

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

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

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

YEAR ENDED SEPTEMBER 30, 2024

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of the  
Deerfield Beach Municipal Police Officers' Retirement Trust Fund

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of the Deerfield Beach Municipal Police Officers' Retirement Trust Fund, which comprise the statement of fiduciary net position as of September 30, 2024, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Deerfield Beach Municipal Police Officers' Retirement Trust Fund, as of September 30, 2024, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Deerfield Beach Municipal Police Officers' Retirement Trust Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**INDEPENDENT AUDITOR'S REPORT** (Continued)**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**INDEPENDENT AUDITOR'S REPORT** (Continued)**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-8 and the schedules of contributions from employers and other contributors, schedule of investment returns and schedules of changes in the employer's net pension liability and related ratios on pages 24-27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's basic financial statements. The accompanying schedule of administrative expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Prior Year Comparative Information**

We have previously audited the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's 2023 financial statements, and our report dated March 6, 2024, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**INDEPENDENT AUDITOR'S REPORT** (Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2025, on our consideration of the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's internal control over financial reporting and compliance.

**KSDT** CPA

Weston, Florida  
March 4, 2025

# **DEERFIELD BEACH MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the annual financial report presents Management's Discussion and Analysis (MD&A) of the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's (the Plan) financial performance. This analysis provides an overview of the financial activities and funding conditions for fiscal year ended September 30, 2024. Please read it in conjunction with the Plan financial statements, which immediately follow.

### ***Overview of the Financial Statements***

The financial section of this annual report consists of five parts: MD&A, the basic financial statements, notes to the financial statements, supplementary information and required supplementary information.

The financial statements provide both long-term and short-term information about the Plan's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

The Plan's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Under GAAP, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred and appreciation (depreciation) of assets is recognized in the statement of changes in fiduciary net position. All assets and liabilities associated with the operation of the Plan are included in the statement of fiduciary net position.

The statement of fiduciary net position reports fiduciary net position and how it has changed. A net asset is the difference between the asset and any related liabilities. It is one measurement of the financial health or current position of the Plan.

### ***Financial Highlights***

The Plan's net results from operations for fiscal year 2024 reflected the following financial activities:

- Total net position restricted for pensions was \$50,092,220, which was 17% higher than the 2023 net position restricted for pensions with the increase due primarily to more favorable market conditions.
- Total contributions were \$3,449,542, which was 5% higher than the 2023 contributions. The amount of employer contributions varies from year to year and is actuarially determined. There are no participant contributions as all participants have retired.
- Total interest and dividend income were \$1,772,296, which was 7% higher than the 2023 income.
- Net investment income was \$9,388,423 which was 127% higher than the 2023 income with the increase due primarily to improved market conditions.
- Total benefits paid were \$5,589,941, which was 4% higher than the benefits paid during 2023 with the increase due primarily to a larger Share Plan distribution.

# DEERFIELD BEACH MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### *Statement of Fiduciary Net Position*

The following condensed comparative statement of fiduciary net position is a snapshot of account balances at the fiscal year end of the Plan. It reports the assets available for future payments to retirees and any current liabilities that are owed as of the financial statement date. The resulting net asset value, or assets minus liabilities, represents the value of assets held in trust for Plan benefits.

The Plan continues to be evaluated for actuarial soundness by the actuary of the Plan. It should be noted that retirement system funding is based on a long-term perspective and that temporary fluctuations in the market are to be expected.

- Net position restricted for pensions as of September 30, 2024 was \$50,092,220, a 17% increase from net position restricted for pensions as of September 30, 2023.
- Total investments, at fair value as of September 30, 2024 were \$50,119,156, a 17% increase from the investments as of September 30, 2023.

