



**City of Lauderhill
Police Officers' Retirement Plan**

**Financial Statements
Years Ended September 30, 2014 and 2013**



City of Lauderdale Police Officers' Retirement Plan
Table of Contents

Independent Auditors' Report 1 - 2

Management's Discussion and Analysis (Required Supplementary Information – Unaudited) 3 - 7

Financial statements:

 Statements of Fiduciary Net Position..... 8

 Statements of Changes in Fiduciary Net Position..... 9

 Notes to Financial Statements 10 - 21

Required Supplementary Information - Unaudited:

 Schedule of Changes in the City's Net Pension Liability..... 22

 Schedule of the City's Net Pension Liability..... 23

 Schedule of the City's Contribution 24

 Schedule of Investment Returns 25

 Notes to Required Supplementary Information 26 - 27

Other Supplemental Schedules:

 Schedule 1 – Schedule of Investment Expenses 28

 Schedule 2 – Schedule of Administrative Expenses..... 28



Independent Auditors' Report

Board of Trustees
City of Lauderhill Police Officers' Retirement Plan
Lauderhill, Florida

We have audited the accompanying financial statements of the City of Lauderhill Police Officers' Retirement Plan (the "Plan"), which comprise the statements of fiduciary net position as of September 30, 2014 and 2013, and the related statements of changes in fiduciary net position for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the City of Lauderhill Police Officers' Retirement Plan as of September 30, 2014 and 2013, and the related statements of changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Independent Auditors' Report (continued)

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2014, the Plan adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25. The financial statements as of and for the year ended September 30, 2013 were restated due to the implementation of GASB Statement No. 67. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and required supplementary information as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Plan. The accompanying supplemental schedules of investment expenses and administrative expenses as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Goldstein Schechter Koch, P.A.

Hollywood, Florida
February 4, 2015

Lauderhill Police Officers' Retirement System

C/O Precision Pension Administration, Inc.
13790 NW 4 Street, Suite 105, Sunrise, Florida 33325

Phone: 954.636.7170

Toll Free Fax: 866.769.0678

Management's Discussion and Analysis **(Required Supplementary Information – Unaudited)** **September 30, 2014 and 2013**

Our discussion and analysis of the City of Lauderhill Police Officers' Retirement Plan (the "Plan") financial performance provides an overview of the Plan's financial activities and funding conditions for the fiscal years ended September 30, 2014 and 2013. Please read it in conjunction with the Plan's financial statements, which follow this discussion.

Financial Highlights

- Plan assets exceeded liabilities at the close of the fiscal years ended September 30, 2014 and 2013 by \$48,801,039 and \$42,321,186, respectively, (reported as net position restricted for pension). Net position is held in trust to meet future benefit payments. The increase of \$6,479,853 and \$7,800,776, of the respective years has resulted primarily from changes in the fair value of the Plan's investments due to volatile financial markets.

- Receivables at September 30, 2014 were less than receivables at September 30, 2013 by \$289,380 (or 92.3%) due primarily to a decrease in receivable for securities sold.

Receivables at September 30, 2013 were greater than receivables at September 30, 2012 by \$115,424 (or 58.3%) due primarily to an increase in receivable for securities sold.

- Liabilities at September 30, 2014 were less than liabilities at September 30, 2013 by \$413,716 (or 37.5%) due primarily to a decrease in payable for securities purchased.

Liabilities at September 30, 2013 were greater than liabilities at September 30, 2012 by \$443,809 (or 1280.0%) due primarily to an increase in payable for securities purchased.

- For the fiscal year ended September 30, 2014, City contributions to the Plan increased by \$56,466 (or 2.3%) based on the actuarial valuation. Actual City contributions were \$2,515,627 and \$2,459,161 for 2014 and 2013, respectively.

For the fiscal year ended September 30, 2013, City contributions to the Plan increased by \$112,643 (or 4.8%) based on the actuarial valuation. Actual City contributions were \$2,459,161 and \$2,346,518 for 2013 and 2012, respectively.

