# City Of Starke Police Officers' Retirement System

## ACTUARIAL VALUATION AS OF OCTOBER 1, 2024

This Valuation Determines the Annual Contribution for the System Year October 1, 2025 through September 30, 2026 to be paid in System Year October 1, 2025 to September 30, 2026

July 10, 2025

GRS

**City of Starke Police Officers'**
**Retirement System**

## TABLE OF CONTENTS

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July 10, 2025

Board of Trustees
City of Starke Police Officers' Retirement System
c/o Mr. Scott Baur
Resource Centers, LLC
4360 Northlake Blvd., Suite 206
Palm Beach Gardens, FL 33410

Dear Board Members:

We are pleased to present our October 1, 2024 Actuarial Valuation Report for the City of Starke Police Officers' Retirement System (System). The purpose of this report is to indicate appropriate contribution levels, monitor minimum funding requirements, comment on the actuarial stability of the System and to satisfy State and accounting requirements. Gabriel, Roeder, Smith & Company (GRS), as System actuary, is authorized to prepare an annual Actuarial Valuation under Section 78-143 of the System. This report is prepared for and at the request of the Board of Trustees.

This report consists of this cover letter, executive summary, risk assessment and Low-Default-Risk Obligation Measure followed by detailed Tables I through XVIII, the State Required Exhibit on Table XIX and the Glossary on Table XX. The Tables contain basic System cost figures plus significant details on the benefits, liabilities and experience of the System. We suggest you thoroughly review the report at your convenience and contact us with any questions that may arise.

The findings in this report are based on data or other information through September 30, 2024. The valuation was based upon information furnished by the Board concerning System benefits, plan provisions and active members, terminated members, retirees and beneficiaries. We received financial information as of September 30, 2024 concerning fund assets from the Board.

We do not audit the Member census data and asset information that is provided to us; however, we perform certain reasonableness checks. The System is responsible for the accuracy of the data.

In our opinion the benefits provided for under the current System will be sufficiently funded through the payment of the amount as indicated in this and future Actuarial Valuation reports. This valuation assumed the continuing ability of the plan sponsors to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed. We will continue to update you on the future payment requirements for the System through our actuarial reports. These reports will also continue to monitor the future experience of the System.

We have assessed that the contribution rate calculated under the current funding policy is a reasonable Actuarially Determined Employer Contribution (ADEC) and it is consistent with the plan accumulating adequate assets to make benefit payments when due.

The actuarial assumptions used in this Actuarial Valuation are as adopted by the Board of Trustees. The economic and non-prescribed demographic actuarial assumptions are based on the results of an actuarial experience study for the period October 1, 2014 – September 30, 2019. The mortality assumptions are prescribed by statute. Each assumption represents an estimate of future System experience. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e. not significantly optimistic or pessimistic). All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice.

If all actuarial assumptions are met and if all future minimum required contributions are paid, System assets will be sufficient to pay all System benefits, future contributions are expected to remain relatively stable as a percent of payroll and the funded status is expected to improve. System minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act and Police Officers Retirement Chapter 185 with normal cost determined as a level percent of covered payroll and a level dollar amortization payment using a maximum amortization period of 15 years.

The Unfunded Actuarial Accrued Liability (UAAL) may not be appropriate for assessing the sufficiency of System assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions. The UAAL would be different if it reflected the market value of assets rather than the actuarial value of assets.

The Unfunded Actuarial Present Value of Vested Accrued Benefits and the corresponding Vested Benefit Security Ratio may not be appropriate for assessing the sufficiency of Fund assets to meet the estimated cost of settling benefit obligations and also may not be appropriate for assessing the need for or the amount of future contributions.

The GASB Net Pension Liability and System Fiduciary Net Position as a Percentage of Total Pension Liability may not be appropriate for assessing the sufficiency of System assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

This report should not be relied on for any purpose other than the purpose described in the primary communication. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

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 System 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.

This report was prepared at the request of the Board and is intended for use by the Board and those designated or approved by the Board. This report may be provided to parties other than the Board only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The signing actuaries are independent of the System sponsor.

The undersigned are Members of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. We are available to respond to any questions with regards to matters covered in this report.

Sincerely,
Gabriel, Roeder, Smith & Company

Michelle Jones

Shelly L. Jones, A.S.A., E.A.
Consultant and Actuary

Jennifer Borregard

Jennifer M. Borregard, E.A.
Consultant and Actuary

# EXECUTIVE SUMMARY

## Retirement System Costs

Our Actuarial Valuation as of October 1, 2024 develops the required minimum Retirement System payment for fiscal year beginning **October 1, 2025** under the Florida Protection of Public Employee Retirement Benefits Act and Chapter 185. The minimum payment consists of payment of annual normal costs including expenses and amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law. The minimum payment for fiscal year ending September 30, 2026 is **$117,888**.

This total cost is to be met by member, City and State contributions. We anticipate member contributions will be **$0** and member *pick-up* contributions will be **$0** for fiscal year ending September 30, 2026. Allowable State contributions will be **$51,460** for fiscal year ending September 30, 2026 based upon our understanding of current *Mutual Consent*. This leaves a base City requirement of **$66,428** for fiscal year ending September 30, 2026. The City contribution includes an interest adjustment and must be increased if fiscal year 2026 allowable State contributions are less than $51,460.

We understand the Police Department was terminated effective March 1, 2024. We recommend the City continue contributing not less than the dollar amount of minimum required contribution due to the closing of the System to future employees.

The System has a credit balance in the amount of $87,600 as of September 30, 2024 which the City may apply to fully, or in part, offset the minimum required City contribution.

## Changes in Actuarial Assumptions, Methods and System Benefits

The System provisions remain unchanged from the October 1, 2023 Actuarial Valuation and are summarized on Table X.

The assumed investment return has been updated to 6.0%, net of investment expenses, compounded annually. The mortality assumption is updated to use the mortality assumption used by the Florida Retirement System (FRS) as required under F.S., Chapter 2015-157 based upon the July 1, 2024 FRS Actuarial Valuation. The amortization period for newly created amortization bases was reduced to 15 years. Prior amortization bases were combined as provided for under Internal Revenue Code Regulation 1.412(b)-1. The remaining actuarial assumptions and methods remain unchanged from the October 1, 2023 Actuarial Valuation and are outlined on Table XI.

## Comparison of October 1, 2023 and October 1, 2024 Valuation Results

Table II of our report provides information of a comparative nature. The left columns of the Table indicate the costs as calculated for October 1, 2023. The center column indicates the costs as calculated for October 1, 2024, prior to the update in actuarial assumptions and methods. The right column indicates the costs as calculated for October 1, 2024, after the update in actuarial assumptions and methods.

Comparing the left and center columns of Table II shows the effect of System experience during the year. The number of active participants and covered payroll <u>decreased</u> to zero. Total System membership decreased by approximately 33%. Total normal cost, Net Base City minimum requirement and unfunded actuarial accrued liability all decreased as a dollar amount.

Comparing the center and right columns of Table II shows the effect of the update of actuarial assumptions and methods. Total normal cost remained the same. The Net Base City minimum requirement and unfunded actuarial accrued liability both increased as a dollar amount.

The value of vested accrued benefits exceeds System assets, resulting in a Vested Benefit Security Ratio (VBSR) of 99.8% (114.2% prior to assumption changes) which is an increase from 96.9% as of the October 1, 2023 Actuarial Valuation. The VBSR is measured on a market value of assets basis.

## System Experience

Table VII indicates net System experience resulted in an actuarial gain of $626,462. This suggests actual overall experience was more favorable than expected.

Table XVII provides figures on recent System experience (salary, turnover and investment yield). Employee turnover this year was approximately 520% of the assumed assumptions. Employee turnover was a major source of actuarial gain. Three, five and ten-year average annual turnover was approximately 350%, 290% and 270% of the assumed turnover, respectively.

The smoothed actuarial value investment return of 8.80% for fiscal 2024 was more than the System's assumption of 7.00% for investment return (prior assumption). Smoothed actuarial value investment return was an additional source of actuarial gain during the year. Three, five and ten-year average annual smoothed actuarial value investment returns are 5.61%, 6.37% and 6.4%, respectively. The one, three, five and ten-year average annual returns based upon market value are 23.29%, 5.72%, 8.28% and 6.9%, respectively.

## Conclusion and Recommendations

The Market Value of Assets is more than the Actuarial Value of Assets by $349,938 as of the valuation date. This difference will be gradually recognized in the absence of future gains/losses. In turn, the actuarially determined contribution rate will decrease.

The required minimum City contribution is computed based on an assumption that the amount to be received from the State will be equal to the amount received in the prior year, subject to a maximum of $51,460. If the actual payment from the State falls below this assumed amount, then the City must increase its contribution by the difference.

There are no longer any active participants. We recommend that the Board continue to monitor the asset allocation to be sure it is appropriate for a closed and mature system, and review the investment return assumption with the investment consultant to be sure it is a reasonable assumption for this system and fund.

The remainder of this report includes detailed actuarial valuation results, information relating to the pension fund, financial accounting information, miscellaneous employee data and a summary of plan provisions and actuarial assumptions and methods.

# RISKS ASSOCIATED WITH MEASURING THE ACCRUED LIABILITIES AND ACTUARIALLY DETERMINED CONTRIBUTION

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: System experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; 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 System's funded status); and changes in System provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the system's future financial condition include:

1. Investment risk – actual investment returns may differ from expected returns;
2. Asset / Liability mismatch – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and the actuarially determined contribution requirements;
3. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the System's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll or other relevant contribution base;
4. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and the actuarially determined contributions differing from expected;
5. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
6. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and the actuarially determined contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the actuarially determined contribution can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in the actuarially determined contribution can be anticipated.

The actuarially determined contribution rate shown on page four may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the System. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

### System Maturity Measures

Risks facing a pension system evolve over time. A young system with virtually no investments and paying few benefits may experience little investment risk. An older system with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted system maturity measures include the following:

| | 2023 | 2024 |
|---|---|---|
| Ratio of the market value of assets to payroll | 10.25 | N/A |
| Ratio of actuarial accrued liability to payroll | 11.42 | N/A |
| Ratio of actives to retirees and beneficiaries | 0.71 | 0.00 |
| Ratio of net cash flow to market value of assets | -4.4% | -8.7% |
| Duration of the actuarial accrued liability | 11.84 | 12.70 |

### Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of the actuarially determined contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in the actuarially determined contributions as a percentage of payroll.

### Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of the actuarially determined contributions for a fully funded system. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also the actuarially determined contributions) as a percentage of payroll.

### Ratio of Actives to Retirees and Beneficiaries

A young system with many active members and few retirees will have a high ratio of active to retirees. A mature open system may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed system may have significantly more retirees than actives resulting in a ratio below 1.0.

### Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature system or a need for additional contributions.

### Duration of Actuarial Accrued Liability

The duration of the actuarial accrued liability may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, a duration of 10 indicates the liability would increase approximately 10% if the assumed rate of return were lowered 1%.

### Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

# LOW-DEFAULT-RISK OBLIGATION MEASURE

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a new calculation called a low-default-risk obligation measure (LDROM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

*"The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the "right" liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan's funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date."*

The following information has been prepared in compliance with this new requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

A. Low-default-risk Obligation Measure of benefits earned as of the measurement date: <u>$7,068,407</u>
B. Discount rate used to calculate the LDROM: <u>3.81% based on Bond Buyer "20-Bond GO Index" as of September 26, 2024 *</u>
C. Other significant assumptions that differ from those used for the funding valuation: <u>None</u>
D. Actuarial cost method used to calculate the LDROM: <u>Entry Age Normal</u>
E. Valuation procedures to value any significant plan provisions that are difficult to measure using traditional valuation procedures, and that differ from the procedures used in the funding valuation: <u>None</u>
F. Commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of participant benefits: <u>The LDROM is a market-based measurement of the pension obligation. It estimates the amount the plan would need to invest in low default risk securities. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligation</u>.

The difference between the two measures (Valuation and LDROM) is one illustration of the savings the sponsor anticipates by taking on the risk in a diversified portfolio.

* The "20-Bond GO Index" is based on 20 general obligation municipal bonds maturing in 20 years with mixed quality. In describing this index, the Bond Buyer website notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

## Summary of Retirement System Costs as of October 1, 2024

| | Prior Assumptions / Methods Cost Data | Current Assumptions / Methods Cost Data |
|---|---|---|
| **A. Participant Data Summary (Table III)** | | |
| 1. Active employees | 0 | 0 |
| 2. Terminated vested | 4 | 4 |
| 3. Receiving benefits (including DROPs) | 14 | 14 |
| 4. Annual payroll of active employees | $ 0 | $ 0 |
| **B. Total Normal Costs** | | |
| 1. Age retirement benefits | $ 0 | $ 0 |
| 2. Termination benefits | 0 | 0 |
| 3. Death benefits | 0 | 0 |
| 4. Disability benefits | 0 | 0 |
| 5. Estimated expenses | 74,000 | 74,000 |
| 6. Total annual normal costs | $ 74,000 | $ 74,000 |
| **C. Total Actuarial Accrued Liability** | | |
| 1. Age retirement benefits active employees | $ 0 | $ 0 |
| 2. Termination benefits active employees | 0 | 0 |
| 3. Death benefits active employees | 0 | 0 |
| 4. Disability benefits active employees | 0 | 0 |
| 5. Retired or terminated vested participants receiving benefits including DROP participants | 3,579,875 | 4,041,546 |
| 6. Terminated vested participants entitled to future benefits | 676,402 | 839,580 |
| 7. Deceased participants whose beneficiaries are receiving benefits | 93,090 | 101,094 |
| 8. Disabled participants receiving benefits | 313,781 | 356,202 |
| 9. Miscellaneous liability | 10,056 | 10,056 |
| 10. Share Plan liability | 25,178 | 25,178 |
| 11. Total actuarial accrued liability | $ 4,698,382 | $ 5,373,656 |
| **D. Net Smoothed Actuarial Value of Assets (Table V)** | $ 5,014,121 | $ 5,014,121 |
| **E. Unfunded Actuarial Accrued Liability (C-D)** | $ (315,739) | $ 359,535 |

## Summary of Retirement System Costs as of October 1, 2024

| | | Prior Assumptions / Methods Cost Data | Current Assumptions / Methods Cost Data |
|---|---|---|---|
| F. | Minimum Required Contribution | | |
| | 1. Total normal cost | $ 74,000 | $ 74,000 |
| | 2. Amortization of unfunded liability | (20,561) | 36,279 |
| | 3. Interest adjustment | 5,068 | 7,609 |
| | 4. Total required contribution | $ 58,507 | $ 117,888 |
| G. | Minimum Required Contribution (F.S., 112.66(13)) (Greater of F.1. + F.3. and F.4.) | $ 79,068 | $ 117,888 |
| H. | Contribution Sources | | |
| | 1. Expected City | | |
| | a. Base | $ 27,608 | $ 66,428 |
| | b. Member *pick-up* | 0 | 0 |
| | c. Total expected City | $ 27,608 | $ 66,428 |
| | 2. Expected State | 51,460 | 51,460 |
| | 3. Expected Member | 0 | 0 |
| | 4. Total expected minimum required contribution | $ 79,068 | $ 117,888 |
| I. | Actuarial Gain / (Loss) (Table VII) | $ 626,462 | $ 626,462 |
| J. | Actuarial Present Value of Vested Accrued Benefits | | |
| | 1. Retired, terminated vested, beneficiaries and disabled receiving benefits including DROP participants | $ 3,986,746 | $ 4,498,842 |
| | 2. Terminated vested participants entitled to future benefits and miscellaneous | 686,458 | 849,636 |
| | 3. Active participants entitled to future benefits | 0 | 0 |
| | 4. Share Plan liability | 25,178 | 25,178 |
| | 5. Total actuarial present value of vested accrued benefits | $ 4,698,382 | $ 5,373,656 |
| K. | Net Market Value of Assets (Table V) | $ 5,364,059 | $ 5,364,059 |
| L. | Unfunded Actuarial Present Value of Vested Accrued Benefits (J. - K., not less than zero) | $ 0 | $ 9,597 |
| M. | Vested Benefit Security Ratio (K. ÷ J.) | 114.2% | 99.8% |

## Comparison of Cost Data of October 1, 2023 and October 1, 2024 Valuations

| | | October 1, 2023 | | Prior Assumptions / Methods October 1, 2024 | Current Assumptions / Methods October 1, 2024 |
|---|---|---|---|---|---|
| | | Cost Data | % of Annual Compensation | Cost Data | Cost Data |
| A. | Participants | | | | |
| | 1. Active employees | 10 | N/A | 0 | 0 |
| | 2. Terminated vested | 3 | N/A | 4 | 4 |
| | 3. Receiving benefits (including DROPs) | 14 | N/A | 14 | 14 |
| | 4. Annual payroll of active employees | $ 468,510 | 100.0% | $ 0 | $ 0 |
| | 5. Projected annual payroll of active employees | $ 468,510 | 100.0% | $ 0 | $ 0 |
| B. | Total Normal Costs | $ 164,691 | 35.2% | $ 74,000 | $ 74,000 |
| C. | Total Actuarial Accrued Liability | $ 5,348,703 | 1141.6% | $ 4,698,382 | $ 5,373,656 |
| D. | Net smoothed Actuarial Value of Assets | $ 5,089,866 | 1086.4% | $ 5,014,121 | $ 5,014,121 |
| E. | Unfunded Actuarial Accrued Liability | $ 258,837 | 55.2% | $ (315,739) | $ 359,535 |
| F. | Net Base City Cost | $ 121,565 | 25.9% [1] | $ 27,608 | $ 66,428 |
| G. | Actuarial Gain / (Loss) | $ 209,518 | 44.7% | $ 626,462 | $ 626,462 |
| H. | Unfunded Actuarial Present Value of Vested Accrued Benefits | $ 152,714 | 32.6% | $ 0 | $ 9,597 |
| I. | Vested Benefit Security Ratio | 96.9% | N/A | 114.2% | 99.8% |

[1] Percent of expected 2024-2025 covered payroll ($468,510)

## Characteristics of Participants in Actuarial Valuation as of October 1, 2024

A. Active System Participants Summary

| | | |
|---|---|---|
| 1. Active participants fully vested | | 0 |
| 2. Active participants partially vested | | 0 |
| 3. Active participants non-vested | | 0 |
| 4. Total active participants | | 0 |
| 5. Annual rate of pay of active participants | $ | 0 |

B. Retired and Terminated Vested Participant Summary

| | |
|---|---|
| 1. Retired or terminated vested participants receiving benefits including DROP participants | 12 |
| 2. Terminated vested participants entitled to future benefits | 4 |
| 3. Deceased participants whose beneficiaries are receiving benefits | 1 |
| 4. Disabled participants receiving benefits | 1 |

C. Projected Annual Retirement Benefits

| | | |
|---|---|---|
| 1. Retired or terminated vested receiving benefits including DROP participants | $ | 307,283 |
| 2. Terminated vested entitled to future benefits | | 98,828 |
| 3. Beneficiaries of deceased participants | | 13,626 |
| 4. Disabled participants | | 23,152 |

## Statement of System Assets as of October 1, 2024

| | | | Market Value |
|---|---|---|---|
| A. | Cash | $ | 268,162 |
| B. | General Investments | | |
| | 1. Cash Equivalents | $ | 129,766 |
| | 2. Corporate Bonds | $ | 1,604,301 |
| | 3. Common Stocks | $ | 0 |
| | 4. Mutual Funds | $ | 3,465,438 |
| C. | Receivables | | |
| | 1. City Contribution Receivable | $ | 0 |
| | 2. State Contribution Receivable | $ | 0 |
| | 3. Accrued Interest | $ | 0 |
| | 4. Prepaid Other | $ | 0 |
| D. | Payable | | |
| | 1. Account Payable | $ | 16,008 |
| | 2. Due to Other Funds | $ | 0 |
| E. | Total System Assets (A. + B. + C. - D.) | $ | 5,451,659 |
| F. | Credit Balance | $ | 87,600 |
| G. | Net System Assets (E.- F.) | $ | 5,364,059 |

## Reconciliation of System Assets

| | | | |
|---|---|---|---|
| A. | Market Value of Assets as of October 1, 2023 | | $ 4,800,212 |
| B. | Receipts During Period | | |
| | 1. Contributions | | |
| | a. Employee | $ 3,018 | |
| | b. Employee (picked up by City) | 15,092 | |
| | c. City | 144,714 | |
| | d. State | 55,446 | |
| | e. Total | $ 218,270 | |
| | 2. Investment Income | | |
| | a. Interest, dividends and other | $ 121,769 | |
| | b. Investment expenses | (20,000) | |
| | c. Net investment income | $ 101,769 | |
| | 3. Net realized gains / (losses) | 45,323 | |
| | 4. Net unrealized gains / (losses) | $ 922,172 | |
| | 5. Total receipts during period | | $ 1,287,534 |
| C. | Disbursements During Period | | |
| | 1. Pension payments | $ 343,924 | |
| | 2. DROP distributions | 185,975 | |
| | 3. Share Plan distributions | 21,518 | |
| | 4. Contribution refunds | 5,100 | |
| | 5. Administrative expenses | 79,570 | |
| | 6. Total disbursements during period | | $ 636,087 |
| D. | Market Value of Assets as of September 30, 2024 | | $ 5,451,659 |
| E. | Credit Balance | | $ 87,600 |
| F. | Net Market Value of Assets as of September 30, 2024 (D. - E.) | | $ 5,364,059 |
| G. | Share Plan | | |
| | 1. Balance as of October 1, 2023 | $ 41,894 | |
| | 2. Adjustments | 0 | |
| | 3. Increase from State funds received | 3,986 | |
| | 4. Investment gains / (losses) during year | 816 | |
| | 5. Administrative fees | 0 | |
| | 6. Distributions | (21,518) | |
| | 7. Balance as of September 30, 2024 | | $ 25,178 |
| H. | Reconciliation of DROP Account Balances | | |
| | 1. DROP account balances as of October 1, 2023 | $ 187,158 | |
| | 2. Benefit payments into DROP accounts during year | 0 | |
| | 3. Investment gains / (losses) during year | 0 | |
| | 4. Distributions from DROP accounts during year | (185,975) | |
| | 5. Adjustment | (1,183) | |
| | 6. DROP account balances as of September 30, 2024 | | $ 0 |

