

**PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH**

**Actuarial Valuation Report
For the Plan Year
July 1, 2018 - June 30, 2019**



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September 30, 2019

Broward Health
1700 NW 49th Street
Ft. Lauderdale, FL 33309

Re: 2018/2019 Plan Year Actuarial Valuation

We have completed our actuarial valuation of the Pension Plan for Employees of Broward Health as of July 1, 2018, and the results are set forth in the following report, including a description of the underlying actuarial assumptions and methodology.

In preparing our report, we relied without audit on information furnished by Broward Health, Northern Trust and AXA Equitable. This information includes, but is not limited to, statutory provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

Except as indicated below, all costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of selected actuarial assumptions and methods which are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer our best estimate of anticipated experience affecting the Plan.

This actuarial valuation is based on an annual investment return assumption of 6.25%, which was selected by Broward Health based on analysis provided by the Plan's investment advisor and Milliman's Expected Return Model.

This valuation report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

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. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for the Plan. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Plan's funding requirements and goals. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work is prepared solely for the use and benefit of the Plan Sponsor. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

- (a) The Plan Sponsor may provide a copy of Milliman's work, in its entirety, to the Plan's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Plan.
- (b) The Plan Sponsor may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the Plan Sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully submitted,



Ben Upchurch
FSA, EA, MAAA



Anthony Nardis
ASA, EA, MAAA

Enclosures

**PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH**

ACTUARIAL VALUATION REPORT

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>Actuarial Valuation for Plan Year Beginning</u>	
	<u>July 1, 2018</u>	<u>July 1, 2017</u>
A. <u>Participant Data (Exhibits 6 and 7)</u>		
Active Plan Members	6,353	6,394
Retired Participants and Beneficiaries	1,396	1,412
Terminated Vested Employees	<u>1,768</u>	<u>1,686</u>
Total Plan Participants	9,517	9,492
Annual Pension Earnings of Active Plan Members	\$377,071,151	\$375,867,293
 B. <u>Assets (Exhibit 5)</u>		
Market Value	\$365,519,275	\$343,858,032
Actuarial Asset Value	\$349,552,711	\$339,503,696
 C. <u>Liabilities</u>		
Present Value of Accumulated Plan Benefits for FASB-35 (Exhibit 4)	\$322,750,069	\$329,929,291
 D. <u>Funding Credit</u>		
Balance at Valuation Date (Exhibit 1)	\$7,474,336	\$6,418,271
 E. <u>Contribution Amounts (Exhibit 1)</u>		
Contribution to maintain funding Credit balance	\$17,699,697	\$15,927,615
Minimum Contribution	\$9,758,216	\$9,027,974

Note: The above contributions are calculated as payable at the June 30 Plan Year end. The above contributions should be discounted at the rate of 7.5% per annum (6.25% for 2018) for payment made before this date.

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

2018/2019 PLAN YEAR ACTUARIAL REPORT

Review of Costs

As shown in the Summary on page 1, the recommended range of Broward Health contributions for the 2018/2019 Plan Year is from \$9,758,216 (reflecting credit balance) to \$17,699,697 (prior to credit balance). These amounts have been calculated as payable at the June 30, 2019 Plan Year end. Exhibit 1 shows our development of the recommended contribution range.

The minimum funding amount has been determined in accordance with the State of Florida funding standards. As Broward Health's Plan is not subject to ERISA, any contribution at or above the \$9,758,216 minimum can be made for the 2018/2019 Plan Year.

For the 2018/2019 actuarial valuation, we have lowered the long-term annual investment return assumption to 6.25%. Our assumption for the periodic interest crediting rate to member cash balance accounts increases from 3.27% to 5.0% over the next 5 years. The assumed annual rate of participant salary increases has remained at 4.5%, and we have used the RP-2000 mortality table with generational projection using Scale BB, per recent Florida State Statutes.

Plan Assets

Exhibit 5 reflects the asset transactions and investment results during the last Plan Year. During this period, the market value of the Fund increased from \$343,858,032 to \$365,519,275. For actuarial valuation purposes, 3-year asset smoothing (reestablished as of July 1, 2012) is used, subject to a 90%-110% of market value corridor. As of July 1, 2018, the actuarial asset value was \$349,552,711.

As detailed in Section II of Exhibit 5, the Fund's Investment Yield for the 12-month period ending June 30, 2018 was 11.13% (compared to the 7.5% actuarial expectation for that same period).

For the 32 years ending June 30, 2018, the Fund's average Investment Yield was 8.80%. Currently, Fund assets are divided among nine (9) investment managers (Northern Trust, Harris, Fisher, Brown, SSGA, Westfield, Robert Baird, Invesco, and Wellington).

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

2018/2019 PLAN YEAR ACTUARIAL REPORT
(continued)

As shown in Section III of Exhibit 5, Plan assets were invested as of June 30, 2018 approximately as follows: 60% equities, 15% fixed income, 24% other (real estate, hedge funds, venture capital and partnerships) and 3% in cash equivalents.

FASB ASC Topic 960

The components of the present value of accumulated Plan benefits are contained in Exhibit 4. This value represents the funds required as of the valuation date to provide in full the benefits earned to date by all Plan Participants.

The value of accumulated Plan benefits is \$322,750,069 as compared to Plan Assets (market value) of \$365,519,275. Thus, benefits earned to date are about 113% funded. The values of accumulated Plan benefits have been calculated in accordance with the American Academy of Actuaries' interpretation of the Accounting Principles Board and ASC Topic 960 purposes.

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 1

DETERMINATION OF CONTRIBUTION RANGE FOR 2018/2019 PLAN YEAR

I. Amortization Schedule

<u>Date of Establishment</u>	<u>Amortization Type</u>	<u>Original Balance</u>	<u>Amortization Period</u>	<u>Unrecognized Amount Remaining at 7/1/2018</u>	<u>Beginning of Year Annual Amortization</u>
7/1/1989	G	(1,915,736)	30 years	(160,524)	(160,524)
7/1/1989	P	(2,905,340)	30 years	(243,439)	(243,439)
7/1/1989	C	21,892,270	30 years	1,834,360	1,834,360
7/1/1990	P	2,084,294	30 years	336,109	173,145
7/1/1991	P	9,327,746	30 years	2,172,157	768,361
7/1/1991	P	941,972	30 years	219,354	77,593
7/1/1994	A	4,598,471	30 years	1,916,939	369,787
7/1/1996	A	(535,036)	30 years	(276,501)	(42,323)
7/1/1996	P	(4,635,385)	30 years	(2,395,440)	(366,662)
7/1/1999	P	4,522,981	30 years	2,892,811	349,639
7/1/2001	P	26,865,687	30 years	18,980,902	2,047,540
7/1/2007	A	979,099	30 years	835,766	71,880
7/1/2008	A	5,572,876	30 years	4,859,394	406,872
7/1/2009	C	(18,159,723)	30 years	(16,142,679)	(1,318,771)
7/1/2009	A	162,235	30 years	144,215	11,782
7/1/2010	A	261,621	30 years	236,663	18,902
7/1/2011	A	169,793	30 years	156,050	12,206
7/1/2012	A	(17,476,977)	30 years	(16,295,963)	(1,250,438)
7/1/2014	A	4,916,330	30 years	4,707,666	349,099
7/1/2015	A	4,254,037	30 years	4,121,126	300,988
7/1/2016	A	(4,421,519)	30 years	(4,332,792)	(312,012)
7/1/2017	A	(6,012,014)	30 years	(5,953,871)	(423,170)
7/1/2018	A	39,222,392	30 years	39,222,392	2,753,975
				36,834,696	5,428,790

AMORTIZATION TYPES:

- A: Adjustment for revision to actuarial assumption basis.
- P: Adjustment for Plan Benefit changes.
- C: Adjustment for change in actuarial cost method.
- G: Adjustment for actuarial experience gains.