Management's Discussion and Analysis

(Required Supplementary Information – Unaudited)
September 30, 2014 and 2013

Financial Highlights - continued

- For the fiscal year ended September 30, 2014, member contributions including buybacks increased by \$20,930 (or 2.0%). Actual member contributions were \$1,032,977 and \$995,578 for 2014 and 2013, respectively, and buybacks were \$38,380 and \$54,849 for 2014 and 2013, respectively. Member contributions have fluctuated from year to year, based on the number of active members, salary and buybacks.

For the fiscal year ended September 30, 2013, member contributions including buybacks decreased by \$677,138 (or 39.2%). Actual member contributions were \$995,578 and \$1,100,462 for 2013 and 2012, respectively, and buybacks were \$54,849 and \$627,103 for 2013 and 2012, respectively. Member contributions have fluctuated from year to year, based on the number of active members, salary and buybacks.

- For the fiscal year ended September 30, 2014, net investment income was \$3,886,946 compared to \$5,486,210 for fiscal year ended September 30, 2013. Actual results were \$2,732,142 and \$4,165,726 of net appreciation in fair value of investments for 2014 and 2013, respectively, and \$1,291,120 and \$1,421,871 of income from interest and dividends for 2014 and 2013, respectively. Investment expenses increased by \$12,523 (or 10.1%).

For the fiscal year ended September 30, 2013, net investment income was \$5,486,210 compared to \$4,759,671 for fiscal year ended September 30, 2012. Actual results were \$4,165,726 and \$3,858,750 of net appreciation in fair value of investments for 2013 and 2012, respectively, and \$1,421,871 and 1,011,341 of income from interest and dividends for 2013 and 2012, respectively. Investment expenses increased by \$13,373 (or 12.1%).

- For the fiscal year ended September 30, 2014, benefit payments and refunds of contributions decreased by \$167,272 (12.0%).

For the fiscal year ended September 30, 2013, benefit payments and refunds of contributions decreased by \$675,283 (94.4%).

- For the fiscal year ended September 30, 2014, administrative expenses increased \$12,559 (or 10.9%) from 2013 due primarily to an increase in fees for professional services.

For the fiscal year ended September 30, 2013, administrative expenses decreased \$15,503 (or 11.9%) from 2012 due primarily to a decrease in fees for professional services.

Plan Highlights

For the year ending September 30, 2014, the total return of the portfolio was 9.4%. Actual net returns from investments were net investment income of \$3,886,946 in 2014 compared with net investment income of \$5,486,210 in 2013.

For the year ending September 30, 2013, the total return of the portfolio was 16.3%. Actual net returns from investments were net investment income of \$5,486,210 in 2013 compared with net investment income of \$4,759,671 in 2012.

Management's Discussion and Analysis

(Required Supplementary Information – Unaudited)

September 30, 2014 and 2013

Overview of the Financial Statements

The basic financial statements include the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position and Notes to the Financial Statements. The Plan also includes in this report additional information to supplement the financial statements.

The Plan presents required supplementary information and other supplemental schedules as described below.

The Plan prepares its financial statements on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America. These statements provide information about the Plan's overall financial status.

The Plan implemented the requirements of Governmental Accounting Standards Board ("GASB") Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25 as approved by the Governmental Accounting Standards Board in June 2012 in the financial statements for the fiscal year ended September 30, 2014. The financial statements, notes to the financial statements, and required supplementary information reflect changes as required by this statement.

Description of the Financial Statements

The *Statement of Fiduciary Net Position* presents information that includes all of the Plan's assets and liabilities, with the balance representing the net position restricted for pensions. It is a snapshot of the financial position of the Plan at that specific point in time and reflects the resources available to pay members, retirees and beneficiaries at that point in time.

The *Statement of Changes in Fiduciary Net Position* reports how the Plan's net position changed during the fiscal year. The additions and deductions to net assets are summarized in this statement. The additions include contributions to the retirement plan from employers (City and State) and members and net investment income, which include interest, dividends, investment expenses, and the net appreciation or depreciation in the fair value of investments. The deductions include benefit payments, refunds of member contributions, and administrative expenses.

The *Notes to the Financial Statements* are presented to provide the information necessary for a full understanding of the financial statements. They include additional information not readily evident in the statements themselves such as a description of the Plan, contributions, significant accounting policies, funding policy, and investment risk disclosure.

