disabled participants	0

Table IV

City of Hialeah Elected Officers  
Retirement System

Statement of System Assets as of October 1, 2015

	<u>Market Value<sup>1</sup></u>
A. <u>Cash and cash equivalents</u>	\$ 172,640
B. <u>General Investments</u>	
1. U.S. Government / Agency Bonds	\$ 0
2. Corporate Bonds	0
3. Mutual Funds	9,951,271
C. <u>Contribution Receivable</u>	\$ 21,453
D. <u>Accounts Payable</u>	\$ 251,825
E. <u>System Assets</u> (A + B + C - D)	\$ 9,893,539

<sup>1</sup> As reported by the City

Table V

**City of Hialeah Elected Officers  
Retirement System**

**Reconciliation of System Assets \***

A.	<u>Market Value of Assets as of October 1, 2014</u>		\$ 9,866,602
B.	<u>Receipts During Period</u>		
1.	Contributions		
	a. Employee	\$ 21,453	
	b. City	304,126	
	c. Total	\$ 325,579	
2.	Investment Income		
	a. Dividends and other income	\$ 218,465	
	b. Realized gains/ (losses)	16,813	
	c. Unrealized gains / (losses)	(216,440)	
	d. Investment expenses	(30,257)	
	e. Net investment income	\$ (11,419)	
3.	Total receipts during period		\$ 314,160
C.	<u>Disbursements During Period</u>		
1.	Pension payments	\$ 281,298	
2.	Contribution refunds	0	
3.	Administrative expenses	5,925	
4.	Total disbursements during period	\$ 287,223	
D.	<u>Market Value of Assets as of September 30, 2015</u>		\$ 9,893,539

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\* As reported by City

**City of Hialeah Elected Officers  
Retirement System**

**Development of Smoothed Actuarial Value of Assets as of September 30**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
A. Preliminary smoothed actuarial value from prior year	\$ 8,284,179	\$ 9,146,093	\$ 9,872,781			
B. Market value beginning of year	8,868,218	9,866,602	9,893,539			
C. Market value end of year	9,866,602	9,893,539				
D. Non-investment net cash flow	80,008	38,356				
E. Investment return						
1. Total market value return: C. - B. - D.	918,376	(11,419)				
2. Amount for immediate recognition (6.0%)	534,493	593,147				
3. Amount for phased-in recognition: E.1. - E.2.	383,883	(604,566)				
F. Phased-in recognition of investment return						
1. Current year: 20% of E.3.	76,777	(120,913)				
2. First prior year	63,147	76,777	(120,913)			
3. Second prior year	147,790	63,147	76,777	(120,913)		
4. Third prior year	(71,615)	147,790	63,147	76,777	(120,913)	
5. Fourth prior year	31,314	(71,616)	147,790	63,145	76,775	(120,914)
6. Total phased-in recognition of investment return	<u>247,413</u>	<u>95,185</u>	<u>166,801</u>	<u>19,009</u>	<u>(44,138)</u>	<u>(120,914)</u>
G. Smoothed actuarial value end of year						
1. Preliminary total smoothed actuarial value end of year: A. + D. + E.2. + F.6.	9,146,093	9,872,781				
2. Upper corridor limit: 120% of C.	11,839,922	11,872,247				
3. Lower corridor limit: 80% of C.	7,893,282	7,914,831				
4. Smoothed actuarial value end of year: G.1., not more than G.2., nor less than G.3.	9,146,093	9,872,781				
H. Difference between market value and smoothed actuarial value	720,509	20,758				
I. Smoothed actuarial value rate of return	9.4%	7.5%				
J. Market value rate of return	10.3%	(0.1%)				

**City of Hialeah Elected Officers  
Retirement System**  
**Actuarial Gain / (Loss) for  
System Year Ended September 30, 2015**

A. Derivation of Actuarial Gain / (Loss)

1. City normal cost previous valuation	\$ 203,796
2. Unfunded actuarial accrued liability previous valuation	(836,671)
3. City contributions previous year	304,126
4. Interest on:	
(a) Normal cost	\$ 12,228
(b) Unfunded actuarial accrued liability	(50,200)
(c) City contributions	9,124
(d) Net total: (a) + (b) - (c)	\$ (47,096)
5. Expected unfunded actuarial accrued liability current year: (1. + 2. - 3. + 4.)	\$ (984,097)
6. Actual unfunded actuarial accrued liability current year	(1,460,166)
7. Actuarial gain / (loss): (5. - 6.)	\$ 476,069

B. Approximate Portion of Gain / (Loss)  
due to Investments

1. Smoothed actuarial value of assets previous year	\$ 9,146,093
2. Contributions during period	325,579
3. Benefits and administrative expenses during period	287,223
4. Expected net appreciation for period	549,916
5. Expected smoothed actuarial value of assets current year: (1. + 2. - 3. + 4.)	\$ 9,734,365
6. Actual smoothed actuarial value of assets current year	\$ 9,872,781
7. Approximate investment gain / (loss): (6. - 5.)	\$ 138,416