The table below presents condensed comparative statements of fiduciary net position as of September 30:

	2024	2023	% Change
Receivables	\$ 15,300	\$ 64,677	(76%)
Investments, at fair value	50,119,156	42,960,964	17%
Total assets	50,134,456	43,025,641	17%
Accounts payable	42,236	28,114	50%
Accounts payable - purchase of investments	-	354	(100%)
Total liabilities	42,236	28,468	48%
Net position restricted for pensions	\$ 50,092,220	\$ 42,997,173	17%

### *Statement of Changes in Fiduciary Net Position*

The statement of changes in fiduciary net position presents the effect of Plan transactions that occurred during the fiscal year. On the statement, additions to the Plan minus deductions from the Plan equal net increase or decrease in fiduciary net position.

The funding objective is to meet long-term obligations and fund all Plan benefits.

- Revenues (additions to fiduciary net position) for the Plan were \$12,837,965, which was comprised of total contributions of \$3,449,542, plus net investment income of \$9,388,423.
- Expenses (deductions from the fiduciary net position) increased from \$5,462,312 during 2023, to \$5,742,918 during 2024.



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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

***Statement of Changes in Fiduciary Net Position*** (Continued)

The table below presents condensed comparative statements of the changes in fiduciary net position for the years ended September 30:

	2024	2023	% Change
Total contributions	\$ 3,449,542	\$ 3,276,971	5%
Net investment income	9,388,423	4,144,897	127%
Total additions	12,837,965	7,421,868	73%
Total deductions	5,742,918	5,462,312	5%
Net change	7,095,047	1,959,556	262%
Net position restricted for pensions – beginning	42,997,173	41,037,617	5%
Net position restricted for pensions – ending	\$ 50,092,220	\$ 42,997,173	17%

***Asset Allocation***

The table below indicates the Plan investment policy limitations and actual asset allocations as of September 30, 2024:

Type of Investment	Investment Policy	Actual Allocation
Domestic equity	40% - 55%	51%
International equity	10% - 20%	17%
Fixed income	15% - 35%	15%
Real estate	5% - 17%	10%
Cash and cash equivalents	0% - 5%	7%

The investment guidelines provide for the appropriate diversification of the portfolio. Investments have been diversified to the extent practicable to control the risk of loss resulting from over-concentration of a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold.

The Board of Trustees (the Board) recognizes that some risk must be assumed to achieve the Plan's long-term investment objectives. In establishing risk tolerances, the Plan's ability to withstand short and intermediate term variability has been considered. However, the Plan's financial condition enables the Board to adopt a long-term investment perspective.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

***Investment Activities***

Investment income is vital to the Plan for current and future financial stability. Therefore, the Board has a fiduciary responsibility to act prudently when making Plan investment decisions. To assist the Board in this area, the Board retains investment managers who supervise and direct the investment of the assets. The Board also retains an investment monitor to evaluate and report on a quarterly basis compliance by the investment managers with the investment policy of the Board and investment performance of the Plan. The investment policy statement was last amended on July 27, 2023.

The Board and its investment consultant review portfolio performance in compliance with the investment policy statement quarterly. Performance is evaluated both individually by money manager style and collectively by investment type and for the aggregate portfolio.

***Financial Analysis Summary***

The investment activities for the fiscal year ended September 30, 2024 are a function of the underlying market, money managers' performance and the investment policy's asset allocation model. The Plan has consistently implemented a high quality, conservative approach.

***Contacting the Plan's Financial Management***

This financial analysis is designed to provide the Board, Plan participants and the marketplace credit analysts with an overview of the Plan's finances and the prudent exercise of the Board's oversight. If you have any questions regarding this report or you need additional financial information, please contact the administrator of the Plan:

Deerfield Beach Municipal Police Officers'  
Retirement Trust Fund  
c/o Resource Centers, LLC  
4360 Northlake Boulevard, Suite 206  
Palm Beach Gardens, FL 33410

**DEERFIELD BEACH  
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STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2023)

