

TOWN OF MEDLEY
POLICE OFFICERS' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2021 VALUATION DATE



March 30, 2022

VIA E-MAIL

Ms. Joan Wall, Plan Administrator
Town of Medley
Police Officers' Retirement System
3851 West State Road 84 Apt. 101
Davie, FL 33312

Re: Town of Medley Police Officers' Retirement System
Section 112.664, Florida Statutes Compliance

Dear Joan:

Please find enclosed the annual disclosures that satisfy the October 1, 2021 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: 
Sara E. Carlson, ASA, EA, MAAA
Enrolled Actuary #20-8546

Enclosures

cc via email: Pedro Herrera, Board Attorney
cc via email: Jessica A. De la Torre Vila, Legal Assistant

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, 2021 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, 2021

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.50%	5.50%
<u>Total Pension Liability</u>		
Service Cost	773,184	1,177,830
Interest	2,242,316	2,076,035
Changes of Benefit Terms	1,009,199	1,283,688
Differences Between Expected and Actual Experience	65,287	115,646
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,720,673)	(1,720,673)
Net Change in Total Pension Liability	2,369,313	2,932,526
Total Pension Liability - Beginning	28,975,501	36,144,914
Total Pension Liability - Ending (a)	<u>\$ 31,344,814</u>	<u>\$ 39,077,440</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,012,918	1,012,918
Contributions - State	153,526	153,526
Contributions - Employee	173,578	173,578
Net Investment Income	6,692,900	6,692,900
Benefit Payments, Including Refunds of Employee Contributions	(1,720,673)	(1,720,673)
Administrative Expenses	(43,605)	(43,605)
Net Change in Plan Fiduciary Net Position	6,268,644	6,268,644
Plan Fiduciary Net Position - Beginning	29,377,893	29,377,893
Plan Fiduciary Net Position - Ending (b)	<u>\$ 35,646,537</u>	<u>\$ 35,646,537</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (4,301,723)</u>	<u>\$ 3,430,903</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.50%

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
2021	35,646,537	-	1,817,299	-	2,605,342	36,434,580
2022	36,434,580	-	2,062,494	-	2,655,250	37,027,336
2023	37,027,336	-	2,098,841	-	2,698,344	37,626,839
2024	37,626,839	-	2,192,590	-	2,739,791	38,174,040
2025	38,174,040	-	2,259,496	-	2,778,322	38,692,866
2026	38,692,866	-	2,264,949	-	2,817,029	39,244,946
2027	39,244,946	-	2,301,416	-	2,857,068	39,800,598
2028	39,800,598	-	2,394,003	-	2,895,270	40,301,865
2029	40,301,865	-	2,402,492	-	2,932,546	40,831,919
2030	40,831,919	-	2,435,414	-	2,971,066	41,367,571
2031	41,367,571	-	2,443,437	-	3,010,939	41,935,073
2032	41,935,073	-	2,417,466	-	3,054,476	42,572,083
2033	42,572,083	-	2,432,798	-	3,101,676	43,240,961
2034	43,240,961	-	2,413,335	-	3,152,572	43,980,198
2035	43,980,198	-	2,397,181	-	3,208,621	44,791,638
2036	44,791,638	-	2,387,301	-	3,269,849	45,674,186
2037	45,674,186	-	2,348,219	-	3,337,506	46,663,473
2038	46,663,473	-	2,341,673	-	3,411,948	47,733,748
2039	47,733,748	-	2,290,886	-	3,494,123	48,936,985
2040	48,936,985	-	2,267,382	-	3,585,247	50,254,850
2041	50,254,850	-	2,211,732	-	3,686,174	51,729,292
2042	51,729,292	-	2,152,175	-	3,798,990	53,376,107
2043	53,376,107	-	2,087,957	-	3,924,910	55,213,060
2044	55,213,060	-	2,017,248	-	4,065,333	57,261,145
2045	57,261,145	-	1,942,171	-	4,221,754	59,540,728
2046	59,540,728	-	1,863,079	-	4,395,689	62,073,338
2047	62,073,338	-	1,784,204	-	4,588,593	64,877,727
2048	64,877,727	-	1,701,232	-	4,802,033	67,978,528
2049	67,978,528	-	1,619,264	-	5,037,667	71,396,931
2050	71,396,931	-	1,534,071	-	5,297,242	75,160,102
2051	75,160,102	-	1,449,243	-	5,582,661	79,293,520
2052	79,293,520	-	1,365,023	-	5,895,826	83,824,323
2053	83,824,323	-	1,280,742	-	6,238,796	88,782,377
2054	88,782,377	-	1,198,159	-	6,613,747	94,197,965
2055	94,197,965	-	1,117,185	-	7,022,953	100,103,733
2056	100,103,733	-	1,038,369	-	7,468,841	106,534,205
2057	106,534,205	-	962,134	-	7,953,985	113,526,056
2058	113,526,056	-	888,698	-	8,481,128	121,118,486
2059	121,118,486	-	818,362	-	9,053,198	129,353,322
2060	129,353,322	-	751,474	-	9,673,319	138,275,167
2061	138,275,167	-	688,284	-	10,344,827	147,931,710
2062	147,931,710	-	628,960	-	11,071,292	158,374,042
2063	158,374,042	-	573,537	-	11,856,546	169,657,051
2064	169,657,051	-	521,933	-	12,704,706	181,839,824
2065	181,839,824	-	474,044	-	13,620,210	194,985,990
2066	194,985,990	-	429,702	-	14,607,835	209,164,123
2067	209,164,123	-	388,694	-	15,672,733	224,448,162
2068	224,448,162	-	350,787	-	16,820,458	240,917,833
2069	240,917,833	-	315,775	-	18,056,996	258,659,054