**Table V**
**(Cont'd)**

## Development of Smoothed Actuarial Value of Assets as of September 30

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|
| A. Preliminary smoothed actuarial value from prior year | $ 5,057,793 | $ 5,089,866 | $ 5,101,721 | | |
| B. Market value beginning of year | 4,498,559 | 4,800,212 | 5,451,659 | | |
| C. Market value end of year | 4,800,212 | 5,451,659 | | | |
| D. Non-investment net cash flow | (199,360) | (417,817) | | | |
| E. Investment return | | | | | |
| 1. Total market value return: C. - B. - D. | 501,013 | 1,069,264 | | | |
| 2. Amount for immediate recognition (7.00%) | 347,068 | 341,667 | | | |
| 3. Amount for phased-in recognition: E.1. - E.2. | 153,945 | 727,597 | | | |
| F. Phased-in recognition of investment return | | | | | |
| 1. Current year: 25% of E.3. | 38,486 | 181,899 | | | |
| 2. First prior year | (272,733) | 38,486 | 181,899 | | |
| 3. Second prior year | 140,352 | (272,733) | 38,486 | 181,899 | |
| 4. Third prior year | (21,740) | 140,353 | (272,733) | 38,487 | 181,900 |
| 5. Total phased-in recognition of investment return | (115,635) | 88,005 | (52,348) | 220,386 | 181,900 |
| G. Total smoothed actuarial value end of year | | | | | |
| 1. Preliminary total smoothed actuarial value end of year: A. + D. + E.2. + F.5. | 5,089,866 | 5,101,721 | | | |
| 2. Upper corridor limit: 120% of C. | 5,760,254 | 6,541,991 | | | |
| 3. Lower corridor limit: 80% of C. | 3,840,170 | 4,361,327 | | | |
| 4. Total smoothed actuarial value end of year: G.1., not more than G.2., nor less than G.3. | 5,089,866 | 5,101,721 | | | |
| H. Difference between total market value and total smoothed actuarial value | (289,654) | 349,938 | | | |
| I. Smoothed actuarial value rate of return | 4.67% | 8.80% | | | |
| J. Market value rate of return | 11.39% | 23.29% | | | |
| K. Credit balance | 0 | 87,600 | | | |
| L. Net smoothed actuarial value of assets: G.4. - K. | 5,089,866 | 5,014,121 | | | |

## Funding Standard Account for
## Plan Year Ended September 30, 2024

A. Changes to the Funding Standard Account

| | | |
|---|---|---|
| 1. Prior year funding deficiency | $ | 0 |
| 2. Net charges for the year | | 108,574 |
| 3. Total employer charges | $ | 108,574 |

B. Credits to the Funding Standard Account

| | | |
|---|---|---|
| 1. Prior year credit balance | $ | 0 |
| 2. Net State contribution | | 51,460 |
| 3. City contribution | | 144,714 |
| 4. Total credits | $ | 196,174 |

C. Credit Balance / (Funding Deficiency)
(B.4. - A.3.) $ 87,600

## Actuarial Gain / (Loss) for System Year Ended September 30, 2024 *

A. Derivation of Actuarial Gain / (Loss)

| | | |
|---|---|---|
| 1. City and State net normal cost previous valuation | $ | 136,580 |
| 2. Net unfunded actuarial accrued liability previous valuation | | 258,837 |
| 3. City and State net contributions previous year | | 108,574 |
| 4. Interest on: | | |
| (a) City and State net normal cost | $ | 9,561 |
| (b) Unfunded actuarial accrued liability | | 18,119 |
| (c) City and State net contributions | | 3,800 |
| (d) Net total: (a) + (b) - (c) | $ | 23,880 |
| 5. Increase / (decrease) in unfunded actuarial accrued liability due to assumption changes | $ | 675,274 |
| 6. Expected unfunded actuarial accrued liability current year: (1. + 2. - 3. + 4. + 5.) | $ | 985,997 |
| 7. Actual unfunded actuarial accrued liability current year | | 359,535 |
| 8. Actuarial gain / (loss): (6. - 7.) | $ | 626,462 |

B. Approximate Portion of Gain / (Loss) due to Investments

| | | |
|---|---|---|
| 1. Net smoothed actuarial value of net assets previous year | $ | 5,047,972 |
| 2. Net contributions during period | | 126,684 |
| 3. Benefits and admin expenses during period | | 614,569 |
| 4. Expected net appreciation for period | | 336,282 |
| 5. Expected smoothed actuarial value of assets current year: (1. + 2. - 3. + 4.) | $ | 4,896,369 |
| 6. Net smoothed actuarial value of net assets current year | $ | 4,988,943 |
| 7. Approximate gain / (loss) due to investments: (6. - 5.) | $ | 92,574 |

| | | |
|---|---|---|
| C. Approximate Portion of Gain / (Loss) due to Liabilities: A. - B. | $ | 533,888 |

* Net of Share Plan

## Amortization of Unfunded Actuarial Accrued Liability

A. Actuarial Accrued Liability Remaining Unfunded

| Date | Unfunded Liability | Amortization Payment |
|---|---|---|
| October 1, 2024 | $ 359,535 | $ 36,279 |
| October 1, 2025 | $ 342,651 | $ 36,279 |
| October 1, 2026 | $ 324,754 | $ 36,279 |
| October 1, 2027 | $ 305,784 | $ 36,279 |
| October 1, 2028 | $ 285,675 | $ 36,279 |
| … | | |
| … | | |
| October 1, 2039 | $ 0 | $ 0 |

## Accounting Disclosure Exhibit

| | 10/01/2023 | Prior Assumptions / Methods 10/01/2024 | Current Assumptions / Methods 10/01/2024 |
|---|---|---|---|
| I. Number of System Members | | | |
| a. Receiving benefits including DROPs | 14 | 14 | 14 |
| b. Terminated due deferred benefits | 3 | 4 | 4 |
| c. Active System members | 10 | 0 | 0 |
| d. Total | 27 | 18 | 18 |
| II. Financial Accounting Standards Board Allocation As of October 1, 2024 | | | |
| A. Statement of Accumulated System Benefits | | | |
| 1. Actuarial present value of accumulated vested System benefits | | | |
| a. Participants currently receiving benefits including DROP participants | $ 4,225,073 | $ 3,986,746 | $ 4,498,842 |
| b. Other participants (including Share Plan) | 727,853 | 711,636 | 874,814 |
| c. Total | $ 4,952,926 | $ 4,698,382 | $ 5,373,656 |
| 2. Actuarial present value of accumulated non-vested System benefits | 156,897 | 0 | 0 |
| 3. Total actuarial present value of accumulated System benefits | $ 5,109,823 | $ 4,698,382 | $ 5,373,656 |

B. Statement of Change in Accumulated System Benefits

| | |
|---|---|
| 1. Actuarial present value of accumulated System benefits as of October 1, 2023 | $ 5,109,823 |
| 2. Increase (decrease) during year attributable to: | |
| a. System amendment | $ 0 |
| b. Change in actuarial assumptions | 675,274 |
| c. Benefits paid including refunds and DROP and Share Plan distributions | (556,517) |
| d. Other, including benefits accumulated, increase for interest due to decrease in the discount period | 145,076 |
| e. Net increase | $ 263,833 |
| 3. Actuarial present value of accumulated System benefits as of October 1, 2024 | $ 5,373,656 |

C. Significant Matters Affecting Calculations

| | |
|---|---|
| 1. Assumed rate of return used in determining actuarial present values | 6.00% |
| 2. Change in System provisions | None affecting calculations |
| 3. Change in actuarial assumptions | See Table XI, Item L. |

## Accounting Disclosure Exhibit

III. Net Pension Liability and Related Ratios (GASB No. 67 & No. 68)

| Measurement date | 9/30/2015 | 9/30/2016 | 9/30/2017 | 9/30/2018 | 9/30/2019 | 9/30/2020 | 9/30/2021 | 9/30/2022 † | 9/30/2023 | 9/30/2024 | Projected 9/30/2025 * |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A. **Total Pension Liability (TPL)** | | | | | | | | | | | |
| Service Cost | $ 137,664 | $ 118,012 | $ 114,569 | $ 134,363 | $ 129,963 | $ 123,694 | $ 93,494 | $ 121,358 | $ 126,711 | $ 98,691 | $ 0 |
| Interest | 295,404 | 301,631 | 319,489 | 325,988 | 334,716 | 344,138 | 340,890 | 352,866 | 383,347 | 360,476 | 311,910 |
| Benefit Changes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 180,646 | 0 | 0 |
| Difference Between Actual and Expected Experience | (20,659) | (131,179) | 36,635 | 6,707 | 60,234 | (21,441) | (50,293) | (61,183) | 31,784 | (336,121) | (549,182) |
| Assumption Changes | 0 | 329,557 | (11,196) | 0 | 0 | (113,542) | 157,458 | 0 | 0 | 0 | 675,274 |
| Benefit Payments, including Refunds of Member Contributions | (148,844) | (195,249) | (186,296) | (499,920) | (288,921) | (281,497) | (265,825) | (256,130) | (378,925) | (556,517) | (350,324) |
| **Net Change in Total Pension Liability** | 263,565 | 422,772 | 273,201 | (32,862) | 235,992 | 51,352 | 275,724 | 156,911 | 343,563 | (433,471) | 87,678 |
| **Total Pension Liability (TPL) - (beginning of year)** | 3,690,817 | 3,954,382 | 4,377,154 | 4,650,355 | 4,617,493 | 4,853,485 | 4,904,837 | 5,180,561 | 5,337,472 | 5,681,035 | 5,247,564 |
| **Total Pension Liability (TPL) - (end of year)** | $ 3,954,382 | $ 4,377,154 | $ 4,650,355 | $ 4,617,493 | $ 4,853,485 | $ 4,904,837 | $ 5,180,561 | $ 5,337,472 | $ 5,681,035 | $ 5,247,564 | $ 5,335,242 |
| B. **System Fiduciary Net Position** | | | | | | | | | | | |
| Contributions - City and State | $ 168,741 | $ 170,839 | $ 183,199 | $ 215,652 | $ 203,301 | $ 192,906 | $ 163,072 | $ 170,145 | $ 154,157 | $ 200,160 | $ 171,535 |
| Contributions - Member Pick-up | 27,922 | 26,654 | 30,465 | 32,934 | 34,275 | 31,492 | 34,696 | 38,535 | 36,207 | 15,092 | 0 |
| Contributions - Member | 5,784 | 5,544 | 6,093 | 6,587 | 6,855 | 8,049 | 6,783 | 7,037 | 7,241 | 3,018 | 0 |
| Net Investment Income | (77,433) | 384,891 | 352,649 | 260,044 | 215,415 | 239,968 | 889,998 | (743,910) | 501,013 | 1,069,264 | 319,516 |
| Benefit Payments, including Refunds of Member Contributions | (148,844) | (195,249) | (186,296) | (499,920) | (288,921) | (281,497) | (265,825) | (256,130) | (378,925) | (556,517) | (350,324) |
| Administrative Expenses | (45,090) | (50,014) | (39,291) | (49,254) | (32,378) | (32,660) | (54,681) | (68,709) | (74,003) | (79,570) | (74,000) |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,388 | 0 | 0 | 0 |
| **Net Change in System Fiduciary Net Position** | (68,920) | 342,665 | 346,819 | (33,957) | 138,547 | 158,258 | 774,043 | (847,644) | 245,690 | 651,447 | 66,727 |
| **System Fiduciary Net Position - (beginning of year)** | 3,744,711 | 3,675,791 | 4,018,456 | 4,365,275 | 4,331,318 | 4,469,865 | 4,628,123 | 5,402,166 | 4,554,522 | 4,800,212 | 5,451,659 |
| **System Fiduciary Net Position - (end of year)** | $ 3,675,791 | $ 4,018,456 | $ 4,365,275 | $ 4,331,318 | $ 4,469,865 | $ 4,628,123 | $ 5,402,166 | $ 4,554,522 | $ 4,800,212 | $ 5,451,659 | $ 5,518,386 |
| C. **Net Pension Liability (NPL) - (end of year): (A) - (B)** | $ 278,591 | $ 358,698 | $ 285,080 | $ 286,175 | $ 383,620 | $ 276,714 | $ (221,605) | $ 782,950 | $ 880,823 | $ (204,095) | $ (183,144) |
| D. **System Fiduciary Net Position as a Percentage of TPL: (B) / (A)** | 92.95 % | 91.81 % | 93.87 % | 93.80 % | 92.10 % | 94.36 % | 104.28 % | 85.33 % | 84.50 % | 103.89 % | 103.43 % |
| E. **Covered Employee Payroll** ** | $ 558,435 | $ 533,076 | $ 609,302 | $ 658,688 | $ 685,497 | $ 629,846 | $ 693,915 | $ 770,685 | $ 724,141 | $ 301,841 | $ 0 |
| F. **NPL as a Percentage of Covered Employee Payroll: (C) / (E)** | 49.89 % | 67.29 % | 46.79 % | 43.45 % | 55.96 % | 43.93 % | (31.94)% | 101.59 % | 121.64 % | (67.62)% | N/A |
| G. Notes to Schedule: | | | | | | | | | | | |
| Valuation Date | 10/1/2014 | 10/1/2015 | 10/1/2016 | 10/1/2017 | 10/1/2018 | 10/1/2019 | 10/1/2020 | 10/1/2021 | 10/1/2022 | 10/1/2023 | 10/1/2024 |
| Reporting Date (GASB No. 68) | 9/30/2016 | 9/30/2017 | 9/30/2018 | 9/30/2019 | 9/30/2020 | 9/30/2021 | 9/30/2022 | 9/30/2023 | 9/30/2024 | 9/30/2025 | 9/30/2026 |

