

City of Sunrise Police Officer's Retirement System

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2023 Funding Actuarial
Valuation Report and the Plan's Financial Reporting for the Year
Ending September 30, 2023





June 18, 2024

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, 2023. 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, 2023 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2023 actuarial valuation report. Please refer to the October 1, 2023 actuarial valuation report, dated May 23, 2024, 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.

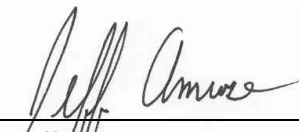
This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the 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 
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Enrolled Actuary No. 23-6599
Senior Consultant & Actuary


By 
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Consultant & Actuary



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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,	2023
1. Total pension liability	
a. Service Cost	\$ 4,082,591
b. Interest	19,940,898
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,212,267
e. Assumption Changes	5,177,651
f. Benefit Payments	(14,599,675)
g. Contribution Refunds	(30,427)
h. Net Change in Total Pension Liability	16,783,305
i. Total Pension Liability - Beginning	282,126,137
j. Total Pension Liability - Ending	\$ 298,909,442
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 10,661,348
b. Contributions - Employer (from State)	1,077,893
c. Contributions - Member	1,315,568
d. Net Investment Income	14,768,149
e. Benefit Payments	(14,599,675)
f. Contribution Refunds	(30,427)
g. Administrative Expense	(309,862)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	12,882,994
j. Plan Fiduciary Net Position - Beginning	183,038,305
k. Plan Fiduciary Net Position - Ending	\$ 195,921,299
 3. Net Pension Liability / (Asset)	102,988,143
 Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	7.00%
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>2023</u>
1. Total pension liability	
a. Service Cost	\$ 4,082,591
b. Interest	19,940,898
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,212,267
e. Assumption Changes	5,177,651
f. Benefit Payments	(14,599,675)
g. Contribution Refunds	(30,427)
h. Net Change in Total Pension Liability	<u>16,783,305</u>
i. Total Pension Liability - Beginning	<u>282,126,137</u>
j. Total Pension Liability - Ending	<u>\$ 298,909,442</u>
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 10,661,348
b. Contributions - Employer (from State)	1,077,893
c. Contributions - Member	1,315,568
d. Net Investment Income	14,768,149
e. Benefit Payments	(14,599,675)
f. Contribution Refunds	(30,427)
g. Administrative Expense	(309,862)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>12,882,994</u>
j. Plan Fiduciary Net Position - Beginning	<u>183,038,305</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 195,921,299</u>
 3. Net Pension Liability / (Asset)	 102,988,143
 Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	7.00%
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>2023</u>
1. Total pension liability	
a. Service Cost	\$ 6,839,587
b. Interest	18,600,324
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(14,599,675)
g. Contribution Refunds	(30,427)
h. Net Change in Total Pension Liability	<u>10,809,809</u>
i. Total Pension Liability - Beginning	<u>372,481,946</u>
j. Total Pension Liability - Ending	<u>\$ 383,291,755</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 10,661,348
b. Contributions - Employer (from State)	1,077,893
c. Contributions - Member	1,315,568
d. Net Investment Income	14,768,149
e. Benefit Payments	(14,599,675)
f. Contribution Refunds	(30,427)
g. Administrative Expense	(309,862)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>12,882,994</u>
j. Plan Fiduciary Net Position - Beginning	<u>183,038,305</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 195,921,299</u>
3. Net Pension Liability / (Asset)	187,370,456
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	5.00%
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,	2023
1. Total pension liability	
a. Service Cost	\$ 2,737,682
b. Interest	20,338,275
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(14,599,675)
g. Contribution Refunds	(30,427)
h. Net Change in Total Pension Liability	8,445,855
i. Total Pension Liability - Beginning	230,558,197
j. Total Pension Liability - Ending	\$ 239,004,052
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 10,661,348
b. Contributions - Employer (from State)	1,077,893
c. Contributions - Member	1,315,568
d. Net Investment Income	14,768,149
e. Benefit Payments	(14,599,675)
f. Contribution Refunds	(30,427)
g. Administrative Expense	(309,862)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	12,882,994
j. Plan Fiduciary Net Position - Beginning	183,038,305
k. Plan Fiduciary Net Position - Ending	\$ 195,921,299
3. Net Pension Liability / (Asset)	43,082,753
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	9.00%
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)
2024	179,992,859	11,589,749	15,052,707	176,529,901
2025	176,529,901	11,336,743	15,656,746	172,209,898
2026	172,209,898	11,018,014	16,502,712	166,725,200
2027	166,725,200	10,627,959	17,142,110	160,211,049
2028	160,211,049	10,172,110	17,680,737	152,702,422
2029	152,702,422	9,643,906	18,383,845	143,962,483
2030	143,962,483	9,039,735	18,885,231	134,116,987
2031	134,116,987	8,366,248	19,238,485	123,244,750
2032	123,244,750	7,623,621	19,596,031	111,272,340
2033	111,272,340	6,806,512	19,969,919	98,108,933
2034	98,108,933	5,909,460	20,341,077	83,677,316
2035	83,677,316	4,926,579	20,730,269	67,873,626
2036	67,873,626	3,854,396	21,033,094	50,694,928
2037	50,694,928	2,692,944	21,242,709	32,145,163
2038	32,145,163	1,439,567	21,446,065	12,138,665
2039	12,138,665	90,713	21,577,529	-
2040	-	-	21,722,011	-
2041	-	-	21,863,039	-
2042	-	-	22,001,691	-
2043	-	-	22,133,853	-
2044	-	-	22,205,248	-
2045	-	-	22,290,135	-
2046	-	-	22,271,111	-
2047	-	-	22,239,020	-
2048	-	-	22,177,751	-
2049	-	-	22,055,821	-