C. Approximate Portion of Gain / (Loss)  
due to Liabilities: A. - B.

\$ 337,653



**Table VIII**

**City of Hialeah Elected Officers  
Retirement System**

**Amortization of Unfunded Actuarial Accrued Liability**

A. Unfunded Actuarial Accrued Liability

<u>Date</u>	<u>Unfunded Liability</u>	<u>Amortization Payment</u>
October 1, 2015	\$ (1,460,166)	\$ (147,552)
October 1, 2016	\$ (1,391,371)	\$ (147,552)
October 1, 2017	\$ (1,318,448)	\$ (147,552)
October 1, 2018	\$ (1,241,150)	\$ (147,552)
October 1, 2019	\$ (1,159,214)	\$ (147,552)
...		
...		
October 1, 2030	\$ 0	\$ 0

**City of Hialeah Elected Officers  
Retirement System**

**Accounting Disclosure Exhibit**

	<b>10/01/2014</b>	<b>10/01/2015</b>
<b>I. <u>Number of System Members</u></b>		
a. Receiving benefits	9	8
b. Terminated due deferred benefits	6	7
c. Active system members	12	11
d. Total	27	26
<b>II. <u>Financial Accounting Standards Board Allocation</u></b> <u>As of October 1, 2015</u>		
<b>A. <u>Statement of Accumulated System Benefits</u></b>		
1. Actuarial present value of accumulated vested System benefits		
a. Participants currently receiving benefits including DROP participants	\$ 3,013,127	\$ 2,867,438
b. Other participants	4,151,553	4,644,309
c. Total	\$ 7,164,680	\$ 7,511,747
2. Actuarial present value of accumulated non-vested System benefits	\$ 239,022	\$ 190,265
3. Total actuarial present value of accumulated System benefits	\$ 7,403,702	\$ 7,702,012
<b>B. <u>Statement of Change in Accumulated System Benefits</u></b>		
1. Actuarial present value of accumulated System benefits as of October 1, 2014		\$ 7,403,702
2. Increase / (decrease) during year attributable to:		
a. System amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid including refunds		(281,298)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		579,608
e. Net increase		\$ 298,310
3. Actuarial present value of accumulated System benefits as of October 1, 2015		\$ 7,702,012
<b>C. <u>Significant Matters Affecting Calculations</u></b>		
1. Assumed rate of return used in determining actuarial present values		6.0%
2. Change in System provisions		None.
3. Change in actuarial assumptions		None.

**City of Hialeah Elected Officers  
Retirement System**

**Accounting Disclosure Exhibit**

III. Net Pension Liability and Related Ratios (GASB No. 67 & No. 68)

Measurement date	9/30/2014	9/30/2015	Projected 9/30/2016 *
<b>A. <u>Total Pension Liability (TPL)</u></b>			
Service Cost	\$ 278,300	\$ 214,225	\$ 169,969
Interest	490,346	502,980	503,750
Benefit Changes	0	0	0
Difference Between Actual and Expected Experience	(76,666)	(237,890)	(332,714)
Assumption Changes	0	0	0
Benefit Payments, including Refunds of Member Contributions	(230,929)	(281,298)	(373,487)
Net Change in Total Pension Liability	461,051	198,017	(32,482)
Total Pension Liability (TPL) - (beginning of year)	8,086,261	8,547,312	8,745,329
Total Pension Liability (TPL) - (end of year)	<u>\$ 8,547,312</u>	<u>\$ 8,745,329</u>	<u>\$ 8,712,847</u>
<b>B. <u>Plan Fiduciary Net Position</u></b>			
Contributions - City	\$ 305,000	\$ 304,126	\$ 203,796
Contributions - Member	15,655	21,453	20,637
Net Investment Income	918,376	(11,419)	588,963
Benefit Payments, including Refunds of Member Contributions	(230,929)	(281,298)	(373,487)
Administrative Expenses	(9,718)	(5,925)	(5,925)
Other	0	0	0
Net Change in Plan Fiduciary Net Position	998,384	26,937	433,984
Plan Fiduciary Net Position - (beginning of year)	8,868,218	9,866,602	9,893,539
Plan Fiduciary Net Position - (end of year)	<u>\$ 9,866,602</u>	<u>\$ 9,893,539</u>	<u>\$ 10,327,523</u>
<b>C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u></b>	\$ (1,319,290)	\$ (1,148,210)	\$ (1,614,676)
<b>D. <u>Plan Fiduciary Net Position as a Percentage of TPL: (B) / (A)</u></b>	115.44 %	113.13 %	118.53 %
<b>E. <u>Covered Employee Payroll</u> **</b>	\$ 1,001,519	\$ 872,761	\$ 791,668
<b>F. <u>NPL as a Percentage of Covered Employee Payroll: (C) / (E)</u></b>	(131.73%)	(131.56%)	(203.96%)
<b>G. <u>Notes to Schedule:</u></b>			
Valuation Date	10/1/2013	10/01/2014	10/01/2015
Update procedures used to roll forward TPL to the measurement dates			
No assumption changes or benefit changes.			