There is also *Required Supplementary Information* included in this report as required by the Governmental Accounting Standards Board. These schedules consist of the Plan's actuarial methods and assumptions and provide data on changes in the City's net pension liability, the City's contributions, and the Plan's investment returns.

Additional information is presented as part of *Other Supplemental Schedules*. This section is not required but management has chosen to include it. It includes *Schedules of Investment Expenses and Administrative Expenses*. The *Schedule of Investment Expenses* presents the expenses incurred in managing and monitoring the investments of the Plan and include financial management, consultant, and custodial fees. The *Schedule of Administrative Expenses* presents the expenses incurred in the administration of the Plan.

Management's Discussion and Analysis
(Required Supplementary Information – Unaudited)
September 30, 2014 and 2013

Condensed Statements of Fiduciary Net Position

The table below reflects condensed comparative statements of fiduciary net position as of September 30:

	2014	2013 (Restated)	2012 (Restated)
Cash and cash equivalents	\$ 876,663	\$ 1,477,806	\$ 1,063,129
Receivables	24,101	313,481	198,057
Other assets	29,751	-	-
Investments	47,935,289	41,008,380	33,293,896
Total assets	48,865,804	42,799,667	34,555,082
Liabilities	64,765	478,481	34,672
Net position restricted for pensions	\$ 48,801,039	\$ 42,321,186	\$ 34,520,410

Condensed Statements of Changes in Fiduciary Net Position

The table below reflects condensed comparative statements of the changes in fiduciary net position and reflect the activities of the Plan for the fiscal years ended September 30:

	2014	2013 (Restated)	2012 (Restated)
Additions:			
Contributions			
City	\$ 2,515,627	\$ 2,459,161	\$ 2,346,518
Members	1,071,357	1,050,427	1,727,565
State	356,564	310,332	303,327
Total	3,943,548	3,819,920	4,377,410
Net investment income	3,886,946	5,486,210	4,759,671
Total additions	7,830,494	9,306,130	9,137,081
Deductions:			
Pension benefits paid	1,149,998	1,388,265	533,297
Refund of contributions	73,108	2,113	181,798
Administrative expenses	127,535	114,976	130,479
Total deductions	1,350,641	1,505,354	845,574
Net increase	6,479,853	7,800,776	8,291,507
Net position restricted for pensions at beginning of year, restated	42,321,186	34,520,410	26,228,903
Net position restricted for pensions at end of year	\$ 48,801,039	\$ 42,321,186	\$ 34,520,410

The Plan's investment activity, measured as of the end of any month, quarter or year, is a function of the underlying marketplace for the period measured and the investment policy's asset allocation. Benefit payments are a function of changing payments to retirees, their beneficiary (if the retiree is deceased) and new retirements during the period.

Management's Discussion and Analysis

(Required Supplementary Information – Unaudited)
September 30, 2014 and 2013

Asset Allocation

At the end of the fiscal year ended September 30, 2014, the domestic equity portion comprised 55.3% (\$27,007,022) of the total portfolio. The allocation to fixed income securities was 16.5% (\$8,066,067) while cash and cash equivalents comprised 1.8% (\$876,663). The portion of investments allocated to international equity, note receivable and real estate was \$7,544,427, \$1,000,000 and \$4,317,773 or 15.5%, 2.0%, and 8.9%, respectively of the total portfolio.

At the end of the fiscal year ended September 30, 2013, the domestic equity portion comprised 57.0% (\$24,213,544) of the total portfolio. The allocation to fixed income securities was 21.0% (\$8,931,674) while cash and cash equivalents comprised 3.5% (\$1,477,806). The portion of investments allocated to international equity, note receivable and real estate was \$5,775,522, \$1,000,000 and \$1,087,640 or 13.6%, 2.4%, and 2.5%, respectively of the total portfolio.

The target asset allocation as of September 30, 2014 and 2013 was as follows:

Domestic equity securities	45%
Fixed income securities	30%
Foreign equity securities	15%
Absolute return	10%

Contacting the Plan's Financial Management

This financial report is designed to provide the Retirement Board, our membership, taxpayers, investors, and creditors with a general overview of the Plan's finances and to demonstrate the Plan's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City of Lauderhill Police Officers' Retirement Plan, c/o Precision Pension Administration, Inc. 13790 N.W. 4 Street, Suite 105, Sunrise, Florida 33325.