Update procedures used to roll forward TPL excluding DROP account balances and Share Plan to the measurement dates - actual DROP account balances and Share Plan as of measurement dates included in TPL.

See Table IX, Item V. for a history of benefit and assumption changes through measurement date September 30, 2023. No benefit or assumption changes for measurement date September 30, 2024. Investment return and mortality assumptions were updated for measurement date September 30, 2025.

† As reported in System's financial statements.

* Projected - actual amounts will be available after fiscal year end.

** Reported payroll on which contributions to the System are based as provided under GASB No. 82.

## Accounting Disclosure Exhibit

IV. Schedule of Employer Contributions (GASB No. 67 & No. 68)

| Fiscal Year End 9/30 | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll [1] | Actual Contribution as a % of Covered Payroll |
|---|---|---|---|---|---|
| 2015 | $ 168,741 | $ 168,741 | $ 0 | $ 558,435 | 30.22% |
| 2016 | 170,839 | 170,839 | 0 | 533,076 | 32.05% |
| 2017 | 183,199 | 183,199 | 0 | 609,302 | 30.07% |
| 2018 | 215,652 | 215,652 | 0 | 658,688 | 32.74% |
| 2019 | 203,146 | 203,301 | (155) | 685,497 | 29.66% |
| 2020 | 193,175 | 192,906 | 269 | 629,846 | 30.63% |
| 2021 | 173,062 | 163,072 | 9,990 | 693,915 | 23.50% |
| 2022 | 170,145 | 170,145 | 0 | 770,685 | 22.08% |
| 2023 | 150,667 | 151,153 [2] | (486) | 724,141 | 20.87% |
| 2024 | 112,560 | 200,160 | (87,600) | 301,841 | 66.31% |
| 2025 [3] | 171,535 | 171,535 | 0 | 0 | N/A |

[1] Reported payroll on which contributions to the System are based as provided under GASB No. 82

[2] Net of interest due for prior year employer contributions

[3] Projected - actual amounts will be available after fiscal year end

## Accounting Disclosure Exhibit

V. Notes to Schedule of Contributions (GASB No. 67 & No. 68)

| | |
|---|---|
| **Valuation Date:** | Actuarially determined contributions are calculated as of October 1st - two year(s) prior the fiscal year end in which contributions are reported. |

**Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year Ended September 30, 2024:**

| | |
|---|---|
| Actuarial Cost Method | Entry Age |
| Amortization Method | Level Percentage of Pay, Closed |
| Amortization Period | 20 years |
| Asset Valuation Method | 4-year smoothed market value |
| Inflation | 2.5% |
| Payroll Growth Assumption | 4.0% per annum - not greater than historical 10-year average (1.8%) but not less than 0.0%. |
| Salary Increases | 5.0% - 7.0% |
| Investment Rate of Return | 7.00% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition |
| Mortality | For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.<br><br>For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.<br><br>For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements. |

**Other Information:**

Benefit Changes

2022: Retiree benefits increased 5%. 2013: DROP plan added effective February 1, 2013, added early retirement upon attainment of age 50 with completion of 10 years of credited service, maximum of 42 hours of overtime included in pensionable salary.

Assumption Changes

2020: Interest return, employee withdrawal rates, salary increase factors, payroll growth assumption and retirement rates were updated. 2019: Mortality assumption was updated. 2016: Per Statute, pre-retirement mortality assumption updated. 2015: Mortality rates, investment rate of return, salary increase factors, withdrawal rates and retirement rates were updated.

## Accounting Disclosure Exhibit

VI. Discount Rate (GASB No. 67 & No. 68)

Discount rates of 7.00% and 6.00% were used to measure the September 30, 2024 and September 30, 2025 TPLs, respectively. These discount rates were based on the expected rate of return on System investments of 7.00% and 6.00%, respectively. The projection of cash flows used to determine these discount rates assume member contributions will be made at the current member contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member contribution rate. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current System members. Therefore, the long-term expected rate of return on System investments was applied to all periods of projected benefit payments to determine the TPL.

VII. Sensitivity of the NPL to the Discount Rate Assumption (GASB No. 67 & No. 68)

Measurement date: September 30, 2024

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|---|---|---|
| Discount Rate | 6.00% | 7.00% | 8.00% |
| NPL | $ 411,712 | $ (204,095) | $ (717,034) |

Measurement date: September 30, 2025 *

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|---|---|---|
| Discount Rate | 5.00% | 6.00% | 7.00% |
| NPL | $ 477,845 | $ (183,144) | $ (728,503) |

* Projected - actual amounts will be available after fiscal year end.

## Accounting Disclosure Exhibit

VIII. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Reporting Date (GASB No. 68)

| | | |
|---|---|---|
| Pension Expense for Fiscal Year Ending September 30, 2025 | $ | (36,306) |

Summary of Outstanding Deferred Inflows and Outflows of Resources as of September 30, 2025

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between actual and expected experience on liabilities | 11,278 | 190,095 |
| Changes of assumptions or other inputs | 0 | 35,772 |
| Net difference between projected and actual earnings on System investments | 0 | 379,695 |
| Total | $ 11,278 | $ 605,562 |

| | |
|---|---|
| Projected Deferred Outflows for City Contributions to Be Recognized after the Measurement Date | $ 121,565 |

Summary of Deferred Outflows and Inflows of Resources that will be Recognized in Pension Expense in Future Years.

| Year Ending 30-Sep | Amount |
|---|---|
| 2026 | $ (239,190) |
| 2027 | (12,175) |
| 2028 | (193,346) |
| 2029 | (149,573) |
| 2030 | 0 |
| Thereafter | 0 |

## Accounting Disclosure Exhibit

The following information is not required to be disclosed but is provided for informational purposes.

IX. Components of Pension Expense (GASB No. 68)

| Measurement Date | 9/30/2015 | 9/30/2016 | 9/30/2017 | 9/30/2018 | 9/30/2019 | 9/30/2020 | 9/30/2021 | 9/30/2022 † | 9/30/2023 | 9/30/2024 | Projected 9/30/2025 * |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Service Cost | $ 137,664 | $ 118,012 | $ 114,569 | $ 134,363 | $ 129,963 | $ 123,694 | $ 93,494 | $ 121,358 | $ 126,711 | $ 98,691 | $ 0 |
| Interest on Total Pension Liability | 295,404 | 301,631 | 319,489 | 325,988 | 334,716 | 344,138 | 340,890 | 352,866 | 383,347 | 360,476 | 311,910 |
| Current-Period Benefit Changes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 180,646 | 0 | 0 |
| Contributions - Member | (33,706) | (32,198) | (36,558) | (39,521) | (41,130) | (39,541) | (41,479) | (45,572) | (43,448) | (18,110) | 0 |
| Projected Earnings on Plan Investments | (299,917) | (264,964) | (291,127) | (305,825) | (311,234) | (321,103) | (319,910) | (374,332) | (309,880) | (321,391) | (319,516) |
| Administrative Expenses | 45,090 | 50,014 | 39,291 | 49,254 | 32,378 | 32,660 | 54,681 | 68,709 | 74,003 | 79,570 | 74,000 |
| Other Changes in System Fiduciary Net Position | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,388 | 0 | 0 | 0 |
| Recognition of Beginning Deferred Outflows / (Inflows) due to Liabilities | 6,862 | 35,613 | 39,588 | 40,636 | 51,203 | 32,712 | 71,461 | 39,683 | 12,355 | (173,597) | (34,928) |
| Recognition of Beginning Deferred Outflows / (Inflows) due to Assets | 72,468 | 48,483 | 36,179 | 45,335 | 67,501 | 8,256 | (81,777) | 154,178 | 106,793 | (61,945) | (78,170) |
| Total Pension Expense | $ 223,865 | $ 256,591 | $ 221,431 | $ 250,230 | $ 263,397 | $ 180,816 | $ 117,360 | $ 322,278 | $ 530,527 | $ (36,306) | $ (46,704) |

† As reported in System's financial statements.
* Projected - actual amounts will be available after measurement date

## Accounting Disclosure Exhibit

The following information is not required to be disclosed but is provided for informational purposes.

