



February 6, 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
Revised GASB No. 68 Disclosure Information
for Reporting Year Ending September 30, 2016**

Dear Board Members:

As requested, we have prepared the actuarial disclosure information required under Governmental Accounting Standards Board (GASB) Statement Number 68 for the City of Tamarac Police Officers' Pension Trust Fund for use in the preparation of the City's GAAP-basis employer financial statement for the reporting year ending September 30, 2016.

The results in this report differ from the results issued January 5, 2017 due to including the portion of the State contribution which is dedicated to the Share Plan in the Net Position, and including the Share Plan benefit payable in the Pension Liability. The earlier results are no longer valid.

GASB Statement No. 68 establishes the accounting and financial reporting standards for state and local government employers who provide their employees (including former employees) pension benefits through a trust. These calculations have been made on a basis that is consistent with our understanding of this accounting standard. Enclosed are the following exhibits:

- Executive Summary
- Schedule of Changes in Net Pension Liability and Related Ratios for Measurement Year
- Notes to Net Pension Liability
- Pension Expense Under GASB No. 68
- Statement of Outflows and Inflows Arising from Current Reporting Period
- Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods
- Summary of Remaining Deferred Outflows and Inflows of Resources
- Schedule of Contributions
- Notes to Schedule of Contributions
- Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

The actuarial valuation of the liabilities was 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. These liabilities are used for GASB Statement No. 68 reporting for the reporting period ending September 30, 2016. If significant changes occur during the year, such as benefit changes or changes in assumptions or methods, these should be noted in the footnotes.

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. 68. 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. 68. 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. 68 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 and City, 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 and City.

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 signing 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.

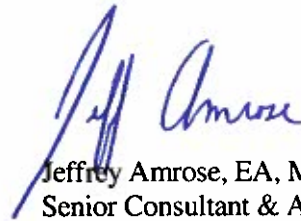
This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable 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.

Sincerely yours,



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



Jeffrey Amrose, EA, MAAA
Senior Consultant & Actuary

Enclosures

EXECUTIVE SUMMARY
GASB Statement No. 68

Actuarial Valuation Date	October 1, 2015
Measurement Date of the Net Pension Liability	September 30, 2016
Employer's Fiscal Year Ending Date (Reporting Date)	September 30, 2016

Membership as of Actuarial Valuation Date

Number of	
- Retirees and Beneficiaries	36
- Inactive, Nonretired Members	-
- Active Members	-
- Total	<u>36</u>
Covered Employee Payroll	\$ -

Net Pension Liability

Total Pension Liability	\$ 10,644,118
Plan Fiduciary Net Position	<u>5,046,968</u>
Net Pension Liability	\$ 5,597,150
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	47.42 %
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A

Development of the Single Discount Rate

Single Discount Rate	6.75 %
Long-Term Expected Rate of Investment Return	6.75 %
Long-Term Municipal Bond Rate*	3.06 %
Last year ending September 30 in the 2016 to 2116 projection period for which projected benefit payments are fully funded	2116

Total Pension Expense	\$ 919,674
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Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>188,837</u>	<u>8,165</u>
Total	<u>\$ 188,837</u>	<u>\$ 8,165</u>

**Source: "State & local bonds" rate from Federal Reserve statistical release (H.15) as of September 29, 2016. The statistical release describes this rate as "Bond Buyer Index, general obligation, 20 years to maturity, mixed quality." In describing this index, the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.*

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FOR REPORTING YEAR ENDED SEPTEMBER 30, 2016
GASB Statement No. 68**

Measurement Year Ended September 30,	<u>2016</u>	<u>2015</u>
A. Total Pension Liability		
1. Service Cost	\$ -	\$ -
2. Interest on the Total Pension Liability	689,362	704,633
3. Changes of Benefit Terms	-	-
4. Difference Between Expected and Actual Experience of the Total Pension Liability	425,538	604,430
5. Changes of Assumptions	-	-
6. Benefit Payments	(1,080,039)	(1,068,771)
7. Refunds	-	-
8. Other (Change in State Contribution Reserve)	-	-
9. Net Change in Total Pension Liability	\$ 34,861	\$ 240,292
10. Total Pension Liability – Beginning	10,609,257	10,368,965
11. Total Pension Liability – Ending	<u>\$ 10,644,118</u>	<u>\$ 10,609,257</u>
B. Plan Fiduciary Net Position		
1. Contributions – Employer (from City)	\$ 515,895	\$ 459,933
2. Contributions – Employer (from State)	515,886	233,874
3. Contributions – Non-Employer Contributing Entity	-	-
4. Contributions – Employee (Including Buyback Contributions)	-	-
5. Net Investment Income	332,301	24,495
6. Benefit Payments	(1,080,039)	(1,068,771)
7. Refunds	-	-
8. Pension Plan Administrative Expense	(65,964)	(67,343)
9. Other	-	-
10. Net Change in Plan Fiduciary Net Position	\$ 218,079	\$ (417,812)
11. Plan Fiduciary Net Position – Beginning	4,828,889	5,246,701
12. Plan Fiduciary Net Position – Ending	<u>\$ 5,046,968</u>	<u>\$ 4,828,889</u>
C. Net Pension Liability	<u>\$ 5,597,150</u>	<u>\$ 5,780,368</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.42%	45.52%
E. Covered Employee Payroll	\$ -	\$ -
F. Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A

NOTES TO NET PENSION LIABILITY
GASB Statement No. 68

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.

