

BAL HARBOUR VILLAGE  
POLICE OFFICERS' PENSION PLAN

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



August 1, 2022

VIA E-MAIL

Mr. Rick Rivera, Pension Administrator  
Bal Harbour Village  
Police Officers' Pension Plan

Re: Bal Harbour Village Police Officers' Pension Plan  
Section 112.664, Florida Statutes Compliance

Dear Rick:

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.

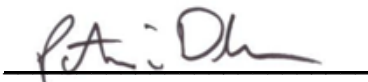
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should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

Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #20-6595

Enclosures

cc via email: Robert Klausner, 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, 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

	ACTUAL	HYPOTHETICAL	
	7.00%	5.00%	9.00%
Discount Rate:	7.00%	5.00%	9.00%
<u>Total Pension Liability</u>			
Service Cost	714,032	1,038,297	510,073
Interest	2,278,492	2,101,947	2,360,641
Changes of Benefit Terms	143,457	137,602	157,802
Differences Between Expected and Actual Experience	(155,870)	(201,927)	(132,326)
Changes of Assumptions	589,671	922,328	398,133
Benefit Payments, Including Refunds of Employee Contributions	(1,643,891)	(1,643,891)	(1,643,891)
Net Change in Total Pension Liability	1,925,891	2,354,356	1,650,432
Total Pension Liability - Beginning	31,391,933	39,683,128	25,674,519
Total Pension Liability - Ending (a)	<u>\$ 33,317,824</u>	<u>\$ 42,037,484</u>	<u>\$ 27,324,951</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,491,814	1,491,814	1,491,814
Contributions - State	135,306	135,306	135,306
Contributions - Employee	216,191	216,191	216,191
Net Investment Income	4,040,859	4,040,859	4,040,859
Benefit Payments, Including Refunds of Employee Contributions	(1,643,891)	(1,643,891)	(1,643,891)
Administrative Expenses	(83,285)	(83,285)	(83,285)
Net Change in Plan Fiduciary Net Position	4,156,994	4,156,994	4,156,994
Plan Fiduciary Net Position - Beginning	26,816,781	26,816,781	26,816,781
Plan Fiduciary Net Position - Ending (b)	<u>\$ 30,973,775</u>	<u>\$ 30,973,775</u>	<u>\$ 30,973,775</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,344,049</u>	<u>\$ 11,063,709</u>	<u>\$ (3,648,824)</u>

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

Table 1  
Plan Assumptions: Discount Rate = 7.00%

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	30,973,775	-	1,889,795	-	2,102,021	31,186,001
2022	31,186,001	-	2,173,030	-	2,106,964	31,119,935
2023	31,119,935	-	2,289,407	-	2,098,266	30,928,794
2024	30,928,794	-	2,325,932	-	2,083,608	30,686,470
2025	30,686,470	-	2,396,955	-	2,064,159	30,353,674
2026	30,353,674	-	2,404,464	-	2,040,601	29,989,811
2027	29,989,811	-	2,452,582	-	2,013,446	29,550,675
2028	29,550,675	-	2,472,794	-	1,981,999	29,059,880
2029	29,059,880	-	2,531,256	-	1,945,598	28,474,222
2030	28,474,222	-	2,553,161	-	1,903,835	27,824,896
2031	27,824,896	-	2,548,533	-	1,858,544	27,134,907
2032	27,134,907	-	2,576,225	-	1,809,276	26,367,958
2033	26,367,958	-	2,578,624	-	1,755,505	25,544,839
2034	25,544,839	-	2,580,073	-	1,697,836	24,662,602
2035	24,662,602	-	2,575,331	-	1,636,246	23,723,517
2036	23,723,517	-	2,576,346	-	1,570,474	22,717,645
2037	22,717,645	-	2,561,031	-	1,500,599	21,657,213
2038	21,657,213	-	2,543,179	-	1,426,994	20,541,028
2039	20,541,028	-	2,516,725	-	1,349,787	19,374,090
2040	19,374,090	-	2,487,302	-	1,269,131	18,155,919
2041	18,155,919	-	2,452,044	-	1,185,093	16,888,968
2042	16,888,968	-	2,409,469	-	1,097,896	15,577,395
2043	15,577,395	-	2,362,222	-	1,007,740	14,222,913
2044	14,222,913	-	2,309,217	-	914,781	12,828,477
2045	12,828,477	-	2,250,613	-	819,222	11,397,086
2046	11,397,086	-	2,186,428	-	721,271	9,931,929
2047	9,931,929	-	2,117,986	-	621,106	8,435,049
2048	8,435,049	-	2,045,204	-	518,871	6,908,716
2049	6,908,716	-	1,968,525	-	414,712	5,354,903
2050	5,354,903	-	1,888,346	-	308,751	3,775,308
2051	3,775,308	-	1,804,977	-	201,097	2,171,428
2052	2,171,428	-	1,718,730	-	91,844	544,542
2053	544,542	-	1,630,010	-	-	-