X. Recognition of Deferred Outflows and (Inflows) due to Liabilities - Measurement Date (GASB No. 68)

Recognition of Deferred Outflows due to Differences Between Actual and Expected Experience on Liabilities

| Established | Initial Balance | Initial Recognition Period | Remaining Recognition Period as of 9/30/2024 | Recognition Amount for 2023 / 2024 | Balance as of 9/30/2024 |
|---|---|---|---|---|---|
| 2017 / 2018 | $ 6,707 | 6.4 | 0.0 | $ 419 | $ 0 |
| 2018 / 2019 | $ 60,234 | 5.7 | 0.0 | $ 7,399 | $ 0 |
| 2019 / 2020 | $ 0 | 7.3 | 2.3 | $ 0 | $ 0 |
| 2020 / 2021 | $ 0 | 2.7 | 0.0 | $ 0 | $ 0 |
| 2021 / 2022 | $ 0 | 3.0 | 0.0 | $ 0 | $ 0 |
| 2022 / 2023 | $ 31,784 | 3.1 | 1.1 | $ 10,253 | $ 11,278 |
| 2023 / 2024 | $ 0 | 2.2 | 1.2 | $ 0 | $ 0 |
| | | | TOTAL | $ 18,071 | $ 11,278 |

Recognition of Deferred (Inflows) due to Differences Between Actual and Expected Experience on Liabilities

| Established | Initial Balance | Initial Recognition Period | Remaining Recognition Period as of 9/30/2024 | Recognition Amount for 2023 / 2024 | Balance as of 9/30/2024 |
|---|---|---|---|---|---|
| 2017 / 2018 | $ 0 | 6.4 | 0.0 | $ 0 | $ 0 |
| 2018 / 2019 | $ 0 | 5.7 | 0.0 | $ 0 | $ 0 |
| 2019 / 2020 | $ (21,441) | 7.3 | 2.3 | $ (2,937) | $ (6,756) |
| 2020 / 2021 | $ (50,293) | 2.7 | 0.0 | $ 0 | $ 0 |
| 2021 / 2022 | $ (61,183) | 3.0 | 0.0 | $ (20,395) | $ 0 |
| 2022 / 2023 | $ 0 | 3.1 | 1.1 | $ 0 | $ 0 |
| 2023 / 2024 | $ (336,121) | 2.2 | 1.2 | $ (152,782) | $ (183,339) |
| | | | TOTAL | $ (176,114) | $ (190,095) |

Recognition of Deferred Outflows due to Changes of Assumptions or Other Inputs

| Established | Initial Balance | Initial Recognition Period | Remaining Recognition Period as of 9/30/2024 | Recognition Amount for 2023 / 2024 | Balance as of 9/30/2024 |
|---|---|---|---|---|---|
| 2017 / 2018 | $ 0 | 6.4 | 0.0 | $ 0 | $ 0 |
| 2018 / 2019 | $ 0 | 5.7 | 0.0 | $ 0 | $ 0 |
| 2019 / 2020 | $ 0 | 7.3 | 2.3 | $ 0 | $ 0 |
| 2020 / 2021 | $ 157,458 | 2.7 | 0.0 | $ 0 | $ 0 |
| 2021 / 2022 | $ 0 | 3.0 | 0.0 | $ 0 | $ 0 |
| 2022 / 2023 | $ 0 | 3.1 | 1.1 | $ 0 | $ 0 |
| 2023 / 2024 | $ 0 | 2.2 | 1.2 | $ 0 | $ 0 |
| | | | TOTAL | $ 0 | $ 0 |

## Accounting Disclosure Exhibit

The following information is not required to be disclosed but is provided for informational purposes.

X. Recognition of Deferred Outflows and (Inflows) due to Liabilities - Measurement Date (GASB No. 68) (cont'd)

Recognition of Deferred (Inflows) due to Changes of Assumptions or Other Inputs

| Established | Initial Balance | Initial Recognition Period | Remaining Recognition Period as of 9/30/2024 | Recognition Amount for 2023 / 2024 | Balance as of 9/30/2024 |
|---|---|---|---|---|---|
| 2017 / 2018 | $ 0 | 6.4 | 0.0 | $ 0 | $ 0 |
| 2018 / 2019 | $ 0 | 5.7 | 0.0 | $ 0 | $ 0 |
| 2019 / 2020 | $ (113,542) | 7.3 | 2.3 | $ (15,554) | $ (35,772) |
| 2020 / 2021 | $ 0 | 2.7 | 0.0 | $ 0 | $ 0 |
| 2021 / 2022 | $ 0 | 3.0 | 0.0 | $ 0 | $ 0 |
| 2022 / 2023 | $ 0 | 3.1 | 1.1 | $ 0 | $ 0 |
| 2023 / 2024 | $ 0 | 2.2 | 1.2 | $ 0 | $ 0 |
| | | | TOTAL | $ (15,554) | $ (35,772) |

XI. Recognition of Deferred Outflows and (Inflows) due to Assets - Measurement Date (GASB No. 68)

Recognition of Deferred Outflows / (Inflows) due to Difference Between Projected and Actual Earnings on Pension Plan Investments

| Established | Initial Balance | Initial Recognition Period | Remaining Recognition Period as of 9/30/2024 | Recognition Amount for 2023 / 2024 | Balance as of 9/30/2024 |
|---|---|---|---|---|---|
| 2019 / 2020 | $ 81,135 | 5 | 0 | $ 16,227 | $ 0 |
| 2020 / 2021 | $ (570,088) | 5 | 1 | $ (114,018) | $ (114,016) |
| 2021 / 2022 | $ 1,118,242 | 5 | 2 | $ 223,648 | $ 447,298 |
| 2022 / 2023 | $ (191,133) | 5 | 3 | $ (38,227) | $ (114,679) |
| 2023 / 2024 | $ (747,873) | 5 | 4 | $ (149,575) | $ (598,298) |
| | | | TOTAL | $ (61,945) | $ (379,695) |

## Outline of Principal Provisions of the Retirement System

A. Eligibility

Effective March 1, 2024, the Police Department was terminated and all active members terminated employment, therefore there are no current active members and no future new entrants.

B. Normal Retirement:

1. Eligibility

   Earlier of:
   (a) Attainment of age 55 with completion of 10 years of credited service.
   (b) Completion of 25 years of credited service.

2. Mandatory Retirement Age

   Age 60. Extensions granted with employer consent.

3. Amount of Pension

   Total credited service times 3.75% of Final Average Salary. Maximum 100% of Final Average Salary.

4. Normal Form

   The normal form of pension is a 10 year Certain and Life. Upon his or her death, 100% of the reduced benefit is continued for the remainder of the Certain period, if any. Optional forms are available on an actuarial equivalent basis.

5. Final Average Salary

   Highest 3 consecutive years out of last 10. Salary includes base pay plus longevity pay and up to 42 hours of overtime per calendar year. Lump sum payments paid at the time of retirement are not included in the determination of final average salary.

C. Early Retirement:

1. Eligibility

   Attainment of age 50 with completion of 10 years of credited service.

2. Amount of Pension

   Computed as a normal retirement but reduced 3.0% for each year (0.25% for each month) that early retirement precedes the date the member would have been eligible for normal retirement.

## Outline of Principal Provisions of the Retirement System

D. Deferred Retirement:

1. Eligibility

   10 or more years of credited service. Pension begins at age 55 or reduced benefits at age 50.

2. Benefit

   Computed as a normal retirement pension but based upon credited service and Final Average Salary at time of termination.

E. Duty Disability Retirement:

1. Eligibility

   No age or service requirement. Must be in receipt of worker's compensation.

2. Benefit

   Computed as a normal retirement pension. Minimum benefit shall be 42% of Final Average Salary. Worker's compensation payments are offset, to the extent permitted by law.

F. Non-Duty Disability Retirement:

1. Eligibility

   10 or more years of credited service.

2. Benefit

   Computed as a normal retirement pension. Minimum benefit shall be 42% of Final Average Salary. Worker's compensation payments are offset, to the extent permitted by law.

G. Death Before Retirement:

1. Eligibility

   10 or more years of credited service.

2. Benefit

   Computed as a normal retirement pension but actuarially reduced in accordance with a 100% joint and survivor election.

## Outline of Principal Provisions of the Retirement System

H. Deferred Retirement Option Plan (DROP):

Effective February 1, 2013, members may elect to freeze their retirement benefit at normal eligibility, and continue working for a maximum of 5 years. The retirement benefit will be calculated as of the date the member elects the DROP. This retirement benefit will be accumulated with interest in an amount equal to 50% of the net investment return for the System for the preceding fiscal year up to a maximum of 4% during the DROP period in a DROP account. At actual termination, the member can rollover the DROP account balance or receive the balance directly with appropriate tax consequences. The retirement benefit calculated as of the date the DROP election becomes payable directly to the retiree or beneficiary thereafter. Member pick-up contributions will cease at the date of DROP election. Disability and death before retirement provisions will no longer apply to members who enter the DROP. Members will be assessed administrative fees.

I. Post-Retirement Cost-of-Living Adjustments:

Effective October 1, 1994 all current retired members and beneficiaries received an increase in their pension of $75 / month. Effective October 1, 2001 all current retired members and beneficiaries received an increase in their pension. The increase was based on their original benefit, using a multiplier of 3.75% rather than their original multiplier. Effective October 1, 2022 all current retired members, DROP participants and beneficiaries received a pension increase of 5%.

J. Annual Holiday Bonus:

$100

K. Member Contributions:

1.00% of annual salary. This amount is refunded upon termination. The City currently picks-up the former 5.00% member contribution. For all employees hired prior to December 31, 1999, this amount is refunded upon termination of membership with 3 or more years of credited service in the absence of a pension. For all employees hired after December 31, 1999, this amount is refunded upon termination of membership with 10 or more years of credited service in the absence of a pension. Should a member die and no pension becomes or will become available, picked-up member contributions will be refunded even if the required years of service have not been attained.

If you terminate employment and receive a refund of contributions, you forfeit any rights to future benefits from the Retirement System. The taxable portion of any refund you receive is subject to an automatic 20% withholding for Federal income tax purposes, and a possible 10% excise tax. These taxes can be avoided, however, if you roll the taxable portion over to an Individual Retirement Account (IRA) or another qualified employer plan. This rollover will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, MUST be made directly by the System to your chosen IRA or other qualified employer plan.

## Outline of Principal Provisions of the Retirement System

L. City Contributions:

Actuarially determined amounts which together with member contributions and premium tax monies are sufficient to at least cover the requirements of the funding objective.

M. Premium Tax Monies:

A distribution of casualty insurance premium tax monies collected by the State pursuant to Chapter 185, Florida Statutes.

N. Forfeiture of Retirement Benefits:

Retirement benefits granted by the Retirement System are subject to forfeiture if an employee is convicted of an offense specified in Section 112.3173 and 185.185, Florida Statutes, pursuant to the procedures set forth in the cited statutes.

O. Claims Procedure:

Claims for benefits should be filed with the Board of Trustees at the City Clerk's office. If the claim is denied, you will be notified and informed of the procedure to request a hearing before the Board of Trustees. An applicant for benefits must appeal said denial within 60 days of being informed of the denial by filing an appeal with the Board at the City Clerk's office. If no appeal is filed within the time period then the denial shall be final.

P. Disclaimer:

The preceding summary briefly describes the principal benefits of the Retirement System. Detailed benefit conditions and limitations are contained in the Retirement Ordinance which established the System. The Internal Revenue Code, Florida Statutes, and the Ordinance all govern the operation of the System and should be consulted before you take any action concerning your participation or benefits. In the case of any conflict between this summary and the provisions of the Ordinance or other applicable law, the Ordinance or other applicable law will prevail. Copies of the Ordinance are available at the City Clerk's office.