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.50%

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
2070	258,659,054	-	283,492	-	19,388,798	277,764,360
2071	277,764,360	-	253,802	-	20,822,809	298,333,367
2072	298,333,367	-	226,559	-	22,366,507	320,473,315
2073	320,473,315	-	201,576	-	24,027,940	344,299,679
2074	344,299,679	-	178,645	-	25,815,777	369,936,811
2075	369,936,811	-	157,583	-	27,739,351	397,518,579
2076	397,518,579	-	138,269	-	29,808,708	427,189,018
2077	427,189,018	-	120,598	-	32,034,654	459,103,074
2078	459,103,074	-	104,501	-	34,428,812	493,427,385
2079	493,427,385	-	89,934	-	37,003,681	530,341,132
2080	530,341,132	-	76,851	-	39,772,703	570,036,984
2081	570,036,984	-	65,211	-	42,750,328	612,722,101
2082	612,722,101	-	54,927	-	45,952,098	658,619,272
2083	658,619,272	-	45,891	-	49,394,724	707,968,105
2084	707,968,105	-	37,993	-	53,096,183	761,026,295
2085	761,026,295	-	31,141	-	57,075,804	818,070,958
2086	818,070,958	-	25,248	-	61,354,375	879,400,085
2087	879,400,085	-	20,221	-	65,954,248	945,334,112
2088	945,334,112	-	15,974	-	70,899,459	1,016,217,597
2089	1,016,217,597	-	12,433	-	76,215,854	1,092,421,018
2090	1,092,421,018	-	9,527	-	81,931,219	1,174,342,710
2091	1,174,342,710	-	7,181	-	88,075,434	1,262,410,963
2092	1,262,410,963	-	5,321	-	94,680,623	1,357,086,265
2093	1,357,086,265	-	3,873	-	101,781,325	1,458,863,717
2094	1,458,863,717	-	2,769	-	109,414,675	1,568,275,623
2095	1,568,275,623	-	1,948	-	117,620,599	1,685,894,274
2096	1,685,894,274	-	1,350	-	126,442,020	1,812,334,944
2097	1,812,334,944	-	922	-	135,925,086	1,948,259,108
2098	1,948,259,108	-	623	-	146,119,410	2,094,377,895
2099	2,094,377,895	-	418	-	157,078,326	2,251,455,803
2100	2,251,455,803	-	279	-	168,859,175	2,420,314,699
2101	2,420,314,699	-	185	-	181,523,595	2,601,838,109
2102	2,601,838,109	-	123	-	195,137,854	2,796,975,840
2103	2,796,975,840	-	81	-	209,773,185	3,006,748,944
2104	3,006,748,944	-	53	-	225,506,169	3,232,255,060
2105	3,232,255,060	-	34	-	242,419,128	3,474,674,154
2106	3,474,674,154	-	21	-	260,600,561	3,735,274,694
2107	3,735,274,694	-	13	-	280,145,602	4,015,420,283
2108	4,015,420,283	-	8	-	301,156,521	4,316,576,796
2109	4,316,576,796	-	5	-	323,743,260	4,640,320,051
2110	4,640,320,051	-	3	-	348,024,004	4,988,344,052
2111	4,988,344,052	-	1	-	374,125,804	5,362,469,855
2112	5,362,469,855	-	1	-	402,185,239	5,764,655,093
2113	5,764,655,093	-	-	-	432,349,132	6,197,004,225