	<u><b>2024</b></u>	<u><b>2023</b></u>
ASSETS		
<b>RECEIVABLES:</b>		
Accrued investment income	\$ -	\$ 34,373
Other receivables	<u>15,300</u>	<u>30,304</u>
TOTAL RECEIVABLES	<u>15,300</u>	<u>64,677</u>
<b>INVESTMENTS, AT FAIR VALUE:</b>		
Equity securities	33,866,135	27,717,325
Fixed income mutual fund	7,342,317	1,983,690
Real estate funds	5,165,995	5,970,777
Money market funds	3,744,709	1,056,820
U.S. government securities	-	5,700,892
Corporate bonds	<u>-</u>	<u>531,460</u>
TOTAL INVESTMENTS, AT FAIR VALUE	<u>50,119,156</u>	<u>42,960,964</u>
<b>TOTAL ASSETS</b>	<u>50,134,456</u>	<u>43,025,641</u>
LIABILITIES		
<b>ACCOUNTS PAYABLE</b>	42,236	28,114
<b>ACCOUNTS PAYABLE - PURCHASE OF INVESTMENTS</b>	<u>-</u>	<u>354</u>
<b>TOTAL LIABILITIES</b>	<u>42,236</u>	<u>28,468</u>
NET POSITION RESTRICTED FOR PENSIONS		
<b>TOTAL NET POSITION RESTRICTED FOR PENSIONS</b>	<u>\$ 50,092,220</u>	<u>\$ 42,997,173</u>

The accompanying notes are an integral part of these financial statements.

**DEERFIELD BEACH  
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STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2023)

	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>ADDITIONS:</b>		
Contributions:		
Employer	\$ 2,329,050	\$ 2,319,805
Chapter 185	<u>1,120,492</u>	<u>957,166</u>
Total contributions	<u>3,449,542</u>	<u>3,276,971</u>
Investment income:		
Net appreciation in fair value of investments	7,763,875	2,646,130
Interest and dividend income	<u>1,772,296</u>	<u>1,663,735</u>
Total investment income	9,536,171	4,309,865
Less: investment expenses	<u>147,748</u>	<u>164,968</u>
Net investment income	<u>9,388,423</u>	<u>4,144,897</u>
 TOTAL ADDITIONS	 <u>12,837,965</u>	 <u>7,421,868</u>
<b>DEDUCTIONS:</b>		
Benefit payments - defined benefits	4,674,899	4,625,873
Benefit payments - share plan	915,042	751,715
Administrative expenses	<u>152,977</u>	<u>84,724</u>
TOTAL DEDUCTIONS	<u>5,742,918</u>	<u>5,462,312</u>
 <b>NET CHANGE IN NET POSITION</b>		
<b>RESTRICTED FOR PENSIONS</b>	7,095,047	1,959,556
 <b>NET POSITION RESTRICTED FOR</b>		
<b>PENSIONS - BEGINNING</b>	<u>42,997,173</u>	<u>41,037,617</u>
 <b>NET POSITION RESTRICTED FOR</b>		
<b>PENSIONS - ENDING</b>	<u>\$ 50,092,220</u>	<u>\$ 42,997,173</u>

The accompanying notes are an integral part of these financial statements.

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**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2024**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Investment Valuation and Income Recognition***

Investments are reported at fair value (see Note 3). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (see Note 4 for discussion of fair value measurements).

Purchase and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

***Basis of Accounting and Use of Estimates***

The accompanying financial statements have been prepared using the accrual basis of accounting. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

***Concentration of Credit Risk***

Financial instruments which potentially expose the Plan to concentration of credit risk, as defined by GAAP, consist primarily of contribution receivables and related income.

The Plan's investments consist of government securities, corporate bonds, real estate funds, mutual funds and money market funds which, inherent in their fair market value determination, include the risk factor of credit worthiness of each individual security.

***Comparative Information***

The financial statements include certain prior-year comparative information. Such summarized information does not include sufficient detail in the notes to financial statements to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Plan's financial statements for the year ended September 30, 2023, from which the information was derived.

**NOTE 2. DESCRIPTION OF THE PLAN**

The following description of the Deerfield Beach Municipal Police Officers' Retirement Trust Fund (the Plan) provides only general information. Participants should refer to the City of Deerfield Beach, Florida's (the City) ordinance for more detailed and comprehensive information.

