



February 26, 2024

Ms. Amanda Kish  
Resource Centers, LLC  
4360 Northlake Blvd., Suite 206  
Palm Beach Gardens, FL 33410

**Re: Miami Springs Police and Firefighters' Retirement System  
GASB No. 67 Disclosure Information for Fiscal Year Ending September 30, 2023**

Dear Amanda:

As requested, we have prepared the actuarial disclosure information required under Governmental Accounting Standards Board (GASB) Statement Number 67 for the fiscal year ending September 30, 2023. Enclosed are the following exhibits:

- Statement of Changes in Net Pension Liability and Ratios
- Schedule of the Employer's Net Pension Liability
- Notes to Employer's Net Pension Liability
- Schedule of Contributions
- Notes to Schedule of Contributions
- Sensitivity of Net Pension Liability to Single Discount Rate Assumption

The actuarial valuation of the liabilities has been determined as of the beginning of the year, October 1, 2022 (based on the actuarial valuation results reported in the October 1, 2022 actuarial valuation report dated May 3, 2023) and "rolled forward" to the measurement date, September 30, 2023. Using the beginning of the year valuation of liabilities allows for timelier reporting at the end of the year. If significant changes occur during the year, such as benefit changes or changes in assumptions or methods, these may need to be reflected in the process. This report complements the actuarial valuation report that was provided to the Board and should be considered in conjunction with that report. Please refer to our October 1, 2022 Actuarial Valuation Report for additional information related to participant data, economic and demographic assumptions, and benefit provisions.

The enclosed exhibits were based upon draft financial information as of September 30, 2023, which was furnished by the Plan Administrator and the Plan auditor. If any of this information changes during the auditing process, then these exhibits will need to be revised.

Please note that there are other items not listed above that will be required in the Plan's financial statements and/or the City's Annual Comprehensive Financial Report (ACFR) to fully comply with GASB No. 67 standards. This additional information will need to be provided by the Plans' investment consultants, accountants or other financial statement preparers.

## 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. 67. 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. 67. 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. 67 may produce significantly different results.

This report was prepared at the request of the Board and is intended for financial reporting purposes for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the Retirement System only in its entirety and only with permission of the Board. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

The calculations in this report are based on financial information as of September 30, 2023 as well as information furnished by the Plan Administrator and the City for the October 1, 2022 Actuarial Valuation concerning plan provisions, active members, terminated members, retirees and beneficiaries. We reviewed this information for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and the City.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based on the assumptions, methods, and plan provisions outlined in this report and the October 1, 2022 Actuarial Valuation Report. 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. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that



important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author of the report prior to relying on information in the report.

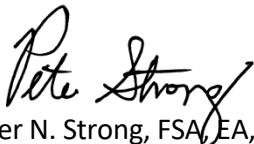
This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the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

Peter N. Strong and Nicolas Lahaye are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The undersigned actuaries are independent of the plan sponsor.

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 Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

We welcome your questions and comments.