Q. Change From Previous Valuation:

None affecting calculations.

## Actuarial Assumptions and Actuarial Cost Methods
## Used in the Valuation

A. Mortality

For healthy participants during employment, PUB-2010 Benefits Weighted Safety Employee Mortality Table, separate rates for males and females, males set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2021.

For healthy participants post employment, PUB-2010 Benefits Weighted Safety Healthy Retiree Mortality Table, separate rates for males and females, males set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2021.

For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, females set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2021.

| Sample Ages (2024) | Pre-retirement Future Life Expectancy (Years) | | Post-retirement Future Life Expectancy (Years) | |
|---|---|---|---|---|
| | Men | Women | Men | Women |
| 55 | 32.10 | 35.40 | 29.66 | 32.58 |
| 60 | 27.09 | 30.34 | 24.79 | 27.66 |
| 62 | 25.13 | 28.33 | 22.93 | 25.77 |

| Sample Ages (2044) | Pre-retirement Future Life Expectancy (Years) | | Post-retirement Future Life Expectancy (Years) | |
|---|---|---|---|---|
| | Men | Women | Men | Women |
| 55 | 33.44 | 36.55 | 31.36 | 34.18 |
| 60 | 28.39 | 31.46 | 26.42 | 29.21 |
| 62 | 26.40 | 29.43 | 24.51 | 27.27 |

For survivors of participants, PUB-2010 Headcount Weighted General Healthy Retiree Mortality Table, separate rates for males and females, males set back 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2021.

B. Interest to be Earned by Fund

6.0%, compounded annually, net of investment expenses - includes inflation at 2.5%.

C. Allowances for Expenses or Contingencies

Administrative expenses are projected to continue at the same dollar amount as the average of the preceding three fiscal years, rounded to the nearest thousand.

D. Employee Withdrawal Rates (No longer applicable)

The rates do not apply to members eligible to retire and do not include separation on account of death or disability. This estimate measures the probabilities of members remaining in employment.

## Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation

D. Employee Withdrawal Rates (No longer applicable) (Cont'd)

| Sample Ages | Years of Service | Withdrawal Rates Per 100 Employees |
|---|---|---|
| ALL | 0 - 1 | 25.0 |
| | 2 - 3 | 20.0 |
| | 4 | 15.0 |
| Under 25 | 5 & Over | 20.0 |
| 25 - 29 | | 18.0 |
| 30 - 34 | | 16.0 |
| 35 - 39 | | 14.0 |
| 40 - 44 | | 5.0 |
| 45 & Over | | 1.0 |

E. Disability Rates (No longer applicable)

These estimates represent the probabilities of active members becoming disabled.

| | Percent Becoming Disabled Within Next Year | |
|---|---|---|
| Sample Ages | Male | Female |
| 20 | 0.07% | 0.03% |
| 25 | 0.09% | 0.05% |
| 30 | 0.10% | 0.07% |
| 35 | 0.14% | 0.13% |
| 40 | 0.21% | 0.19% |
| 45 | 0.32% | 0.28% |
| 50 | 0.52% | 0.45% |
| 55 | 0.92% | 0.76% |
| 60 | 1.53% | 1.10% |

F. Salary Increase Factors (No longer applicable)

Employee salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation-related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel.

| Age | Salary Increase |
|---|---|
| Under 45 | 7% |
| 45 & Over | 5% |

General increase in wage level due to inflation is 3.0%.

G. Payroll Growth Assumption (No longer applicable)

0.0% effective October 1, 2023 due to Plan closure in March 2024. Previously 4.0% per annum capped at the historical 10-year average but not less than 0.0% for purposes of financing the unfunded liabilities.

## Actuarial Assumptions and Actuarial Cost Methods
## Used in the Valuation

H. Retirement Rates (No longer applicable)

These rates are used to measure the probabilities of an eligible member retiring during the next year.

| Retirement Ages | Percent Retiring |
|---|---|
| < 64 | 22% |
| 64 | 20% |
| 65 | 100% |

A Police Officer is eligible for retirement after 25 years of credited service or after attaining age 55 with 10 or more years of credited service.

A Police Officer is eligible for early retirement after attaining age 50 with 10 or more years of credited service.

Benefits accruing after age 65 are offset by actuarial gains from the deferred retirement.

I. Smoothed Asset Valuation Method

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 25% per year. The smoothed actuarial value of assets is further adjusted to the extent necessary to remain within the corridor whose lower and upper limits are 80% and 120%, respectively, of the fair market value of system assets.

J. Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Normal Cost Method.
Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the System had always been in effect. The normal cost for the System is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the System is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over System assets.

Vested Normal Retirement, Termination, Disability, and Death Benefits: Unit Credit Cost Method
Under this method, the actuarial present value of vested accrued benefits is an amount calculated to be the sum of the present values of each individual's vested accrued or earned benefit under the Plan as of the valuation date. Each individual's calculation is based on pay and service as of the valuation date.

K. Disclosure of Assumptions

The investment return, salary increases, payroll growth assumption, withdrawal and retirement rates were updated based on the most recent experience study performed for the five years ending September 30, 2019. The investment return was reduced effective October 1, 2024 due to the closure to future employees. The mortality rates are based upon the July 1, 2024 FRS Actuarial Valuation, as required under F.S., Chapter 2015-157.

## Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation

L. Changes From Previous Valuation

1. Interest return was:

   7.0%, compounded annually, net of investment expenses.

2. Mortality assumption was:

   For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

   For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

   For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

## Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation

M. Technical Assumptions (Cont'd)

1. Pay Increase Timing:
   Beginning of (Fiscal) year.
2. Decrement Timing:
   Decrements are assumed to occur mid-year.
3. Eligibility Testing:
   Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
4. Benefit Service:
   Exact fractional service is used to determine the amount of benefit payable.
5. Decrement Relativity:
   Decrement rates are used directly from tabular rates - no adjustment for multiple decrement table effects.
6. Decrement Operation:
   Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during years of retirement eligibility.
7. Incidence of Contributions:
   Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report and the actual payroll payable at the time contributions are made. New entrant normal cost contributions are applied to the funding of new entrant benefits.
8. Marriage Assumption:
   100% of members are assumed to be married. Male spouses are assumed to be three years older than female spouses.
9. Actuarial Equivalence Basis for Optional Forms of Payment:
   7.5% interest and the RP 2000 Combined Healthy Male Mortality Table with Blue Collar adjustment projected to the fiscal year that contains the benefit commencement date for participants and the RP 2000 Combined Healthy Female Mortality Table projected to the fiscal year that contains the benefit commencement date for beneficiaries. Disabled lives are set forward 5 years.
10. Duty and Non-Duty Related Assumption
    50% are assumed in-service and 50% are assumed non-service for pre-retirement death and disability benefits.
11. Vested members
    Vested members who terminate with a benefit worth less than 100% of their accumulated member contribution balance were assumed to withdraw the balance and forfeit their vested benefit.
12. Salary
    Salary reported for the actuarial valuation includes all amounts included in the final average compensation for benefit purposes.

## Distribution by Attained Age Groups and Service Groups as of October 1, 2024

| Attained Age Group | 0 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30 & Over | Total |
|---|---|---|---|---|---|---|---|---|
| | COMPLETED YEARS OF SERVICE | | | | | | | |
| Under 25 | - | - | - | - | - | - | - | 0 |
| 25 - 29 | - | - | - | - | - | - | - | 0 |
| 30 - 34 | - | - | - | - | - | - | - | 0 |
| 35 - 39 | - | - | - | - | - | - | - | 0 |
| 40 - 44 | - | - | - | - | - | - | - | 0 |
| 45 - 49 | - | - | - | - | - | - | - | 0 |
| 50 - 54 | - | - | - | - | - | - | - | 0 |
| 55 - 59 | - | - | - | - | - | - | - | 0 |
| 60 - 64 | - | - | - | - | - | - | - | 0 |
| 65 & Over | - | - | - | - | - | - | - | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | 10/01/2023 | 10/01/2024 |
|---|---|---|
| Average Attained Age | 38.38 years | N/A |
| Average Hire Age | 35.64 years | N/A |
| Average Pay | $ 46,851 | N/A |
| Percent Female | 10.0% | N/A |

## Statistics for Participants Entitled to Deferred Benefits and Participants Receiving Benefits

A. Entitled to Deferred Benefits

| Current Age Group | Count | Total Annual Benefit | Average Annual Benefit |
|---|---|---|---|
| **Less than 40** | - | $ - | $ - |
| 40 - 44 | 1 | 18,239 | 18,239 |
| 45 - 49 | 3 | 80,589 | 26,863 |
| 50 - 54 | - | - | - |
| 55 - 59 | - | - | - |
| 60 - 64 | - | - | - |
| 65 & Over | - | - | - |
| TOTAL | 4 | $ 98,828 | $ 24,707 |

B. Receiving Benefits (including DROPs)

| Current Age Group | Count | Total Annual Benefit | Average Annual Benefit |
|---|---|---|---|
| **Less than 50** | 1 | $ 23,152 | $ 23,152 |
| 50 - 54 | - | - | - |
| 55 - 59 | 6 | 196,416 | 32,736 |
| 60 - 64 | 1 | 18,540 | 18,540 |
| 65 - 69 | 2 | 42,005 | 21,003 |
| 70 - 74 | 2 | 40,795 | 20,398 |
| 75 - 79 | - | - | - |
| 80 - 84 | 2 | 23,153 | 11,577 |
| 85 & Over | - | - | - |
| TOTAL | 14 | $ 344,061 | $ 24,576 |

## Reconciliation of Employee Data

A. Active Participants

| | |
|---|---|
| 1. Active participants previous year | 10 |
| 2. Retired during year | 0 |
| 3. Entered DROP | 0 |
| 4. Died during year | 0 |
| 5. Disabled during year | 0 |
| 6. Vested terminated during year | (1) |
| 7. Non-vested terminated during year | (9) |
| 8. New active participants | 0 |
| 9. Re-instated during year | 0 |
| 10. Active participants current year | 0 |

B. Participants Receiving Benefits

| | |
|---|---|
| 1. Participants receiving benefits previous year | 14 |
| 2. New retired participants | 0 |
| 3. Former DROPs now receiving benefits | 0 |
| 4. New terminated vested receiving benefits | 0 |
| 5. New disabled receiving benefits | 0 |
| 6. New beneficiaries receiving benefits | 0 |
| 7. Died or ceased payment during year | 0 |
| 8. Retired or terminated vested receiving benefits current year | 14 |

C. DROP Participants

| | |
|---|---|
| 1. DROP participants previous year | 0 |
| 2. Died during year | 0 |
| 3. Became disabled during year | 0 |
| 4. Employment terminated and retired during year | 0 |
| 5. Entered DROP during year | 0 |
| 6. DROP participants current year | 0 |

D. Terminated Vested Participants Entitled to Future Benefits

| | |
|---|---|
| 1. Terminated vested entitled previous year | 3 |
| 2. Died during year | 0 |
| 3. Commenced receiving benefits during year | 0 |
| 4. New terminated vested | 1 |
| 5. Terminated vested paid lump sum | 0 |
| 6. Adjustment | 0 |
| 7. Terminated vested entitled current year | 4 |

## Projected Retirement Benefits

| Fiscal Year | Projected Total Annual Payout |
|---|---|
| 2025 | $ 343,399 |
| 2026 | $ 341,655 |
| 2027 | $ 339,746 |
| 2028 | $ 337,013 |
| 2029 | $ 333,796 |
| 2030 | $ 330,259 |
| 2031 | $ 347,047 |
| 2032 | $ 368,367 |
| 2033 | $ 396,032 |
| 2034 | $ 394,705 |

The above projected payout of System benefits during the next ten years is based on assumptions involving all decrements. The actual payouts may differ from the above estimates depending upon the death, salary and retirement experience of the System. However, since the projected payment is recomputed each valuation date, there is an automatic correction to the extent that actual experience varies from expected experience.