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

**NOTE 2. DESCRIPTION OF THE PLAN (Continued)**

***General***

The Plan is a single-employer defined benefit plan, which began on November 8, 1976 covering police officers of the City who fulfilled the prescribed eligibility requirements. The Plan was established by the City in accordance with the City ordinance and state statutes.

Management of the Plan is vested in the Board, which consists of five members. Two of the trustees must be active police officers or deputy sheriffs elected by active members of the Plan, two trustees are appointed by the City Commission and must be legal residents of the City; and the fifth trustee is appointed by majority vote of the other four members of the board. The fifth member does not need to be a resident of the City.

As of September 30, 2024, Plan participation consisted of 68 inactive Plan members or beneficiaries currently receiving benefits.

***Eligibility***

All police officers formerly employed by the City who, upon their employment by the Broward Sheriff's Office (BSO), made an irrevocable election to continue participating in the Plan. The Plan became closed to new members upon the merger of the Deerfield Beach Police Department with the BSO in 1990.

***Vesting***

Benefits are fully vested after 10 years of continuous service.

***Benefits***

Normal retirement – Participants are eligible for normal service retirement on the first day of the month on or next following the date upon which the participant has reached age 47 and has completed ten years of credited service; or has completed twenty years of credited service regardless of age. Upon reaching their normal retirement date, participants who have attained a vested interest in the Plan are entitled to a retirement benefit of 3% of average final compensation, multiplied by the number of whole and partial years of service, up to a maximum of thirty years of total service.

Duty disability – If a participant becomes permanently and totally disabled from useful and efficient service as a police officer as the result of an accident, illness, or injury arising in the line of duty, a participant is entitled to a disability pension which is the greater of either the number of years of credited service as of the date of disability multiplied by 3% percent of average final compensation, or 42% of final average compensation.

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

**NOTE 2. DESCRIPTION OF THE PLAN (Continued)**

***Benefits*** (Continued)

Non-duty disability – If a participant is injured outside the line of duty and has at least 10 years of credited service, the participant is eligible for a nonservice connected disability retirement which is equal to the accrued normal retirement benefit but shall not be less than 25% percent of average monthly compensation as of the first day of the month following the date of disability. Disability benefits afforded under the Plan will be offset by Worker's Compensation benefits and any amounts received as disability payments from Social Security.

Share accounts – The Plan has established a Share Plan to distribute excess Chapter 185 monies received from the State of Florida each year. After receipt of the annual distribution of chapter money from the state, the board of trustees, with the advice of their actuary, will determine the amount of non-dedicated chapter money received by the City during the current fiscal year pursuant to F.S. 185.11. Available funds are allocated to each qualified participant in equal shares. The Share Plan is in addition to any other benefits and shall not in any way affect any other benefits that now or hereafter exist.

***Funding***

Member contributions - Effective January 13, 1990, participants are no longer required to contribute to the Plan. The required participant contribution of 9% of compensation is being contributed by the City.

State contributions - Pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain insurance contracts written within the City is collected by the state and remitted to the City for police retirement systems. For the year ended September 30, 2024, the Plan received \$1,120,492 of Chapter 185 contributions.

City contributions - The City is expected to contribute such additional amounts as necessary on an actuarial basis to fund the Plan's expenses, normal cost and to amortize the unfunded actuarial accrued liability. For the year ended September 30, 2024, the Plan's actuary determined that the required City contribution was \$2,329,050, which was fully contributed during the year.

***Rate of Return***

For the year ended September 30, 2024, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 21.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

**NOTE 3. INVESTMENTS**

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The investment policy statement was last amended on July 27, 2023. The following was the Board's adopted asset allocation policy as of September 30, 2024:

<u>Type of Investment</u>	<u>Target Allocation</u>
Domestic equity	40% - 55%
International equity	10% - 20%
Fixed income	15% - 35%
Real estate	5% - 17%
Cash and cash equivalents	0% - 5%

During the year ended September 30, 2024, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$7,763,875, (reported as net appreciation in fair value of investments in the accompanying statement of changes in fiduciary net position) as follows:

<u>Investment gains</u>	
Government securities	\$ 300,553
Corporate bonds	31,778
Mutual funds	8,090,636
Real estate funds	(659,092)
Total	<u>\$ 7,763,875</u>

The Board determines the Plan's investment policy. The policy has been designed by the Board to obtain a reasonable total rate of return. As a prudent investor, the Board has adopted a policy to diversify investment risk among several institutionally acceptable asset classes including bonds and other corporate obligations, and equity securities. The Board employs professional investment managers to invest the assets of the Plan within the parameters established in the investment policy.

