

# City of Sebring Police Officers' Retirement Trust Fund

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2021 Funding  
Actuarial Valuation Report and the Plan's Financial  
Reporting for the Year Ending September 30, 2021





July 29, 2022

Board of Trustees  
Sebring Police Officers' Retirement Trust Fund  
Sebring, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Sebring Police Officers' Retirement Trust Fund (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, 2021. 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 audit the data. We are not responsible for the accuracy or completeness of the information provided by the City and Plan Administrator.

This report complements the October 1, 2021 actuarial valuation report dated June 10, 2022. Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using the same assumptions, Plan provisions, census data, and financial information as summarized in that report. Therefore, such information, and the reliance and limitations of that report and its use, should be considered part of this report. Please refer to the October 1, 2021 actuarial valuation report dated June 10, 2022 for summaries and descriptions of this information.

Peter N. Strong 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.

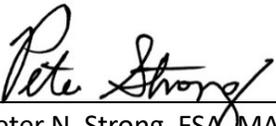
This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the 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 us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate, and in our 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. 20-06975  
Senior Consultant & Actuary

By   
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Enrolled Actuary No. 20-08010  
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
Assets Versus Benefit Payments Projections	
1. Using assumptions per the Plan's latest Actuarial Valuation	4
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	5
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	6
Actuarially Determined Contribution	7



**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,	<b>2021</b>
<b>1. Total Pension Liability</b>	
a. Service Cost	\$ 305,103
b. Interest	1,490,304
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	175,932
e. Assumption Changes	(435,090)
f. Benefit Payments	(625,425)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	910,824
<b>i. Total Pension Liability - Beginning</b>	20,997,813
<b>j. Total Pension Liability - Ending</b>	\$ 21,908,637
 <b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 880,703
b. Contributions - Employer (from State)	-
c. Contributions - Member	41,818
d. Net Investment Income	3,588,966
e. Benefit Payments	(625,425)
f. Contribution Refunds	-
g. Administrative Expense	(44,974)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	3,841,088
<b>j. Plan Fiduciary Net Position - Beginning</b>	19,683,033
<b>k. Plan Fiduciary Net Position - Ending</b>	\$ 23,524,121
 <b>3. Net Pension Liability / (Asset)</b>	(1,615,484)
 <b>Certain Key Assumptions</b>	
Valuation Date	10/01/2020
Measurement Date	09/30/2021
Investment Return Assumption	7.00%
Mortality Table	FRS Mortality Rates from 7/1/2020 FRS Valuation for Special Risk Class Members



**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>2021</u>
<b>1. Total Pension Liability</b>	
a. Service Cost	\$ 305,103
b. Interest	1,490,304
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	175,932
e. Assumption Changes	(435,090)
f. Benefit Payments	(625,425)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>910,824</u>
<b>i. Total Pension Liability - Beginning</b>	<u>20,997,813</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 21,908,637</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 880,703
b. Contributions - Employer (from State)	-
c. Contributions - Member	41,818
d. Net Investment Income	3,588,966
e. Benefit Payments	(625,425)
f. Contribution Refunds	-
g. Administrative Expense	(44,974)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>3,841,088</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>19,683,033</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 23,524,121</u>
<b>3. Net Pension Liability / (Asset)</b>	(1,615,484)
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2020
Measurement Date	09/30/2021
Investment Return Assumption	7.00%
Mortality Table	FRS Mortality Rates from 7/1/2020 FRS Valuation for Special Risk Class Members



**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>2021</u>
<b>1. Total Pension Liability</b>	
a. Service Cost	\$ 504,433
b. Interest	1,371,320
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(625,425)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>1,250,328</u>
<b>i. Total Pension Liability - Beginning</b>	<u>27,234,684</u>
<b>j. Total Pension Liability - Ending</b>	<u><u>\$ 28,485,012</u></u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 880,703
b. Contributions - Employer (from State)	-
c. Contributions - Member	41,818
d. Net Investment Income	3,588,966
e. Benefit Payments	(625,425)
f. Contribution Refunds	-
g. Administrative Expense	(44,974)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>3,841,088</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>19,683,033</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 23,524,121</u></u>
<b>3. Net Pension Liability / (Asset)</b>	4,960,891
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2020
Measurement Date	09/30/2021
Investment Return Assumption	5.00%
Mortality Table	FRS Mortality Rates from 7/1/2020 FRS Valuation for Special Risk Class Members