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 1

DETERMINATION OF CONTRIBUTION RANGE FOR 2018/2019 PLAN YEAR
(continued)

II. <u>Reconciliation of Minimum Contribution requirement through Plan Year ending June 30, 2018</u>	
A. Accumulated Credit Balance at 7/1/2017	\$ 6,418,271
B. Charges for 2017/2018	
1. Normal Cost	\$ 12,150,666
2. Net Amortization	2,665,720
3. Interest at 7.5% on B(1) and B(2)	<u>1,111,229</u>
4. Total	\$15,927,615
C. Credits from 7/1/2017 to 6/30/2018	
1. Hospital Contributions	16,010,262
2. Interest at 7.5% on (A) and C(1)	<u>973,418</u>
3. Total	\$16,983,680
D. Accumulated Credit Balance as of 6/30/2018	\$ 7,474,336
III. <u>Minimum Deposit for 2018/2019</u>	
A. Normal Cost (Exhibit 2)	\$ 11,229,748
B. Amortization	5,428,790
C. Credit Balance at 7/1/2018	<u>7,474,336</u>
D. Minimum Deposit, payable 6/30/2019 (A) + (B) - (C), times 1.0625	\$ 9,758,216*

*The contribution necessary to maintain the Credit Balance (C) with interest is \$17,699,697.

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 2

DETERMINATION OF REMAINING UNFUNDED SUPPLEMENTAL
PRESENT VALUE, AND NORMAL COST AS OF THE 2018 VALUATION DATE

I. <u>Remaining Unfunded Supplemental Present Value</u>	
A. Remaining Unfunded Supplemental Present Value as of 7/1/2017	\$ 0
B. <u>plus</u> Normal Cost for the 2017/2018 Plan Year	12,150,666
C. <u>plus</u> Interest at 7.5% on (A) and (B)	911,300
D. <u>less</u> Hospital Contributions applied for the 2017/2018 Plan Year	16,010,262
E. <u>less</u> Interest at 7.5% on (D)	492,048
F. Adjustment for actuarial assumption and method changes	<u>39,222,392</u>
G. Remaining Unfunded Supplemental Present Value as of 6/30/2018	\$ 35,782,048
II. <u>Normal Cost</u>	
A. Present Value of Projected Benefits as of 7/1/2018	\$453,492,510
B. Actuarial Value of Assets as of 7/1/2018 (Exhibit 5)	349,552,711
C. Remaining Unfunded Supplemental Present Value as of 7/1/2018 (I(G) above)	<u>35,782,048</u>
D. Present Value of Future Normal Cost	\$ 68,157,751
E. Present Value of Future Salaries Funding Factor	7.26127
F. Preliminary Broward Health Normal Cost (D) ÷ (E)	\$ 9,386,477
G. Annual Expense Allowance, discounted for ½ year	\$ 1,843,271
H. Hospital Normal Cost, calculated as payable on July 1, 2018 (F) plus (G)	\$ 11,229,748

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 3

SCHEDULE OF PLAN FUNDING PROGRESS
UNDER GASB STATEMENT #27

Analysis of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll* (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
July 1, 2014	294,294,718	320,130,468	25,835,750	91.9%	351,806,081	7.3%
July 1, 2015	322,975,136	329,547,484	6,572,348	98.0%	353,295,572	1.9%
July 1, 2016	333,630,387	332,090,249	(1,540,138)	100.5%	376,440,867	N/A
July 1, 2017	339,503,696	330,956,929	(8,546,767)	102.6%	375,867,293	N/A
July 1, 2018	349,552,711	356,248,765	(6,696,054)	98.1%	377,071,151	1.8%

*The number of pay periods including in the Covered Payroll amount are as follows:

<u>Valuation Date</u>	<u># of Pay Periods</u>
July 1, 2014	26
July 1, 2015	26
July 1, 2016	27
July 1, 2017	26
July 1, 2018	26

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 4

SUMMARY OF VESTED BENEFITS FOR ASC TOPIC 960
PURPOSES AS OF JULY 1, 2018

Present Value of Vested Accumulated Plan Benefits

(1)	Liability for Vested Accumulated Retirement Benefits for Actives	\$162,096,078
(2)	Liability for Inactive Participants	<u>154,886,953</u>
(3)	Value of Vested Accumulated Plan Benefits (1) + (2)	\$316,983,031
(4)	Market Value of Assets	\$365,519,275
(5)	Unfunded Vested Accrued Liability (3) - (4)	(48,536,244)

Present Value of Total Accumulated Plan Benefits \$322,750,069

The values of accumulated Plan benefits were determined in accordance with the American Academy of Actuaries Interpretations and FASB ASC Topic 960, and reflect the following actuarial assumptions:

- * Interest: 6.25% per annum, compounded annually.
- * Mortality: RP-2000 Mortality Table with generational projection using Scale BB.
- * Separation: Employees are assumed to terminate employment in accordance with turnover rates shown in Exhibit 9. Upon termination, deferred vested benefits are assumed payable to normal retirement age.
- * Salary Increases: None.
- * Retirement Age: Graduated rates from ages 55 to 70 as shown in Exhibit 9.

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 5

ASSET RESULTS

I. Summary of Asset Transactions

	AXA Equitable Fixed	AXA Equitable Short-Term	Robert Baird 2282570	Invesco Real Estate 2292984	Harris 2211801	Fisher 2251364	Fisher 2253348	Hedge 2211802
Value of Account as of 7/1/2017	4,058.00	2,243,073.86	53,955,636.06	32,013,085.13	40,016,700.54	33,623,671.79	23,600,215.25	15,435,202.37
<u>Receipts</u>								
Hospital Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income received	0.00	36,833.18	1,824,176.46	1,054,994.16	912,109.67	409,013.10	838.67	177.76
Unrealized g/l	0.00	0.00	(1,668,068.96)	886,753.57	(488,409.45)	592,981.33	1,515,149.62	464,196.18
Realized g/l	0.00	0.00	(233,851.43)	0.00	4,124,478.40	3,795,421.74	(389,306.18)	0.00
Accrued income	0.00	0.00	12,067.15	21,365.00	(11,940.48)	4,445.61	(52.52)	(0.00)
Transfers from other accounts	<u>0.00</u>	<u>10,600,000.00</u>	<u>3,500,000.00</u>	<u>378,347.99</u>	<u>5,500,000.00</u>	<u>5,000,000.00</u>	<u>0.00</u>	<u>0.00</u>
Total Receipts	0.00	10,636,833.18	3,434,323.22	2,341,460.72	10,036,238.14	9,801,861.78	1,126,629.59	464,373.94
<u>Disbursements</u>								
Transfers to other accounts	0.00	1,989,738.17	1,500,000.00	0.00	8,500,000.00	8,000,000.00	60,116.30	3,185,503.67
Annuity payments/Benefit payments	4,058.00	10,841,617.87	0.00	0.00	0.00	0.00	0.00	0.00
Fees	0.00	48,551.00	66,958.27	5,268.29	196,263.82	278,000.24	2,140.35	13.09
Accrued expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Disbursements	4,058.00	12,879,907.04	1,566,958.27	5,268.29	8,696,263.82	8,278,000.24	62,256.65	3,185,516.76
Value of Account as of 6/30/2018	0.00	0.00	55,823,001.00	34,349,277.56	41,356,674.86	35,147,533.33	24,664,588.19	12,714,059.55