The term "interest risk" refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments, as well as investments in mutual funds, external investment pools and other pooled investments that do not meet the definition of a 2a7-like pool.



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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

**NOTE 3. INVESTMENTS (Continued)**

The Plan's investment policy does not use limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Plan's investments in fixed income securities had maturities as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Fixed income mutual fund	\$ 7,342,317	\$ 6,230,706	\$ 775,527	\$ 336,084
Total	<u>\$ 7,342,317</u>	<u>\$ 6,230,706</u>	<u>\$ 775,527</u>	<u>\$ 336,084</u>

"Credit risk" is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Plan limits its credit risk by restricting the fixed income portfolio to be comprised of securities rated "BBB" or higher by Moody's or Standard & Poor's ratings services. The Plan's fixed income investments were rated by Standard & Poor's Financial Services as follows:

<u>Rating</u>	<u>Fair Value</u>
AAA	\$ 5,847,001
AA	283,051
A	646,679
BBB+	565,586
Total	<u>\$ 7,342,317</u>

"Concentration of investment risk" is the risk of losses that may occur from having a large portion of the Plan's holding in a particular investment relative to the overall portfolio. GASB Statement 40 and GASB Statement 67, require disclosure of investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represent 5% or more of total investments or fiduciary net position. As of September 30, 2024, investment in the following mutual funds represented more than 5% of the Plan's total investments: American Funds Europacific GR Fund (7.9%), Fidelity Total Market Index Fund (50.7%), Fidelity Short Term Bd Index Fund (10.3%), and RBC GAM International Fund (9.0%). As of September 30, 2024, investment in the following real estate fund represented more than 5% of the Plan's total investments: US Real Estate Fund (7.6%).

"Foreign currency risk" is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than U.S. Dollars and the carrying value of foreign investments. The Plan's exposure to foreign currency risk derives mainly from its investments in international equity funds. The Plan owns participation in international equity funds as well as individual securities.

The investment policy limits the foreign investments to no more than 20% of any manager's total Plan portfolio. As of year-end, the foreign investments were 17% of total investments.

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

**NOTE 4. FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy as established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market as follows:

Level 1- Inputs to the valuation methodology are based upon quoted prices for identical assets in active markets.

Level 2- Inputs to the valuation methodology are based upon observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3- Inputs to the valuation methodology are based upon unobservable inputs.

The following is a description of the valuation methodologies used for investments measured at fair value.

Mutual funds: Valued at the daily closing price as reported by the Plan. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Real estate funds: Valued at the net asset value of shares held by the Plan at year-end. The Plan has investments in private market real estate funds for which no liquid public market exists.

Money market funds: Valued at the floating net asset value of shares held by the Plan at year-end.

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

**NOTE 4. FAIR VALUE MEASUREMENTS (Continued)**

The following table presents the Plan's fair value hierarchy for investments at fair value as of September 30, 2024:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Total</u>			
<u>Investments by fair value level</u>				
Equity securities:				
Equity mutual funds	\$ 33,866,135	\$ 33,866,135	\$ -	\$ -
Total equity securities	<u>33,866,135</u>	<u>33,866,135</u>	<u>-</u>	<u>-</u>
Debt securities:				
Fixed income mutual fund	<u>7,342,317</u>	<u>7,342,317</u>	-	-
Total debt securities	<u>7,342,317</u>	<u>7,342,317</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>41,208,452</u>	<u>\$ 41,208,452</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Investments measured at the net asset value (NAV)<sup>(a)</sup></u>				
Real estate funds	<u>5,165,995</u>			
Total investments measured at the NAV	<u>5,165,995</u>			
Money market funds (exempt)	<u>3,744,709</u>			
Total investments	<u>\$ 50,119,156</u>			

