

City of Sunrise Police Officer's Retirement System

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2022 Funding Actuarial
Valuation Report and the Plan's Financial Reporting for the Year
Ending September 30, 2022





October 9, 2023

Board of Trustees
City of Sunrise Police Officers' Retirement System
Sunrise, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Sunrise Police Officers' Retirement System (Plan) 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 System 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, 2022. 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 City and Plan Administrator 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 City and Plan Administrator.

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, 2022 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2022 actuarial valuation report. Please refer to the October 1, 2022 actuarial valuation report, dated April 30, 2023, 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.

Jeffrey Amrose and Trisha Amrose 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.

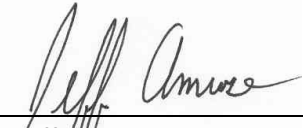
This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

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. 23-6599
Senior Consultant & Actuary


By 
Trisha Amrose, MAAA
Enrolled Actuary No. 23-8010
Consultant & Actuary



TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Ch. 112.664, F.S. Results	
Schedule of Changes in Net Pension Liability	
1. Using financial reporting assumptions per GASB Statement No. 67	1
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	2
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	3
4. Using the mandated mortality and funding interest rate +2%	4
Assets Versus Benefit Payments Projections	
1. Using assumptions per the Plan's latest Actuarial Valuation	5
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	6
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	7
4. Using the mandated mortality and funding interest rate +2%	8
Actuarially Determined Contribution	9

CH. 112.664, Florida Statutes

RESULTS

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

Fiscal year ending September 30,	<u>2022</u>
1. Total pension liability	
a. Service Cost	\$ 4,387,274
b. Interest	19,044,653
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,578,327
e. Assumption Changes	3,252,600
f. Benefit Payments	(8,857,041)
g. Contribution Refunds	(11,591)
h. Net Change in Total Pension Liability	<u>19,394,222</u>
i. Total Pension Liability - Beginning	<u>262,731,915</u>
j. Total Pension Liability - Ending	<u>\$ 282,126,137</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 10,479,815
b. Contributions - Employer (from State)	919,969
c. Contributions - Member	1,372,686
d. Net Investment Income	(35,941,170)
e. Benefit Payments	(8,857,041)
f. Contribution Refunds	(11,591)
g. Administrative Expense	(292,540)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(32,329,872)</u>
j. Plan Fiduciary Net Position - Beginning	<u>215,368,177</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 183,038,305</u>
3. Net Pension Liability / (Asset)	99,087,832
Certain Key Assumptions	
Valuation Date	10/01/2021
Measurement Date	09/30/2022
Investment Return Assumption	7.15%
Mortality Table	FRS Mortality Rates from 7/1/21 FRS Valuation



**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>2022</u>
1. Total pension liability	
a. Service Cost	\$ 4,387,274
b. Interest	19,044,653
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,578,327
e. Assumption Changes	3,252,600
f. Benefit Payments	(8,857,041)
g. Contribution Refunds	(11,591)
h. Net Change in Total Pension Liability	<u>19,394,222</u>
i. Total Pension Liability - Beginning	<u>262,731,915</u>
j. Total Pension Liability - Ending	<u>\$ 282,126,137</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 10,479,815
b. Contributions - Employer (from State)	919,969
c. Contributions - Member	1,372,686
d. Net Investment Income	(35,941,170)
e. Benefit Payments	(8,857,041)
f. Contribution Refunds	(11,591)
g. Administrative Expense	(292,540)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(32,329,872)</u>
j. Plan Fiduciary Net Position - Beginning	<u>215,368,177</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 183,038,305</u>
3. Net Pension Liability / (Asset)	99,087,832
Certain Key Assumptions	
Valuation Date	10/01/2021
Measurement Date	09/30/2022
Investment Return Assumption	7.15%
Mortality Table	FRS Mortality Rates from 7/1/21 FRS Valuation



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

Fiscal year ending September 30,	<u>2022</u>
1. Total pension liability	
a. Service Cost	\$ 7,237,531
b. Interest	18,063,016
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(8,857,041)
g. Contribution Refunds	(11,591)
h. Net Change in Total Pension Liability	<u>16,431,915</u>
i. Total Pension Liability - Beginning	<u>347,934,951</u>
j. Total Pension Liability - Ending	<u>\$ 364,366,866</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 10,479,815
b. Contributions - Employer (from State)	919,969
c. Contributions - Member	1,372,686
d. Net Investment Income	(35,941,170)
e. Benefit Payments	(8,857,041)
f. Contribution Refunds	(11,591)
g. Administrative Expense	(292,540)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(32,329,872)</u>
j. Plan Fiduciary Net Position - Beginning	<u>215,368,177</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 183,038,305</u>
3. Net Pension Liability / (Asset)	181,328,561
Certain Key Assumptions	
Valuation Date	10/01/2021
Measurement Date	09/30/2022
Investment Return Assumption	5.15%
Mortality Table	FRS Mortality Rates from 7/1/21 FRS Valuation