City of Lauderhill Police Officers' Retirement Plan

Statements of Fiduciary Net Position

September 30, 2014 and 2013

	2014	2013
		Restated
Assets		
Cash and cash equivalents	\$ 876,663	\$ 1,477,806
Receivables:		
Member contributions	-	29,164
Receivable for securities sold	-	247,508
Interest and dividends	24,101	36,809
Total receivables	24,101	313,481
Other assets	29,751	-
Investments at fair value:		
Common stocks	11,370,938	15,105,048
Absolute return equity funds	15,636,084	9,108,496
Domestic fixed income funds	8,066,067	8,931,674
International equity funds	7,544,427	5,775,522
Note receivable	1,000,000	1,000,000
Real estate fund	4,317,773	1,087,640
Total investments	47,935,289	41,008,380
Total assets	48,865,804	42,799,667
Liabilities		
Accounts payable	38,490	25,759
Prepaid city contributions	-	7,233
Payable for securities purchased	26,275	445,489
Total liabilities, as restated	64,765	478,481
Net position restricted for pensions, as restated	\$ 48,801,039	\$ 42,321,186

See independent auditors' report and notes to required supplementary information.

City of Lauderhill Police Officers' Retirement Plan

Statements of Changes in Fiduciary Net Position

For the Years Ended September 30, 2014 and 2013

	2014	2013
		Restated
Additions:		
Contributions:		
City	\$ 2,515,627	\$ 2,459,161
Members	1,071,357	1,050,427
State	356,564	310,332
Total contributions	3,943,548	3,819,920
Investment income:		
Net appreciation in fair value of investments	2,732,142	4,165,726
Interest and dividends	1,291,120	1,421,871
Other	-	22,406
Total investment income	4,023,262	5,610,003
Less: Investment expenses	136,316	123,793
Net investment income	3,886,946	5,486,210
Total additions	7,830,494	9,306,130
Deductions:		
Pension benefits paid	1,149,998	1,388,265
Refund of contributions	73,108	2,113
Administrative expenses	127,535	114,976
Total deductions	1,350,641	1,505,354
Net increase in net position:	6,479,853	7,800,776
Net position restricted for pensions		
Beginning of year, as restated	42,321,186	34,520,410
End of year, as restated	\$ 48,801,039	\$ 42,321,186

See independent auditors' report and notes to required supplementary information.

City of Lauderdale Police Officers' Retirement Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 1 - Description of the Plan

Organization

The City of Lauderdale Police Officers' Retirement Plan (the "Plan"), is a single-employer defined benefit pension plan established by the City of Lauderdale, Florida (the "City") pursuant to the provisions of an ordinance on July 25, 1994. Since the Plan is sponsored by the City, the Plan is included as a pension trust fund in the City's comprehensive financial report as part of the City's financial reporting entity.

The Plan's governing board is made up of a Board of Trustees consisting of five members:

- Two are active police officers who are elected by active members of the Plan
- Two are legal residents of the City who are elected by the City Commission
- One is elected by a majority of the previous four members

The following brief description of the Plan is provided for general information purposes only. Members should refer to the plan agreement for more detailed and comprehensive information.

Participants

All full-time police officers (excluding the Police Chief) are required to become members of the Plan. Members are further divided in the following tiers:

Tier One members are members hired prior to March 23, 2009.

Tier Two members are members hired on or after March 23, 2009.

Membership

At October 1, Plan membership consisted of:

	2013	2012
Retirees and beneficiaries currently receiving benefits and terminated members entitled to benefits, but not yet receiving them.	31	27
Active plan participants:		
Vested	84	83
Nonvested	27	26
Total active participants	111	109

Service Retirement Benefits

All members

A service retirement benefit shall be payable on the first day of each month. The benefits shall commence on the first day of the month coincident with or next following the member's actual retirement. Several benefit options are available to members, which should be elected at the time of retirement. Early retirement, disability, death and other benefits are also provided.

Tier One members

Any member may retire and receive normal retirement benefits upon completing 20 years of creditable service regardless of age or the date upon which the member attains age 55 with 5 years of credited service, whichever occurs first. Members shall become fully vested after earning 5 years of credited service and whose contributions remain in the Plan.