**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)
2022	22,869,059	1,560,742	1,145,490	23,284,311
2023	23,284,311	1,587,852	1,201,426	23,670,737
2024	23,670,737	1,612,261	1,276,879	24,006,119
2025	24,006,119	1,634,161	1,321,932	24,318,348
2026	24,318,348	1,654,904	1,353,711	24,619,541
2027	24,619,541	1,674,301	1,401,913	24,891,929
2028	24,891,929	1,692,336	1,431,389	25,152,876
2029	25,152,876	1,709,098	1,474,374	25,387,600
2030	25,387,600	1,724,080	1,515,761	25,595,919
2031	25,595,919	1,737,803	1,540,321	25,793,401
2032	25,793,401	1,751,206	1,552,346	25,992,261
2033	25,992,261	1,764,378	1,573,719	26,182,920
2034	26,182,920	1,777,137	1,590,485	26,369,572
2035	26,369,572	1,789,565	1,608,704	26,550,433
2036	26,550,433	1,801,684	1,624,180	26,727,937
2037	26,727,937	1,813,647	1,637,384	26,904,200
2038	26,904,200	1,825,543	1,650,036	27,079,707
2039	27,079,707	1,837,288	1,665,467	27,251,528
2040	27,251,528	1,849,011	1,674,161	27,426,378
2041	27,426,378	1,860,977	1,681,980	27,605,375
2042	27,605,375	1,873,299	1,687,922	27,790,752
2043	27,790,752	1,886,135	1,691,923	27,984,964
2044	27,984,964	1,899,660	1,693,931	28,190,693
2045	28,190,693	1,914,077	1,693,484	28,411,286
2046	28,411,286	1,929,618	1,690,621	28,650,283
2047	28,650,283	1,946,546	1,684,976	28,911,853

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:** All Future Years

**Certain Key Assumptions**

Valuation Investment return assumption	7.00%
Valuation Mortality Table	FRS Mortality Rates from 7/1/2021 FRS Valuation for Special Risk Class Members

**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)
2022	22,869,059	1,560,742	1,145,490	23,284,311
2023	23,284,311	1,587,852	1,201,426	23,670,737
2024	23,670,737	1,612,261	1,276,879	24,006,119
2025	24,006,119	1,634,161	1,321,932	24,318,348
2026	24,318,348	1,654,904	1,353,711	24,619,541
2027	24,619,541	1,674,301	1,401,913	24,891,929
2028	24,891,929	1,692,336	1,431,389	25,152,876
2029	25,152,876	1,709,098	1,474,374	25,387,600
2030	25,387,600	1,724,080	1,515,761	25,595,919
2031	25,595,919	1,737,803	1,540,321	25,793,401
2032	25,793,401	1,751,206	1,552,346	25,992,261
2033	25,992,261	1,764,378	1,573,719	26,182,920
2034	26,182,920	1,777,137	1,590,485	26,369,572
2035	26,369,572	1,789,565	1,608,704	26,550,433
2036	26,550,433	1,801,684	1,624,180	26,727,937
2037	26,727,937	1,813,647	1,637,384	26,904,200
2038	26,904,200	1,825,543	1,650,036	27,079,707
2039	27,079,707	1,837,288	1,665,467	27,251,528
2040	27,251,528	1,849,011	1,674,161	27,426,378
2041	27,426,378	1,860,977	1,681,980	27,605,375
2042	27,605,375	1,873,299	1,687,922	27,790,752
2043	27,790,752	1,886,135	1,691,923	27,984,964
2044	27,984,964	1,899,660	1,693,931	28,190,693
2045	28,190,693	1,914,077	1,693,484	28,411,286
2046	28,411,286	1,929,618	1,690,621	28,650,283
2047	28,650,283	1,946,546	1,684,976	28,911,853