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 5

ASSET RESULTS
(continued)

I. Summary of Asset Transactions

	Private Equity 2292824	Northern Distribution (pension cash account) 2205064	Wellington 2253347	Westfield 2218243	Brown 2200636	SSGA 22141196	Total
Value of Account as of 7/1/2017	17,219,958.53	5,137,942.04	25,128,300.90	28,838,924.42	34,060,414.71	32,580,848.41	343,858,032.01
<u>Receipts</u>							
Hospital Contributions	0.00	16,010,261.83	0.00	0.00	0.00	0.00	16,010,261.83
Income received	188,698.91	28,801.21	516,459.80	268,496.08	175,499.24	0.00	5,416,098.24
Unrealized g/l	(697,967.37)	0.00	984,417.17	2,467,869.11	7,719,796.69	4,866,080.50	16,642,798.39
Realized g/l	2,913,650.56	51,925.71	44,839.74	4,703,406.42	2,123,564.85	5,498.51	17,139,628.32
Accrued income	(496.55)	583.77	(13,159.06)	8,791.60	(3,179.80)	(5,262.06)	13,162.66
Transfers from other accounts	<u>545,000.00</u>	<u>22,347,613.81</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>47,870,961.80</u>
Total Receipts	2,948,885.55	38,439,186.33	1,532,557.65	7,448,563.21	10,015,680.98	4,866,316.95	103,092,911.23
<u>Disbursements</u>							
Transfers to other accounts	2,890,426.43	21,145,141.84	35.39	300,000.00	300,000.00	0.00	47,870,961.80
Annuity payments/Benefit payments	0.00	20,883,815.71	0.00	0.00	0.00	0.00	31,729,491.58
Fees	1,197.65	564,661.74	180,136.36	283,682.11	187,873.82	21,730.53	1,836,477.27
Accrued expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(5,262.06)</u>	<u>(5,262.06)</u>
Total Disbursements	2,891,624.08	42,593,619.29	180,171.75	583,682.11	487,873.82	16,468.47	81,431,668.59
Value of Account as of 6/30/2018	17,277,220.00	983,509.08	26,480,686.80	35,703,805.52	43,588,221.87	37,430,696.89	365,519,274.64

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH
EXHIBIT 5

ASSET RESULTS
(continued)

II. Investment Yield Related To Mean Market Value

Plan Year Ending <u>June 30</u>	Trust Fund <u>Yield</u>	<u>Assumed</u>
1987	9.317	8.0
1988	8.510	8.0
1989	11.834	8.0
1990	11.740	8.0
1991	8.688	8.0
1992	11.351	8.0
1993	10.727	8.0
1994	(1.499)	8.0
1995	16.914	8.5
1996	16.286	8.5
1997	21.833	8.5
1998	25.615	8.5
1999	14.948	8.5
2000	5.615	8.5
2001	1.395	8.5
2002	(5.301)	8.5
2003	2.514	8.5
2004	11.211	8.5
2005	6.699	8.5
2006	10.874	8.5
2007	16.541	8.5
2008	(0.513)	8.5
2009	(22.166)	8.5
2010	13.025	8.5
2011	25.260	8.5
2012	(0.19)	8.5
2013	14.64	8.0
2014	19.17	8.0
2015	5.55	8.0
2016	(0.38)	7.5
2017	13.96	7.5
2018	11.13	7.5
Average (1987-2018)	8.80	8.23

NOTE: Investment Yield in Mean Market Value is calculated by the following formula:

$$\text{Rate of return} = \frac{2I}{A + B - I}, \text{ where:}$$

I = Amount of Investment Return
A = Account Value at beginning of year
B = Account Value at end of year

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 5
(continued)

ASSET RESULTS

III. Investment by fund type and money manager as of June 30, 2018 (includes accrued interest):

	Robert Baird 2282570	Invesco Real Estate 2292984	Harris 2211801	Fisher 2251364	Fisher 2253348	Hedge 2211802	Private Equity 2292824
Fixed Income	55,098,184	0	0	0	0	0	0
Other*	0	34,143,049	0	0	24,721,535	12,714,060	17,044,632
Equity	0	0	40,997,077	35,091,233	0	0	0
Cash Equivalents**	724,817	206,229	359,598	56,300	-56,947	0	232,588
Total	55,823,001	34,349,278	41,356,675	35,147,533	24,664,588	12,714,060	17,277,220
	Northern Distribution (pension cash account) 2205064	Wellington 2253347	Westfield 2218243	Brown 2200636	SSGA 22141196	Total	
Fixed Income	0	0	0	0	0	55,098,184	
Other*	0	0	0	0	0	88,623,275	
Equity	0	26,586,858	35,349,885	41,976,936	37,436,190	217,438,178	
Cash Equivalents**	983,509	-106,171	353,921	1,611,286	-5,493	4,359,637	
Total	983,509	26,480,687	35,703,806	43,588,222	37,430,697	365,519,275	

* Other Classified assets include Real Estate, Hedge Funds, Venture Capital and Partnerships

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 5
(continued)

Actuarial Value of Assets

The Actuarial Value of Assets is equal to the Market Value of Assets less a decreasing fraction of the investment gain or loss for each of the two immediately preceding plan years, but not less than 90% nor greater than 110% of the Market Value of Assets. The assumed interest rate used to determine the expected investment return is 7.5%. The Actuarial Value of Assets as of July 1, 2018 is determined below.