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:** 15.58

Certain Key Assumptions

Valuation Investment return assumption 6.72%
 Valuation Mortality Table FRS Mortality Rates from 7/1/22 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)
2024	179,992,859	11,589,749	15,052,707	176,529,901
2025	176,529,901	11,336,743	15,656,746	172,209,898
2026	172,209,898	11,018,014	16,502,712	166,725,200
2027	166,725,200	10,627,959	17,142,110	160,211,049
2028	160,211,049	10,172,110	17,680,737	152,702,422
2029	152,702,422	9,643,906	18,383,845	143,962,483
2030	143,962,483	9,039,735	18,885,231	134,116,987
2031	134,116,987	8,366,248	19,238,485	123,244,750
2032	123,244,750	7,623,621	19,596,031	111,272,340
2033	111,272,340	6,806,512	19,969,919	98,108,933
2034	98,108,933	5,909,460	20,341,077	83,677,316
2035	83,677,316	4,926,579	20,730,269	67,873,626
2036	67,873,626	3,854,396	21,033,094	50,694,928
2037	50,694,928	2,692,944	21,242,709	32,145,163
2038	32,145,163	1,439,567	21,446,065	12,138,665
2039	12,138,665	90,713	21,577,529	-
2040	-	-	21,722,011	-
2041	-	-	21,863,039	-
2042	-	-	22,001,691	-
2043	-	-	22,133,853	-
2044	-	-	22,205,248	-
2045	-	-	22,290,135	-
2046	-	-	22,271,111	-
2047	-	-	22,239,020	-
2048	-	-	22,177,751	-
2049	-	-	22,055,821	-

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: 15.58

Certain Key Assumptions

Valuation Investment return assumption 6.72%
 Valuation Mortality Table FRS Mortality Rates from 7/1/22 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)
2024	179,992,859	8,140,419	15,052,707	173,080,571
2025	173,080,571	7,799,904	15,656,746	165,223,729
2026	165,223,729	7,409,096	16,502,712	156,130,113
2027	156,130,113	6,964,788	17,142,110	145,952,791
2028	145,952,791	6,471,706	17,680,737	134,743,760
2029	134,743,760	5,926,047	18,383,845	122,285,962
2030	122,285,962	5,326,206	18,885,231	108,726,937
2031	108,726,937	4,677,883	19,238,485	94,166,335
2032	94,166,335	3,982,185	19,596,031	78,552,489
2033	78,552,489	3,236,387	19,969,919	61,818,957
2034	61,818,957	2,437,805	20,341,077	43,915,685
2035	43,915,685	1,583,586	20,730,269	24,769,002
2036	24,769,002	672,716	21,033,094	4,408,624
2037	4,408,624	-	21,242,709	-
2038	-	-	21,446,065	-
2039	-	-	21,577,529	-
2040	-	-	21,722,011	-
2041	-	-	21,863,039	-
2042	-	-	22,001,691	-
2043	-	-	22,133,853	-
2044	-	-	22,205,248	-
2045	-	-	22,290,135	-
2046	-	-	22,271,111	-
2047	-	-	22,239,020	-
2048	-	-	22,177,751	-
2049	-	-	22,055,821	-

