

CITY OF LAKE LAND EMPLOYEES PENSION AND RETIREMENT SYSTEM
Chapter 112.664, F.S. Compliance Report
In Connection with the October 1, 2014 Funding Actuarial Valuation Report
And the Plan's Financial Reporting for the Year Ending September 30, 2014



June 29, 2015

Board of Trustees
City of Lakeland
Employees Pension and Retirement System
Lakeland, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Lakeland Employees Pension and Retirement System to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Retirement Board and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board.

The purpose of the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data or other information through September 30, 2014. 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 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. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the Plan Administrator and the City concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and the City.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board as described in our October 1, 2014 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2014 actuarial valuation report. Please refer to the October 1, 2014 actuarial valuation report, dated March 17, 2015, for summaries and descriptions of this information.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future Plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided as a counterpart to the Chapter 112.664, Florida Statutes requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.

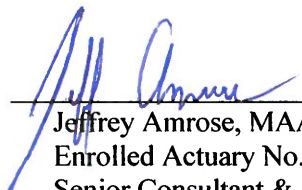
The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 Retirement Plan 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.

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), F.S. and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By  _____
Jeffrey Amrose, MAAA
Enrolled Actuary No. 14-6599
Senior Consultant & Actuary

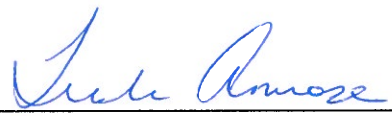
By  _____
Trisha Amrose, MAAA
Enrolled Actuary No. 14-8010
Consultant & Actuary

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RESULTS

**Schedule of Changes in the Employers' Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,	2014
1. Total pension liability	
a. Service Cost	\$ 12,663,875
b. Interest	43,427,938
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(200,874)
e. Assumption Changes	-
f. Benefit Payments	(31,125,640)
g. Contribution Refunds	(1,532,384)
h. Net Change in Total Pension Liability	23,232,915
i. Total Pension Liability - Beginning	602,616,143
j. Total Pension Liability - Ending	\$ 625,849,058
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 15,395,603
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	7,129,361
d. Net Investment Income	39,349,445
e. Benefit Payments	(31,125,640)
f. Contribution Refunds	(1,532,384)
g. Administrative Expense	(288,901)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	28,927,484
j. Plan Fiduciary Net Position - Beginning	475,529,884
k. Plan Fiduciary Net Position - Ending	\$ 504,457,368
3. Net Pension Liability / (Asset)	121,391,690
Certain Key Assumptions	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	7.25%
Mortality Table	RP-2000 fully generational using Scale AA

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,	<u>2014</u>
1. Total pension liability	
a. Service Cost	\$ 12,663,875
b. Interest	43,427,938
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(200,874)
e. Assumption Changes	-
f. Benefit Payments	(31,125,640)
g. Contribution Refunds	(1,532,384)
h. Net Change in Total Pension Liability	<u>23,232,915</u>
i. Total Pension Liability - Beginning	<u>602,616,143</u>
j. Total Pension Liability - Ending	<u>\$ 625,849,058</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 15,395,603
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	7,129,361
d. Net Investment Income	39,349,445
e. Benefit Payments	(31,125,640)
f. Contribution Refunds	(1,532,384)
g. Administrative Expense	(288,901)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>28,927,484</u>
j. Plan Fiduciary Net Position - Beginning	<u>475,529,884</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 504,457,368</u>
3. Net Pension Liability / (Asset)	121,391,690
Certain Key Assumptions	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	7.25%
Mortality Table	RP-2000 fully generational using Scale AA

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,

	2014
1. Total pension liability	
a. Service Cost	\$ 19,436,024
b. Interest	39,146,244
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	15,303
e. Assumption Changes	-
f. Benefit Payments	(31,125,640)
g. Contribution Refunds	(1,532,384)
h. Net Change in Total Pension Liability	<u>25,939,547</u>
i. Total Pension Liability - Beginning	<u>742,535,723</u>
j. Total Pension Liability - Ending	<u><u>\$ 768,475,270</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 15,395,603
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	7,129,361
d. Net Investment Income	39,349,445
e. Benefit Payments	(31,125,640)
f. Contribution Refunds	(1,532,384)
g. Administrative Expense	(288,901)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>28,927,484</u>
j. Plan Fiduciary Net Position - Beginning	<u>475,529,884</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 504,457,368</u></u>
3. Net Pension Liability / (Asset)	264,017,902
Certain Key Assumptions	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	5.25%
Mortality Table	RP-2000 fully generational using Scale AA

Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,	<u>2014</u>
1. Total pension liability	
a. Service Cost	\$ 8,659,387
b. Interest	45,737,187
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(629,234)
e. Assumption Changes	-
f. Benefit Payments	(31,125,640)
g. Contribution Refunds	(1,532,384)
h. Net Change in Total Pension Liability	<u>21,109,316</u>
i. Total Pension Liability - Beginning	<u>502,125,701</u>
j. Total Pension Liability - Ending	<u><u>\$ 523,235,017</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 15,395,603
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	7,129,361
d. Net Investment Income	39,349,445
e. Benefit Payments	(31,125,640)
f. Contribution Refunds	(1,532,384)
g. Administrative Expense	(288,901)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>28,927,484</u>
j. Plan Fiduciary Net Position - Beginning	<u>475,529,884</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 504,457,368</u></u>
3. Net Pension Liability / (Asset)	18,777,649
Certain Key Assumptions	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	9.25%
Mortality Table	RP-2000 fully generational using Scale AA

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions from the Latest Actuarial Valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	486,457,728	33,903,242	37,653,599	482,707,371
2016	482,707,371	33,541,152	40,141,581	476,106,942
2017	476,106,942	32,991,237	42,110,796	466,987,383
2018	466,987,383	32,253,298	44,228,627	455,012,054
2019	455,012,054	31,331,452	45,708,185	440,635,321
2020	440,635,321	30,251,316	46,751,575	424,135,062
2021	424,135,062	29,029,078	47,467,985	405,696,155
2022	405,696,155	27,679,541	47,818,758	385,556,938
2023	385,556,938	26,213,465	47,983,805	363,786,598
2024	363,786,598	24,636,407	47,948,164	340,474,842
2025	340,474,842	22,952,842	47,767,837	315,659,847
2026	315,659,847	21,164,672	47,466,667	289,357,852
2027	289,357,852	19,272,158	47,069,954	261,560,056
2028	261,560,056	17,274,941	46,570,014	232,264,983
2029	232,264,983	15,172,148	45,987,950	201,449,181
2030	201,449,181	12,959,928	45,383,099	169,026,011
2031	169,026,011	10,634,505	44,686,369	134,974,147
2032	134,974,147	8,194,091	43,904,391	99,263,847
2033	99,263,847	5,638,038	42,995,619	61,906,266
2034	61,906,266	2,965,708	41,999,902	22,872,072
2035	22,872,072	173,545	40,956,708	-
2036	-	-	39,819,534	-
2037	-	-	38,642,778	-
2038	-	-	37,413,627	-
2039	-	-	36,125,167	-
2040	-	-	34,778,305	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:**

20.58

Certain Key Assumptions

Valuation Investment return assumption

7.25%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

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.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	486,457,728	33,903,242	37,653,599	482,707,371
2016	482,707,371	33,541,152	40,141,581	476,106,942
2017	476,106,942	32,991,237	42,110,796	466,987,383
2018	466,987,383	32,253,298	44,228,627	455,012,054
2019	455,012,054	31,331,452	45,708,185	440,635,321
2020	440,635,321	30,251,316	46,751,575	424,135,062
2021	424,135,062	29,029,078	47,467,985	405,696,155
2022	405,696,155	27,679,541	47,818,758	385,556,938
2023	385,556,938	26,213,465	47,983,805	363,786,598
2024	363,786,598	24,636,407	47,948,164	340,474,842
2025	340,474,842	22,952,842	47,767,837	315,659,847
2026	315,659,847	21,164,672	47,466,667	289,357,852
2027	289,357,852	19,272,158	47,069,954	261,560,056
2028	261,560,056	17,274,941	46,570,014	232,264,983
2029	232,264,983	15,172,148	45,987,950	201,449,181
2030	201,449,181	12,959,928	45,383,099	169,026,011
2031	169,026,011	10,634,505	44,686,369	134,974,147
2032	134,974,147	8,194,091	43,904,391	99,263,847
2033	99,263,847	5,638,038	42,995,619	61,906,266
2034	61,906,266	2,965,708	41,999,902	22,872,072
2035	22,872,072	173,545	40,956,708	-
2036	-	-	39,819,534	-
2037	-	-	38,642,778	-
2038	-	-	37,413,627	-
2039	-	-	36,125,167	-
2040	-	-	34,778,305	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:**