	<u>Development of Investment Gain/(Loss)</u>	
	PYE2017 (a)	PYE2018 (b)
1. Market Value of Assets as of beginning of plan year	\$314,298,979	\$343,858,032
2. Contributions for plan year	17,000,000	16,010,262
3. Benefit payments and administrative expenses during plan year	29,683,333	33,862,373
4. Market Value of Assets as of end of plan year	343,858,032	365,519,275
5. Investment return during plan year [(4) – (1) – (2) + (3)]	42,242,386	39,694,354
6. Expected investment return during plan year based on assumed interest rate	23,105,397	25,132,002
7. Investment gain or (loss)	19,136,989	14,381,352
8. Actuarial Value of Assets as of July 1, 2018 [(4b) – 2/3 x (7b) – 1/3 x (7a), but not less than 90% nor greater than 110% of (4b)]		349,552,711

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 6

STATISTICS ON PLAN PARTICIPANTS AS OF 7/1/2018

Numbers Covered

Actives	6,353
Retired Employees & Beneficiaries	1,396
Vested Terminations	1,768*

* Includes 1,264 vested terminated with a cash balance account for lump sum settlement

Averages Relating to Active Employees

Earnings	\$62,279
----------	----------

5-Year Comparison of Actual and Assumed Salary Increases:

<u>Year Ended</u>	<u>Actual</u>	<u>Assumed</u>
June 30, 2014	5%	4.0%
June 30, 2015	3%	4.5%
June 30, 2016	4%	4.5%
June 30, 2017	4%	4.5%
June 30, 2018	2%	4.5%

Age	47.5
Past Service	10.9

Averages Relating to Retired Employees and Beneficiaries

Age	75.0
Annual Benefit	\$8,446

Averages Relating to Vested Terminated Employees

Age	53.7
Annual Benefit	\$4,129
Cash Balance Account	\$25,503

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 7

DISTRIBUTION OF EMPLOYEES BY AGE AND SERVICE

Number of Participants by Age and Service Groups

Years of Service

Age	<u>Years of credited service</u>										Total	
	<u>Under 1</u>	<u>1 to 4</u>	<u>5 to 9</u>	<u>10 to 14</u>	<u>15 to 19</u>	<u>20 to 24</u>	<u>25 to 29</u>	<u>30 to 34</u>	<u>35 to 39</u>	<u>40 & up</u>		
Under 25	*	57	-	-	-	-	-	-	-	-	-	61
25 to 29	25	464	22	*	-	-	-	-	-	-	-	512
30 to 34	*	527	151	44	-	-	-	-	-	-	-	739
35 to 39	*	387	154	130	*	-	-	-	-	-	-	704
40 to 44	*	258	151	160	67	*	-	-	-	-	-	659
45 to 49	*	234	167	156	112	53	23	-	-	-	-	747
50 to 54	*	226	178	171	140	66	64	*	-	-	-	864
55 to 59	*	156	161	181	159	97	81	56	39	-	-	932
60 to 64	*	91	93	154	130	67	88	41	64	*	*	746
65 to 69	*	29	44	72	73	24	34	*	*	*	*	324
70 & up	-	*	*	20	*	*	*	*	*	*	*	65
Total	86	2,440	1,133	1,089	709	317	294	135	123	27		6,353

Age	<u>Average Compensation by Age and Service Groups</u>										Total	
	<u>Under 1</u>	<u>1 to 4</u>	<u>5 to 9</u>	<u>10 to 14</u>	<u>15 to 19</u>	<u>20 to 24</u>	<u>25 to 29</u>	<u>30 to 34</u>	<u>35 to 39</u>	<u>40 & up</u>		
Under 25	*	45,925	-	-	-	-	-	-	-	-	-	44,099
25 to 29	6,933	57,251	36,417	*	-	-	-	-	-	-	-	53,837
30 to 34	*	55,174	47,339	38,657	-	-	-	-	-	-	-	51,488
35 to 39	*	62,159	54,249	54,767	*	-	-	-	-	-	-	57,316
40 to 44	*	66,519	54,924	55,944	62,648	*	-	-	-	-	-	59,508
45 to 49	*	64,040	63,521	61,728	70,380	68,343	65,622	-	-	-	-	64,574
50 to 54	*	62,946	56,728	61,610	64,759	80,342	74,433	*	-	-	-	63,908
55 to 59	*	71,625	64,387	60,189	68,675	73,914	78,808	72,583	69,892	-	-	68,344
60 to 64	*	72,581	63,425	66,564	69,514	77,549	76,413	80,374	73,509	*	*	70,658
65 to 69	*	94,943	63,537	63,382	68,351	74,242	81,453	*	*	*	*	72,085
70 & up	-	*	*	74,627	*	*	*	*	*	*	*	70,301
Total	8,890	61,607	57,571	59,837	66,813	74,381	75,964	76,873	71,951	61,810		62,279

* If there are fewer than 20 participants in a cell, the average compensation is not reported

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 7 (continued)

DISTRIBUTION OF INACTIVE PARTICIPANTS BY AGE

Terminated Vested Participants

<u>Age</u>	<u>Participants with Deferred Annuity</u>		<u>Participants with Cash Balance</u>	
	<u>Count</u>	<u>Monthly Benefits</u>	<u>Count</u>	<u>Account Balance</u>
< 30	0	\$0	11	\$81,769.38
30 - 34	1	196	90	1,080,279
35 - 39	1	108	138	2,114,116
40 - 44	0	0	136	2,505,653
45 - 49	20	2,985	215	5,062,642
50 - 54	65	16,222	207	5,426,660
55 - 59	122	44,142	213	6,553,278
60 - 64	169	74,841	158	5,632,481
65 & Up	<u>126</u>	<u>34,941</u>	<u>96</u>	<u>3,779,310</u>
Total	504	\$173,436	1,264	\$32,236,189

Participants in Pay Status

<u>Age</u>	<u>Number of Participants</u>	<u>Monthly Benefit Amount</u>
< 55	1	\$671
55 - 59	10	2,994
60 - 64	73	26,939
65 - 69	324	229,921
70 - 74	369	290,549
75 - 79	284	236,986
80 - 84	171	109,488
85 - 89	103	54,971
90 & Up	<u>61</u>	<u>30,010</u>
Total	1,396	\$982,527

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 7 (continued)

DATA RECONCILIATION

The change in participation from July 1, 2017 to July 1, 2018 is shown below.

	Active <u>Employees</u>	Terminated Vested <u>Participants</u>	<u>Retirees</u>	<u>Beneficiaries</u>	<u>Total</u>
Participants as of July 1, 2017	6,394	1,686	1,380	32	9,492
Terminated non-vested	(350)	0	0	0	(350)
Terminated vested	(249)	249	0	0	0
Died without beneficiary	(2)	(16)	(50)	(5)	(73)
Died with beneficiary	(1)	(6)	(1)	0	(8)
Retired	(8)	(21)	29	0	0
Received lump sum distribution	(253)	(122)	0	0	(375)
Benefit expired	0	0	0	(1)	(1)
New participants or beneficiaries during plan year	810	8	0	12	830
Rehired	12	(12)	0	0	0
Data Corrections	<u>0</u>	<u>2</u>	<u>(1)</u>	<u>1</u>	<u>2</u>
Participants as of July 1, 2018	6,353	1,768	1,357	39	9,492

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 8

PRINCIPAL PLAN PROVISIONS

Official Plan Name:	Pension Plan for Employees of Broward Health
Source of Plan:	Separate plan document
Effective Date:	July 1, 1966
Effective Date of Latest Benefit Change considered in Actuarial Valuation:	December 1, 2000
Eligibility:	Any individual whose employment is classified as either full-time eligible or part-time eligible after later of (a) and (b): (a) 1 year of eligibility service (b) Attainment of age 21
Accounting Year:	July 1 through June 30
Compensation:	Total base salary inclusive of amounts deferred. Bonus pay, overtime pay and any other type of additional remuneration is excluded for Plan benefit purposes.
Retirement Dates:	
Normal	First of month coinciding with or next following 65th birthday.
Early	First of any month after employee has attained age 55 and completed 5 years of vesting service.