PENSION EXPENSE
FISCAL YEAR ENDED SEPTEMBER 30, 2016
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2016)
GASB Statement No. 68

Pension Expense

1. Service Cost	\$ -
2. Interest on the Total Pension Liability	689,362
3. Current-Period Benefit Changes	-
4. Employee Contributions (made negative for addition here)	-
5. Projected Earnings on Plan Investments (made negative for addition here)	(322,095)
6. Pension Plan Administrative Expense	65,964
7. Other Changes in Plan Fiduciary Net Position	-
8. Other Changes in Total Pension Liability (Change in State Contribution Reserve)	-
9. Recognition of Outflow (Inflow) of Resources due to Liabilities	425,538
10. Recognition of Outflow (Inflow) of Resources due to Assets	60,905
11. Total Pension Expense	\$ 919,674

**STATEMENT OF OUTFLOWS AND INFLOWS
ARISING FROM CURRENT REPORTING PERIOD
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2016
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2016)
GASB Statement No. 68**

A. Outflows (Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability due to (gains) or losses	\$ 425,538
2. Assumption Changes (gains) or losses	\$ -
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	1.0
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	\$ 425,538
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for assumption changes	<u>\$ -</u>
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	\$ 425,538
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability	\$ -
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for assumption changes	<u>\$ -</u>
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	\$ -

B. Outflows (Inflows) of Resources due to Assets

1. Net difference between projected and actual earnings on pension plan investments due to (gains) or losses	\$ (10,206)
2. Recognition period for Assets {in years}	5.0
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	\$ (2,041)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ (8,165)

**STATEMENT OF OUTFLOWS AND INFLOWS
ARISING FROM CURRENT AND PRIOR REPORTING PERIODS
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2016
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2016)
GASB Statement No. 68**

A. Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	\$ 425,538	\$ -	\$ 425,538
2. Due to Assets	62,946	2,041	60,905
3. Total	\$ 488,484	\$ 2,041	\$ 486,443

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 425,538	\$ -	\$ 425,538
2. Assumption Changes	-	-	-
3. Net Difference between projected and actual earnings on pension plan investments	62,946	2,041	60,905
4. Total	\$ 488,484	\$ 2,041	\$ 486,443

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	\$ -	\$ -	\$ -
2. Assumption Changes	-	-	-
3. Net Difference between projected and actual earnings on pension plan investments	188,837	8,165	180,672
4. Total	\$ 188,837	\$ 8,165	\$ 180,672

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending September 30	Net Deferred Outflows of Resources
2017	\$ 60,905
2018	60,905
2019	60,904
2020	(2,042)
2021	-
Thereafter	-
Total	\$ 180,672

**SUMMARY OF REMAINING DEFERRED
OUTFLOWS AND INFLOWS OF RESOURCES
GASB Statement No. 68**

<u>Date Established</u>	<u>Source</u>	<u>Recognition Period (years)</u>	<u>Original Amount</u>	<u>Years Remaining</u>	<u>Remaining Amount</u>	<u>Amount Recognized in Current Expense</u>
<u>Deferred Outflows of Resources</u>						
9/30/2015	Investment Exp. Loss	5.0	\$ 314,729	4.0	\$ 251,783	\$ 62,946
9/30/2016	Liability Exp. Loss	1.0	<u>425,538</u>	1.0	<u>425,538</u>	<u>425,538</u>
		SUBTOTAL:	740,267		677,321	488,484
<u>Deferred Inflows of Resources</u>						
9/30/2016	Investment Exp. Gain	5.0	<u>(10,206)</u>	5.0	<u>(10,206)</u>	<u>(2,041)</u>
		SUBTOTAL:	(10,206)		(10,206)	(2,041)
		GRAND TOTAL:	\$ 730,061		\$ 667,115	\$ 486,443

SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 68

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Actual Contribution as a % of Covered Employee Payroll</u>
2014	\$ 634,005	\$ 634,005	\$ -	\$ -	N/A
2015	693,807	693,807	-	-	N/A
2016	1,031,781	1,031,781	-	-	N/A

NOTES TO SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 68

Valuation Date: October 1, 2015
Notes Actuarially determined contributions are calculated as of October 1, 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 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.

**SENSITIVITY OF NET PENSION LIABILITY
TO THE SINGLE DISCOUNT RATE ASSUMPTION
GASB Statement No. 68**

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 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 (6.75%) 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

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