Sincerely yours,  
Gabriel Roeder Smith & Company



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



Nicolas Lahaye, FSA, EA, MAAA, FCA  
Consultant & Actuary

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Enclosures



# SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

## GASB Statement No. 67

Fiscal year ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service Cost	\$ 747,006	\$ 652,014	\$ 570,158	\$ 528,793	\$ 546,751	\$ 590,707	\$ 590,908	\$ 517,936	\$ 516,880	\$ 606,975
Interest	2,504,824	2,399,844	2,384,297	2,312,255	2,293,156	2,299,169	2,262,208	2,265,414	2,257,652	2,216,416
Benefit Changes	-	1,200,474	187,216	-	-	-	-	-	-	(614,240)
Difference between actual & expected experience	211,371	(584,887)	381,175	308,668	(132,350)	110,907	(56,808)	(103,859)	(155,933)	54,518
Assumption Changes	-	-	(1,021,829)	-	-	1,341,696	(11,268)	-	-	-
Benefit Payments	(2,017,305)	(2,458,907)	(2,239,659)	(2,048,394)	(2,519,654)	(1,751,725)	(2,740,461)	(2,737,349)	(2,031,499)	(1,319,688)
Refunds	(42,619)	(12,793)	-	(30,757)	(110,657)	-	(103,048)	(9,940)	(122,349)	(47,832)
Other (adjustments to Excess State Contribution Reserve)	27,304	3,098	(5,092)	(2,510)	(62,026)	(3,717)	5,585	189	(65,584)	(101,254)
<b>Net Change in Total Pension Liability</b>	<b>1,430,581</b>	<b>1,198,843</b>	<b>256,266</b>	<b>1,068,055</b>	<b>15,220</b>	<b>2,587,037</b>	<b>(52,884)</b>	<b>(67,609)</b>	<b>399,167</b>	<b>794,895</b>
<b>Total Pension Liability - Beginning</b>	<b>36,066,161</b>	<b>34,867,318</b>	<b>34,611,052</b>	<b>33,542,997</b>	<b>33,527,777</b>	<b>30,940,740</b>	<b>30,993,624</b>	<b>31,061,233</b>	<b>30,662,066</b>	<b>29,867,171</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 37,496,742</b>	<b>\$ 36,066,161</b>	<b>\$ 34,867,318</b>	<b>\$ 34,611,052</b>	<b>\$ 33,542,997</b>	<b>\$ 33,527,777</b>	<b>\$ 30,940,740</b>	<b>\$ 30,993,624</b>	<b>\$ 31,061,233</b>	<b>\$ 30,662,066</b>
<b>Plan Fiduciary Net Position</b>										
Contributions – Employer (from city)	\$ 401,501	\$ 389,030	\$ 464,544	\$ 505,798	\$ 528,264	\$ 623,984	\$ 678,763	\$ 703,169	\$ 631,120	\$ 633,156
Contributions – Employer (from state)	158,207	126,315	128,127	124,360	130,143	122,822	120,798	120,954	115,213	112,118
Contributions – Non-Employer contributing entity	-	-	-	-	-	-	-	-	-	-
Contributions – Member (including buyback contributions)	321,111	330,338	299,853	311,426	357,453	338,943	381,489	353,736	309,304	336,297
Net Investment Income	3,318,202	(6,502,357)	7,155,332	3,660,490	1,809,760	3,464,364	3,331,989	2,753,012	1,252,928	2,968,350
Benefit Payments	(2,017,305)	(2,458,907)	(2,239,659)	(2,048,394)	(2,519,654)	(1,751,725)	(2,740,461)	(2,737,349)	(2,031,499)	(1,319,688)
Refunds	(42,619)	(12,793)	-	(30,757)	(110,657)	-	(103,048)	(9,940)	(122,349)	(47,832)
Administrative Expense	(78,808)	(85,134)	(84,538)	(77,460)	(83,877)	(83,463)	(76,677)	(114,442)	(108,988)	(110,599)
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>2,060,289</b>	<b>(8,213,508)</b>	<b>5,723,659</b>	<b>2,445,463</b>	<b>111,432</b>	<b>2,714,925</b>	<b>1,592,853</b>	<b>1,069,140</b>	<b>45,729</b>	<b>2,571,802</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>33,114,964</b>	<b>41,328,472</b>	<b>35,604,813</b>	<b>33,159,350</b>	<b>33,047,918</b>	<b>30,332,993</b>	<b>28,740,140</b>	<b>27,671,000</b>	<b>27,625,271</b>	<b>25,053,469</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 35,175,253</b>	<b>\$ 33,114,964</b>	<b>\$ 41,328,472</b>	<b>\$ 35,604,813</b>	<b>\$ 33,159,350</b>	<b>\$ 33,047,918</b>	<b>\$ 30,332,993</b>	<b>\$ 28,740,140</b>	<b>\$ 27,671,000</b>	<b>\$ 27,625,271</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>2,321,489</b>	<b>2,951,197</b>	<b>(6,461,154)</b>	<b>(993,761)</b>	<b>383,647</b>	<b>479,859</b>	<b>607,747</b>	<b>2,253,484</b>	<b>3,390,233</b>	<b>3,036,795</b>
<b>Plan Fiduciary Net Position as a Percentage</b>										
<b>of Total Pension Liability</b>	<b>93.81 %</b>	<b>91.82 %</b>	<b>118.53 %</b>	<b>102.87 %</b>	<b>98.86 %</b>	<b>98.57 %</b>	<b>98.04 %</b>	<b>92.73 %</b>	<b>89.09 %</b>	<b>90.10 %</b>
<b>Covered Payroll</b>	<b>\$ 3,690,931</b>	<b>\$ 3,477,240</b>	<b>\$ 3,156,347</b>	<b>\$ 2,965,962</b>	<b>\$ 2,859,624</b>	<b>\$ 2,711,544</b>	<b>\$ 2,543,260</b>	<b>\$ 2,358,240</b>	<b>\$ 1,995,510</b>	<b>\$ 2,111,573</b>
<b>Net Pension Liability as a Percentage of Payroll</b>	<b>62.90 %</b>	<b>84.87 %</b>	<b>(204.70)%</b>	<b>(33.51)%</b>	<b>13.42 %</b>	<b>17.70 %</b>	<b>23.90 %</b>	<b>95.56 %</b>	<b>169.89 %</b>	<b>143.82 %</b>

Note: Covered Payroll was calculated based on actual member contributions for the fiscal year divided by the employee contribution rate.



## SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY

### GASB Statement No. 67

FY Ending September 30,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$ 30,662,066	\$ 27,625,271	\$ 3,036,795	90.10%	\$ 2,111,573	143.82%
2015	31,061,233	27,671,000	3,390,233	89.09%	1,995,510	169.89%
2016	30,993,624	28,740,140	2,253,484	92.73%	2,358,240	95.56%
2017	30,940,740	30,332,993	607,747	98.04%	2,543,260	23.90%
2018	33,527,777	33,047,918	479,859	98.57%	2,711,544	17.70%
2019	33,542,997	33,159,350	383,647	98.86%	2,859,624	13.42%
2020	34,611,052	35,604,813	(993,761)	102.87%	2,965,962	(33.51)%
2021	34,867,318	41,328,472	(6,461,154)	118.53%	3,156,347	(204.70)%
2022	36,066,161	33,114,964	2,951,197	91.82%	3,477,240	84.87%
2023	37,496,742	35,175,253	2,321,489	93.81%	3,690,931	62.90%

Note: Covered Payroll was calculated based on actual member contributions for the fiscal year divided by the employee contribution rate.

## **NOTES TO EMPLOYER'S NET PENSION LIABILITY**

### **GASB Statement No. 67**

**Valuation Date:** October 1, 2022  
**Measurement Date:** September 30, 2023

**Methods and Assumptions Used to Determine Net Pension Liability:**

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.25% to 9.50% depending on service, including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables for Special Risk Class members as used by the Florida Retirement System (FRS) in their July 1, 2021 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

**Other Information:**

Notes See Discussion of Valuation Results in the October 1, 2022 Actuarial Valuation Report (dated May 3, 2023).

## SCHEDULE OF CONTRIBUTIONS

### GASB Statement No. 67

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	\$ 650,366	\$ 682,583	\$ (32,217)	\$ 2,111,573	32.33%
2015	712,370	680,547	31,823 *	1,995,510	34.10%
2016	752,596	752,596	-	2,358,240	31.91%
2017	728,190	728,190	-	2,543,260	28.63%
2018	750,523	750,523	-	2,711,544	27.68%
2019	720,433	720,433	-	2,859,624	25.19%
2020	632,668	632,668	-	2,965,962	21.33%
2021	597,763	597,763	-	3,156,347	18.94%
2022	512,247	512,247	-	3,477,240	14.73%
2023	532,404	532,404	-	3,690,931	14.42%

\*Note: A prepaid contribution of \$32,217 was established as of September 30, 2014 resulting from the employer contribution overpayment received during fiscal year 2014. This prepaid contribution was utilized during fiscal year 2015 to cover a portion of the actuarially determined contribution for the year.

## NOTES TO SCHEDULE OF CONTRIBUTIONS

### GASB Statement No. 67

**Valuation Date:** October 1, 2021

**Notes** Actuarially determined contribution rates are calculated as of the October 1<sup>st</sup> which is two years prior to the end 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 Dollar, Closed
Remaining Amortization Period	0 years (single equivalent period)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	3.25% to 9.50% depending on service, including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables for Special Risk Class members as used by the Florida Retirement System (FRS) in their July 1, 2020 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

**Other Information:**

**Notes** See Discussion of Valuation Results in the October 1, 2021 Actuarial Valuation Report dated May 4, 2022.



## **SINGLE DISCOUNT RATE**

### **GASB Statement No. 67**

A single discount rate of 7.00% 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 7.00%. 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 (7.00%) 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 7.00%, 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**

<b>1% Decrease</b>	<b>Current Single Discount</b>	<b>1% Increase</b>
<b>6.00%</b>	<b>Rate Assumption</b>	<b>8.00%</b>
<b>7.00%</b>		
<b>\$6,275,357</b>	<b>\$2,321,489</b>	<b>(\$996,042)</b>