

**CITY OF DEERFIELD BEACH
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND**

**SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2024 VALUATION DATE**



March 26, 2025

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, 2024 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), Florida Statutes, 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.

Respectfully submitted,

Foster & Foster, Inc.



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, 2024 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, 2024

	ACTUAL	HYPOTHETICAL
Discount Rate:	6.50%	4.50%
<u>Total Pension Liability</u>		
Service Cost	-	-
Interest	3,906,937	3,376,935
Share Plan Allocation	915,041	915,041
Changes of Benefit Terms	2,064,513	2,510,257
Experience Gains/Losses	(2,068,324)	(2,401,571)
Changes of Assumptions	-	-
Benefit Payments	(5,589,940)	(5,589,940)
Net Change in Total Pension Liability	(771,773)	(1,189,278)
Total Pension Liability - Beginning	62,901,686	77,837,974
Total Pension Liability - Ending (a)	<u>\$ 62,129,913</u>	<u>\$ 76,648,696</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	2,329,050	2,329,050
Contributions - State	1,120,492	1,120,492
Net Investment Income	9,388,423	9,388,423
Benefit Payments	(5,589,940)	(5,589,940)
Administrative Expense	(145,424)	(145,424)
Net Change in Plan Fiduciary Net Position	7,102,601	7,102,601
Plan Fiduciary Net Position - Beginning	42,989,619	42,989,619
Plan Fiduciary Net Position - Ending (b)	<u>\$ 50,092,220</u>	<u>\$ 50,092,220</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 12,037,693</u>	<u>\$ 26,556,476</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 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
2024	50,092,220	-	4,651,672	-	3,104,815	48,545,363
2025	48,545,363	-	4,682,903	-	3,003,254	46,865,714
2026	46,865,714	-	4,710,088	-	2,893,194	45,048,820
2027	45,048,820	-	4,732,696	-	2,774,361	43,090,485
2028	43,090,485	-	4,750,131	-	2,646,502	40,986,856
2029	40,986,856	-	4,761,760	-	2,509,388	38,734,484
2030	38,734,484	-	4,766,954	-	2,362,815	36,330,345
2031	36,330,345	-	4,765,066	-	2,206,608	33,771,887
2032	33,771,887	-	4,755,462	-	2,040,620	31,057,045
2033	31,057,045	-	4,737,512	-	1,864,739	28,184,272
2034	28,184,272	-	4,710,630	-	1,678,882	25,152,524
2035	25,152,524	-	4,674,302	-	1,482,999	21,961,221
2036	21,961,221	-	4,628,110	-	1,277,066	18,610,177
2037	18,610,177	-	4,571,739	-	1,061,080	15,099,518
2038	15,099,518	-	4,504,904	-	835,059	11,429,673
2039	11,429,673	-	4,427,344	-	599,040	7,601,369
2040	7,601,369	-	4,338,853	-	353,076	3,615,592
2041	3,615,592	-	4,239,349	-	-	-

Number of Years Expected Benefit Payments Sustained: 17.85

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: Investment Rate of Return = 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
2024	50,092,220	-	4,651,672	-	2,149,487	47,590,035
2025	47,590,035	-	4,682,903	-	2,036,186	44,943,318
2026	44,943,318	-	4,710,088	-	1,916,472	42,149,702
2027	42,149,702	-	4,732,696	-	1,790,251	39,207,257
2028	39,207,257	-	4,750,131	-	1,657,449	36,114,575
2029	36,114,575	-	4,761,760	-	1,518,016	32,870,831
2030	32,870,831	-	4,766,954	-	1,371,931	29,475,808
2031	29,475,808	-	4,765,066	-	1,219,197	25,929,939
2032	25,929,939	-	4,755,462	-	1,059,849	22,234,326
2033	22,234,326	-	4,737,512	-	893,951	18,390,765
2034	18,390,765	-	4,710,630	-	721,595	14,401,730
2035	14,401,730	-	4,674,302	-	542,906	10,270,334
2036	10,270,334	-	4,628,110	-	358,033	6,000,257
2037	6,000,257	-	4,571,739	-	167,147	1,595,665
2038	1,595,665	-	4,504,904	-	-	-

Number of Years Expected Benefit Payments Sustained: 14.35

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, 2025**

Valuation Date: 10/1/2024

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	6.50%	4.50%
Minimum Required Contribution (Fixed \$)	\$2,560,372	\$3,240,764
Expected State Money	205,451	205,451
Expected Sponsor Contribution (Fixed \$)	\$2,354,921	\$3,035,313

ASSETS

Actuarial Value	45,130,305	45,130,305
Market Value	50,092,220	50,092,220

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	56,493,977	69,675,842
------------------	------------	------------

Beneficiaries	3,958,382	4,957,749
---------------	-----------	-----------

Disability Retirees	1,218,883	1,490,744
---------------------	-----------	-----------

Terminated Vested	0	0
-------------------	---	---

Total:	<u>61,671,242</u>	<u>76,124,335</u>
--------	-------------------	-------------------

Present Value of Future Salaries	0	0
----------------------------------	---	---

Present Value of Future

Total Normal Cost	0	0
-------------------	---	---

Present Value of Future

Normal Costs (Entry Age Normal)	0	0
---------------------------------	---	---

Total Actuarial Accrued Liability (EAN)	61,671,242	76,124,335
---	------------	------------

Unfunded Actuarial Accrued Liability (UAAL)	16,540,937	30,994,030
---	------------	------------

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2025

	Valuation Date: 10/1/2024	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.50%	4.50%
<u>PENSION COST</u>		
Normal Cost ¹	0	0
Administrative Expenses ¹	118,817	117,666
Payment Required To Amortize UAAL ¹	2,441,555	3,123,098
Minimum Required Contribution	\$2,560,372	\$3,240,764

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