<sup>(a)</sup> As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

**NOTE 4. FAIR VALUE MEASUREMENTS (Continued)**

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions:

<u>Investments Measured at the NAV</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption</u>	
			<u>Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Real estate fund <sup>(1)</sup>	\$ 1,361,088	\$ -	Quarterly	10 days
Real estate fund <sup>(2)</sup>	3,804,907	-	Quarterly	90 days
Total investments measured at the NAV	<u>\$ 5,165,995</u>	<u>\$ -</u>		

- (1) Real estate fund: The fund is an open-end diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 10 days prior to quarter end.
- (2) Real estate fund: This fund is an open-end comingled real estate fund that invests in a pool of real estate assets that are diversified by geography and property type, with a focus of yield-driven investments and, to a lesser extent, on value-added investments. The investment is valued at NAV and redemption requests must be received by the fund 90 days prior to quarter end.

**NOTE 5. RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of fiduciary net position available for benefits.

Plan contributions are made, and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

**NOTE 6. NET PENSION LIABILITY**

The components of the net pension liability of the City as of September 30, 2024 were as follows:

Total pension liability	\$ 62,129,913
Plan fiduciary net position	<u>50,092,220</u>
City's net pension liability	<u>\$ 12,037,693</u>
Plan fiduciary net position as a percentage of the total pension liability	80.62%

The total pension liability was determined by an actuarial valuation as of October 1, 2023, and rolled forward to September 30, 2024 using certain actuarial assumptions, the most significant of which were 6.50% for the investment rate of return and 6.50% discount rate. The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS) as follows:

Healthy Retiree Lives:

PubS.H-2010 (above median) for healthy retirees, set forward one year.

Disabled Lives:

80% PubG.H-2010 for disabled retirees / 20% PubS.H-2010 for disabled retirees.

All rates are projected generationally with mortality improvement scale MP-2018. The above-described mortality rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2024 (see the discussion of the Plan's investment policy in Note 3) are summarized in the following table:

<u>Asset class</u>	<u>Long-term expected real rate of return</u>
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative assets	6.10%

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

**NOTE 6. NET PENSION LIABILITY (Continued)**

A single discount rate of 6.50% 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 6.50%. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

The net pension liability of the City was calculated using the discount rate of 6.50%. It was also calculated using a discount rate that was 1-percentage-point lower (5.50%) and 1-percentage-point higher (7.50%) and the different computations were compared.

	1% decrease (5.50%)	Current discount rate (6.50%)	1% increase (7.50%)
Net pension liability	\$ 18,641,891	\$ 12,037,693	\$ 6,474,585

**NOTE 7. INCOME TAXES**

The Plan is exempt from federal income taxes under the Internal Revenue Code 401(a), and therefore, no provision for income taxes has been made.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by a taxing authority. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**NOTE 8. SUBSEQUENT EVENTS**

Management has evaluated subsequent events for the Plan through March 4, 2025, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION  
YEAR ENDED SEPTEMBER 30, 2024

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

SCHEDULE OF ADMINISTRATIVE EXPENSES

YEAR ENDED SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2023)

	<u>2024</u>	<u>2023</u>
<b>ADMINISTRATIVE EXPENSES:</b>		
Accounting	\$ 17,050	\$ 12,700
Actuarial	18,125	16,838
Administrative fees	24,370	23,936
Conferences	18,654	5,403
Insurance	5,405	5,457
Legal	61,781	19,981
Miscellaneous	<u>7,592</u>	<u>409</u>
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<u><u>\$ 152,977</u></u>	<u><u>\$ 84,724</u></u>

The accompanying independent auditor's report should be read with this supplementary schedule.



REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2024

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

**SCHEDULES OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTORS  
(UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined employer contribution	\$ 2,534,501	\$ 2,525,254	\$ 2,514,725	\$ 2,541,348	\$ 2,424,008
Actual employer contribution	<u>2,534,501</u>	<u>2,525,256</u>	<u>2,514,725</u>	<u>2,541,348</u>	<u>2,424,008</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Actual contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined employer contribution	\$ 2,365,782	\$ 2,354,917	\$ 2,371,504	\$ 2,114,228	\$ 2,150,023
Actual employer contribution	<u>2,365,782</u>	<u>2,354,917</u>	<u>2,371,505</u>	<u>2,114,229</u>	<u>2,150,023</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ -</u>
Covered-employee payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Actual contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

*Notes to Schedules of Contributions from Employer and Other Contributors*

The following assumptions were used in the calculation of the City's actuarially determined contributions:

Actuarial cost method	Entry Age Normal
Amortization method	New UAAL amortization bases are amortized over the lesser of 20 years and the average future lifetime of the inactive participants.
Asset valuation method	Restricted to 80% - 120% of market value, obtained by smoothing three years' past differences between actual investment earnings and assumed investment return, then adding this number onto the current market value.
Salary increases	N/A
Investment rate of return	6.50%
Mortality	<u>Healthy Lives:</u> Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. <u>Disabled Lives:</u> 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with Mortality Improvement Scale MP-2018. These mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate risk and collar adjustments made based on plan demographics.

The accompanying independent auditor's report should be read with this required supplementary schedule.

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

**SCHEDULE OF INVESTMENT RETURNS  
(UNAUDITED)**

Year ended <u>September 30,</u>	Annual money- weighted rate of return net of investment <u>expense</u>
2024	21.99%
2023	10.16%
2022	(12.82%)
2021	26.95%
2020	3.55%
2019	0.91%
2018	9.62%
2017	12.43%
2016	9.20%
2015	2.24%

The accompanying independent auditor's report should be read with this required supplementary schedule.

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

**SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY  
AND RELATED RATIOS  
(UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>TOTAL PENSION LIABILITY:</b>					
Interest	\$ 3,906,937	\$ 3,981,593	\$ 4,101,990	\$ 4,082,775	\$ 4,019,827
Share plan allocation	915,041	751,715	589,327	532,827	537,969
Changes of benefit terms	2,064,513	1,734,941	2,483,835	581,998	1,146,116
Difference between actual and expected experience	(2,068,324)	(2,133,051)	(1,228,809)	(1,623,147)	(667,007)
Changes in assumptions	-	-	-	-	1,608,577
Benefit payments	(5,589,940)	(5,377,587)	(5,251,950)	(5,109,400)	(5,116,472)
NET CHANGE IN TOTAL PENSION LIABILITY	(771,773)	(1,042,389)	694,393	(1,534,947)	1,529,010
<b>TOTAL PENSION LIABILITY - BEGINNING</b>	<u>62,901,686</u>	<u>63,944,075</u>	<u>63,249,682</u>	<u>64,784,629</u>	<u>63,255,619</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u>62,129,913</u>	<u>62,901,686</u>	<u>63,944,075</u>	<u>63,249,682</u>	<u>64,784,629</u>
<b>PLAN FIDUCIARY NET POSITION:</b>					
Contributions - employer	2,329,050	2,319,805	2,309,274	2,335,897	2,218,557
Contributions - state	1,120,492	957,166	794,778	738,278	743,420
Net investment income (loss)	9,388,423	4,144,900	(6,002,203)	10,739,019	1,478,014
Benefit payments	(5,589,940)	(5,377,587)	(5,251,950)	(5,109,400)	(5,116,472)
Administrative expenses	(145,424)	(84,729)	(95,117)	(66,071)	(74,855)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	7,102,601	1,959,555	(8,245,218)	8,637,723	(751,336)
<b>PLAN FIDUCIARY NET POSITION - BEGINNING</b>	<u>42,989,619</u>	<u>41,030,064</u>	<u>49,275,282</u>	<u>40,637,559</u>	<u>41,388,895</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<u>50,092,220</u>	<u>42,989,619</u>	<u>41,030,064</u>	<u>49,275,282</u>	<u>40,637,559</u>
<b>NET PENSION LIABILITY - ENDING</b>	<u>\$ 12,037,693</u>	<u>\$ 19,912,067</u>	<u>\$ 22,914,011</u>	<u>\$ 13,974,400</u>	<u>\$ 24,147,070</u>
<b>PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY COVERED EMPLOYEE PAYROLL</b>	80.62% N/A	68.34% N/A	64.17% N/A	77.91% N/A	62.73% N/A
<b>NET PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL</b>	N/A	N/A	N/A	N/A	N/A