## Summary of Transaction Information

| Valuation Date | Benefits Paid [1] | Administrative Expenses | Employee Contributions | City Contributions | City Contributions (Member *Pick-up*) | Total State Contributions | Smoothed Actuarial Value [2,3] |
|---|---|---|---|---|---|---|---|
| 10/01/2024 | $ 556,517 | $ 79,570 | $ 3,018 | $ 144,714 | $ 15,092 | $ 55,446 | $ 5,014,121 |
| 10/01/2023 | 378,925 | 74,003 | 7,241 | 115,566 | 36,207 | 94,554 | 5,089,866 |
| 10/01/2022 | 257,539 | 68,708 | 7,707 | 114,182 | 38,534 | 0 | 5,057,793 |
| 10/01/2021 | 265,825 | 54,681 | 6,783 | 107,282 | 34,696 | 55,790 | 5,048,226 |
| 10/01/2020 | 281,497 | 32,660 | 8,049 | 147,488 | 31,492 | 45,418 | 4,752,105 |
| 10/01/2019 | 288,921 | 32,378 | 6,855 | 147,537 | 34,275 | 55,764 | 4,550,287 |
| 10/01/2018 | 499,920 | 49,254 | 6,587 | 140,300 | 32,934 | 75,352 | 4,313,722 |
| 10/01/2017 | 186,296 | 39,291 | 6,093 | 112,112 | 30,465 | 71,087 | 4,367,584 |
| 10/01/2016 | 195,249 | 50,014 | 5,544 | 108,747 | 26,654 | 62,092 | 4,124,426 |
| 10/01/2015 | 148,844 | 45,090 | 5,784 | 112,245 | 27,922 | 56,496 | 3,943,032 |
| 10/01/2014 | 170,730 | 34,257 | 5,525 | 153,873 | 26,674 | 57,971 | 3,676,112 |
| 10/01/2013 | 129,795 | 37,002 | 6,078 | 108,390 | 29,295 | 61,447 | 3,376,180 |
| 10/01/2012 | 129,255 | 58,821 | 5,766 | 115,876 | 28,831 | 72,385 | 2,863,552 |
| 10/01/2011 | 130,078 | 20,881 | 6,191 | 86,187 | 30,878 | 59,178 | 2,674,491 |
| 10/01/2010 | 128,309 | 24,576 | 5,893 | 14,906 | 29,464 | 68,225 | 2,657,104 |
| 10/01/2009 | 127,082 | 21,060 | 6,193 | 0 | 30,967 | 71,647 | 2,621,033 |
| 10/01/2008 | 107,387 | 26,743 | 6,806 | 0 | 34,029 | 76,068 | 2,740,047 |
| 10/01/2007 | 106,732 | 11,180 | 6,573 | 0 | 32,868 | 80,389 | 2,632,673 |
| 10/01/2006 | 90,050 | 16,081 | 6,154 | 0 | 30,770 | 73,923 | 2,393,700 |
| 10/01/2005 | 97,329 | 23,103 | 6,039 | 0 | 30,197 | 70,830 | 2,179,343 |
| 10/01/2004 | 101,336 | 25,137 | 5,891 | 0 | 29,453 | 55,475 | 2,048,693 |
| 10/01/2003 | 86,784 | 38,090 | 5,656 | 0 | 35,076 | 43,160 | 2,010,037 |
| 10/01/2002 | 86,059 | 27,088 | 5,386 | 0 | 26,927 | 38,590 | 1,989,717 |
| 10/01/2001 | 48,847 | 33,174 | 6,322 | 0 | 25,110 | 39,015 | 2,020,284 |
| 10/01/2000 | 53,355 | 18,215 | 6,831 | 0 | 23,324 | 40,694 | 1,981,584 |

[1] Effective for fiscal year ending September 30, 2013, includes DROP and Share distributions and contribution refunds

[2] Effective for year ending September 30, 2013, includes DROP account balances

[3] Prior to October 1, 2009 and effective for fiscal year ended September 30, 2013, actuarial value includes the excess State contribution reserve. Net of credit balance, if any.

## Recent Compensation, Termination and Investment Return Experience

| Valuation Date | Compensation % Increase (Decrease) | Compensation Assumed Increase | Termination Ratio of Actual to Expected | Investment Return[1] Market Value | Investment Return[1] Actuarial Value | Investment Return[1] Assumed |
|---|---|---|---|---|---|---|
| 10/01/2024 | N/A | 6.5% | 5.2 | 23.29% | 8.80% | 7.00% |
| 10/01/2023 | 5.1% | 5.0% | 4.5 | 11.39% | 4.67% | 7.00% |
| 10/01/2022 | 10.7% | 6.7% | 1.9 | (13.96%) | 3.42% | 7.00% |
| 10/01/2021 | 15.6% | 6.5% | 1.8 | 19.47% | 8.78% | 7.00% |
| 10/01/2020 | 11.6% | 4.7% | 2.4 | 5.42% | 6.29% | 7.25% |
| 10/01/2019 | 14.2% | 4.7% | 2.6 | 5.02% | 7.33% | 7.25% |
| 10/01/2018 | 12.6% | 4.6% | 2.8 | 6.16% | 5.69% | 7.25% |
| 10/01/2017 | 2.4% | 4.5% | 2.3 | 8.78% | 6.04% | 7.25% |
| 10/01/2016 | (1.6%) | 4.6% | 1.9 | 10.53% | 5.70% | 7.25% |
| 10/01/2015 | 3.7% | 6.9% | 2.9 | (2.1%) | 7.0% | 8.0% |
| Last 3 Periods | N/A | 6.1% | 3.5 | 5.72% | 5.61% | 7.00% |
| Last 5 Periods | N/A | 5.9% | 2.9 | 8.28% | 6.37% | 7.05% |
| Last 10 Periods | N/A | 5.5% | 2.7 | 6.9% | 6.4% | 7.2% |

[1] Computed as 2I/(A+B-I), where A is beginning value, B is ending value and I is investment return.

## Employer Contribution Information

| Valuation Date | Contribution Fiscal Year End | Minimum Required Employer Contributions | | Actual City Contributions | Actual State Contributions | Actual Employer Contributions |
|---|---|---|---|---|---|---|
| 10/01/2024 | 09/30/2026 | $ 117,888 | [1] | N/A | N/A | N/A |
| 10/01/2023 | 09/30/2025 | $ 171,535 | [1] | N/A | N/A | N/A |
| 10/01/2022 | 09/30/2024 | $ 112,560 | [2] | $ 144,714 | $ 55,446 | $ 200,160 |
| 10/01/2021 | 09/30/2023 | $ 153,671 | [2] | $ 115,566 | $ 94,554 | $ 210,120 |
| 10/01/2020 | 09/30/2022 | $ 170,145 | [2] | $ 114,182 | $ 0 | $ 114,182 |
| 10/01/2019 | 09/30/2021 | $ 173,062 | [2] | $ 107,282 | $ 55,790 | $ 163,072 |
| 10/01/2018 | 09/30/2020 | $ 193,175 | [2] | $ 147,488 | $ 45,418 | $ 192,906 |
| 10/01/2017 | 09/30/2019 | $ 203,146 | [2] | $ 147,537 | $ 55,764 | $ 203,301 |
| 10/01/2016 | 09/30/2018 | $ 215,652 | [2] | $ 140,300 | $ 75,352 | $ 215,652 |
| 10/01/2015 | 09/30/2017 | $ 183,199 | [2] | $ 112,112 | $ 71,087 | $ 183,199 |
| 10/01/2014 | 09/30/2016 | $ 170,839 | [2] | $ 108,747 | $ 62,092 | $ 170,839 |
| 10/01/2013 | 09/30/2015 | $ 168,741 | [2] | $ 112,245 | $ 56,496 | $ 168,741 |
| 10/01/2012 | 09/30/2014 | $ 162,286 | [2] | $ 153,873 | $ 57,971 | $ 211,844 |
| 10/01/2011 | 09/30/2013 | $ 165,835 | [2] | $ 108,390 | $ 61,447 | $ 169,837 |
| 10/01/2010 | 09/30/2012 | $ 180,374 | [2] | $ 115,876 | $ 72,385 | $ 188,261 |
| 10/01/2009 | 09/30/2011 | $ 145,325 | [2] | $ 86,187 | $ 59,178 | $ 145,365 |
| 10/01/2008 | 09/30/2010 | $ 75,619 | [2] | $ 14,906 | $ 68,225 | $ 83,131 |
| 10/01/2007 | 09/30/2009 | $ 29,618 | [2] | $ 0 | $ 71,647 | $ 71,647 |
| 10/01/2006 | 09/30/2008 | $ 31,252 | | $ 0 | $ 76,068 | $ 76,068 |
| 10/01/2005 | 09/30/2007 | $ 35,573 | | $ 0 | $ 80,389 | $ 80,389 |
| 10/01/2004 | 09/30/2006 | $ 29,107 | | $ 0 | $ 73,923 | $ 73,923 |
| 10/01/2003 | 09/30/2005 | $ 26,014 | | $ 0 | $ 70,830 | $ 70,830 |
| 10/01/2002 | 09/30/2004 | $ 10,659 | | $ 0 | $ 55,475 | $ 55,475 |
| 10/01/2001 | 09/30/2003 | $ 0 | | $ 0 | $ 43,160 | $ 43,160 |
| 10/01/2000 | 09/30/2002 | $ 4,650 | | $ 0 | $ 38,590 | $ 38,590 |
| 10/01/1999 | 09/30/2001 | $ 5,075 | | $ 0 | $ 39,015 | $ 39,015 |
| 10/01/1998 | 09/30/2000 | $ 6,754 | | $ 0 | $ 40,694 | $ 40,694 |
| 10/01/1997 | 09/30/1999 | $ 2,860 | | $ 0 | $ 36,800 | $ 36,800 |