\* Projected - actual amounts will be available after fiscal year end

\*\* Reported payroll on which contributions to the System are based as provided under GASB No. 82

**City of Hialeah Elected Officers  
Retirement System**

**Accounting Disclosure Exhibit**

IV. Schedule of Employer Contributions (GASB No. 67 & No. 68)

<u>Fiscal Year Ended 9/30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll<sup>1,2</sup></u>	<u>Actual Contribution as a % of Covered Payroll</u>
2006	\$ 240,475	\$ 500,000	\$ (259,525)	\$ 1,043,850	47.90%
2007	263,369	500,000	(236,631)	986,381	50.69%
2008	288,006	500,000	(211,994)	1,116,589	44.78%
2009	299,852	500,000	(200,148)	1,200,461	41.65%
2010	356,028	500,000	(143,972)	1,206,773	41.43%
2011	313,841	313,841	0	1,113,794	28.18%
2012	280,405	280,405	0	1,048,795	26.74%
2013	312,403	312,403	0	1,085,310	28.78%
2014	288,521	305,000	(16,479)	1,001,519	30.45%
2015	304,126	304,126	0	872,761	34.85%
2016 <sup>3</sup>	203,796	203,796	0	791,668	25.74%

<sup>1</sup> Projected prior to fiscal year ended September 30, 2014

<sup>2</sup> Reported payroll on which contributions to the System are based as provided under GASB No. 82

<sup>3</sup> Projected - actual amounts will be available after fiscal year end

**City of Hialeah Elected Officers  
Retirement System**

**Accounting Disclosure Exhibit**

V. Notes to Schedule of Contributions (GASB No. 67 & No. 68)

**Valuation Date:** Actuarially determined contributions are calculated as of October 1st - two year(s) prior to the fiscal year end in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar amount, closed
Amortization Period	15 years
Asset Valuation Method	Smoothed market value
Inflation	3%
Salary Increases	8%
Investment Rate of Return	6%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP 2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with generational mortality improvements fully projected to each future valuation date with Scale AA.

**Other Information:**

**Benefit Changes**

2013 - System closed to new entrants effective January 1, 2014; added member contributions of 7% of compensation for members not vested as of January 1, 2014.

**Assumption Changes**

2013 - payroll growth assumption eliminated. 2009 - mortality assumptions and actuarial value of assets method updated. 2006 - investment return assumption updated.

City of Hialeah Elected Officers  
Retirement System

Accounting Disclosure Exhibit

VI. Discount Rate (GASB No. 67 & No. 68)

A discount rate of 6% was used to measure the TPL. This discount rate was based on the expected rate of return on System investments of 6%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current member contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member contribution rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on System investments was applied to all periods of projected benefit payments to determine the TPL.

VII. Sensitivity of the NPL to the Discount Rate Assumption (GASB No. 67 & No. 68)

Measurement date: September 30, 2015

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	5%	6%	7%
NPL	\$ (54,517)	\$ (1,148,210)	\$ (2,055,134)

Measurement date: September 30, 2016 \*

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	5%	6%	7%
NPL	\$ (539,861)	\$ (1,614,676)	\$ (2,506,477)

\* Projected - actual amounts will be available after fiscal year end

**City of Hialeah Elected Officers  
Retirement System**

**Accounting Disclosure Exhibit**

**VIII. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Reporting Date (GASB No. 68)**

Pension Expense for Fiscal Year Ending September 30, 2016 \$ 9,898

Summary of Outstanding Deferred Inflows and Outflows of Resources as of September 30, 2016

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience on liabilities	0	142,301
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on System investments	253,324	0
Total	<u>\$ 253,324</u>	<u>\$ 142,301</u>

Projected Deferred Outflows for City Contributions to Be Recognized in Pension Expense for Fiscal Year Ending September 30, 2017 \$ 203,796

Summary of Deferred Outflows and Inflows of Resources to Be Recognized in Pension Expense in Future Years.

<u>Year Ending 30-Sep</u>	<u>Amount</u>
2017	\$ (86,837)
2018	32,808
2019	44,138
2020	120,914
2021	0
Thereafter	0

**City of Hialeah Elected Officers  
Retirement System**

**Accounting Disclosure Exhibit**

The following information is not required to be disclosed but is provided for informational purposes.

