



January 30, 2025

Ms. Karen Logue
City of Fort Pierce / Finance
100 N. U.S. Highway 1
Fort Pierce, Florida 34950-4205

**Re: City of Fort Pierce Police Officers' Retirement Trust Fund
GASB No. 68 Disclosure Information for Reporting Year Ending September 30, 2024**

Dear Karen:

As requested, we have prepared the actuarial disclosure information required under Governmental Accounting Standards Board (GASB) Statement Number 68 for the City of Fort Pierce Police Officers' Retirement Trust Fund for use in the preparation of the City's GAAP-basis employer financial statement for the reporting year ending September 30, 2024.

GASB Statement No. 68 establishes the accounting and financial reporting standards for state and local government employers who provide their employees (including former employees) pension benefits through a trust. These calculations have been made on a basis that is consistent with our understanding of this accounting standard. Enclosed are the following exhibits:

- Executive Summary
- Schedule of Changes in Net Pension Liability and Related Ratios for Measurement Year
- Notes to Net Pension Liability
- Pension Expense Under GASB No. 68
- Statement of Outflows and Inflows Arising from Current Reporting Period
- Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods
- Summary of Remaining Deferred Outflows and Inflows of Resources
- Schedule of Contributions
- Notes to Schedule of Contributions
- Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

The actuarial valuation of the liabilities was determined as of the beginning of the year, October 1, 2023 (based on the actuarial valuation results as reported in the October 1, 2023 actuarial valuation report dated March 15, 2024), and rolled forward to the measurement date, September 30, 2024. These liabilities are used for GASB Statement No. 68 reporting for the reporting period ending September 30, 2024. If significant changes occur during the year, such as benefit changes or changes in assumptions or methods, these should be noted in the footnotes.

Required Disclosures

This information is intended to assist in preparation of the financial statements of the Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB Statement No. 68. These calculations have been made on a basis that is consistent with our understanding of this Statement.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement No. 68. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 68 may produce significantly different results. This report may be provided to parties other than the City or Board only in its entirety and only with the permission of the City or Board. GRS is not responsible for the unauthorized use of this report.

This report is based upon information, furnished to us by the City of Fort Pierce and the Plan Administrator, concerning Plan benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not otherwise audited. We are not responsible for the accuracy or completeness of the information provided by the City or the Plan Administrator.

This report complements the actuarial valuation report that was provided to the Board and should be considered in conjunction with that report. Please see the actuarial valuation report as of October 1, 2023 dated March 15, 2024 for additional discussion of the nature of actuarial calculations and information related to participant data, economic and demographic assumptions, and benefit provisions.

The findings in this report are based on data through October 1, 2023 and financial information through September 30, 2024. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law.

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.



To the best of our knowledge, the information contained with this report is accurate and fairly represents the actuarial position of the Plan. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

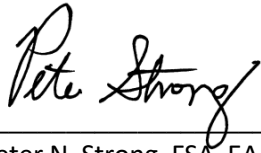
The signing actuaries are independent of the plan sponsor.

Peter N. Strong and Jennifer Cagasan are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

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. In our opinion, the techniques and assumptions used are reasonable and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the Plan and/or paid from the Plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

We welcome your questions and comments.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Peter N. Strong, FSA, EA, MAAA, FCA
Senior Consultant and Actuary



Jennifer Cagasan, EA, MAAA, FCA
Consultant and Actuary

PS/vm

Enclosures



EXECUTIVE SUMMARY
GASB Statement No. 68

Actuarial Valuation Date	October 1, 2023
Measurement Date of the Net Pension Liability	September 30, 2024
Employer's Fiscal Year Ending Date (Reporting Date)	September 30, 2024

Membership as of Actuarial Valuation Date

Number of	
- Retirees and Beneficiaries	59
- Inactive, Nonretired Members	2
- Active Members	109
- Total	170
Covered Payroll	\$ 9,726,625

Net Pension Liability

Total Pension Liability	\$ 22,860,556
Plan Fiduciary Net Position	22,054,885
Net Pension Liability	\$ 805,671
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.48 %
Net Pension Liability as a Percentage of Covered Payroll	8.28 %