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 8

PRINCIPAL PLAN PROVISIONS
(continued)

Retirement Benefit at

Normal Retirement Date:

Benefit provided by the Member's Cash Balance Account. Future Service Credits are accrued at the rate of 5% of the Member's Compensation. Certain additional credits are provided to vested members under the prior plan. The annual periodic adjustment to the Member's Account is based on the 1-year Treasury Bill yield for the May preceding each July 1 Plan anniversary date, plus 1% (an initial credit of 6.5% per annum shall apply for the period January 1, 1997 to June 30, 1997). Minimum annuity based on prior plan accrued benefit as of December 31, 1996. Participants who were age 45 and vested as of January 1, 1997 entitled to minimum prior plan 2% career-average earnings pension if terminate prior to June 30, 2007.

History of Cash Balance

Interest Rate Credits:

<u>Plan Year</u> <u>Beginning</u>	<u>Interest</u> <u>Rate</u>
July 1, 1999	7.85%
July 1, 2000	7.33%
July 1, 2001	4.78%
July 1, 2002	3.35%
July 1, 2003	2.18%
July 1, 2004	2.78%
July 1, 2005	4.33%
July 1, 2006	6.00%
July 1, 2007	5.91%
July 1, 2008	3.05%
July 1, 2009	1.50%
July 1, 2010	1.37%
July 1, 2011	1.19%
July 1, 2012	1.19%
July 1, 2013	1.12%
July 1, 2014	1.10%
July 1, 2015	1.24%
July 1, 2016	1.59%
July 1, 2017	2.12%
July 1, 2018	3.27%

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 8

PRINCIPAL PLAN PROVISIONS
(continued)

Form of Annuity:

Normal Actuarial Equivalent Life Annuity based on Member's Account.

Optional Lump Sum of Member's Account. Additionally, the Plan provides various actuarial equivalent Joint and Survivor and Certain & Life annuity options.

Active Member Death Benefit
Before Retirement Date:

Benefit provided by the Member's Account (100% automatic vesting).

Active Member Disability Benefit
Before Retirement Date:

Benefit provided by the Member's Account (100% automatic vesting).

Vesting:

100% Vesting after completion of 5 years of vesting service. A vested member may elect to receive an immediate lump sum cash-out of their Account Balance or defer receipt of Account benefits until retirement.

Actuarial Equivalence:

Cash Balance Accounts are converted to annuity amounts using the annual rate of interest on 1-year Treasuries and the mortality table established by IRC Section 417(e)(3), each as in effect for the month of May preceding Plan Year in which any payment is made.

Plan changes since prior
(July 1, 2015) actuarial valuation:

None

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 9

VALUATION BASIS

A. Actuarial Assumptions and Methods

Funding method	Entry Age Normal with Frozen Initial Liability Modification.
Investment return	6.25% per annum, compounded annually.
Mortality	RP-2000 Mortality Table with generational projection using Scale BB.

Terminations Table of Select and Ultimate Withdrawal Rates

<u>Age</u>	<u>Withdrawal (based on years of service)</u>			
	<u>< 2</u>	<u>2 – 4</u>	<u>5 – 9</u>	<u>10+</u>
20	0.2519	0.1987	0.2100	0.1225
25	0.3044	0.2400	0.1814	0.1225
30	0.2605	0.1901	0.1175	0.0678
35	0.2349	0.1543	0.1001	0.0703
40	0.2227	0.1449	0.0841	0.0581
45	0.2167	0.1326	0.0815	0.0522
50	0.2184	0.1246	0.0745	0.0489
55	0.1893	0.1095	*	*
60	0.1908	0.1098	*	*

* Retirement eligible – see below

Retirement Rates	<u>Age</u>	<u>Probability of Retirement</u>
	55	10%
	56-58	6%
	59-60	10%
	61	15%
	62	25%
	63-64	20%
	65	40%
	66-69	30%
	70+	100%

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 9

VALUATION BASIS
(continued)

Salary increases	Annual increases of 4.5%. The most recent Plan Year pay was adjusted to reflect an extra pay period during the year.
Expenses	Annual expense allowance of \$1,900,000
Form of Payment	100% of cash balance accounts are paid as a lump sum; deferred vested participants without a cash balance account are assumed to elect a single life annuity
Funding group	All active participants in the Plan, retired members (including beneficiaries), and terminated vested employees. For Plan liability purposes, employees who have not yet satisfied the age and service participation requirements are included.

Cash Balance Interest Credits

Plan Year Beginning	Interest Rate
July 1, 2018	3.27% [actual]
July 1, 2019	3.34% [actual]
July 1, 2020	3.50%
July 1, 2021	4.00%
July 1, 2022	4.50%
July 1, 2023+	5.00%

Changes since the prior valuation

The cash balance interest crediting rate for the Plan Year beginning July 1, 2018 was updated to reflect the most current interest rate environment.

The expected retirement age for terminated vested participants with a cash balance benefit was updated to reflect expected plan experience.

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 9

VALUATION BASIS
(continued)

B. Rationale for Significant Assumptions

Investment Return: We use a proprietary building block model as the basis for developing a distribution of long-term rates of return on plan assets as described in ASOP 27. The Milliman Expected Return Model generates expected future rates of returns from expectations and/or marginal distributions for each of the following components:

- Percentage allocations to various asset classes;
- Assumed rates of inflation;
- Projected real returns over some horizon; and
- Plan specific adjustments.

This actuarial valuation utilizes an investment return of 6.25%, which was selected based on the target asset allocation provided by the Plan's investment advisor and the 50th percentile return using Milliman's Expected Return Model.

Mortality: Per Florida State Statute, the mortality assumption is the same as that used for the most recently published actuarial valuation report of the Florida Retirement System.

Salary Increases: The assumed annual salary increase is based on annual reviews of actual experience as well as guidance from the Plan Sponsor.

Retirement and Termination Rates: Under actuarial standards, a regular review of the actuarial assumptions along with consideration of future economic expectations helps to ensure that they accurately reflect expected future experience. Certain assumptions, such as retirement age and turnover rates, usually will not be revised or reviewed for several valuation cycles.

The current retirement and termination assumptions are based on actual plan experience as measured in a prior experience study. Additionally, the retirement rates are reviewed each year in comparison with actual retirements. A full experience study for retirement and termination rates is recommended to the Plan Sponsor for 2018. We believe the retirement and termination assumptions selected are reasonable for the contingency they are measuring and they are not anticipated to produce significant cumulative gains or losses (nor have they in the recent past).

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 9

VALUATION BASIS
(continued)

C. Basis of Valuation of Assets

Fund balance in the market value of assets invested at Northern Trust, Harris, Robert Baird, Invesco, Fisher, Brown, SSGA, Wellington, and Westfield, as of June 30, 2018.

The asset valuation method is a three (3)-year smoothing method as shown in IRS Notice 2009-22, subject to a 90% to 110% corridor of the actual market value.

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 10

GLOSSARY OF TERMS

Actuarial Assumption - Estimates made by the actuary of future events that will determine the cost of a retirement plan. Such assumptions include the future investment return on Plan assets, annual rate of employee earnings increases, and incidence of turnover, mortality, disability, and retirement.