Number of Years Expected Benefit Payments Sustained: 32.33

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.00% 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 = 5.00%

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	30,973,775	-	1,889,795	-	1,501,444	30,585,424
2022	30,585,424	-	2,173,030	-	1,474,945	29,887,339
2023	29,887,339	-	2,289,407	-	1,437,132	29,035,064
2024	29,035,064	-	2,325,932	-	1,393,605	28,102,737
2025	28,102,737	-	2,396,955	-	1,345,213	27,050,995
2026	27,050,995	-	2,404,464	-	1,292,438	25,938,969
2027	25,938,969	-	2,452,582	-	1,235,634	24,722,021
2028	24,722,021	-	2,472,794	-	1,174,281	23,423,508
2029	23,423,508	-	2,531,256	-	1,107,894	22,000,146
2030	22,000,146	-	2,553,161	-	1,036,178	20,483,163
2031	20,483,163	-	2,548,533	-	960,445	18,895,075
2032	18,895,075	-	2,576,225	-	880,348	17,199,198
2033	17,199,198	-	2,578,624	-	795,494	15,416,068
2034	15,416,068	-	2,580,073	-	706,302	13,542,297
2035	13,542,297	-	2,575,331	-	612,732	11,579,698
2036	11,579,698	-	2,576,346	-	514,576	9,517,928
2037	9,517,928	-	2,561,031	-	411,871	7,368,768
2038	7,368,768	-	2,543,179	-	304,859	5,130,448
2039	5,130,448	-	2,516,725	-	193,604	2,807,327
2040	2,807,327	-	2,487,302	-	78,184	398,209
2041	398,209	-	2,452,044	-	-	-

Number of Years Expected Benefit Payments Sustained: 20.16

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% 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: Discount Rate = 9.00%