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% 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 = 5.50%

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
2021	35,646,537	-	1,817,299	-	1,910,584	35,739,822
2022	35,739,822	-	2,062,494	-	1,908,972	35,586,300
2023	35,586,300	-	2,098,841	-	1,899,528	35,386,987
2024	35,386,987	-	2,192,590	-	1,885,988	35,080,385
2025	35,080,385	-	2,259,496	-	1,867,285	34,688,174
2026	34,688,174	-	2,264,949	-	1,845,563	34,268,788
2027	34,268,788	-	2,301,416	-	1,821,494	33,788,866
2028	33,788,866	-	2,394,003	-	1,792,553	33,187,416
2029	33,187,416	-	2,402,492	-	1,759,239	32,544,163
2030	32,544,163	-	2,435,414	-	1,722,955	31,831,704
2031	31,831,704	-	2,443,437	-	1,683,549	31,071,816
2032	31,071,816	-	2,417,466	-	1,642,470	30,296,820
2033	30,296,820	-	2,432,798	-	1,599,423	29,463,445
2034	29,463,445	-	2,413,335	-	1,554,123	28,604,233
2035	28,604,233	-	2,397,181	-	1,507,310	27,714,362
2036	27,714,362	-	2,387,301	-	1,458,639	26,785,700
2037	26,785,700	-	2,348,219	-	1,408,637	25,846,118
2038	25,846,118	-	2,341,673	-	1,357,140	24,861,585
2039	24,861,585	-	2,290,886	-	1,304,388	23,875,087
2040	23,875,087	-	2,267,382	-	1,250,777	22,858,482
2041	22,858,482	-	2,211,732	-	1,196,394	21,843,144
2042	21,843,144	-	2,152,175	-	1,142,188	20,833,157
2043	20,833,157	-	2,087,957	-	1,088,405	19,833,605
2044	19,833,605	-	2,017,248	-	1,035,374	18,851,731
2045	18,851,731	-	1,942,171	-	983,436	17,892,996
2046	17,892,996	-	1,863,079	-	932,880	16,962,797
2047	16,962,797	-	1,784,204	-	883,888	16,062,481
2048	16,062,481	-	1,701,232	-	836,653	15,197,902
2049	15,197,902	-	1,619,264	-	791,355	14,369,993
2050	14,369,993	-	1,534,071	-	748,163	13,584,085
2051	13,584,085	-	1,449,243	-	707,270	12,842,112
2052	12,842,112	-	1,365,023	-	668,778	12,145,867
2053	12,145,867	-	1,280,742	-	632,802	11,497,927
2054	11,497,927	-	1,198,159	-	599,437	10,899,205
2055	10,899,205	-	1,117,185	-	568,734	10,350,754
2056	10,350,754	-	1,038,369	-	540,736	9,853,121
2057	9,853,121	-	962,134	-	515,463	9,406,450
2058	9,406,450	-	888,698	-	492,916	9,010,668
2059	9,010,668	-	818,362	-	473,082	8,665,388
2060	8,665,388	-	751,474	-	455,931	8,369,845
2061	8,369,845	-	688,284	-	441,414	8,122,975
2062	8,122,975	-	628,960	-	429,467	7,923,482
2063	7,923,482	-	573,537	-	420,019	7,769,964
2064	7,769,964	-	521,933	-	412,995	7,661,026
2065	7,661,026	-	474,044	-	408,320	7,595,302
2066	7,595,302	-	429,702	-	405,925	7,571,525
2067	7,571,525	-	388,694	-	405,745	7,588,576
2068	7,588,576	-	350,787	-	407,725	7,645,514
2069	7,645,514	-	315,775	-	411,819	7,741,558