Actuarial Cost Method - The guidelines established for the funding of a defined benefit pension plan. There are several actuarial cost methods commonly used to value pension plans. The essential distinguishing characteristics of these methods are (1) the implicit assumptions made as to incidence and funding of plan costs, and (2) the treatment of actuarial gains and losses.

Actuarial Gain or Loss - As actual Plan experience emerges, the difference between what has occurred and what was assumed to occur. Experience that tends to increase future Plan costs (either as a percentage of pay or cost per employee) is termed an "actuarial loss". It must be noted that increases in Plan dollar costs may result from expected employee earnings increases. This is not considered an actuarial loss. Experience that tends to decrease future Plan costs is termed an "actuarial gain".

Credit Balance – The cumulative amount of employer contributions in excess of the normal cost plus amortization of each plan year.

Entry Age Normal Cost Method with Frozen Initial Supplemental Present Value.

Normal Cost, and Supplemental Present Value - Under the frozen supplemental present value variation of the entry age normal cost method, the future funding of projected benefit costs is allocated between a supplemental present value, also known as the unfunded accrued liability, and future normal costs. The method is founded on the assumption that the employer will pay the normal cost of the Plan each year on a regular basis, and the supplemental present value will be funded on a more discretionary basis.

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

EXHIBIT 10

GLOSSARY OF TERMS
(continued)

The supplemental present value is deemed "frozen" because it is not affected by the experience of the Plan. Experience gains and losses are spread over the aggregate future service of active members, and reflected in the normal cost of the Plan.

In the initial application of the method, the normal cost is determined for the employee group as follows:

The employee group covered by the Plan on the initial valuation date is assumed to have entered the Plan under the same conditions that apply to future Plan entrants. Each employee's salary is assumed to have increased to its present level from the assumed entry date according to the salary increase assumption in the valuation.

The annual normal cost assigned to each year of each employee's career is calculated as a level amount (percentage of earnings) which, if paid each year, will accumulate to the present value of the employee's pension at his assumed retirement age.

The initial supplemental present value is then defined as the excess of the total present value (actuarial value of all projected benefits) on the valuation date over the present value of future normal cost contributions. The supplemental present value less the value of initial Plan assets is set up as the initial unfunded supplemental present value.

In subsequent years, the unfunded supplemental present value is carried forward at interest and reduced by contribution in excess of accrued future normal costs.

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APPENDIX
INFORMATION FOR FLORIDA STATUTES

PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

Statement By Enrolled Actuary

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



Anthony Nardis, A.S.A., E.A.

September 30, 2019

Date

17-7017

Enrollment I.D. Number

PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

Comparative Summary of Principal Valuation Results

	<u>July 1, 2018</u> <u>Valuation</u>	<u>July 1, 2017</u> <u>Valuation</u>
A. Participant Data		
Active member	# <u>6,353</u>	# <u>6,394</u>
Total annual payroll	\$ <u>377,071,151</u>	\$ <u>375,867,293</u>
Retired members and beneficiaries (other than disabled)	# <u>1,396</u>	# <u>1,412</u>
Total annualized benefit	\$ <u>11,790,324</u>	\$ <u>11,897,712</u>
Disabled members receiving benefits	# <u>N/A</u>	# <u>N/A</u>
Total annualized benefit	\$ <u>N/A</u>	\$ <u>N/A</u>
Terminated vested who have not attained retirement	# <u>1,768</u>	# <u>1,686</u>
Total annualized benefit	\$ <u>2,081,232</u>	\$ <u>2,198,400</u>
B. Assets		
Actuarial value of assets	\$ <u>349,552,711</u>	\$ <u>339,503,696</u>
Market value of assets	\$ <u>365,519,275</u>	\$ <u>343,858,032</u>
C. Liabilities		
Present value of all future expected benefit payments:		
Active members		
Retirement benefits	\$ <u>242,383,104</u>	\$ <u>218,136,861</u>
Vesting benefits	\$ <u>50,733,263</u>	\$ <u>44,808,314</u>
Disability benefits	\$ <u>N/A</u>	\$ <u>N/A</u>
Death benefits	\$ <u>5,489,190</u>	\$ <u>5,162,495</u>
Return of contribution	\$ <u>0</u>	\$ <u>0</u>
Total	\$ <u>298,605,558</u>	\$ <u>268,107,671</u>
Terminated vested members	\$ <u>48,003,369</u>	\$ <u>38,094,078</u>
Retired members and beneficiaries:		
Retired (other than disabled) and beneficiaries	\$ <u>106,883,583</u>	\$ <u>100,654,824</u>
Disabled members	\$ <u>N/A</u>	\$ <u>N/A</u>
Total	\$ <u>106,883,583</u>	\$ <u>100,654,824</u>
Liability Loading	\$ <u>N/A</u>	\$ <u>N/A</u>
Total present value of all future expected benefit payments	\$ <u>453,492,510</u>	\$ <u>406,856,574</u>
Liabilities due and unpaid	\$ <u>0</u>	\$ <u>0</u>
*Actuarial accrued liability(ies)	\$ <u>35,782,048</u>	\$ <u>0</u>
*Unfunded actuarial accrued liability(ies)	\$ <u>35,782,048</u>	\$ <u>0</u>
*Refers to liabilities not funded by future normal cost contributions. Show amount date and amortization period at establish- ment, and current amount of each such liability not amortized.	(See last page of Appendix)	

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

Comparative Summary of Principal Valuation Results

	<u>July 1, 2018</u> <u>Valuation</u>	<u>July 1, 2017</u> <u>Valuation</u>
D. Actuarial present value of accrued benefits (To be determined in accordance with 1 and 2 below)		
Statement of actuarial value of all accrued benefits		
Vested accrued benefits		
Inactive members and beneficiaries	<u>\$ 154,886,953</u>	<u>\$ 138,748,903</u>
Active members	<u>\$ 162,096,078</u>	<u>\$ 182,865,192</u>
Total value of all vested accrued benefits	<u>\$ 316,983,031</u>	<u>\$ 321,614,095</u>
Non-vested accrued benefits	<u>\$ 5,767,038</u>	<u>\$ 8,315,196</u>
Total actuarial present value of all accrued benefits	<u>\$ 322,750,069</u>	<u>\$ 329,929,291</u>
Statement of changes in total actuarial present value of all accrued benefits		
Actuarial present value of accrued benefits at beginning of year	<u>\$ 329,929,291</u>	<u>\$ 333,550,945</u>
Increase (decrease) during year attributable to (where applicable):		
Plan amendment	<u>\$ 0</u>	<u>\$ 0</u>
Changes in actuarial assumptions	<u>\$ 20,237,746</u>	<u>\$ (5,198,398)</u>
Increase for interest and probability of payment due to decrease in discount period	<u>\$ 23,554,841</u>	<u>\$ 23,988,417</u>
Benefits paid	<u>\$ (31,729,492)</u>	<u>\$ (27,410,762)</u>
Other changes	<u>\$ (19,242,317)</u>	<u>\$ 4,999,089</u>
Net increase (decrease)	<u>\$ (4,179,222)</u>	<u>\$ (3,621,654)</u>
Actuarial present value of accrued benefits at end of year	<u>\$ 322,750,069</u>	<u>\$ 329,929,291</u>