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	30,973,775	-	1,889,795	-	2,702,599	31,786,579
2022	31,786,579	-	2,173,030	-	2,763,006	32,376,555
2023	32,376,555	-	2,289,407	-	2,810,867	32,898,015
2024	32,898,015	-	2,325,932	-	2,856,154	33,428,237
2025	33,428,237	-	2,396,955	-	2,900,678	33,931,960
2026	33,931,960	-	2,404,464	-	2,945,676	34,473,172
2027	34,473,172	-	2,452,582	-	2,992,219	35,012,809
2028	35,012,809	-	2,472,794	-	3,039,877	35,579,892
2029	35,579,892	-	2,531,256	-	3,088,284	36,136,920
2030	36,136,920	-	2,553,161	-	3,137,431	36,721,190
2031	36,721,190	-	2,548,533	-	3,190,223	37,362,880
2032	37,362,880	-	2,576,225	-	3,246,729	38,033,384
2033	38,033,384	-	2,578,624	-	3,306,966	38,761,726
2034	38,761,726	-	2,580,073	-	3,372,452	39,554,105
2035	39,554,105	-	2,575,331	-	3,443,980	40,422,754
2036	40,422,754	-	2,576,346	-	3,522,112	41,368,520
2037	41,368,520	-	2,561,031	-	3,607,920	42,415,409
2038	42,415,409	-	2,543,179	-	3,702,944	43,575,174
2039	43,575,174	-	2,516,725	-	3,808,513	44,866,962
2040	44,866,962	-	2,487,302	-	3,926,098	46,305,758
2041	46,305,758	-	2,452,044	-	4,057,176	47,910,890
2042	47,910,890	-	2,409,469	-	4,203,554	49,704,975
2043	49,704,975	-	2,362,222	-	4,367,148	51,709,901
2044	51,709,901	-	2,309,217	-	4,549,976	53,950,660
2045	53,950,660	-	2,250,613	-	4,754,282	56,454,329
2046	56,454,329	-	2,186,428	-	4,982,500	59,250,401
2047	59,250,401	-	2,117,986	-	5,237,227	62,369,642
2048	62,369,642	-	2,045,204	-	5,521,234	65,845,672
2049	65,845,672	-	1,968,525	-	5,837,527	69,714,674
2050	69,714,674	-	1,888,346	-	6,189,345	74,015,673
2051	74,015,673	-	1,804,977	-	6,580,187	78,790,883
2052	78,790,883	-	1,718,730	-	7,013,837	84,085,990
2053	84,085,990	-	1,630,010	-	7,494,389	89,950,369
2054	89,950,369	-	1,539,277	-	8,026,266	96,437,358
2055	96,437,358	-	1,447,164	-	8,614,240	103,604,434
2056	103,604,434	-	1,354,462	-	9,263,448	111,513,420
2057	111,513,420	-	1,261,878	-	9,979,423	120,230,965
2058	120,230,965	-	1,169,996	-	10,768,137	129,829,106
2059	129,829,106	-	1,079,346	-	11,636,049	140,385,809
2060	140,385,809	-	990,414	-	12,590,154	151,985,549
2061	151,985,549	-	903,639	-	13,638,036	164,719,946
2062	164,719,946	-	819,508	-	14,787,917	178,688,355
2063	178,688,355	-	738,524	-	16,048,718	193,998,549
2064	193,998,549	-	661,219	-	17,430,115	210,767,445
2065	210,767,445	-	588,184	-	18,942,602	229,121,863
2066	229,121,863	-	519,943	-	20,597,570	249,199,490
2067	249,199,490	-	456,786	-	22,407,399	271,150,103
2068	271,150,103	-	398,848	-	24,385,561	295,136,816
2069	295,136,816	-	346,013	-	26,546,743	321,337,546