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:** All Future Years

**Certain Key Assumptions**

Valuation Investment return assumption	7.00%
Valuation Mortality Table	FRS Mortality Rates from 7/1/2021 FRS Valuation for Special Risk Class Members

**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)
2022	22,869,059	1,114,816	1,145,490	22,838,385
2023	22,838,385	1,111,884	1,201,426	22,748,843
2024	22,748,843	1,105,520	1,276,879	22,577,484
2025	22,577,484	1,095,826	1,321,932	22,351,378
2026	22,351,378	1,083,726	1,353,711	22,081,393
2027	22,081,393	1,069,022	1,401,913	21,748,502
2028	21,748,502	1,051,640	1,431,389	21,368,753
2029	21,368,753	1,031,578	1,474,374	20,925,957
2030	20,925,957	1,008,404	1,515,761	20,418,600
2031	20,418,600	982,422	1,540,321	19,860,701
2032	19,860,701	954,226	1,552,346	19,262,581
2033	19,262,581	923,786	1,573,719	18,612,648
2034	18,612,648	890,870	1,590,485	17,913,033
2035	17,913,033	855,434	1,608,704	17,159,763
2036	17,159,763	817,384	1,624,180	16,352,967
2037	16,352,967	776,714	1,637,384	15,492,297
2038	15,492,297	733,364	1,650,036	14,575,625
2039	14,575,625	687,145	1,665,467	13,597,303
2040	13,597,303	638,011	1,674,161	12,561,153
2041	12,561,153	586,008	1,681,980	11,465,181
2042	11,465,181	531,061	1,687,922	10,308,320
2043	10,308,320	473,118	1,691,923	9,089,515
2044	9,089,515	412,127	1,693,931	7,807,711
2045	7,807,711	348,048	1,693,484	6,462,275
2046	6,462,275	280,848	1,690,621	5,052,502
2047	5,052,502	210,501	1,684,976	3,578,027
2048	3,578,027	136,993	1,676,327	2,038,693
2049	2,038,693	60,328	1,664,285	434,736
2050	434,736	-	1,648,947	-

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:** 28.25

**Certain Key Assumptions**

Valuation Investment return assumption	5.00%
Valuation Mortality Table	FRS Mortality Rates from 7/1/2021 FRS Valuation for Special Risk Class Members

**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.**



<b>ACTUARILY DETERMINED CONTRIBUTION</b>			
	Actuarial Valuation Assumptions	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions
A. Valuation Date	October 1, 2021	October 1, 2021	October 1, 2021
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2023	9/30/2023	9/30/2023
C. Assumed Dates of Employer Contributions	10/1/2022	10/1/2022	10/1/2022
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 70,753	\$ 70,753	\$ 919,632
E. Employer Normal Cost	268,510	268,510	434,457
F. Employer ADC if Paid on Valuation Date: D + E	339,263	339,263	1,354,089
G. Employer ADC Adjusted for Frequency of Payments	339,263	339,263	1,354,089
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	44.56 %	44.56 %	177.85 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %	0.00 %
J. Covered Payroll for Contribution Year	761,360	761,360	761,360
K. ADC for Contribution Year: H x J	339,263	339,263	1,354,089
L. Allowable Credit for State Revenue in Contribution Year	0	0	0
M. Net Employer ADC After State Revenue in Contribution Year	339,263	339,263	1,354,089
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	44.56 %	44.56 %	177.85 %
O. Expected Member Contributions	38,068	38,068	38,068
P. Total Contribution (including Members) in Contributing Year: K + O	377,331	377,331	1,392,157
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	49.56 %	49.56 %	182.85 %
R. Certain Key Assumptions			
Investment Return Assumption	7.00%	7.00%	5.00%
Mortality Table	FRS Mortality Rates from 7/1/2021 FRS Valuation for Special Risk Class Members	FRS Mortality Rates from 7/1/2021 FRS Valuation for Special Risk Class Members	FRS Mortality Rates from 7/1/2021 FRS Valuation for Special Risk Class Members