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 4.72%
 Valuation Mortality Table FRS Mortality Rates from 7/1/22 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)
2024	179,992,859	15,039,079	15,052,707	179,979,231
2025	179,979,231	15,011,555	15,656,746	179,334,040
2026	179,334,040	14,918,410	16,502,712	177,749,738
2027	177,749,738	14,752,381	17,142,110	175,360,009
2028	175,360,009	14,520,513	17,680,737	172,199,785
2029	172,199,785	14,214,286	18,383,845	168,030,226
2030	168,030,226	13,828,840	18,885,231	162,973,835
2031	162,973,835	13,372,520	19,238,485	157,107,870
2032	157,107,870	12,845,419	19,596,031	150,357,258
2033	150,357,258	12,240,464	19,969,919	142,627,803
2034	142,627,803	11,550,273	20,341,077	133,836,999
2035	133,836,999	10,766,747	20,730,269	123,873,477
2036	123,873,477	9,884,724	21,033,094	112,725,107
2037	112,725,107	8,903,447	21,242,709	100,385,845
2038	100,385,845	7,818,597	21,446,065	86,758,377
2039	86,758,377	6,624,550	21,577,529	71,805,398
2040	71,805,398	5,314,351	21,722,011	55,397,738
2041	55,397,738	3,877,454	21,863,039	37,412,153
2042	37,412,153	2,303,066	22,001,691	17,713,528
2043	17,713,528	579,584	22,133,853	-
2044	-	-	22,205,248	-
2045	-	-	22,290,135	-
2046	-	-	22,271,111	-
2047	-	-	22,239,020	-
2048	-	-	22,177,751	-
2049	-	-	22,055,821	-

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:** 19.83

Certain Key Assumptions

Valuation Investment return assumption 8.72%
 Valuation Mortality Table FRS Mortality Rates from 7/1/22 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, 2023	October 1, 2023	October 1, 2023	October 1, 2023
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2025	9/30/2025	9/30/2025	9/30/2025
C. Assumed Dates of Employer Contributions	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 11,437,701	\$ 11,437,701	\$ 17,566,727	\$ 6,336,927
E. Employer Normal Cost	3,473,038	3,473,038	6,278,848	1,887,938
F. Employer ADC if Paid on Valuation Date: D + E	14,910,739	14,910,739	23,845,575	8,224,865
G. Employer ADC Adjusted for Frequency of Payments	15,414,722	15,414,722	24,416,915	8,582,318
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	110.97 %	110.97 %	175.78 %	61.79 %
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	14,307,148	14,307,148	14,307,148	14,307,148
K. ADC for Contribution Year: H x J	15,876,642	15,876,642	25,149,105	8,840,387
L. Allowable Credit for State Revenue in Contribution Year	1,077,893	1,077,893	1,077,893	1,077,893
M. Net Employer ADC After State Revenue in Contribution Year	14,798,749	14,798,749	24,071,212	7,762,494
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	103.44 %	103.44 %	168.25 %	54.26 %
O. Expected Member Contributions	1,345,640	1,345,640	1,345,640	1,345,640
P. Total Contribution (including Members) in Contributing Year: K + O	17,222,282	17,222,282	26,494,745	10,186,027
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	120.38 %	120.38 %	185.19 %	71.20 %
R. Certain Key Assumptions				
Investment Return Assumption	6.72%	6.72%	4.72%	8.72%
Mortality Table	FRS Mortality	FRS Mortality	FRS Mortality	FRS Mortality