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

Comparative Summary of Principal Valuation Results

	<u>July 1, 2018</u> <u>Valuation</u>	<u>July 1, 2017</u> <u>Valuation</u>
E. Pension Cost (specify applicable funding period)		
Normal cost (show cost for each benefit if so calculated and amount for administrative expenses, if applicable.)	<u>\$ 11,931,607</u> <u>@ 6/30/19</u>	<u>\$ 13,061,966</u> <u>@ 6/30/18</u>
Payment to amortize unfunded liability(ies)	<u>\$ 5,768,090</u> <u>@ 6/30/19</u>	<u>\$ 2,865,649</u> <u>@ 6/30/18</u>
Expected plan sponsor contribution (including normal cost, amortization payment and interest, as applicable)	<u>\$ 16,000,000*</u>	<u>\$ 16,000,000*</u>
As % of payroll**	<u>% 4.24</u>	<u>% 3.72</u>
Amount to be contributed by members	<u>\$ 0</u>	<u>\$ 0</u>
As % of payroll	<u>% 0</u>	<u>% 0</u>
F. Past Contributions		
For each period since last report:		
Required plan sponsor contribution	<u>\$ 9,027,974***</u>	
Required member contribution	<u>\$ 0</u>	
Actual contributions made by:		
Plan's sponsor	<u>\$ 16,502,310***</u>	
Members	<u>\$ 0</u>	
Other (e.g. Chapters 175 or 185, F.S.)	<u>\$ 0</u>	
G. Net actuarial gain (loss) (if applicable)	<u>N/A</u>	
H. Other disclosures (where applicable)		
Present value of active members:		
Future salaries		
at attained age	<u>\$3,312,243,457</u>	<u>\$2,917,006,839</u>
at entry age	<u>\$ N/A</u>	<u>\$ N/A</u>
Future contributions		
at attained age	<u>\$ 0</u>	<u>\$ 0</u>
at entry age	<u>\$ N/A</u>	<u>\$ N/A</u>
Present value of future contributions from other sources (identify)	<u>\$ 0</u>	<u>\$ 0</u>
Present value of future expected benefit payments for active members at entry age	<u>\$ N/A</u>	<u>\$ N/A</u>

*Deposited in quarterly installments

**Total Payroll for funding purposes (i.e., includes employees not yet eligible)

***Interest adjusted to June 30, 2018 Plan Year end

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH
COMPARISON OF ACTUAL AND EXPECTED RETIREMENTS
FOR THE PERIOD JULY 1, 2017 – JUNE 30, 2018

(1) <u>AGE</u> <u>@ 7/1/17</u>	(2) <u>Retirement</u> <u>Expectation</u> <u>Percentage*</u>	(3) <u>Number of</u> <u>Participants</u>	(4) <u>Expected</u> <u>Retirements</u>	(1)x(2) <u>Actual</u> <u>Retirements</u>
55	10%	198	19.8	13
56-58	6%	577	34.6	30
59-60	10%	362	36.2	17
61	15%	165	24.8	22
62	25%	148	37.0	18
63-64	20%	274	54.8	38
Total Early Retirement:		1,724	207.2	138

* See actuarial basis shown in Exhibit 9

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

Analysis of Change in Unfunded Actuarial Accrued Liability

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Plan Year <u>Beginning</u>	Unfunded actuarial accrued liability at beginning of previous year plus interest to date in (1)	Normal Cost for previous year plus interest to date in (1)	Contributions for previous plan year plus interest from date of payment to date in (1)	Unfunded actuarial accrued liability on date in (1) prior to any increases resulting from changes in plan, assumptions/method = (2) + (3) - (4)	Increases/Decreases in unfunded actuarial accrued liability due to changes in plan, assumptions/method	Actual unfunded actuarial accrued liability on date in (1) = (5)+(6)	Decrease during year ending on date in (1) in unfunded actuarial accrued liability due to contributions
7/1/66						1,092,130	
7/1/67	1,135,815	173,717	242,001	1,067,531		1,067,531	24,599
7/1/68	1,110,232	213,044	281,109	1,042,167		1,042,167	25,364
7/1/69	1,083,854	265,069	329,782	1,019,141		1,019,141	23,026
7/1/70	1,059,907	341,620	405,466	996,061		996,061	23,080
7/1/71	1,035,903	393,510	455,490	973,923		973,923	22,138
7/1/72	1,012,880	466,695	529,630	949,945	(453,239)	496,706	23,978
7/1/73	521,541	372,065	428,565	465,041		465,041	31,665
7/1/74	488,293	407,468	463,115	432,646		432,646	32,395
7/1/75	454,278	504,412	555,459	403,231	47,173	450,404	29,415
7/1/76	472,924	574,682	628,571	419,035	(419,035)	0	31,369
7/1/77	0	444,847	444,847	0		0	-
7/1/78	0	584,502	584,502	0		0	-
7/1/79	0	561,577	561,577	0	1,634,422	1,634,422	-
7/1/80	1,740,659	558,161	761,128	1,537,692	236,907	1,774,599	96,730
7/1/81	1,889,948	709,455	944,650	1,654,753	(1,441,475)	213,278	119,846
7/1/82	228,208	978,796	1,018,450	188,554		188,554	24,724
7/1/83	201,752	1,295,260	1,326,116	170,896	(170,896)	0	17,658
7/1/84	0	1,767,424	1,824,080	(56,656)	56,656	0	56,656
7/1/85	0	2,245,569	2,359,336	(113,767)	2,651,506	2,537,739	113,767
7/1/86	2,740,758	2,587,651	3,021,549	2,306,860		2,306,860	230,879
7/1/87	2,491,409	2,834,004	3,267,902	2,057,511	(15,253,212)	(13,195,701)	249,349
7/1/88	(14,251,357)	3,172,865	367,438	(11,445,930)	740,630	(10,705,300)	(1,749,771)
7/1/89	(11,561,724)	3,438,394	3,704,301	(11,827,631)	17,071,194	5,243,563	1,122,331
7/1/90	5,663,048	2,666,223	3,153,456	5,175,815	2,084,294	7,260,109	67,748