**IX. Components of Pension Expense (GASB No. 68)**

Measurement Date	<u>9/30/2014</u>	<u>9/30/2015</u>	<u>Projected 9/30/2016*</u>
Service Cost	\$ 278,300	\$ 214,225	\$ 169,969
Interest on Total Pension Liability	490,346	502,980	503,750
Current-Period Benefit Changes	0	0	0
Contributions - Member	(15,655)	(21,453)	(20,637)
Projected Earnings on System Investments	(534,493)	(593,147)	(588,963)
Administrative Expenses	9,718	5,925	5,925
Other Changes in System Fiduciary Net Position	0	0	0
Recognition of Beginning Deferred Outflows / (Inflows) due to Liabilities	(29,487)	(142,768)	(315,814)
Recognition of Beginning Deferred Outflows / (Inflows) due to Assets	(76,777)	44,136	44,136
Total Pension Expense	<u>\$ 121,952</u>	<u>\$ 9,898</u>	<u>\$ (201,634)</u>

\* Projected - actual amounts will be available after fiscal year end



**City of Hialeah Elected Officers  
Retirement System**

**Accounting Disclosure Exhibit**

The following information is not required to be disclosed but is provided for informational purposes.

**X. Recognition of Deferred Outflows and (Inflows) Due to Liabilities - Measurement Date (GASB No. 68)**

Recognition of Deferred Outflows due to Differences Between Actual and Expected Experience on Liabilities

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2015	Recognition Amount for 2014 / 2015	Balance as of 9/30/2015
2013 / 2014	\$ 0	2.6	0.6	\$ 0	\$ 0
2014 / 2015	\$ 0	2.1	1.1	\$ 0	\$ 0
TOTAL				\$ 0	\$ 0

Recognition of Deferred (Inflows) due to Differences Between Actual and Expected Experience on Liabilities

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2015	Recognition Amount for 2014 / 2015	Balance as of 9/30/2015
2013 / 2014	\$ (76,666)	2.6	0.6	\$ (29,487)	\$ (17,692)
2014 / 2015	\$ (237,890)	2.1	1.1	\$ (113,281)	\$ (124,609)
TOTAL				\$ (142,768)	\$ (142,301)

Recognition of Deferred Outflows due to Changes of Assumptions or Other Inputs

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2015	Recognition Amount for 2014 / 2015	Balance as of 9/30/2015
2013 / 2014	\$ 0	2.6	0.6	\$ 0	\$ 0
2014 / 2015	\$ 0	2.1	1.1	\$ 0	\$ 0
TOTAL				\$ 0	\$ 0

**City of Hialeah Elected Officers  
Retirement System**

**Accounting Disclosure Exhibit**

The following information is not required to be disclosed but is provided for informational purposes.

**X. Recognition of Deferred Outflows and (Inflows) Due to Liabilities - Measurement Date (GASB No. 68) (cont'd)**

Recognition of Deferred (Inflows) due to Changes of Assumptions or Other Inputs

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2015	Recognition Amount for 2014 / 2015	Balance as of 9/30/2015
2013 / 2014	\$ 0	2.6	0.6	\$ 0	\$ 0
2014 / 2015	\$ 0	2.1	1.1	\$ 0	\$ 0
TOTAL				\$ 0	\$ 0

**XI. Recognition of Deferred Outflows and (Inflows) Due to Assets (GASB No. 68)**

Recognition of Deferred Outflows / (Inflows) due to Difference Between Projected and Actual Earnings on System Investments

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2015	Recognition Amount for 2014 / 2015	Balance as of 9/30/2015
2013 / 2014	\$ (383,883)	5	3	\$ (76,777)	\$ (230,329)
2014 / 2015	\$ 604,566	5	4	\$ 120,913	\$ 483,653
TOTAL				\$ 44,136	\$ 253,324

**City of Hialeah Elected Officers  
Retirement System**

**Outline of Principal Provisions of the Retirement System**

A. Eligibility:

All elected officials, city attorneys and assistant city attorneys are eligible to participate. Effective January 1, 2014, the System is closed to new entrants.

B. Normal Retirement:

1. Eligibility:

Earlier of:

- (a) Attainment of age 55 with completion of 8 years of credited service.
- (b) Completion of 20 years of credited service.

2. Mandatory Retirement Age:

None.

3. Amount of Pension:

Total service not to exceed 25 years, times 3.0% of final average monthly compensation at time of retirement.

4. Normal Form:

Normal form of benefit is payable for life with 60 months guaranteed.

5. Type of Final Average Salary:

Highest annual W-2 pay prior to termination or retirement divided by 12.

C. Deferred Retirement:

1. Eligibility:

100% vesting upon the completion of 8 years of credited service - pension begins at age 55. Employees who have not completed 8 years of credited service at date of termination of employment shall be entitled to the return of their member contributions with 3% compound interest.

2. Benefit:

Computed as a regular retirement but based upon service and compensation at time of termination.

City of Hialeah Elected Officers  
Retirement System

**Outline of Principal Provisions of the Retirement System**

D. Duty Disability Retirement:

None.

E. Non-Duty Disability Retirement:

None.

F. Pre-Retirement Death:

1. Eligibility:

Immediate.

2. Benefit:

Computed as for normal retirement and payable immediately, but terminates after 60 payments of monthly amount or 120 payments of one-half monthly amount.

G. City Contributions:

Actuarially determined amounts sufficient to cover the funding requirements.

H. Member Contributions:

7% of compensation for members who are not vested as of January 1, 2014. None for members who are vested as of January 1, 2014.

I. Changes Since Previous Actuarial Valuation:

None.

**City of Hialeah Elected Officers  
Retirement System**

**Actuarial Assumptions and Actuarial Cost Methods  
Used in the Valuation**

A. Mortality:

RP 2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with generational mortality improvements fully projected to each future valuation date with Scale AA.

B. Interest to be Earned by Fund:

6.0%, compounded annually, net of investment expenses.

C. Allowances for Expenses or Contingencies:

Estimated expenses are based on actual expenses paid in previous year.

D. Employee Withdrawal Rates:

The rates do not apply to members eligible to retire and do not include separation on account of death or disability. This estimate measures the probabilities of members remaining in employment. These rates were first used for the September 30, 1995 valuation for Elected Officers and September 30, 2004 for Attorneys.

<u>Sample Ages</u>	<u>Years of Service</u>	<u>Withdrawal Rates Per 100 Employees</u>	
		<u>Elected Officers</u>	<u>Attorneys</u>
ALL	Less than 5	10.00	20.00
25	5 & Over	10.00	10.00
30		10.00	10.00
35		10.00	10.00
40		10.00	10.00
45		10.00	10.00
50		10.00	10.00
55		10.00	10.00
60		10.00	10.00

E. Disability Rates:

None.

City of Hialeah Elected Officers  
Retirement System

Actuarial Assumptions and Actuarial Cost Methods  
Used in the Valuation

F. Salary Increase Factors:

Employee salaries are estimated to increase between the date of hire and date of retirement. The following assumed rates of increase in individual salaries were first used for the September 30, 2000 valuation.

<u>Sample Age</u>	<u>Salary Increase</u>
20	8.0%
30	8.0%
40	8.0%
50	8.0%
60	8.0%

General increase in wage level due to wage inflation is 4%.

G. Payroll Growth Assumption:

None.

H. Retirement Rates:

A member is assumed to retire upon becoming eligible for retirement after 20 or more years of service regardless of age or after attaining age 55 with 8 or more years of service. This rate was first used for the September 30, 1998 valuation.

I. Technical Assumptions:

1. Pay Increase Timing:

Beginning of year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the date preceding the valuation date.

2. Decrement Timing:

Decrements of all types are assumed to occur mid-year.

3. Eligibility Testing:

Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

4. Benefit Service:

Exact fractional service is used to determine the amount of benefit payable.

City of Hialeah Elected Officers  
Retirement System

Actuarial Assumptions and Actuarial Cost Methods  
Used in the Valuation

I. Technical Assumptions (continued):

5. Decrement Relativity:

Decrement rates are used directly from tabular rates, without adjustment for multiple decrement table effects.

6. Decrement Operation:

Mortality decrement does not operate during the first 5 years of service. Withdrawal does not operate during retirement eligibility.

7. Incidence of Contributions:

Contributions are assumed to be received midway through the fiscal year.

8. Marriage Assumption:

100% of members are assumed to be married for purposes of death-in-service benefits.

J. Asset Valuation Method:

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The smoothed actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of plan assets and whose upper limit is 120% of the fair market value of plan assets.

City of Hialeah Elected Officers  
Retirement System

Actuarial Assumptions and Actuarial Cost Methods  
Used in the Valuation

K. Cost Method:

Entry-Age-Normal Cost Method

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the System had always been in effect. The normal cost for the System is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the System is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the System.

L. Changes Since Previous Actuarial Valuation:

None.



Table XII

**City of Hialeah Elected Officers  
Retirement System  
Distribution by Attained Age Groups  
and Service Groups as of October 1, 2015**

<u>Attained</u> Age Group	-----COMPLETED YEARS OF SERVICE-----							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 &amp; Over</u>	
Under 25	-	-	-	-	-	-	-	0
25-29	1	1	-	-	-	-	-	2
30-34	1	-	-	-	-	-	-	1
35-39	-	-	-	-	-	-	-	0
40-44	-	-	1	-	-	-	-	1
45-49	-	3	-	-	-	-	-	3
50-54	-	-	-	-	-	-	-	0
55-59	-	1	-	-	-	-	-	1
60-64	-	-	-	-	-	-	-	0
65 & Over	1	1	-	-	1	-	-	3
<b>TOTAL</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>11</b>
				<u>10/01/2014</u>		<u>10/01/2015</u>		
Average Attained Age				49.2 years		50.6 years		
Average Hire Age				40.5 years		41.1 years		
Average Service				8.7 years		9.5 years		
Average Pay				\$ 71,480		\$ 71,970		
Percent Female				50.0%		45.5%		

**City of Hialeah Elected Officers  
Retirement System**

**Statistics for Participants Entitled to Deferred Benefits  
and Participants Receiving Benefits**

A. Entitled to Deferred Benefits

<b><u>Current Age Group</u></b>	<b><u>Count</u></b>	<b><u>Total Annual Benefit</u></b>	<b><u>Average Annual Benefit</u></b>
<b>Less than 40</b>	-	-	-
40-44	-	-	-
45-49	4	\$ 84,245	\$ 21,061
50-54	3	158,355	52,785
55-59	-	-	-
60-64	-	-	-
65 & Over	-	-	-
<b>TOTAL</b>	<u>7</u>	<u>\$ 242,600</u>	<u>\$ 34,657</u>

B. Receiving Benefits

<b><u>Current Age Group</u></b>	<b><u>Count</u></b>	<b><u>Total Annual Benefit</u></b>	<b><u>Average Annual Benefit</u></b>
<b>Less than 50</b>	-	-	-
50-54	-	-	-
55-59	-	-	-
60-64	1	\$ 8,208	\$ 8,208
65-69	3	220,301	73,434
70-74	2	29,437	14,719
75 & Over	2	23,352	11,676
<b>TOTAL</b>	<u>8</u>	<u>\$ 281,298</u>	<u>\$ 35,162</u>

**Table XIV**

**City of Hialeah Elected Officers  
Retirement System**

**Reconciliation of Employee Data**

A. Active Participants

1. Active participants previous year	12
2. Retired during year	0
3. Died during year	0
4. Disabled during year	0
5. Terminated during year	(1)
6. New active participants	0
7. Re-instated during year	0
8. Active participants current year	<u>11</u>

B. Participants Receiving Benefits

1. Participants receiving benefits previous year	9
2. New retired participants	0
3. New terminated vested receiving benefits	0
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Died or ceased payment during year	<u>(1)</u>
7. Retired or terminated vested receiving benefits current year	8

C. Terminated Vested Participants Entitled to Future Benefits

1. Terminated vested entitled previous year	6
2. Died during year	0
3. Commenced receiving benefits during year	0
4. New terminated vested	1
5. Terminated vested paid lump sum	<u>0</u>
6. Terminated vested entitled current year	7

**City of Hialeah Elected Officers  
Retirement System**

**Projected Retirement Benefits**

<b><u>Fiscal Year</u></b>	<b><u>Projected Total Annual Payout</u></b>
2016	\$ 373,487
2017	\$ 461,583
2018	\$ 467,237
2019	\$ 488,173
2020	\$ 533,115
2021	\$ 576,488
2022	\$ 650,373
2023	\$ 691,846
2024	\$ 678,956
2025	\$ 703,935

The above projected payout of system benefits during the next ten years is based on assumptions involving all decrements. The actual payouts may differ from the above estimates depending upon the death, salary and retirement experience of the system. However, since the projected payment is recomputed each valuation date, there is an automatic correction to the extent that actual experience varies from expected experience.

**City of Hialeah Elected Officers  
Retirement System**

**Summary of Transaction Information**

Valuation Date	Benefits Paid <sup>1</sup>	Administrative Expenses	Employee Contributions	City Contributions	Smoothed Actuarial Value <sup>2</sup>
10/01/2015	\$ 281,298	\$ 5,925	\$ 21,453	\$ 304,126	\$ 9,872,781
10/01/2014	230,929	9,718	15,655	305,000	9,146,093
10/01/2013	179,542	17,338	0	312,403	8,284,179
10/01/2012	180,809	8,660	0	280,405	7,484,518
10/01/2011	166,290	3,190	0	313,841	6,833,524
10/01/2010	161,821	4,057	0	500,000	6,293,694
10/01/2009	161,742	6,400	0	500,000	5,530,202
10/01/2008	169,428	6,400	0	500,000	4,839,784
10/01/2007	158,082	5,800	0	500,000	4,507,879
10/01/2006	154,695	0	0	500,000	3,920,986
10/01/2005	53,796	0	0	400,000	3,455,014
10/01/2004	55,076	0	0	311,137	3,049,827
10/01/2003	56,630	0	0	250,000	2,664,848
10/01/2002	50,532	4,900	0	250,000	2,062,206
01/01/2001	50,532	4,400	0	250,000	1,842,622
01/01/2000	52,188	4,175	0	342,700	1,717,505
01/01/1999	54,146	3,975	0	439,873	1,307,638