Development of the Single Discount Rate

Single Discount Rate	6.75 %
Long-Term Expected Rate of Investment Return	6.75 %
Long-Term Municipal Bond Rate*	3.81 %
Last year ending September 30 in the 2024 to 2123 projection period for which projected benefit payments are fully funded	2123

Total Pension Expense	\$ 538,615
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Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 931,800	\$ 222,399
Changes in assumptions	301,748	-
Net difference between projected and actual earnings on pension plan investments	1,744,551	2,522,982
Total	<u>\$ 2,978,099</u>	<u>\$ 2,745,381</u>

**Source: Bond Buyer 20-Bond GO Index as of September 26, 2024. 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.*

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
FOR REPORTING YEAR ENDED SEPTEMBER 30, 2024
GASB Statement No. 68

Measurement Year Ended September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Total Pension Liability										
1. Service Cost	\$ 711,724	\$ 679,091	\$ 567,124	\$ 592,564	\$ 582,493	\$ 565,351	\$ 548,415	\$ 492,850	\$ 498,450	\$ 498,038
2. Interest on the Total Pension Liability	1,454,287	1,359,272	1,319,136	1,265,102	1,206,126	1,154,457	1,067,784	1,000,403	952,685	916,626
3. Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
4. Difference Between Expected and Actual Experience of the Total Pension Liability	496,684	540,886	(253,745)	(148,313)	508,292	(213,853)	297,338	206,823	(66,499)	(158,912)
5. Changes of Assumptions	-	-	535,607	-	65,003	-	-	(155,930)	-	-
6. Benefit Payments	(1,063,390)	(1,016,855)	(768,656)	(896,499)	(719,495)	(697,198)	(637,505)	(566,773)	(540,270)	(561,863)
7. Refunds	(207,423)	(120,838)	(68,690)	(90,165)	(164,491)	(39,638)	(95,647)	(40,689)	(293,992)	(121,468)
8. Other	-	-	-	-	-	-	-	-	-	-
9. Net Change in Total Pension Liability	\$ 1,391,882	\$ 1,441,556	\$ 1,330,776	\$ 722,689	\$ 1,477,928	\$ 769,119	\$ 1,180,385	\$ 936,684	\$ 550,374	\$ 572,421
10. Total Pension Liability – Beginning	21,468,674	20,027,118	18,696,342	17,973,653	16,495,725	15,726,606	14,546,221	13,609,537	13,059,163	12,486,742
11. Total Pension Liability – Ending	\$22,860,556	\$21,468,674	\$20,027,118	\$18,696,342	\$17,973,653	\$16,495,725	\$15,726,606	\$14,546,221	\$13,609,537	\$13,059,163
B. Plan Fiduciary Net Position										
1. Contributions – Employer (from City)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – Employer (from State)	574,934	544,239	453,086	435,343	412,335	402,063	367,113	329,933	302,837	265,449
3. Contributions – Non-Employer Contributing Entity	-	-	-	-	-	-	-	-	-	-
4. Contributions – Employee (Incl. Buyback Contribs)	680,864	621,127	567,708	533,239	536,158	569,137	502,051	487,044	471,774	452,740
5. Net Investment Income	3,797,419	1,277,095	(3,011,089)	3,164,372	1,018,217	723,841	780,019	1,130,702	1,000,576	(232,886)
6. Benefit Payments	(1,063,390)	(1,016,855)	(768,656)	(896,499)	(719,495)	(697,198)	(637,505)	(566,773)	(540,270)	(561,863)
7. Refunds	(207,423)	(120,838)	(68,690)	(90,165)	(164,491)	(39,638)	(95,647)	(40,689)	(293,992)	(121,468)
8. Pension Plan Administrative Expense	(62,043)	(37,352)	(35,570)	(32,581)	(39,628)	(39,355)	(35,078)	(34,525)	(36,110)	(30,114)
9. Other	-	-	-	-	-	-	-	-	-	-
10. Net Change in Plan Fiduciary Net Position	\$ 3,720,361	\$ 1,267,416	\$ (2,863,211)	\$ 3,113,709	\$ 1,043,096	\$ 918,850	\$ 880,953	\$ 1,305,692	\$ 904,815	\$ (228,142)
11. Plan Fiduciary Net Position – Beginning	18,334,524	17,067,108	19,930,319	16,816,610	15,773,514	14,854,664	13,973,711	12,668,019	11,763,204	11,991,346
12. Plan Fiduciary Net Position – Ending	\$22,054,885	\$18,334,524	\$17,067,108	\$19,930,319	\$16,816,610	\$15,773,514	\$14,854,664	\$13,973,711	\$12,668,019	\$11,763,204
C. Net Pension Liability	\$ 805,671	\$ 3,134,150	\$ 2,960,010	\$ (1,233,977)	\$ 1,157,043	\$ 722,211	\$ 871,942	\$ 572,510	\$ 941,518	\$ 1,295,959
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.48%	85.40%	85.22%	106.60%	93.56%	95.62%	94.46%	96.06%	93.08%	90.08%
E. Covered Payroll	\$ 9,726,625	\$ 8,873,242	\$ 8,110,116	\$ 7,617,698	\$ 7,659,401	\$ 8,130,527	\$ 7,172,157	\$ 6,957,771	\$ 6,739,629	\$ 6,450,909
F. Net Pension Liability as a Percentage of Covered Payroll	8.28%	35.32%	36.50%	(16.20)%	15.11%	8.88%	12.16%	8.23%	13.97%	20.09%