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>2022</u>
1. Total pension liability	
a. Service Cost	\$ 2,919,335
b. Interest	19,480,672
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(8,857,041)
g. Contribution Refunds	(11,591)
h. Net Change in Total Pension Liability	<u>13,531,375</u>
i. Total Pension Liability - Beginning	<u>214,418,502</u>
j. Total Pension Liability - Ending	<u><u>\$ 227,949,877</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 10,479,815
b. Contributions - Employer (from State)	919,969
c. Contributions - Member	1,372,686
d. Net Investment Income	(35,941,170)
e. Benefit Payments	(8,857,041)
f. Contribution Refunds	(11,591)
g. Administrative Expense	(292,540)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(32,329,872)</u>
j. Plan Fiduciary Net Position - Beginning	<u>215,368,177</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 183,038,305</u></u>
3. Net Pension Liability / (Asset)	44,911,572
Certain Key Assumptions	
Valuation Date	10/01/2021
Measurement Date	09/30/2022
Investment Return Assumption	9.15%
Mortality Table	FRS Mortality Rates from 7/1/21 FRS Valuation



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions per the Plan's latest Actuarial Valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2023	167,943,074	11,243,120	14,654,145	164,532,049
2024	164,532,049	10,997,463	14,850,874	160,678,638
2025	160,678,638	10,708,731	15,393,546	155,993,823
2026	155,993,823	10,355,189	16,125,117	150,223,895
2027	150,223,895	9,931,041	16,703,774	143,451,162
2028	143,451,162	9,437,538	17,258,369	135,630,331
2029	135,630,331	8,867,125	17,914,234	126,583,222
2030	126,583,222	8,217,417	18,383,088	116,417,551
2031	116,417,551	7,493,178	18,744,288	105,166,441
2032	105,166,441	6,692,352	19,122,813	92,735,980
2033	92,735,980	5,811,526	19,428,361	79,119,145
2034	79,119,145	4,845,963	19,782,209	64,182,899
2035	64,182,899	3,788,632	20,119,167	47,852,364
2036	47,852,364	2,635,221	20,412,709	30,074,876
2037	30,074,876	1,382,872	20,639,122	10,818,626
2038	10,818,626	27,546	20,850,234	-
2039	-	-	20,981,226	-
2040	-	-	21,117,464	-
2041	-	-	21,241,147	-
2042	-	-	21,322,936	-
2043	-	-	21,424,607	-
2044	-	-	21,455,428	-
2045	-	-	21,489,579	-
2046	-	-	21,457,134	-
2047	-	-	21,424,309	-
2048	-	-	21,331,084	-

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: 15.50

Certain Key Assumptions

Valuation Investment return assumption 7.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/21 FRS Valuation

Note: As required in Section 112.664(1)(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)
2023	167,943,074	11,243,120	14,654,145	164,532,049
2024	164,532,049	10,997,463	14,850,874	160,678,638
2025	160,678,638	10,708,731	15,393,546	155,993,823
2026	155,993,823	10,355,189	16,125,117	150,223,895
2027	150,223,895	9,931,041	16,703,774	143,451,162
2028	143,451,162	9,437,538	17,258,369	135,630,331
2029	135,630,331	8,867,125	17,914,234	126,583,222
2030	126,583,222	8,217,417	18,383,088	116,417,551
2031	116,417,551	7,493,178	18,744,288	105,166,441
2032	105,166,441	6,692,352	19,122,813	92,735,980
2033	92,735,980	5,811,526	19,428,361	79,119,145
2034	79,119,145	4,845,963	19,782,209	64,182,899
2035	64,182,899	3,788,632	20,119,167	47,852,364
2036	47,852,364	2,635,221	20,412,709	30,074,876
2037	30,074,876	1,382,872	20,639,122	10,818,626
2038	10,818,626	27,546	20,850,234	-
2039	-	-	20,981,226	-
2040	-	-	21,117,464	-
2041	-	-	21,241,147	-
2042	-	-	21,322,936	-
2043	-	-	21,424,607	-
2044	-	-	21,455,428	-
2045	-	-	21,489,579	-
2046	-	-	21,457,134	-
2047	-	-	21,424,309	-
2048	-	-	21,331,084	-

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: 15.50

Certain Key Assumptions

Valuation Investment return assumption 7.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/21 FRS Valuation

