

CITY OF DEERFIELD BEACH  
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE  
DETERMINED AS OF THE  
OCTOBER 1, 2023 VALUATION DATE



March 25, 2024

VIA E-MAIL

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

Re: City of Deerfield Beach Municipal Police Officers' Retirement Trust Fund  
Section 112.664, Florida Statutes Compliance

Dear Amanda:

Please find enclosed the annual disclosures that satisfy the October 1, 2022 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.


In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By:   
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Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #23-7778

Enclosures

cc via email: Stu Kaufman, Board Attorney

When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2023 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
FISCAL YEAR SEPTEMBER 30, 2023

	ACTUAL	HYPOTHETICAL
Discount Rate:	6.50%	4.50%
<u>Total Pension Liability</u>		
Service Cost	-	-
Interest	3,981,593	3,453,102
Share Plan Allocation	751,715	751,715
Changes of Benefit Terms	1,734,942	2,116,321
Differences Between Expected and Actual Experience	(2,133,052)	(2,529,970)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(5,377,587)	(5,377,587)
Net Change in Total Pension Liability	(1,042,389)	(1,586,419)
Total Pension Liability - Beginning	63,944,075	79,424,393
Total Pension Liability - Ending (a)	<u>\$ 62,901,686</u>	<u>\$ 77,837,974</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	2,319,805	2,319,805
Contributions - State	957,166	957,166
Net Investment Income	4,144,900	4,144,900
Benefit Payments, Including Refunds of Employee Contributions	(5,377,587)	(5,377,587)
Administrative Expenses	(84,729)	(84,729)
Net Change in Plan Fiduciary Net Position	1,959,555	1,959,555
Plan Fiduciary Net Position - Beginning	41,030,064	41,030,064
Plan Fiduciary Net Position - Ending (b)	<u>\$ 42,989,619</u>	<u>\$ 42,989,619</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 19,912,067</u>	<u>\$ 34,848,355</u>

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: Discount Rate = 6.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2023	42,989,619	-	4,673,823	-	2,642,426	40,958,222
2024	40,958,222	-	4,707,303	-	2,509,297	38,760,216
2025	38,760,216	-	4,737,097	-	2,365,458	36,388,577
2026	36,388,577	-	4,762,702	-	2,210,470	33,836,345
2027	33,836,345	-	4,783,587	-	2,043,896	31,096,654
2028	31,096,654	-	4,799,161	-	1,865,310	28,162,803
2029	28,162,803	-	4,808,801	-	1,674,296	25,028,298
2030	25,028,298	-	4,811,885	-	1,470,453	21,686,866
2031	21,686,866	-	4,807,779	-	1,253,393	18,132,480
2032	18,132,480	-	4,795,860	-	1,022,746	14,359,366
2033	14,359,366	-	4,775,520	-	778,154	10,362,000
2034	10,362,000	-	4,746,190	-	519,279	6,135,089
2035	6,135,089	-	4,707,382	-	245,791	1,673,498
2036	1,673,498	-	4,658,703	-	-	-

Number of Years Expected Benefit Payments Sustained: 13.36

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.50% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.**

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2  
Hypothetical Assumptions: Discount Rate = 4.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2023	42,989,619	-	4,673,823	-	1,829,372	40,145,168
2024	40,145,168	-	4,707,303	-	1,700,618	37,138,483
2025	37,138,483	-	4,737,097	-	1,564,647	33,966,033
2026	33,966,033	-	4,762,702	-	1,421,311	30,624,642
2027	30,624,642	-	4,783,587	-	1,270,478	27,111,533
2028	27,111,533	-	4,799,161	-	1,112,038	23,424,410
2029	23,424,410	-	4,808,801	-	945,900	19,561,509
2030	19,561,509	-	4,811,885	-	772,000	15,521,624
2031	15,521,624	-	4,807,779	-	590,298	11,304,143
2032	11,304,143	-	4,795,860	-	400,780	6,909,063
2033	6,909,063	-	4,775,520	-	203,459	2,337,002
2034	2,337,002	-	4,746,190	-	-	-

Number of Years Expected Benefit Payments Sustained: 11.49

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.50% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.**

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2023

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.50%	4.50%
Minimum Required Contribution (Fixed \$)	\$2,534,501	\$3,232,955
Expected State Money	205,451	205,451
Expected Sponsor Contribution (Fixed \$)	\$2,329,050	\$3,027,504

**ASSETS**

Actuarial Value	45,001,038	45,001,038
Market Value	42,989,619	42,989,619

**LIABILITIES**

Present Value of Benefits

Actives

Retirement Benefits	0	0
Disability Benefits	0	0
Death Benefits	0	0
Vested Benefits	0	0
Refund of Contributions	0	0

Service Retirees	57,242,129	70,918,412
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Beneficiaries	4,421,253	5,506,984
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Disability Retirees	1,234,726	1,516,584
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Terminated Vested	0	0
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Total:	62,898,108	77,941,980
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Present Value of Future Salaries	0	0
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Present Value of Future

Total Normal Cost	0	0
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Present Value of Future

Normal Costs (Entry Age Normal)	0	0
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Total Actuarial Accrued Liability (EAN)	62,898,108	77,941,980
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Unfunded Actuarial Accrued Liability (UAAL)	17,897,070	32,940,942
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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2024

	Valuation Date: 10/1/2023	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.50%	4.50%
<b><u>PENSION COST</u></b>		
Normal Cost <sup>1</sup>	0	0
Administrative Expenses <sup>1</sup>	92,845	91,946
Payment Required To Amortize UAAL <sup>1</sup>	2,441,656	3,141,009

<sup>1</sup> The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2023.

<sup>1</sup> Contributions developed above include a half-year interest adjustment, based on the investment return assumption.