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

Table 3  
Hypothetical Assumptions: Discount Rate = 9.00%

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	321,337,546	-	298,032	-	28,906,968	349,946,482
2071	349,946,482	-	254,680	-	31,483,723	381,175,525
2072	381,175,525	-	215,747	-	34,296,089	415,255,867
2073	415,255,867	-	181,124	-	37,364,877	452,439,620
2074	452,439,620	-	150,676	-	40,712,785	493,001,729
2075	493,001,729	-	124,245	-	44,364,565	537,242,049
2076	537,242,049	-	101,622	-	48,347,211	585,487,638
2077	585,487,638	-	82,548	-	52,690,173	638,095,263
2078	638,095,263	-	66,685	-	57,425,573	695,454,151
2079	695,454,151	-	53,615	-	62,588,461	757,988,997
2080	757,988,997	-	42,914	-	68,217,079	826,163,162
2081	826,163,162	-	34,197	-	74,353,146	900,482,111
2082	900,482,111	-	27,109	-	81,042,170	981,497,172
2083	981,497,172	-	21,363	-	88,333,784	1,069,809,593
2084	1,069,809,593	-	16,717	-	96,282,111	1,166,074,987
2085	1,166,074,987	-	12,970	-	104,946,165	1,271,008,182
2086	1,271,008,182	-	9,954	-	114,390,288	1,385,388,516
2087	1,385,388,516	-	7,538	-	124,684,627	1,510,065,605
2088	1,510,065,605	-	5,619	-	135,905,652	1,645,965,638
2089	1,645,965,638	-	4,117	-	148,136,722	1,794,098,243
2090	1,794,098,243	-	2,959	-	161,468,709	1,955,563,993
2091	1,955,563,993	-	2,084	-	176,000,666	2,131,562,575
2092	2,131,562,575	-	1,437	-	191,840,567	2,323,401,705
2093	2,323,401,705	-	969	-	209,106,110	2,532,506,846
2094	2,532,506,846	-	639	-	227,925,587	2,760,431,794
2095	2,760,431,794	-	413	-	248,438,843	3,008,870,224
2096	3,008,870,224	-	260	-	270,798,308	3,279,668,272
2097	3,279,668,272	-	160	-	295,170,137	3,574,838,249
2098	3,574,838,249	-	95	-	321,735,438	3,896,573,592
2099	3,896,573,592	-	55	-	350,691,621	4,247,265,158
2100	4,247,265,158	-	32	-	382,253,863	4,629,518,989
2101	4,629,518,989	-	18	-	416,656,708	5,046,175,679
2102	5,046,175,679	-	9	-	454,155,811	5,500,331,481
2103	5,500,331,481	-	5	-	495,029,833	5,995,361,309
2104	5,995,361,309	-	2	-	539,582,518	6,534,943,825
2105	6,534,943,825	-	1	-	588,144,944	7,123,088,768
2106	7,123,088,768	-	1	-	641,077,989	7,764,166,756
2107	7,764,166,756	-	-	-	698,775,008	8,462,941,764

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 9.00% 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	
	7.00%	5.00%	9.00%
Investment Rate of Return:	7.00%	5.00%	9.00%
Minimum Required Contribution (Fixed \$)	\$1,559,006	\$2,292,811	\$901,645
Minimum Required Contribution (% of Payroll)	79.9%	117.6%	46.3%
Expected Member Contribution	201,811	199,861	203,761
Expected State Money	67,689	67,689	67,689
Expected Sponsor Contribution (Fixed \$)	\$1,289,506	\$2,025,261	\$630,195
Expected Sponsor Contribution (% of Payroll)	66.3%	104.0%	32.7%

**ASSETS**

Actuarial Value	27,439,711	27,439,711	27,439,711
Market Value	30,973,775	30,973,775	30,973,775

**LIABILITIES**

Present Value of Benefits			
Active Members			
Retirement Benefits	12,527,285	16,865,730	9,717,665
Disability Benefits	287,246	366,786	232,320
Death Benefits	44,035	50,567	38,669
Vested Benefits	48,007	69,202	34,846
Refund of Contributions	0	0	0
Service Retirees	21,958,540	27,546,455	18,091,874
Beneficiaries	471,582	494,763	450,279
Disability Retirees	120,329	137,226	106,963
Terminated Vested	9,616	9,616	9,616
Total:	35,466,640	45,540,345	28,682,232
Present Value of Future Salaries	7,252,049	7,692,674	6,869,316
Present Value of Future Member Contributions	725,205	769,267	686,932
Total Normal Cost	576,273	846,186	407,731
Present Value of Future Normal Costs (Entry Age Normal)	2,189,742	3,460,824	1,450,281
Total Actuarial Accrued Liability (EAN)	33,276,898	42,079,521	27,231,951
Unfunded Actuarial Accrued Liability (UAAL)	5,837,187	14,639,810	(207,760)

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

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL	
	7.00%	5.00%	9.00%
Investment Rate of Return:	7.00%	5.00%	9.00%
<b><u>PENSION COST</u></b>			
Normal Cost <sup>1</sup>	491,096	707,643	354,120
Administrative Expenses <sup>1</sup>	86,197	85,364	87,030
Payment Required To Amortize UAAL <sup>1</sup>	981,713	1,499,804	460,495
Minimum Required Contribution	\$1,559,006	\$2,292,811	\$901,645

<sup>1</sup> Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase and interest components.