Note: As required in Section 112.664(1)(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)
2023	167,943,074	8,030,800	14,654,145	161,319,729
2024	161,319,729	7,694,715	14,850,874	154,163,570
2025	154,163,570	7,323,340	15,393,546	146,093,364
2026	146,093,364	6,901,540	16,125,117	136,869,787
2027	136,869,787	6,425,895	16,703,774	126,591,908
2028	126,591,908	5,898,136	17,258,369	115,231,675
2029	115,231,675	5,313,728	17,914,234	102,631,169
2030	102,631,169	4,671,981	18,383,088	88,920,062
2031	88,920,062	3,977,396	18,744,288	74,153,170
2032	74,153,170	3,229,588	19,122,813	58,259,945
2033	58,259,945	2,427,288	19,428,361	41,258,872
2034	41,258,872	1,568,388	19,782,209	23,045,051
2035	23,045,051	649,273	20,119,167	3,575,157
2036	3,575,157	-	20,412,709	-
2037	-	-	20,639,122	-
2038	-	-	20,850,234	-
2039	-	-	20,981,226	-
2040	-	-	21,117,464	-
2041	-	-	21,241,147	-
2042	-	-	21,322,936	-
2043	-	-	21,424,607	-
2044	-	-	21,455,428	-
2045	-	-	21,489,579	-
2046	-	-	21,457,134	-
2047	-	-	21,424,309	-
2048	-	-	21,331,084	-

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:** 13.17

Certain Key Assumptions

Valuation Investment return assumption	5.00%
Valuation Mortality Table	FRS Mortality Rates from 7/1/21 FRS Valuation

Note: As required in Section 112.664(1)(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)
2023	167,943,074	14,455,440	14,654,145	167,744,369
2024	167,744,369	14,428,704	14,850,874	167,322,199
2025	167,322,199	14,366,288	15,393,546	166,294,941
2026	166,294,941	14,240,914	16,125,117	164,410,738
2027	164,410,738	14,045,297	16,703,774	161,752,261
2028	161,752,261	13,781,077	17,258,369	158,274,969
2029	158,274,969	13,438,607	17,914,234	153,799,342
2030	153,799,342	13,014,702	18,383,088	148,430,956
2031	148,430,956	12,515,293	18,744,288	142,201,961
2032	142,201,961	11,937,650	19,122,813	135,016,798
2033	135,016,798	11,277,236	19,428,361	126,865,673
2034	126,865,673	10,527,711	19,782,209	117,611,175
2035	117,611,175	9,679,643	20,119,167	107,171,651
2036	107,171,651	8,726,877	20,412,709	95,485,819
2037	95,485,819	7,664,963	20,639,122	82,511,660
2038	82,511,660	6,487,789	20,850,234	68,149,215
2039	68,149,215	5,189,274	20,981,226	52,357,263
2040	52,357,263	3,761,868	21,117,464	35,001,667
2041	35,001,667	2,194,298	21,241,147	15,954,818
2042	15,954,818	476,402	21,322,936	-
2043	-	-	21,424,607	-
2044	-	-	21,455,428	-
2045	-	-	21,489,579	-
2046	-	-	21,457,134	-
2047	-	-	21,424,309	-
2048	-	-	21,331,084	-

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:** 19.75

Certain Key Assumptions

Valuation Investment return assumption 9.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/21 FRS Valuation

Note: As required in Section 112.664(1)(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 Assumptions	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
A. Valuation Date	October 1, 2022	October 1, 2022	October 1, 2022	October 1, 2022
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2024	9/30/2024	9/30/2024	9/30/2024
C. Assumed Dates of Employer Contributions	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 9,473,989	\$ 9,473,989	\$ 14,781,386	\$ 4,594,033
E. Employer Normal Cost	3,198,508	3,198,508	5,813,739	1,711,834
F. Employer ADC if Paid on Valuation Date: D + E	12,672,497	12,672,497	20,595,125	6,305,867
G. Employer ADC Adjusted for Frequency of Payments	13,118,062	13,118,062	21,117,211	6,588,307
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	93.29 %	93.29 %	150.17 %	46.85 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.00 %	3.00 %	3.00 %	3.00 %
J. Covered Payroll for Contribution Year	14,483,646	14,483,646	14,483,646	14,483,646
K. ADC for Contribution Year: H x J	13,511,793	13,511,793	21,750,091	6,785,588
L. Allowable Credit for State Revenue in Contribution Year	919,969	919,969	919,969	919,969
M. Net Employer ADC After State Revenue in Contribution Year	12,591,824	12,591,824	20,830,122	5,865,619
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	86.94 %	86.94 %	143.82 %	40.50 %
O. Expected Member Contributions	1,347,213	1,347,213	1,347,213	1,347,213
P. Total Contribution (including Members) in Contributing Year: K + O	14,859,006	14,859,006	23,097,304	8,132,801
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	102.59 %	102.59 %	159.47 %	56.15 %
R. Certain Key Assumptions				
Investment Return Assumption	7.00%	7.00%	5.00%	9.00%
Mortality Table	FRS Mortality	FRS Mortality	FRS Mortality	FRS Mortality

