

July 30, 2015

VIA EMAIL

Ms. Joan Wall, Plan Administrator
Town of Medley
Police Officers' Retirement System
2955 Myrtle Oak Circle
Davie, FL 33328-6739

Re: Town of Medley Police Officers' Retirement System
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Joan:

Please find enclosed the annual disclosures that satisfy the October 1, 2014 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services by the August 3, 2015 deadline. 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.

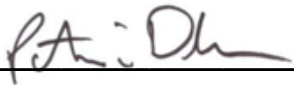
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should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

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: _____



Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #14-6595

PTD/lke
Enclosures

cc via email: Pedro Herrera, Board Attorney

TOWN OF MEDLEY
POLICE OFFICERS' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

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.

By: Patrick T. Donlan Date: 7/30/2015

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #14-6595



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, 2014 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 AND RELATED RATIOS

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Static 9/30/2014	7.50% RP-2000 Generational 9/30/2014	5.50% RP-2000 Generational 9/30/2014
<u>Total Pension Liability</u>			
Service Cost	616,903	641,717	999,794
Interest	1,541,234	1,593,929	1,493,308
Change in Excess State Money	-	-	-
Change in Funding Standard Account	-	-	-
Share Plan Allocation	-	-	-
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions - Buy Back	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(747,028)	(747,028)	(747,028)
Net Change in Total Pension Liability	1,411,109	1,488,618	1,746,074
Total Pension Liability - Beginning	20,306,403	20,984,182	26,524,778
Total Pension Liability - Ending (a)	<u>21,717,512</u>	<u>\$ 22,472,800</u>	<u>\$ 28,270,852</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,165,048	1,165,048	1,165,048
Contributions - State	109,521	109,521	109,521
Contributions - Employee	141,619	141,619	141,619
Contributions - Buy Back	-	-	-
Net Investment Income	1,596,653	1,596,653	1,596,653
Benefit Payments, Including Refunds of Employee Contributions	(747,028)	(747,028)	(747,028)
Administrative Expense	(28,220)	(28,220)	(28,220)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	2,237,592	2,237,592	2,237,592
Plan Fiduciary Net Position - Beginning	16,430,607	16,430,607	16,430,607
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,668,199</u>	<u>\$ 18,668,199</u>	<u>\$ 18,668,199</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,049,313</u>	<u>\$ 3,804,601</u>	<u>\$ 9,602,653</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.50% and RP-2000 Static Mortality

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
2014	18,668,199	-	929,461	-	1,365,260	19,103,998
2015	19,103,998	-	1,373,649	-	1,381,288	19,111,637
2016	19,111,637	-	1,377,682	-	1,381,710	19,115,665
2017	19,115,665	-	1,392,417	-	1,381,459	19,104,707
2018	19,104,707	-	1,463,540	-	1,377,970	19,019,137
2019	19,019,137	-	1,531,693	-	1,368,997	18,856,441
2020	18,856,441	-	1,657,969	-	1,352,059	18,550,531
2021	18,550,531	-	1,704,985	-	1,327,353	18,172,899
2022	18,172,899	-	1,713,926	-	1,298,695	17,757,668
2023	17,757,668	-	1,751,333	-	1,266,150	17,272,485
2024	17,272,485	-	1,783,551	-	1,228,553	16,717,487
2025	16,717,487	-	1,759,240	-	1,187,840	16,146,087
2026	16,146,087	-	1,748,958	-	1,145,371	15,542,500
2027	15,542,500	-	1,742,500	-	1,100,344	14,900,344
2028	14,900,344	-	1,753,496	-	1,051,770	14,198,618
2029	14,198,618	-	1,730,935	-	999,986	13,467,669
2030	13,467,669	-	1,715,116	-	945,758	12,698,311
2031	12,698,311	-	1,685,635	-	889,162	11,901,838
2032	11,901,838	-	1,660,520	-	830,368	11,071,686
2033	11,071,686	-	1,630,640	-	769,227	10,210,273
2034	10,210,273	-	1,588,516	-	706,201	9,327,958
2035	9,327,958	-	1,550,828	-	641,441	8,418,571
2036	8,418,571	-	1,502,867	-	575,035	7,490,739
2037	7,490,739	-	1,448,217	-	507,497	6,550,019
2038	6,550,019	-	1,395,726	-	438,912	5,593,205
2039	5,593,205	-	1,335,555	-	369,407	4,627,057
2040	4,627,057	-	1,275,372	-	299,203	3,650,888
2041	3,650,888	-	1,210,136	-	228,437	2,669,189
2042	2,669,189	-	1,143,532	-	157,307	1,682,964
2043	1,682,964	-	1,074,836	-	85,916	694,044
2044	694,044	-	1,006,385	-	-	-

Number of Years Expected Benefit Payments Sustained: 30.69

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: 7.50% and RP-2000 Generational Mortality

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
2014	18,668,199	-	929,447	-	1,365,261	19,104,013
2015	19,104,013	-	1,374,494	-	1,381,257	19,110,776
2016	19,110,776	-	1,379,179	-	1,381,589	19,113,186
2017	19,113,186	-	1,394,637	-	1,381,190	19,099,739
2018	19,099,739	-	1,466,738	-	1,377,478	19,010,479
2019	19,010,479	-	1,536,164	-	1,368,180	18,842,495
2020	18,842,495	-	1,664,164	-	1,350,781	18,529,112
2021	18,529,112	-	1,712,700	-	1,325,457	18,141,869
2022	18,141,869	-	1,723,130	-	1,296,023	17,714,762
2023	17,714,762	-	1,763,082	-	1,262,492	17,214,172
2024	17,214,172	-	1,798,341	-	1,223,625	16,639,456
2025	16,639,456	-	1,784,891	-	1,181,026	16,035,591
2026	16,035,591	-	1,779,381	-	1,135,943	15,392,153
2027	15,392,153	-	1,778,589	-	1,087,714	14,701,278
2028	14,701,278	-	1,796,825	-	1,035,215	13,939,668
2029	13,939,668	-	1,782,584	-	978,628	13,135,712
2030	13,135,712	-	1,777,340	-	918,528	12,276,900
2031	12,276,900	-	1,757,940	-	854,845	11,373,805
2032	11,373,805	-	1,742,952	-	787,675	10,418,528
2033	10,418,528	-	1,724,393	-	716,725	9,410,860
2034	9,410,860	-	1,693,406	-	642,312	8,359,766
2035	8,359,766	-	1,667,327	-	564,458	7,256,897
2036	7,256,897	-	1,630,755	-	483,114	6,109,256
2037	6,109,256	-	1,587,623	-	398,658	4,920,291
2038	4,920,291	-	1,546,827	-	311,016	3,684,480
2039	3,684,480	-	1,496,646	-	220,212	2,408,046
2040	2,408,046	-	1,445,525	-	126,396	1,088,917
2041	1,088,917	-	1,387,988	-	-	-

Number of Years Expected Benefit Payments Sustained: 27.78

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 3
Hypothetical Assumptions: 5.50% and RP-2000 Generational Mortality

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
2014	18,668,199	-	929,447	-	1,001,191	18,739,943
2015	18,739,943	-	1,374,494	-	992,898	18,358,347
2016	18,358,347	-	1,379,179	-	971,782	17,950,950
2017	17,950,950	-	1,394,637	-	948,950	17,505,263
2018	17,505,263	-	1,466,738	-	922,454	16,960,979
2019	16,960,979	-	1,536,164	-	890,609	16,315,424
2020	16,315,424	-	1,664,164	-	851,584	15,502,844
2021	15,502,844	-	1,712,700	-	805,557	14,595,701
2022	14,595,701	-	1,723,130	-	755,377	13,627,948
2023	13,627,948	-	1,763,082	-	701,052	12,565,918
2024	12,565,918	-	1,798,341	-	641,671	11,409,248
2025	11,409,248	-	1,784,891	-	578,424	10,202,781
2026	10,202,781	-	1,779,381	-	512,220	8,935,620
2027	8,935,620	-	1,778,589	-	442,548	7,599,579
2028	7,599,579	-	1,796,825	-	368,564	6,171,318
2029	6,171,318	-	1,782,584	-	290,401	4,679,135
2030	4,679,135	-	1,777,340	-	208,476	3,110,271
2031	3,110,271	-	1,757,940	-	122,722	1,475,053
2032	1,475,053	-	1,742,952	-	-	-

Number of Years Expected Benefit Payments Sustained: 18.85

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, 2016

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational
Sponsor Required Contribution	\$991,555	\$1,081,256	\$1,749,876
Expected State Money	109,521	109,521	109,521
Expected Town Contribution (Fixed \$)	\$882,034	\$971,735	\$1,640,355
Expected Town Contribution (% of Payroll)	30.5%	33.7%	57.0%

ASSETS

Actuarial Value	16,273,229	16,273,229	16,273,229
Market Value	18,668,199	18,668,199	18,668,199

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	14,106,181	14,701,174	21,035,002
Disability Benefits	739,708	766,222	1,106,549
Death Benefits	65,928	46,881	63,322
Vested Benefits	515,686	537,503	876,247
Refund of Contributions	55,735	55,754	58,987
Service Retirees	9,487,147	9,785,186	11,886,117
Beneficiaries	0	0	0
Terminated Vested	1,030,544	1,067,017	1,359,804
Disability Retirees	0	0	0
Total:	26,000,929	26,959,737	36,386,028
Present Value of Future Salaries	22,055,660	22,087,004	24,937,678
Present Value of Future Member Contributions	1,102,783	1,104,350	1,246,884
FIL Normal Cost (Sponsor)	323,423	352,039	716,624
Present Value of Future Normal Costs (Entry Age Normal)	4,581,674	4,806,100	8,452,113
Total Actuarial Accrued Liability	22,422,634	23,157,016	28,937,294
Unfunded Actuarial Accrued Liability (Entry Age Normal)	6,149,405	6,883,787	12,664,065

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational
<u>PENSION COST</u>			
Sponsor Normal Cost (with interest)	335,551	365,240	736,331
Administrative Expenses (with interest)	29,361	29,361	29,078
Payment Required To Amortize UAAL (with interest)	<u>626,643</u>	<u>686,655</u>	<u>984,467</u>
Sponsor Required Contribution	\$991,555	\$1,081,256	\$1,749,876