20.58

Certain Key Assumptions

Valuation Investment return assumption

7.25%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

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.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	486,457,728	24,550,624	37,653,599	473,354,753
2016	473,354,753	23,797,408	40,141,581	457,010,580
2017	457,010,580	22,887,647	42,110,796	437,787,431
2018	437,787,431	21,822,839	44,228,627	415,381,642
2019	415,381,642	20,607,696	45,708,185	390,281,154
2020	390,281,154	19,262,532	46,751,575	362,792,111
2021	362,792,111	17,800,551	47,467,985	333,124,677
2022	333,124,677	16,233,803	47,818,758	301,539,722
2023	301,539,722	14,571,261	47,983,805	268,127,177
2024	268,127,177	12,818,038	47,948,164	232,997,051
2025	232,997,051	10,978,439	47,767,837	196,207,653
2026	196,207,653	9,054,902	47,466,667	157,795,888
2027	157,795,888	7,048,698	47,069,954	117,774,632
2028	117,774,632	4,960,705	46,570,014	76,165,323
2029	76,165,323	2,791,496	45,987,950	32,968,869
2030	32,968,869	539,559	45,383,099	-
2031	-	-	44,686,369	-
2032	-	-	43,904,391	-
2033	-	-	42,995,619	-
2034	-	-	41,999,902	-
2035	-	-	40,956,708	-
2036	-	-	39,819,534	-
2037	-	-	38,642,778	-
2038	-	-	37,413,627	-
2039	-	-	36,125,167	-
2040	-	-	34,778,305	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:**

15.75

Certain Key Assumptions

Valuation Investment return assumption

5.25%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

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.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	486,457,728	43,255,861	37,653,599	492,059,990
2016	492,059,990	43,659,001	40,141,581	495,577,410
2017	495,577,410	43,893,286	42,110,796	497,359,900
2018	497,359,900	43,960,217	44,228,627	497,091,490
2019	497,091,490	43,866,959	45,708,185	495,250,264
2020	495,250,264	43,648,389	46,751,575	492,147,078
2021	492,147,078	43,328,210	47,467,985	488,007,303
2022	488,007,303	42,929,058	47,818,758	483,117,603
2023	483,117,603	42,469,127	47,983,805	477,602,926
2024	477,602,926	41,960,668	47,948,164	471,615,430
2025	471,615,430	41,415,165	47,767,837	465,262,758
2026	465,262,758	40,841,472	47,466,667	458,637,562
2027	458,637,562	40,246,989	47,069,954	451,814,597
2028	451,814,597	39,638,987	46,570,014	444,883,571
2029	444,883,571	39,024,788	45,987,950	437,920,408
2030	437,920,408	38,408,669	45,383,099	430,945,979
2031	430,945,979	37,795,758	44,686,369	424,055,368
2032	424,055,368	37,194,543	43,904,391	417,345,520
2033	417,345,520	36,615,913	42,995,619	410,965,815
2034	410,965,815	36,071,842	41,999,902	405,037,755
2035	405,037,755	35,571,745	40,956,708	399,652,792
2036	399,652,792	35,126,230	39,819,534	394,959,487
2037	394,959,487	34,746,524	38,642,778	391,063,234
2038	391,063,234	34,442,969	37,413,627	388,092,575
2039	388,092,575	34,227,774	36,125,167	386,195,183
2040	386,195,183	34,114,558	34,778,305	385,531,435

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:**

N/A

Certain Key Assumptions

Valuation Investment return assumption

9.25%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

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.

ACTUARIALLY DETERMINED CONTRIBUTION				
	Plan's Latest Actuarial Valuation	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions	112.664(1)(b) F.S. Except 2% Higher Investment Return Assumption
	October 1, 2014	October 1, 2014	October 1, 2014	October 1, 2014
A. Valuation Date	October 1, 2014	October 1, 2014	October 1, 2014	October 1, 2014
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2016	9/30/2016	9/30/2016	9/30/2016
C. Assumed Dates of Employer Contributions	Monthly	Monthly	Monthly	Monthly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 9,886,714	\$ 9,886,714	\$ 19,083,894	\$ 1,229,378
E. Employer Normal Cost	5,184,222	5,184,222	11,865,710	1,235,235
F. ADC if Paid on Valuation Date: D + E	15,070,936	15,070,936	30,949,604	2,464,613
G. ADC Adjusted for Frequency of Payments	15,643,782	15,643,782	31,809,075	2,583,087
H. ADC Adjusted for Frequency of Payments as % of Covered Payroll	19.29 %	19.29 %	39.21 %	3.18 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.50 %	3.50 %	3.50 %	3.50 %
J. Covered Payroll for Contribution Year	83,956,118	83,956,118	83,956,118	83,956,118
K. ADC for Contribution Year: H x J	16,195,135	16,195,135	32,919,194	2,669,805
L. Allowable Credit for State Revenue in Contribution Year	0	0	0	0
M. Employer ADC in Contribution Year (Before Cost Sharing)	16,195,135	16,195,135	32,919,194	2,669,805
N. Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	19.29 %	19.29 %	39.21 %	3.18 %
O. Expected Member Contributions (Before Cost Sharing)	7,634,353	7,634,353	7,634,353	7,634,353
P. Total Contribution (including Members) in Contributing Year	23,829,488	23,829,488	40,553,547	10,304,158
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	28.38 %	28.38 %	48.30 %	12.27 %
R. Certain Key Assumptions				
Investment Return Assumption	7.25%	7.25%	5.25%	9.25%
Mortality Table	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA