



March 7, 2025

Mr. Scott Baur  
The Resource Centers, LLC  
4360 Northlake Blvd., Suite 206  
Palm Beach Gardens, FL 33410

**Re: City of Okeechobee General Employees' Retirement System  
GASB Statement No. 67 Year End (*True-Up*)**

Dear Scott:

As requested, we are pleased to enclose a copy of the Year-End Disclosure Report of actuarial information as of September 30, 2024 for the City of Okeechobee General Employees' Retirement System (System) required under GASB Statement Number 67.

Enclosed are the following exhibits:

- Statement of Change in Net Pension Liability and Ratios
- Schedule of Contributions
- Notes to Schedule of Contributions
- Discount Rate
- Sensitivity Analysis

The actuarial valuation of the liabilities is determined as of the beginning of the year, October 1, 2023, and rolled forward to the measurement date, September 30, 2024. As you are aware, using the beginning year valuation liabilities allows for timelier reporting at year end. 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.

The enclosed exhibits are based upon draft financial information as of September 30, 2024, which was furnished by the System. If any of this information changes during the auditing process, then these exhibits may need to be revised.

Please note there are other items not listed above that will be required in the System's financial statements and / or the City's Annual Comprehensive Financial Report to fully comply with GASB Statement Number 67 standards. This additional information will need to be provided by the System's investment consultants, accountants or other financial statement preparers.

## **Required Disclosures**

System provisions, member census data and actuarial assumptions and methods employed for purposes of our calculations are the same System provisions, member census data and actuarial assumptions and methods utilized for the October 1, 2023 Actuarial Valuation.

The actuarial assumptions used in the Actuarial Valuation are as adopted by the Board of Trustees. The demographic actuarial assumptions are based on the results of an actuarial Experience Study for the period October 1, 2015 – September 30, 2021. The mortality assumptions are prescribed by statute. Each assumption represents an estimate of future System experience. The combined effect of the assumptions is expected to have no significant bias (i.e. not significantly optimistic or pessimistic).

Draft financial data was provided by the System for the October 1, 2024 Actuarial Valuation. Total DROP account balances as of September 30, 2024 are reported as \$83,916.

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.

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 anticipated under the economic or demographic assumptions; changes in economic or anticipated under 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); and changes in System provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

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 plans. 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



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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.

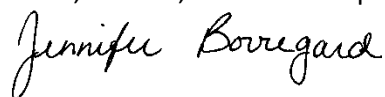
This report was prepared at the request of the Board and is intended for use by the Board and those designated or approved by the Board. This report may be provided to parties other than the Board only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized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

If you should have any questions concerning the above or if we may be of further assistance with this matter, please do not hesitate to contact us.

Sincerely,  
Gabriel, Roeder, Smith & Company



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



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

Enclosures

cc: Ms. India Riedel  
Mr. Jay McBee, C.P.A.



GASB Statement Number 67 Information

I. Net Pension Liability and Related Ratios

Measurement date	9/30/2016 *	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023 <sup>†</sup>	9/30/2024
<b>A. <u>Total Pension Liability (TPL)</u></b>									
Service Cost		\$ 136,373	\$ 154,529	\$ 152,255	\$ 184,223	\$ 207,835	\$ 185,154	\$ 162,179	\$ 152,469
Interest		91,058	284,633	295,453	315,828	333,141	333,968	318,751	333,226
Benefit Changes		0	0	0	90,157	0	0	0	0
Difference Between Actual and Expected Experience		0	20,956	(141,938)	2,277	242	(170,274)	(291,560)	23,499
Assumption Changes		133,790	0	0	(47,772)	0	0	49,002	0
Benefit Payments, including Refunds of Member Contributions		(354,118)	(180,781)	(259,809)	(201,373)	(354,969)	(313,369)	(293,166)	(265,454)
Other **		2,641,019	0	0	0	0	0	0	0
<b>Net Change in Total Pension Liability</b>		\$ 2,648,122	\$ 279,337	\$ 45,961	\$ 343,340	\$ 186,249	\$ 35,479	\$ (54,794)	\$ 243,740
<b>Total Pension Liability (TPL) - (beginning of year)</b>	1,372,281	1,409,698	4,057,820	4,337,157	4,383,118	4,726,458	4,912,707	4,948,186	4,893,392
<b>Total Pension Liability (TPL) - (end of year)</b>	<u>\$ 1,409,698</u>	<u>\$ 4,057,820</u>	<u>\$ 4,337,157</u>	<u>\$ 4,383,118</u>	<u>\$ 4,726,458</u>	<u>\$ 4,912,707</u>	<u>\$ 4,948,186</u>	<u>\$ 4,893,392</u>	<u>\$ 5,137,132</u>
<b>B. <u>System Fiduciary Net Position</u></b>									
Contributions - City		\$ 94,009	\$ 75,793	\$ 115,324	\$ 118,781	\$ 114,175	\$ 85,670	\$ 34,276	\$ 1,259
Contributions - Member		56,405	60,312	66,020	76,693	73,581	69,461	66,341	78,493
Net Investment Income		477,649	394,042	155,830	603,919	1,108,894	(1,219,252)	601,336	1,249,539
Benefit Payments, including Refunds of Member Contributions		(354,118)	(180,781)	(259,809)	(201,373)	(354,969)	(313,369)	(293,166)	(265,454)
Administrative Expenses		(48,490)	(46,328)	(53,249)	(40,906)	(44,184)	(42,586)	(64,376)	(66,019)
Other **		3,117,018	0	0	(652)	0	0	0	1,993
<b>Net Change in System Fiduciary Net Position</b>		\$ 3,342,473	\$ 303,038	\$ 24,116	\$ 556,462	\$ 897,497	\$ (1,420,076)	\$ 344,411	\$ 999,811
<b>System Fiduciary Net Position - (beginning of year)</b>	1,232,512	1,358,470	4,700,943	5,003,981	5,028,097	5,584,559	6,482,056	5,061,980	5,406,391
<b>System Fiduciary Net Position - (end of year)</b>	<u>\$ 1,358,470</u>	<u>\$ 4,700,943</u>	<u>\$ 5,003,981</u>	<u>\$ 5,028,097</u>	<u>\$ 5,584,559</u>	<u>\$ 6,482,056</u>	<u>\$ 5,061,980</u>	<u>\$ 5,406,391</u>	<u>\$ 6,406,202</u>
<b>C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u></b>	\$ 51,228	\$ (643,123)	\$ (666,824)	\$ (644,979)	\$ (858,101)	\$ (1,569,349)	\$ (113,794)	\$ (512,999)	\$ (1,269,070)
<b>D. <u>System Fiduciary Net Position as a Percentage of TPL: (B) / (A)</u></b>	96.37 %	115.85 %	115.37 %	114.72 %	118.16 %	131.94 %	102.30 %	110.48 %	124.70 %
<b>E. <u>Covered Employee Payroll</u> ***</b>	\$ 911,233	\$ 940,083	\$ 1,005,204	\$ 1,100,333	\$ 1,278,231	\$ 1,229,302	\$ 1,157,694	\$ 1,105,677	\$ 1,308,218
<b>F. <u>NPL as a Percentage of Covered Employee Payroll: (C) / (E)</u></b>	5.62 %	(68.41)%	(66.34)%	(58.62)%	(67.13)%	(127.66)%	(9.83)%	(46.40)%	(97.01)%
<b>G. <u>Notes to Schedule:</u></b>									
Valuation Date	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