NOTES TO NET PENSION LIABILITY
GASB Statement No. 68

Valuation Date: October 1, 2023
Measurement Date: September 30, 2024

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
Salary Increases	3.5% to 6.5% depending on completed years of service, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	PUB-2010 Headcount Weighted Safety Healthy Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and ages set forward one year, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For males, the base mortality rates for both pre-retirement and post-retirement mortality are based on the Below Median Healthy tables. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS). Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2023 Actuarial Valuation Report dated March 15, 2024.

PENSION EXPENSE
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2024)
GASB Statement No. 68

Pension Expense

1. Service Cost	\$ 711,724
2. Interest on the Total Pension Liability	1,454,287
3. Current-Period Benefit Changes	-
4. Employee Contributions (made negative for addition here)	(680,864)
5. Projected Earnings on Plan Investments (made negative for addition here)	(1,234,980)
6. Pension Plan Administrative Expense	62,043
7. Other Changes in Plan Fiduciary Net Position	-
8. Other Changes in Total Pension Liability	-
9. Recognition of Outflow (Inflow) of Resources due to Liabilities	272,133
10. Recognition of Outflow (Inflow) of Resources due to Assets	(45,728)
11. Total Pension Expense	\$ 538,615

**STATEMENT OF OUTFLOWS AND INFLOWS
ARISING FROM CURRENT REPORTING PERIOD
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2024
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2024)
GASB Statement No. 68**

A. Outflows (Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability due to (gains) or losses	\$ 496,684
2. Assumption Changes (gains) or losses	\$ -
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	6.5
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	\$ 76,413
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for assumption changes	\$ -
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	\$ 76,413
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability	\$ 420,271
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for assumption changes	\$ -
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	\$ 420,271

B. Outflows (Inflows) of Resources due to Assets

1. Net difference between projected and actual earnings on pension plan investments due to (gains) or losses	\$ (2,562,439)
2. Recognition period for Assets {in years}	5.0
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	\$ (512,488)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ (2,049,951)

**STATEMENT OF OUTFLOWS AND INFLOWS
ARISING FROM CURRENT AND PRIOR REPORTING PERIODS
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2024
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2024)
GASB Statement No. 68**

A. Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	\$ 365,148	\$ 93,015	\$ 272,133
2. Due to Assets	889,635	935,363	(45,728)
3. Total	\$ 1,254,783	\$ 1,028,378	\$ 226,405

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 271,900	\$ 93,015	\$ 178,885
2. Assumption Changes	93,248	-	93,248
3. Net Difference between projected and actual earnings on pension plan investments	889,635	935,363	(45,728)
4. Total	\$ 1,254,783	\$ 1,028,378	\$ 226,405

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	\$ 931,800	\$ 222,399	\$ 709,401
2. Assumption Changes	301,748	-	301,748
3. Net Difference between projected and actual earnings on pension plan investments	1,744,551	2,522,982	(778,431)
4. Total	\$ 2,978,099	\$ 2,745,381	\$ 232,718