City of Lauderdale Police Officers' Retirement Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 1 - Description of the Plan - continued

Service Retirement Benefits - continued

Tier One members - continued

Upon normal retirement, a member will receive a monthly pension amount equal to 3% of Final Monthly Compensation (FMC) for all service accrued prior to October 1, 2001 multiplied by the number of years of credited continuous service and 3½% of FMC for all service accrued on or after October 1, 2001 multiplied by the number of years of credited and continuous service. The maximum accrual is 75% of FMC. Final Monthly Compensation shall mean a member's average monthly compensation from the City during the 5 highest years out of the last 10 years of employment. For members employed by the City as of April 25, 2011, years of service accrued prior to October 1, 2001 shall be determined by multiplying 3½ % of FMC by the number of years of credited service for all service accrued prior to October 1, 2001.

Tier Two members

Any member may retire and receive normal retirement benefits upon completing 25 years of creditable service regardless of age or the date upon which the member attains age 55 with 10 years of credited service, whichever occurs first. Members shall become fully vested after earning 7 years of credited service and whose contributions remain in the Plan.

Upon normal retirement, member will receive a monthly pension amount equal to 3% of Final Monthly Compensation multiplied by the number of years of credited service with a maximum of 75% benefit after 25 years of service. Members are allowed to purchase an increase in their multiplier up to 3.5% per year (from 3.0%) by paying the full actuarial costs. Final Monthly Compensation shall mean a member's average total compensation from the City during the 5 highest years out of the last 10 years of employment.

Termination

All members shall have the right to elect to receive, in lieu of all benefits under the Plan, a return of the member's accumulated contributions.

Deferred Retirement Option Plan

Any member who is eligible to receive a normal retirement benefit may freeze their accrued benefits and elect to participate in the Deferred Retirement Option Plan (DROP) while continuing their active employment. The maximum period of participation in the DROP is 5 years.

The member's DROP account earns interest at the actuarially assumed rate of the Plan. The assumed rate may be adjusted prospectively by the Board from time to time, but cannot be decreased retroactively. Once a member enters the DROP, their monthly retirement benefit is frozen, and their monthly benefit is paid into their DROP account. Upon termination of employment, the balance in the member's DROP account, including investment earnings, is paid in a cash lump sum, unless the members elects all or a portion paid to an eligible retirement plan in a direct rollover.

City of Lauderdale Police Officers' Retirement Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 1 - Description of the Plan - continued

Deferred Retirement Option Plan - continued

A summary of the changes in the DROP balance as of September 30 is as follows:

	2014	2013
Beginning balance	\$ 176,108	\$ 493,505
Additions	149,500	191,811
Distributions	-	(531,552)
Interest	19,033	22,344
Ending balance	\$ 344,641	\$ 176,108

Cost-of-Living Adjustment

Tier One members shall be eligible to receive a cost-of-living adjustment (COLA) in the form of a thirteenth check. The COLA shall be determined on an annual basis and is not guaranteed. The COLA shall be based upon the actuarial gains in the Plan. If the actuarial gains in the Plan exceeds the investment return assumed for purposes of the actuarial valuation of the Plan and a total experience gain for the Plan as compared to the actuarial assumptions, then a thirteenth check shall be issued. The cost-of-living adjustment shall not exceed the regular monthly retirement benefit.

Tier Two members are not eligible to receive any COLA, or any thirteenth check program.

Post Retirement Supplement

In addition to the monthly retirement benefits provided by the Plan, there shall be a supplemental payment of \$10 per month per year of service for all members employed by the City on or after April 25, 2011, provided such member has a least 20 years of credited service with the City or provided such members left the City at age 55 or older with more than 5 years of credited service with the City. This benefit shall commence on the fifth anniversary date of termination of service and shall cease upon the member reaching 65 years of age.

Funding Requirements

Members are required to contribute ten percent (10%) of earnable compensation. For Tier One members, earnable compensation is defined as total cash remuneration for services rendered. For Tier Two members, earnable compensation includes base pay, longevity pay, educational incentive pay, assignment pay and up to 300 hours of overtime pay per year.