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

Analysis of Change in Unfunded Actuarial Accrued Liability

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Plan Year <u>Beginning</u>	Unfunded actuarial accrued liability at beginning of previous year plus interest to date in (1)	Normal Cost for previous year plus interest to date in (1)	Contributions for previous plan year plus interest from date of payment to date in (1)	Unfunded actuarial accrued liability on date in (1) prior to any increases resulting from changes in plan, assumptions/method = (2) + (3) - (4)	Increases/Decreases in unfunded actuarial accrued liability due to changes in plan, assumptions/method	Actual unfunded actuarial accrued liability on date in (1) = (5)+(6)	Decrease during year ending on date in (1) in unfunded actuarial accrued liability due to contributions
7/1/91	7,840,918	3,008,372	3,670,838	7,178,452	10,269,718	17,448,170	81,657
7/1/92	18,844,024	3,164,045	4,852,744	17,155,325		17,155,325	292,845
7/1/93	18,527,751	3,805,041	4,996,022	17,336,770		17,336,770	(181,445)
7/1/94	18,723,712	4,423,045	5,987,557	17,159,200	4,598,471	21,757,671	177,570
7/1/95	23,607,073	6,008,946	8,066,115	21,549,904		21,549,904	207,767
7/1/96	23,381,646	6,221,408	8,325,570	21,277,484	(5,170,421)	16,107,063	272,420
7/1/97	17,476,164	4,759,899	6,358,402	15,877,661		15,877,661	229,402
7/1/98	17,227,262	4,153,773	7,032,149	14,348,886		14,348,886	1,528,775
7/1/99	15,568,541	1,028,600	4,785,149	11,811,992	4,522,981	16,334,973	2,536,894
7/1/00	17,723,446	6,402	2,669,064	15,060,784		15,060,784	1,274,189
7/1/01	16,340,951	2,067,643	0	18,408,594	26,865,687	45,274,281	(3,347,810)
7/1/02	49,122,595	3,472,289	6,915,389	45,679,497		45,679,497	(405,216)
7/1/03	49,562,254	7,251,386	11,751,029	45,062,613		45,062,613	(616,884)
7/1/04	48,892,936	8,282,136	12,781,778	44,393,294		44,393,294	(669,319)
7/1/05	48,166,724	8,524,915	13,147,233	43,544,406		43,544,406	(848,888)
7/1/06	47,245,681	8,848,917	15,091,790	41,002,808		41,002,808	(2,541,598)
7/1/07	44,488,047	9,493,226	15,696,677	38,284,596	979,099	39,263,695	(2,718,212)
7/1/08	42,601,109	8,530,101	16,833,500	34,297,710	5,572,876	39,599,889	(4,965,985)
7/1/09	42,965,880	9,805,701	17,258,854	35,512,727	(17,997,488)	17,515,238	(4,087,162)
7/1/10	19,004,033	20,506,796	19,590,613	19,920,516	261,621	20,181,837	2,404,978
7/1/11	21,897,293	18,891,913	19,817,257	20,971,949	169,793	21,141,742	790,112
7/1/12	22,938,790	19,912,024	19,599,992	23,250,822	(17,476,977)	5,773,845	2,109,080
7/1/13	6,235,753	18,062,825	20,216,038	4,082,540		4,082,540	(1,691,305)
7/1/14	4,409,143	17,102,813	18,179,614	3,332,344	4,916,330	8,248,674	(750,196)
7/1/15	8,908,568	15,420,037	18,137,758	6,190,847	4,254,037	10,444,884	(1,395,534)
7/1/16	11,228,250	12,891,855	15,636,961	8,483,144	(4,421,519)	4,061,625	6,713,816
7/1/17	4,366,248	13,142,483	17,470,380	38,350	(6,012,014)	0	(2,432,780)
7/1/18	0	13,061,966	16,502,310	(3,440,344)	39,222,392	35,782,048	2,533,320

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PENSION PLAN FOR EMPLOYEES OF
BROWARD HEALTH

AMORTIZATION SCHEDULE - MINIMUM CONTRIBUTION BASIS

<u>Date of Establishment</u>	<u>Amortization Type</u>	<u>Original Balance</u>	<u>Beginning of Year Annual Amortization</u>	<u>Amortization Period</u>	<u>Unrecognized Amount Remaining at 7/1/2018</u>	<u>Unrecognized Amount Remaining at 7/1/2019</u>	<u>Unrecognized Amount Remaining at 7/1/2020</u>	<u>Unrecognized Amount Remaining at 7/1/2021</u>	<u>Unrecognized Amount Remaining at 7/1/2048</u>
7/1/1989	G	(1,915,736)	(160,524)	30 years	(160,524)	-	-	-	Fully Amortized
7/1/1989	P	(2,905,340)	(243,439)	30 years	(243,439)	-	-	-	Fully Amortized
7/1/1989	C	21,892,270	1,834,360	30 years	1,834,360	-	-	-	Fully Amortized
7/1/1990	P	2,084,294	173,145	30 years	336,109	173,149	-	-	Fully Amortized
7/1/1991	P	9,327,746	768,361	30 years	2,172,157	1,491,533	768,370	-	Fully Amortized
7/1/1991	P	941,972	77,593	30 years	219,354	150,622	77,593	-	Fully Amortized
7/1/1994	A	4,598,471	369,787	30 years	1,916,939	1,643,849	1,353,691	1,045,398	Fully Amortized
7/1/1996	A	(535,036)	(42,323)	30 years	(276,501)	(248,814)	(219,396)	(188,140)	Fully Amortized
7/1/1996	P	(4,635,385)	(366,662)	30 years	(2,395,440)	(2,155,577)	(1,900,722)	(1,629,938)	Fully Amortized
7/1/1999	P	4,522,981	349,639	30 years	2,892,811	2,702,120	2,499,510	2,284,238	Fully Amortized
7/1/2001	P	26,865,687	2,047,540	30 years	18,980,902	17,991,697	16,940,666	15,823,947	Fully Amortized
7/1/2007	A	979,099	71,880	30 years	835,766	811,629	785,983	758,734	Fully Amortized
7/1/2008	A	5,572,876	406,872	30 years	4,859,394	4,730,805	4,594,179	4,449,014	Fully Amortized
7/1/2009	C	(18,159,723)	(1,318,771)	30 years	(16,142,679)	(15,750,403)	(15,333,609)	(14,890,765)	Fully Amortized
7/1/2009	A	162,235	11,782	30 years	144,215	140,711	136,987	133,031	Fully Amortized
7/1/2010	A	261,621	18,902	30 years	236,663	231,371	225,749	219,775	Fully Amortized
7/1/2011	A	169,793	12,206	30 years	156,050	152,834	149,417	145,786	Fully Amortized
7/1/2012	A	(17,476,977)	(1,250,438)	30 years	(16,295,963)	(15,985,870)	(15,656,396)	(15,306,330)	Fully Amortized
7/1/2014	A	4,916,330	349,099	30 years	4,707,666	4,630,977	4,549,496	4,462,922	Fully Amortized
7/1/2015	A	4,254,037	300,988	30 years	4,121,126	4,058,897	3,992,779	3,922,528	Fully Amortized
7/1/2016	A	(4,421,519)	(312,012)	30 years	(4,332,792)	(4,272,078)	(4,207,570)	(4,139,029)	Fully Amortized
7/1/2017	A	(6,012,014)	(423,170)	30 years	(5,953,871)	(5,876,370)	(5,794,026)	(5,706,535)	Fully Amortized
7/1/2018	A	<u>39,222,392</u>	<u>2,753,975</u>	30 years	<u>39,222,392</u>	<u>38,747,693</u>	<u>38,243,325</u>	<u>37,707,434</u>	<u>Fully Amortized</u>
		69,710,074	5,428,790		36,834,696	33,368,775	31,206,027	29,092,067	Fully Amortized

AMORTIZATION TYPES:

- A: Adjustment for revision to actuarial assumption basis.
- P: Adjustment for Plan Benefit changes.
- C: Adjustment for change in actuarial cost method.
- G: Adjustment for actuarial experience gains.

This material assumes that the reader is familiar with the Broward Health's Pension Plan, its benefits eligibility, administration and other factors. The material was prepared solely to provide assistance to Broward Health towards meeting the Plan's actuarial funding requirements. It may not be appropriate for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. This material should only be received in its entirety. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.