



January 5, 2017

City of Tamarac Police Officers' Pension Trust Fund, Board of Trustees  
c/o Ms. Livia Giuliani  
Benefits USA, Inc.  
3810 Inverrary Boulevard, Suite 303  
Lauderhill, Florida 33319

**Re: City of Tamarac Police Officers' Pension Trust Fund  
Updated GASB No. 67 Disclosure Information for Fiscal Year Ending 2016**

Dear Board Members:

As requested, we have prepared the updated actuarial disclosure information required under Governmental Accounting Standards Board (GASB) Statement No. 67 for the City of Tamarac Police Officers' Pension Trust Fund for the fiscal year ending September 30, 2016.

The following exhibits were based upon **unaudited** financial information as of September 30, 2016, which was furnished by the Plan Administrator. If any of this information changes during the auditing process (including benefit payments, contributions, administrative expenses, or the actual market value of assets as of September 30, 2016), then the following exhibits will need to be revised:

- Schedule of Changes in Employer's Net Pension Liability and Ratios
- Schedule of the Employer's Net Pension Liability
- Notes to Schedule of Net Pension Liability
- Schedule of Contributions
- Notes to Schedule of Contributions
- Sensitivity Analysis

The actuarial valuation of the liabilities has been determined as of the beginning of the year, October 1, 2015 (based on the actuarial valuation results as reported in the October 1, 2015 actuarial valuation report dated January 8, 2016) and "rolled forward" to the September 30, 2016 measurement date. Using beginning of the year valuation of liabilities allows for more timely reporting at the end of the year.

Please note that there are other items not listed above that will be required in the Plan's financial statements and/or the City's Comprehensive Annual Financial Report (CAFR) to fully comply with GASB No. 67 standards. This additional information will need to be provided by the Plan's investment consultants, accountants or other financial statement preparers.

## **Required Disclosures**

This information is intended to assist in preparation of the financial statements of the Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB Statement No. 67. These calculations have been made on a basis that is consistent with our understanding of this Statement.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement No. 67. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 67 may produce significantly different results. This report may be provided to parties other than the City or Board only in its entirety and only with the permission of the City or Board.

This report is based upon information, furnished to us by the Plan Administrator, concerning Plan benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not otherwise audited. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

This report complements the actuarial valuation report that was provided to the Board and should be considered in conjunction with that report. Please see the actuarial valuation report as of October 1, 2015 dated January 8, 2016 for additional discussion of the nature of actuarial calculations and information related to participant data, economic and demographic assumptions, and benefit provisions.

The findings in this report are based on data through September 30, 2015 and financial information through September 30, 2016. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law.

To the best of our knowledge, the information contained with this report is accurate and fairly represents the actuarial position of the Plan. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

The signed actuaries are independent of the Plan sponsor.

Theora P. Braccialarghe and Jeffrey Amrose are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

This actuarial valuation and/or cost determination was 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. In my opinion, the techniques and assumptions used are reasonable and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the Plan and/or paid from the Plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

We welcome your questions and comments.

Respectfully submitted,

GABRIEL ROEDER, SMITH AND COMPANY

By: 

Theora P. Braccialarghe, FSA, EA, MAAA  
Senior Consultant & Actuary



Jeffrey Amrose, EA, MAAA  
Senior Consultant & Actuary

Enclosures

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
GASB Statement No. 67**

Fiscal year ending September 30,	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>			
Service Cost	\$ -	\$ -	\$ -
Interest	689,362	704,633	689,432
Benefit Changes	-	-	-
Difference between actual & expected experience	143,526	604,430	-
Assumption Changes	-	-	-
Benefit Payments	(1,080,039)	(1,068,771)	(1,068,563)
Refunds	-	-	-
<b>Net Change in Total Pension Liability</b>	<u>(247,151)</u>	<u>240,292</u>	<u>(379,131)</u>
<b>Total Pension Liability - Beginning</b>	<u>10,609,257</u>	<u>10,368,965</u>	<u>10,748,096</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 10,362,106</u>	<u>\$ 10,609,257</u>	<u>\$ 10,368,965</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 515,895	\$ 459,933	\$ 400,131
Contributions - State	233,874	233,874	233,874
Contributions - Member	-	-	-
Net Investment Income	332,301	24,495	379,485
Benefit Payments	(1,080,039)	(1,068,771)	(1,068,563)
Refunds	-	-	-
Administrative Expense	(65,964)	(67,343)	(57,817)
Other	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(63,933)</u>	<u>(417,812)</u>	<u>(112,890)</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>4,828,889</u>	<u>5,246,701</u>	<u>5,359,591</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 4,764,956</u>	<u>\$ 4,828,889</u>	<u>\$ 5,246,701</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>5,597,150</u>	<u>5,780,368</u>	<u>5,122,264</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	45.98 %	45.52 %	50.60 %
<b>Covered Employee Payroll</b>	\$ -	\$ -	\$ -
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	NA	NA	N/A

**SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY**  
**GASB Statement No. 67**

<u>FY Ending September 30,</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as a % of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a % of Covered Payroll</u>
2016	\$ 10,362,106	\$ 4,764,956	\$ 5,597,150	45.98%	\$ -	N/A
2015	10,609,257	4,828,889	5,780,368	45.52	-	N/A
2014	10,368,965	5,246,701	5,122,264	50.60	-	N/A

**SCHEDULE OF CONTRIBUTIONS**  
**GASB Statement No. 67**

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2016	\$ 749,769	\$ 749,769	\$ -	\$ -	N/A
2015	693,807	693,807	-	-	N/A
2014	634,005	634,005	-	-	N/A
2013	568,740	568,740	-	-	N/A
2012	523,338	523,338	-	-	N/A
2011	400,226	400,226	-	-	N/A
2010	364,182	364,182	-	-	N/A
2009	247,146	247,146	-	-	N/A
2008	238,889	238,889	-	-	N/A
2007	280,740	280,740	-	-	N/A

**NOTES TO SCHEDULE OF NET PENSION LIABILITY**  
**GASB Statement No. 67**

Valuation Date: October 1, 2015  
Measurement Date: September 30, 2016

**Methods and Assumptions Used to Determine Net Pension Liability:**

Actuarial Cost Method	Entry Age Normal
Salary Increases	NA
Investment Rate of Return	6.75%
Retirement Age	NA
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females, projected to reflect future mortality improvement using scale AA (sex distinct tables).

**Other Information:**

Notes See Discussion of Valuation Results in the October 1, 2015 Actuarial Valuation Report dated January 8, 2016.

**NOTES TO SCHEDULE OF CONTRIBUTIONS**  
**GASB Statement No. 67**

**Valuation Date:** October 1, 2015  
**Notes** Actuarially determined contribution rates are calculated as of October 1, 2015, which is one year prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	12 years
Asset Valuation Method	4-year smoothed market
Salary Increases	NA
Investment Rate of Return	6.75%
Retirement Age	NA
Mortality	RP-2000 Combined Healthy Participant Mortality Tables for males and females, projected to reflect future mortality improvement using scale AA (sex distinct tables).

**Other Information:**  
**Notes** See Discussion of Valuation Results on Page 1 of the October 1, 2015 Actuarial Valuation Report dated January 8, 2016.

**SINGLE DISCOUNT RATE**  
**GASB Statement No. 67**

A single discount rate of 6.75% 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 6.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at the actuarially determined contribution 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.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

**Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption**

<b>1% Decrease</b>	<b>Current Single Discount Rate Assumption</b>	<b>1% Increase</b>
<b>5.75%</b>	<b>6.75%</b>	<b>7.75%</b>
\$6,414,134	\$5,597,150	\$4,883,533