Members may buyback up to a total of five years credited service for prior service as a police officer with any duly constituted police department, other eligible sworn law enforcement service, and/or for military service in the Armed Forces of the United States.

The City is required to contribute such amounts as are necessary to maintain the actuarial soundness of the Plan and when combined with members' contributions and allowable contributions from the State of Florida ("State"), will provide the Plan with assets sufficient to meet the benefits as they become payable.

Investments

The Plan has contracts with investment managers who supervise and direct the investment of equity and fixed income securities. In addition, the Plan utilizes an investment consultant who monitors the investing activity. The investments are held by a custodian in the name of the Plan.

City of Lauderdale Police Officers' Retirement Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Member contributions are recognized as revenue in the period in which the contributions are due. City contributions are recognized as revenue when due pursuant to actuarial valuations. State contributions are recognized as revenue in the period in which they are approved by the State. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade date basis. Interest income is recorded as earned and dividend income is recorded as of the ex-dividend date.

Cash Equivalents

The Plan considers all highly liquid investments with an original maturity of one year or less when purchased, to be cash equivalents.

Investments

Investments are recorded at fair value in the Statement of Fiduciary Net Position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The diversity of the investment types in which the Plan has entered into requires a range of techniques to determine fair value. The overall valuation processes and information sources by major investment classification are as follows:

- Debt securities: Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations, securitized offerings backed by residential and commercial mortgages, foreign debt securities and note receivable. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type. For note receivable, the market value represents estimated fair value as a quoted price is not available.
- Equity securities: These include common stock, domestic, international and absolute return equity funds. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2014 and 2013. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.
- Real estate: Real estate funds are valued using their respective net asset value ("NAV") as of September 30, 2014 and 2013. The most significant input into the NAV of such funds is the fair value of the investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors.

City of Lauderdale Police Officers' Retirement Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 2 - Summary of Significant Accounting Policies - continued

Investments - continued

Unrealized gains and losses are presented as net appreciation in fair value of investments on the statement of changes in fiduciary net position along with gains and losses realized on sales of investments. Interest income is recorded as earned and dividend income is recorded as of the ex-dividend date. Purchases and sales of investments are recorded on a trade-date basis.

Given the inherent nature of investments, it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of fiduciary net position.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Plan is tax exempt under the Internal Revenue Code and, therefore, has recorded no income tax liability or expense.

Risk and Uncertainties

Contributions to the Plan and the actuarial information included in the required supplementary information (RSI) are reported based on certain assumptions pertaining to the interest rates, inflation rates and member compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in settling assumptions, that the effect of such changes could be material to the financial statements.

Recently Adopted Accounting Pronouncements

The Plan adopted Governmental Accounting Standards Board ("GASB") Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25* (GASB Statement No. 67). GASB Statement No. 67 applies to pension plans that administer pension benefits for governments through a trust or equivalent arrangement that meets certain specified criteria. GASB Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the net pension liability of employers for benefits provided through the pension plan. The adoption changed various reporting terminology, footnote disclosures, and required supplementary information to be disclosed. The adoption of GASB 67 also required a restatement of prior years' liabilities in accordance with GASB 67. See Note 7.

Subsequent Events

Management has evaluated subsequent events through February 4, 2015, the date which the financial statements were available for issue.

City of Lauderdale Police Officers' Retirement Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 3 – Contributions

Actual Contributions

The actual City and State contributions amounted to \$2,872,191 and \$2,769,493, for the years ended September 30, 2014 and 2013, respectively. The actual amount of annual covered payroll for the years ended September 30, 2014 and 2013 were approximately \$10,329,000 and \$9,956,000, respectively. City and State contributions consisted of the following for the years ended September 30:

2014		
	Amount	Percent of Actual Covered Annual Payroll
City contributions	\$ 2,515,627	24.35%
State contributions	356,564	3.45
Total City and State	\$ 2,872,191	27.80%

2013		
	Amount	Percent of Actual Covered Annual Payroll
City contributions	\$ 2,459,161	24.70%
State contributions	310,332	3.12
Total City and State	\$ 2,769,493	27.82%

For the fiscal years ended September 30, 2014 and 2013, member contributions were \$1,032,977 and \$995,578, respectively and buybacks were \$38,380 and \$54,849, respectively.