<sup>1</sup> Includes contribution refunds

<sup>2</sup> Market Value prior to October 1, 2009

**City of Hialeah Elected Officers  
Retirement System**

**Recent Compensation, Termination and Investment Return Experience**

Valuation Date	Compensation		Termination	Investment Return <sup>1</sup>		
	% Increase / (Decrease)	Assumed Increase	Ratio of Actual to Expected	Market Value	Smoothed Actuarial Value <sup>2</sup>	Assumed
10/01/2015	1.4%	8.0%	0.9	(0.1%)	7.5%	6.0%
10/01/2014	2.5%	8.0%	1.2	10.3%	9.4%	6.0%
10/01/2013	0.1%	8.0%	0.0	9.9%	9.4%	6.0%
10/01/2012	(0.9%)	8.0%	0.0	16.9%	8.4%	6.0%
10/01/2011	29.1%	8.0%	0.8	0.6%	6.6%	6.0%
10/01/2010	0.7%	8.0%	0.7	8.6%	7.8%	6.0%
10/01/2009	0.3%	8.0%	0.7	11.9%	7.2%	6.0%
10/01/2008	7.6%	8.0%	N/A	0.2%	0.2%	6.0%
10/01/2007	8.9%	8.0%	N/A	6.1%	6.1%	6.0%
10/01/2006	30.2%	8.0%	N/A	3.6%	3.6%	7.0%
Last 3 Years	1.3%	8.0%	0.6	6.6%	8.8%	6.0%
Last 5 Years	5.9%	8.0%	0.5	7.3%	8.3%	6.0%
Last 10 Years	7.4%	8.0%	N/A	6.7%	6.6%	6.1%

<sup>1</sup> Computed as  $2I/(A+B-I)$ , where A is beginning value, B is ending value and I is investment return.

<sup>2</sup> Market value prior to October 1, 2009

**Table XVIII**

**City of Hialeah Elected Officers  
Retirement System**

**Employer Contribution Information**

Valuation Date	Contribution Fiscal Year End	Minimum Required Employer Contributions	Actual Employer Contributions Paid
10/01/2015	09/30/2017	\$ 155,257	N/A
10/01/2014	09/30/2016	\$ 203,796	N/A
10/01/2013	09/30/2015	\$ 304,126	\$ 304,126
10/01/2012	09/30/2014	\$ 288,521	\$ 305,000
10/01/2011	09/30/2013	\$ 312,403	\$ 312,403
10/01/2010	09/30/2012	\$ 280,405	\$ 280,405
10/01/2009	09/30/2011	\$ 313,841	\$ 313,841
10/01/2008	09/30/2010	\$ 356,028	\$ 500,000
10/01/2007	09/30/2009	\$ 299,852	\$ 500,000
10/01/2006	09/30/2008	\$ 288,006	\$ 500,000
10/01/2005	09/30/2007	\$ 263,369	\$ 500,000
10/01/2004	09/30/2006	\$ 240,475	\$ 500,000
10/01/2003	09/30/2005	\$ 250,415	\$ 400,000
10/01/2002	09/30/2004	\$ 130,205	\$ 311,137
10/01/2001	09/30/2003	\$ 136,116	\$ 250,000

**City of Hialeah Elected Officers  
Retirement System**

**Actuarial Valuation as of October 1, 2015**

**State Required Exhibit**

	<u>10/01/2014</u>	<u>10/01/2015</u>
<b>A. <u>Participant Data</u></b>		
1. Active participants	12	11
2. Retired participants and beneficiaries receiving benefits	9	8
3. Disabled participants receiving benefits	0	0
4. Terminated vested participants	6	7
5. Annual payroll of active participants	\$ 857,758	\$ 791,668
6. Annual benefits payable to those currently receiving benefits	\$ 289,221	\$ 281,298
<b>B. <u>Value of Assets</u></b>		
1. Smoothed Actuarial Value of Assets	\$ 9,146,093	\$ 9,872,781
2. Market Value of Assets	\$ 9,866,602	\$ 9,893,539
<b>C. <u>Liabilities</u></b>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 3,238,239	\$ 3,180,892
b. Vesting benefits	932,741	679,046
c. Death benefits	5,492	3,966
d. Disability benefits	0	0
e. Total	<u>\$ 4,176,472</u>	<u>\$ 3,863,904</u>
2. Actuarial present value of future expected benefit payments for terminated vested members	\$ 2,070,739	\$ 2,422,651
3. Actuarial present value of future expected benefit payments for members currently receiving benefits		
a. Service retired	\$ 3,013,127	\$ 2,867,438
b. Disability retired	0	0
c. Beneficiaries	0	0
d. Miscellaneous	0	0
e. Total	<u>\$ 3,013,127</u>	<u>\$ 2,867,438</u>



**Table XIX**  
**(Cont'd)**

**City of Hialeah Elected Officers  
Retirement System**

**Actuarial Valuation as of October 1, 2015**

**State Required Exhibit**

	<u>10/01/2014</u>	<u>10/01/2015</u>
4. Total actuarial present value of future expected benefit payments	\$ 9,260,338	\$ 9,153,993
5. Actuarial accrued liabilities	\$ 8,309,422	\$ 8,412,615
6. Unfunded actuarial accrued liabilities	\$ (836,671)	\$ (1,460,166)
<b>D. <u>Statement of Accumulated System Benefits</u></b>		
1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 3,013,127	\$ 2,867,438
b. Other participants	4,151,553	4,644,309
c. Total	\$ 7,164,680	\$ 7,511,747
2. Actuarial present value of accumulated non-vested system benefits	239,022	190,265
3. Total actuarial present value of accumulated system benefits	\$ 7,403,702	\$ 7,702,012
<b>E. <u>Statement of Change in Accumulated System Benefits</u></b>		
1. Actuarial present value of accumulated System benefits as of October 1, 2014		\$ 7,403,702
2. Increase (decrease) during year attributable to:		
a. System amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid including refunds		(281,298)
d. Other, including benefits accumulated and increase for interest due to decrease in the discount period		579,608
e. Net increase		\$ 298,310
3. Actuarial present value of accumulated System benefits as of October 1, 2015		\$ 7,702,012

**City of Hialeah Elected Officers  
Retirement System**

**Actuarial Valuation as of October 1, 2015**

**State Required Exhibit**

	<u>10/01/2014</u>	<u>10/01/2015</u>
<b>F. <u>Pension Cost</u></b>		
1. Total normal cost	\$ 223,943	\$ 175,894
2. Payment required to amortize unfunded liability	(82,339)	(147,552)
3. Interest adjustment	11,535	1,313
4. Total preliminary required contribution	<u>\$ 153,139</u>	<u>\$ 29,655</u>
5. Total required contribution (Greater of F.1. and F.4.)	\$ 223,943	\$ 175,894
6. Item 5 as a percentage of payroll	26.1%	22.2%
7. Estimated employee contributions	\$ 20,147	\$ 20,637
8. Item 7 as a percentage of payroll	2.3%	2.6%
9. Net amount payable by City	\$ 203,796	\$ 155,257
10. Item 9 as a percentage of payroll	23.8%	19.6%
<b>G. <u>Past Contributions</u></b>		
1. Total City contribution required (Prior Year Valuation)	\$ 304,126	\$ 203,796
2. Actual City contributions paid	\$ 304,126	N/A
<b>H. <u>Net Actuarial Gain / (Loss)</u></b>	\$ 553,836	\$ 476,069
<b>I. <u>Disclosure of Following Items</u></b>		
1. Actuarial present value of future salaries - attained age	\$ 3,547,500	\$ 2,814,225
2. Actuarial present value of future employee contributions - attained age	\$ 127,510	\$ 128,973
3. Actuarial present value of future contributions from other sources	N/A	N/A
4. Amount of active members' accumulated contributions	\$ 15,655	\$ 37,578
5. Actuarial present value of future salaries and future benefits at entry age	N/A	N/A
6. Actuarial present value of future employee contributions at entry age	N/A	N/A

City of Hialeah Elected Officers  
Retirement System

State Required Exhibit

	<u>Unfunded Actuarial Accrued Liabilities</u>	Current Unfunded <u>Liabilities</u>	Amortization <u>Payment</u>	Remaining Funding <u>Period</u>
10/01/2010	Combined Bases *	\$ 50,414	\$ 4,897	15 years
10/01/2011	Actuarial Loss / (Gain)	125,505	15,012	11 years
10/01/2012	Actuarial Loss / (Gain)	(150,876)	(16,977)	12 years
10/01/2013	Actuarial Loss / (Gain)	(358,550)	(38,209)	13 years
10/01/2014	Actuarial Loss / (Gain)	(650,590)	(66,032)	14 years
10/01/2015	Actuarial Loss / (Gain)	<u>(476,069)</u>	<u>(46,243)</u>	15 years
	TOTAL	\$ (1,460,166)	\$ (147,552)	

\* Combined per Internal Revenue Code Regulation 1.412(b)-1

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 system and/or paid from the system's assets for which liabilities or current costs have not been established or other wise provided for in the valuation. All known events or trends which may require material increase in system costs or required contribution rates have been taken into account in the valuation.

Enrollment Number: 14-02802

Dated: April 26, 2016



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Lawrence F. Wilson, A.S.A.