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: Discount Rate = 5.50%

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
2070	7,741,558	-	283,492	-	417,990	7,876,056
2071	7,876,056	-	253,802	-	426,204	8,048,458
2072	8,048,458	-	226,559	-	436,435	8,258,334
2073	8,258,334	-	201,576	-	448,665	8,505,423
2074	8,505,423	-	178,645	-	462,886	8,789,664
2075	8,789,664	-	157,583	-	479,098	9,111,179
2076	9,111,179	-	138,269	-	497,312	9,470,222
2077	9,470,222	-	120,598	-	517,546	9,867,170
2078	9,867,170	-	104,501	-	539,821	10,302,490
2079	10,302,490	-	89,934	-	564,164	10,776,720
2080	10,776,720	-	76,851	-	590,606	11,290,475
2081	11,290,475	-	65,211	-	619,183	11,844,447
2082	11,844,447	-	54,927	-	649,934	12,439,454
2083	12,439,454	-	45,891	-	682,908	13,076,471
2084	13,076,471	-	37,993	-	718,161	13,756,639
2085	13,756,639	-	31,141	-	755,759	14,481,257
2086	14,481,257	-	25,248	-	795,775	15,251,784
2087	15,251,784	-	20,221	-	838,292	16,069,855
2088	16,069,855	-	15,974	-	883,403	16,937,284
2089	16,937,284	-	12,433	-	931,209	17,856,060
2090	17,856,060	-	9,527	-	981,821	18,828,354
2091	18,828,354	-	7,181	-	1,035,362	19,856,535
2092	19,856,535	-	5,321	-	1,091,963	20,943,177
2093	20,943,177	-	3,873	-	1,151,768	22,091,072
2094	22,091,072	-	2,769	-	1,214,933	23,303,236
2095	23,303,236	-	1,948	-	1,281,624	24,582,912
2096	24,582,912	-	1,350	-	1,352,023	25,933,585
2097	25,933,585	-	922	-	1,426,322	27,358,985
2098	27,358,985	-	623	-	1,504,727	28,863,089
2099	28,863,089	-	418	-	1,587,458	30,450,129
2100	30,450,129	-	279	-	1,674,749	32,124,599
2101	32,124,599	-	185	-	1,766,848	33,891,262
2102	33,891,262	-	123	-	1,864,016	35,755,155
2103	35,755,155	-	81	-	1,966,531	37,721,605
2104	37,721,605	-	53	-	2,074,687	39,796,239
2105	39,796,239	-	34	-	2,188,792	41,984,997
2106	41,984,997	-	21	-	2,309,174	44,294,150
2107	44,294,150	-	13	-	2,436,178	46,730,315
2108	46,730,315	-	8	-	2,570,167	49,300,474
2109	49,300,474	-	5	-	2,711,526	52,011,995
2110	52,011,995	-	3	-	2,860,660	54,872,652
2111	54,872,652	-	1	-	3,017,996	57,890,647
2112	57,890,647	-	1	-	3,183,986	61,074,632
2113	61,074,632	-	-	-	3,359,105	64,433,737

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% 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, 2023

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.50%	5.50%
Minimum Required Contribution (Fixed \$)	\$796,075	\$1,759,213
Minimum Required Contribution (% of Payroll)	23.2%	51.3%
Expected Member Contribution	171,440	171,440
Expected State Money	153,526	153,526
Expected Sponsor Contribution (Fixed \$)	\$471,109	\$1,434,247
Expected Sponsor Contribution (% of Payroll)	13.6%	41.8%

ASSETS

Actuarial Value ¹	32,042,163	32,042,163
Market Value ¹	35,646,537	35,646,537

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	15,444,510	22,617,669
Disability Benefits	822,588	1,161,903
Death Benefits	51,205	70,423
Vested Benefits	791,323	1,283,146
Refund of Contributions	58,371	61,851
Service Retirees	19,553,048	23,659,696
DROP Retirees ¹	0	0
Beneficiaries	519,873	606,160
Disability Retirees	0	0
Terminated Vested	19,330	19,330
Total:	37,260,248	49,480,178
Present Value of Future Salaries	26,899,557	30,243,242
Present Value of Future Member Contributions	1,344,978	1,512,162
Total Normal Cost	516,863	963,389
Present Value of Future Normal Costs (Entry Age Normal)	5,925,092	10,367,629
Total Actuarial Accrued Liability (EAN) ¹	31,335,156	39,112,549
Unfunded Actuarial Accrued Liability (UAAL)	1,163,207	8,940,600

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2023

	Valuation Date: 10/1/2021	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.50%	5.50%
<u>PENSION COST</u>		
Normal Cost (with interest)	536,245	989,882
Administrative Expenses (with interest)	44,925	44,492
Payment Required To Amortize UAAL (with interest)	214,905	724,839
Minimum Required Contribution	\$796,075	\$1,759,213

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2021.