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending September 30	Net Deferred Outflows of Resources
2025	\$ 170,258
2026	581,746
2027	(346,573)
2028	(336,506)
2029	125,587
Thereafter	38,206
Total	\$ 232,718

**SUMMARY OF REMAINING DEFERRED
OUTFLOWS AND INFLOWS OF RESOURCES
GASB Statement No. 68**

<u>Date</u> <u>Established</u>	<u>Source</u>	<u>Recognition</u> <u>Period (years)</u>	<u>Original</u> <u>Amount</u>	<u>Years</u> <u>Remaining</u>	<u>Remaining</u> <u>Amount</u>	<u>Amount</u> <u>Recognized in</u> <u>Current Expense</u>
<u>Deferred Outflows of Resources</u>						
9/30/2018	Liability Exp. Loss	6.9	297,338	0.9	38,786	38,786
9/30/2020	Investment Exp. Loss	5.0	86,800	1.0	17,360	17,360
9/30/2020	Assumption Changes	6.8	65,003	2.8	26,767	9,559
9/30/2020	Liability Exp. Loss	6.8	508,292	2.8	209,296	74,749
9/30/2022	Investment Exp. Loss	5.0	4,361,376	3.0	2,616,826	872,275
9/30/2022	Assumption Changes	6.4	535,607	4.4	368,229	83,689
9/30/2023	Liability Exp. Loss	6.6	540,886	5.6	458,934	81,952
9/30/2024	Liability Exp. Loss	6.5	496,684	6.5	496,684	76,413
		SUBTOTAL:	6,891,986		4,232,882	1,254,783
<u>Deferred Inflows of Resources</u>						
9/30/2019	Liability Exp. Gain	7.0	\$ (213,853)	2.0	\$ (61,103)	\$ (30,550)
9/30/2021	Investment Exp. Gain	5.0	(1,988,983)	2.0	(795,592)	(397,797)
9/30/2021	Liability Exp. Gain	6.5	(148,313)	3.5	(79,862)	(22,817)
9/30/2022	Liability Exp. Gain	6.4	(253,745)	4.4	(174,449)	(39,648)
9/30/2023	Investment Exp. Gain	5.0	(125,392)	4.0	(100,314)	(25,078)
9/30/2024	Investment Exp. Gain	5.0	(2,562,439)	5.0	(2,562,439)	(512,488)
		SUBTOTAL:	(5,292,725)		(3,773,759)	(1,028,378)
		GRAND TOTAL:	\$ 1,599,261		\$ 459,123	\$ 226,405

SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 68

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 198,688	\$ 265,449	\$ (66,761)	\$ 6,450,909	4.11 %
2016	173,208	302,837	(129,629)	6,739,629	4.49 %
2017	186,468	329,933	(143,465)	6,957,771	4.74 %
2018	200,820	367,113	(166,293)	7,172,157	5.12 %
2019	256,925	402,063	(145,138)	8,130,527	4.95 %
2020	280,334	412,335	(132,001)	7,659,401	5.38 %
2021	254,431	435,343	(180,912)	7,617,698	5.71 %
2022	266,012	453,086	(187,074)	8,110,116	5.59 %
2023	304,352	544,239	(239,887)	8,873,242	6.13 %
2024	360,858	574,934	(214,076)	9,726,625	5.91 %

NOTES TO SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 68

Valuation Date: October 1, 2023
Notes Actuarially determined contribution rates are calculated as of October 1, which is the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	4-year smoothed market
Inflation	2.50%
Salary Increases	3.5% to 6.5% depending on completed years of service, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	PUB-2010 Headcount Weighted Safety Healthy Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and ages set forward one year, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For males, the base mortality rates for both pre-retirement and post-retirement mortality are based on the Below Median Healthy tables. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS). Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2023 Actuarial Valuation Report dated March 15, 2024.

**SENSITIVITY OF NET PENSION LIABILITY
TO THE SINGLE DISCOUNT RATE ASSUMPTION
GASB Statement No. 68**

A single discount rate of 6.75% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.75%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease	Current Single Discount	1% Increase
5.75%	Rate Assumption	7.75%
	6.75%	
\$3,652,982	\$805,671	(\$1,551,227)