The accompanying independent auditor's report should be read with this required supplementary schedule.

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

SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY  
AND RELATED RATIOS  
(UNAUDITED)  
(Continued)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>TOTAL PENSION LIABILITY:</b>					
Interest	\$ 4,043,732	\$ 3,836,745	\$ 3,410,810	\$ 3,359,275	\$ 3,459,881
Share plan allocation	539,589	469,049	451,648	421,602	359,314
Changes of benefit terms	3,072,186	-	-	-	2,326,603
Difference between actual and expected experience	(1,730,593)	58,615	332,132	223,166	(515,319)
Changes in assumptions	726,498	712,839	7,201,737	3,535,687	-
Benefit payments	<u>(5,069,748)</u>	<u>(4,860,289)</u>	<u>(4,826,660)</u>	<u>(4,838,890)</u>	<u>(4,749,759)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	1,581,664	216,959	6,569,667	2,700,840	880,720
<b>TOTAL PENSION LIABILITY - BEGINNING</b>	<u>61,673,955</u>	<u>61,456,996</u>	<u>54,887,329</u>	<u>52,186,489</u>	<u>51,305,769</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u>63,255,619</u>	<u>61,673,955</u>	<u>61,456,996</u>	<u>54,887,329</u>	<u>52,186,489</u>
<b>PLAN FIDUCIARY NET POSITION:</b>					
Contributions - employer	2,160,331	2,149,466	2,166,053	1,908,777	1,944,572
Contributions - state	745,040	674,500	657,100	627,053	564,765
Net investment income	455,951	3,950,827	4,742,331	3,436,195	952,079
Benefit payments	(5,069,748)	(4,860,289)	(4,826,660)	(4,838,890)	(4,749,759)
Administrative expenses	<u>(85,121)</u>	<u>(85,887)</u>	<u>(92,815)</u>	<u>(96,419)</u>	<u>(97,436)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(1,793,547)	1,828,617	2,646,009	1,036,716	(1,385,779)
<b>PLAN FIDUCIARY NET POSITION - BEGINNING</b>	<u>43,182,442</u>	<u>41,353,825</u>	<u>38,707,816</u>	<u>37,671,100</u>	<u>39,056,879</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<u>41,388,895</u>	<u>43,182,442</u>	<u>41,353,825</u>	<u>38,707,816</u>	<u>37,671,100</u>
<b>NET PENSION LIABILITY - ENDING</b>	<u>\$ 21,866,724</u>	<u>\$ 18,491,513</u>	<u>\$ 20,103,171</u>	<u>\$ 16,179,513</u>	<u>\$ 14,515,389</u>
<b>PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY</b>	65.43%	70.02%	67.29%	70.52%	72.19%
<b>COVERED EMPLOYEE PAYROLL</b>	N/A	N/A	N/A	N/A	N/A
<b>NET PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL</b>	N/A	N/A	N/A	N/A	N/A

The accompanying independent auditor's report should be read with this required supplementary schedule.

# COMPLIANCE REPORT

SEPTEMBER 30, 2024



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS***

To the Board of Trustees of the  
Deerfield Beach Municipal Police Officers' Retirement Trust Fund

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Deerfield Beach Municipal Police Officers' Retirement Trust Fund, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's basic financial statements, and have issued our report thereon dated March 4, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Plan's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Deerfield Beach Municipal Police Officers' Retirement Trust Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS*** (Continued)

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**KSDT** CPA

Weston, Florida  
March 4, 2025