Update procedures used to roll forward TPL excluding DROP account balances, if any, to the measurement dates - actual DROP account balances, if any, as of measurement dates included in TPL.

See Notes to Schedule of Contributions for benefit and assumption changes during the years. For measurement date September 30, 2024 - no benefit or assumption changes.

<sup>†</sup> As reported in Plan's financial statements.

\* The Total Pension Liability, the System Fiduciary Net Position and the Net Pension Liability as of September 30, 2016 were allocated based on the portion of the Employer's Total Required Contribution (from October 1, 2015 Actuarial Valuation dated April 25, 2016 and April 26, 2016 for the City and OUA, respectively). The October 1, 2015 Valuation determined the required employer contribution for the system year end September 30, 2017.

\*\* Due to change in nature of System, from a cost sharing to a single employer plan (effective October 1, 2016). Also, reflects \$59,910 post-valuation adjustment to match audited financial statements.

\*\*\* Reported payroll used to determine contribution as provided under GASB Statement Number 82.

## GASB Statement Number 67 Information

### II. Schedule of Employer Contributions

<u>Fiscal Year End 9/30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll <sup>1</sup></u>	<u>Actual Contribution as a % of Covered Payroll</u>
2016	\$ 49,115	\$ 110,448	\$ (61,333)	\$ 911,233	12.12%
2017	42,774	94,009	(51,235)	940,083	10.00%
2018	75,793	75,793	0	1,005,204	7.54%
2019	114,875	115,324	(449)	1,100,333	10.48%
2020	118,875	118,781	94	1,278,231	9.29%
2021	114,325	114,175	150	1,229,302	9.29%
2022	85,670	85,670	0	1,157,694	7.40%
2023 <sup>2</sup>	34,276	34,276	0	1,105,677	3.10%
2024	0	1,259	(1,259)	1,308,218	0.10%

<sup>1</sup> Reported payroll used to determine contribution as provided under GASB Statement Number 82.

<sup>2</sup> As reported in Plan's financial statements

## GASB Statement Number 67 Information

### III. Notes to Schedule of Contributions

**Valuation Date:** Actuarially determined contributions are calculated as of October 1st - two years prior the fiscal year end in which contributions are paid.

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

Actuarial Cost Method	Aggregate
Amortization Method	N/A
Amortization Period	N/A
Asset Valuation Method	4-year smoothed market value
Inflation	2.5%
Salary Increases	4.75%
Investment Rate of Return	6.75%
Retirement Age	Experience-based rates that are specific to eligibility
Mortality	For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements.
Cost of Living Adjustment	None.

**Other Information:**

Benefit Changes	2019 - Normal retirement eligibility, early retirement benefit and termination benefit updated
Assumption Changes	2022 - Investment return assumption, salary increase factors, retirement rates and termination rates were updated; 2019 - Mortality assumptions were updated; 2016 - Mortality assumptions were updated.

## GASB Statement Number 67 Information

### IV. Discount Rate

A discount rate of 6.75% was used to measure the TPL effective with measurement date September 30, 2023. This discount rate was based on the expected rate of return on System investments of 6.75%. The projection of cash flows used to determine this discount rate assumed 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 expected 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.

### V. Sensitivity of the NPL to the Discount Rate Assumption

Measurement date: September 30, 2024

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount Rate	5.75%	6.75%	7.75%
NPL	(\$729,312)	(\$1,269,070)	(\$1,725,117)