[1] Based upon dollar amount

[2] Based upon percentage of payroll

## Actuarial Valuation as of October 1, 2024

### State Required Exhibit

| | | 10/01/2023 | Prior Assumptions / Methods 10/01/2024 | Current Assumptions / Methods 10/01/2024 |
|---|---|---|---|---|
| A. | Participant Data | | | |
| | 1. Active participants | 10 | 0 | 0 |
| | 2. Retired participants and beneficiaries receiving benefits (including DROPs) | 13 | 13 | 13 |
| | 3. Disabled participants receiving benefits | 1 | 1 | 1 |
| | 4. Terminated vested participants | 3 | 4 | 4 |
| | 5. Annual payroll of active participants | $ 468,510 | $ 0 | $ 0 |
| | 6. Projected payroll of active participants | $ 468,510 | $ 0 | $ 0 |
| | 7. Annual benefits payable to those currently receiving benefits including DROP participants | $ 344,061 | $ 344,061 | $ 344,061 |
| B. | Value of Assets | | | |
| | 1. Net Smoothed Actuarial Value of Assets | $ 5,089,866 | $ 5,014,121 | $ 5,014,121 |
| | 2. Net Market Value of Assets | $ 4,800,212 | $ 5,364,059 | $ 5,364,059 |
| C. | Liabilities | | | |
| | 1. Actuarial present value of future expected benefit payments for active members | | | |
| | a. Retirement benefits | $ 1,152,549 | $ 0 | $ 0 |
| | b. Vesting benefits | 84,683 | 0 | 0 |
| | c. Death benefits | 16,272 | 0 | 0 |
| | d. Disability benefits | 23,050 | 0 | 0 |
| | e. Total | $ 1,276,554 | $ 0 | $ 0 |
| | 2. Actuarial present value of future expected benefit payments for terminated vested members | $ 410,761 | $ 676,402 | $ 839,580 |
| | 3. Actuarial present value of future expected benefit payments for members currently receiving benefits | | | |
| | a. Service retired including DROP participants | $ 3,812,937 | $ 3,579,875 | $ 4,041,546 |
| | b. Disability retired | 315,434 | 313,781 | 356,202 |
| | c. Beneficiaries | 96,702 | 93,090 | 101,094 |
| | d. Miscellaneous | 6,595 | 10,056 | 10,056 |
| | e. Total | $ 4,231,668 | $ 3,996,802 | $ 4,508,898 |

## Actuarial Valuation as of October 1, 2024

### State Required Exhibit

| | 10/01/2023 | Prior Assumptions / Methods 10/01/2024 | Current Assumptions / Methods 10/01/2024 |
|---|---|---|---|
| 4. Reserve for Share Plan | $ 41,894 | $ 25,178 | $ 25,178 |
| 5. Total actuarial present value of future expected benefit payments | $ 5,960,877 | $ 4,698,382 | $ 5,373,656 |
| 6. Actuarial accrued liabilities | $ 5,348,703 | $ 4,698,382 | $ 5,373,656 |
| 7. Unfunded actuarial accrued liabilities | $ 258,837 | $ (315,739) | $ 359,535 |
| D. Statement of Accumulated System Benefits | | | |
| 1. Actuarial present value of accumulated vested benefits | | | |
| a. Participants currently receiving benefits including DROP participants | $ 4,225,073 | $ 3,986,746 | $ 4,498,842 |
| b. Other participants (Share Plan) | 727,853 | 711,636 | 874,814 |
| c. Total | $ 4,952,926 | $ 4,698,382 | $ 5,373,656 |
| 2. Actuarial present value of accumulated non-vested System benefits | 156,897 | 0 | 0 |
| 3. Total actuarial present value of accumulated System benefits | $ 5,109,823 | $ 4,698,382 | $ 5,373,656 |

E. Statement of Change in Accumulated System Benefits

| | |
|---|---|
| 1. Actuarial present value of accumulated System benefits as of October 1, 2023 | $ 5,109,823 |
| 2. Increase (decrease) during year attributable to: | |
| a. System amendment | $ 0 |
| b. Change in actuarial assumptions | 675,274 |
| c. Benefits paid including refunds and DROP and Share Plan distributions | (556,517) |
| d. Other, including benefits accumulated and increase for interest due to decrease in the discount period | 145,076 |
| e. Net increase | $ 263,833 |
| 3. Actuarial present value of accumulated System benefits as of October 1, 2024 | $ 5,373,656 |

## Actuarial Valuation as of October 1, 2024

### State Required Exhibit

| | 10/01/2023 | Prior Assumptions / Methods 10/01/2024 | Current Assumptions / Methods 10/01/2024 |
|---|---|---|---|
| F. Pension Cost | | | |
| 1. Total normal cost | $ 164,691 | $ 74,000 | $ 74,000 |
| 2. Payment required to amortize unfunded liability | 27,607 | (20,561) | 36,279 |
| 3. Interest adjustment | 7,348 | 5,068 | 7,609 |
| 4. Total required contribution | $ 199,646 | $ 58,507 | $ 117,888 |
| 5. Item 4 as a percentage of payroll | 42.6% | N/A | N/A |
| 6. Estimated employee contributions | $ 4,685 | $ 0 | $ 0 |
| 7. Item 6 as a percentage of projected payroll | 1.0% | N/A | N/A |
| 8. Estimated State contributions | $ 49,970 | $ 51,460 | $ 51,460 |
| 9. Item 8 as a percentage of projected payroll | 10.7% | N/A | N/A |
| 10. Estimated pick-up employee contributions by City | $ 23,426 | $ 0 | $ 0 |
| 11. Item 10 as a percentage of projected payroll | 5.0% | N/A | N/A |
| 12. Net amount payable by City | $ 121,565 | $ 27,608 | $ 66,428 |
| 13. Item 12 as a percentage of projected payroll | 25.9% | N/A | N/A |
| G. Past Contributions | | | |
| 1. Total contribution required (prior valuation % of pay) | $ 126,684 | $ 171,535 | $ 171,535 |
| 2. Actual contributions made: | | | |
| a. Employees | $ 3,018 | N/A | N/A |
| b. State (net) | 51,460 | N/A | N/A |
| c. City (Member Pick-Up) | 15,092 | N/A | N/A |
| d. City | 144,714 | N/A | N/A |
| e. Total | $ 214,284 | N/A | N/A |
| H. Net Actuarial Gain (Loss) | $ 209,518 | $ 626,462 | $ 626,462 |
| I. Disclosure of Following Items: | | | |
| 1. Actuarial present value of future salaries - attained age | $ 2,733,398 | $ 0 | $ 0 |
| 2. Actuarial present value of future employee contributions - attained age | $ 164,004 | $ 0 | $ 0 |
| 3. Actuarial present value of future contributions from other sources | N/A | N/A | N/A |
| 4. Amount of active members' accumulated contributions | $ 76,270 | $ 0 | $ 0 |
| 5. Actuarial present value of future salaries and future benefits at entry age | N/A | N/A | N/A |
| 6. Actuarial present value of future employee contributions at entry age | N/A | N/A | N/A |

## State Required Exhibit

### Prior to Combining Bases

| | Unfunded Actuarial Accrued Liabilities | Current Unfunded Liabilities | Prior Assumptions Amortization Payment | Current Assumptions Amortization Payment | Remaining Funding Period |
|---|---|---|---|---|---|
| 10/01/2014 | Combined Bases * | $ (6,411) | $ (1,112) | $ (1,083) | 7 years |
| 10/01/2015 | Actuarial Loss / (Gain) | (62,723) | (7,817) | (7,503) | 11 years |
| 10/01/2015 | Assumption Changes | 186,947 | 23,300 | 22,362 | 11 years |
| 10/01/2016 | Actuarial Loss / (Gain) | 57,134 | 6,723 | 6,429 | 12 years |
| 10/01/2016 | Assumption Changes | (7,220) | (850) | (812) | 12 years |
| 10/01/2017 | Actuarial Loss / (Gain) | 8,506 | 951 | 906 | 13 years |
| 10/01/2018 | Actuarial Loss / (Gain) | 95,522 | 10,208 | 9,695 | 14 years |
| 10/01/2019 | Actuarial Loss / (Gain) | (42,026) | (4,312) | (4,082) | 15 years |
| 10/01/2019 | Assumption Changes | (98,007) | (10,057) | (9,520) | 15 years |
| 10/01/2020 | Actuarial Loss / (Gain) | (21,420) | (2,119) | (2,000) | 16 years |
| 10/01/2020 | Assumption Changes | 181,865 | 17,992 | 16,977 | 16 years |
| 10/01/2021 | Actuarial Loss / (Gain) | (191,840) | (18,364) | (17,274) | 17 years |
| 10/01/2022 | Actuarial Loss / (Gain) | 256,024 | 23,787 | 22,307 | 18 years |
| 10/01/2022 | System Amendment | 201,163 | 18,690 | 17,527 | 18 years |
| 10/01/2023 | Actuarial Loss / (Gain) | (246,791) | (22,316) | (20,866) | 19 years |
| 10/01/2024 | Actuarial Loss / (Gain) | (626,462) | (55,265) | (51,526) | 20 years |
| 10/01/2024 | Assumption Changes | 675,274 | N/A | 55,541 | 20 years |
| | TOTAL | $ 359,535 | $ (20,561) | $ 37,078 | |

### After Combining Bases

| | Unfunded Actuarial Accrued Liabilities | Current Unfunded Liabilities | Current Assumptions Amortization Payment | Remaining Funding Period |
|---|---|---|---|---|
| 10/01/2024 | Combined Bases * | $ 310,723 | $ 31,537 | 14 years |
| 10/01/2024 | Actuarial Loss / (Gain) | (626,462) | (60,851) | 15 years |
| 10/01/2024 | Assumption Changes | 675,274 | 65,593 | 15 years |
| | TOTAL | $ 359,535 | $ 36,279 | |

* Combined per Internal Revenue Code Regulation 1.412(b)-1

This Actuarial Valuation and / or cost determination was 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, 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 System and / or paid from the System's assets for which liabilities or current costs have not been established or other wise provided for in the valuation. All known events or trends which may require material increase in System costs or required contribution rates have been taken into account in the valuation.

Michelle Jones

Shelly L. Jones, A.S.A., E.A.
Enrollment Number: 23-08646

Jennifer Borregard

Jennifer M. Borregard, E.A.
Enrollment Number: 23-07624

Dated: July 10, 2025

## Glossary

**Actuarial Accrued Liability**. The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.

**Actuarial Assumptions.** Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members and other items.

**Actuarial Cost Method**. A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.

**Actuarial Equivalent**. Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.

**Actuarial Present Value of Future Benefits**. The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.

**Actuarial Valuation**. The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.

**Actuarial Value of Assets**. The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution.

**Amortization Method**. A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.

## Glossary

**Amortization Payment**. That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

**Amortization Period.** The period used in calculating the Amortization Payment.

**Annual Required Contribution**. The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.

**Closed Amortization Period.** A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc.

**Employer Normal Cost.** The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.

**Equivalent Single Amortization Period.** For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.

**Experience Gain/Loss.** A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

**GASB.** Governmental Accounting Standards Board.

## Glossary

**GASB No. 67 and GASB No. 68**. These are the governmental accounting standards that set the accounting rules for public retirement plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.

**Normal Cost**. The annual cost assigned, under the Actuarial Cost Method, to the current plan year.

**Open Amortization Period.** An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 20 years, the same 20-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.

**Unfunded Actuarial Accrued Liability**. The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.

**Valuation Date.** The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

**Vested Benefit Security Ratio.** The ratio of the Market Value of Assets to the Actuarial Present Value of Vested Accrued Benefits.