Actuarially Determined Contributions

Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain a contribution method (percentage of payroll or fixed dollar contribution) that best fits the funding requirements of the Plan. For the years ended September 30, 2014 and 2013, the Plan selected to use the fixed dollar contribution amount.

The contributions required from the City and the State for the year ended September 30, 2014 and 2013, were originally actuarially determined by the October 1, 2013 and 2012 (unapproved by the State of Florida) valuations to be \$2,872,191 and \$2,769,493, respectively. The actuarially computed annual covered payroll used in the October 1, 2013 and 2012 valuations was approximately \$9,671,000 and \$8,844,000, respectively.

The amount covers the following:

2014		
	Amount	Percent of Actual Annual Covered Payroll
Normal cost	\$ 1,616,489	15.65%
Amortization of the unfunded liability	1,255,702	12.16
Total required from City and State	\$ 2,872,191	27.81%

City of Lauderdale Police Officers' Retirement Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 3 – Contributions - continued

Actuarially Determined Contributions - continued

	2013	
	Amount	Percent of Actual Annual Covered Payroll
Normal cost	\$ 1,565,487	15.72%
Amortization of the unfunded liability	1,204,006	12.09
Total required from City and State	\$ 2,769,493	27.81%

Note 4 – Deposits and Investment Risk Disclosures

Cash and cash equivalents

Deposits are carried at cost and are included in cash and cash equivalents in the statement of fiduciary net position. Cash and cash equivalents include money market accounts at September 30, 2014 and 2013.

Investment Authorization

The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board as having the greatest expected investment return, and the resulting positive impact on asset values, funded status, and benefits, without exceeding a prudent level of risk.

The Trustees are authorized to acquire and retain every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account.

Investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 75% (at market) of the Plan's total portfolio. No more than 5% of the portfolio may be invested in the shares of a single corporate issuer at cost. Investments in foreign securities shall be limited to 25% (at market) of the Plan's total portfolio. The Plan may achieve diversification through commingled fund or mutual fund vehicles. These pooled investments are considered an investment in foreign securities.

The average quality rating of the bond portfolio must be rated "A" or higher. Fixed income securities are limited to 40% of the Plan's total portfolio. The corporate fixed income portfolio shall be comprised of securities rated not less than "BBB" by a major rating service. In the event that there is a downgrade in the quality below the "BBB" rating the security must be sold at the earliest beneficial opportunity. Those securities rated below "BBB" shall not exceed 15% of the entire fixed income portfolio.

Investments in collateralized mortgage obligations should be limited to 15% of the market value of the investment managers' total fixed income portfolio.

City of Lauderdale Police Officers' Retirement Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 4 – Deposits and Investment Risk Disclosures - continued

Types of Investments

Florida statutes and Plan investment policy authorize the Trustees to invest funds in various investments. The current target allocation of these investments at market as of September 30, 2014 and 2013 are as follows:

Domestic equity securities	45%
Fixed income securities	30%
Foreign equity securities	15%
Absolute return	10%

Rate of Return

For the years ended September 30, 2014 and 2013, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expense, was 9.2% and 16.1%, respectively. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following tables that show the distribution of the Plan's investments by maturity at September 30:

2014					
Investment Maturities (in years)					
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Bond funds	\$8,066,067	\$ -	\$3,570,530	\$ 1,935,017	\$ 2,560,520
Total fixed income securities	\$8,066,067	\$ -	\$3,570,530	\$ 1,935,017	\$ 2,560,520

2013					
Investment Maturities (in years)					
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Bond funds	\$8,931,674	\$ -	\$ -	\$ 8,931,674	\$ -
Total fixed income securities	\$8,931,674	\$ -	\$ -	\$ 8,931,674	\$ -

Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

City of Lauderhill Police Officers' Retirement Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 4 – Deposits and Investment Risk Disclosures - continued

Credit Risk - continued

The following table discloses credit ratings by investment type, at September 30, as applicable:

	2014		2013	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
Quality rating of credit risk debt securities				
AAA	\$ 1,465,517	18.2%	\$ 2,269,724	25.4%
AA	481,949	6.0	345,431	3.9
A	838,912	10.4	1,054,947	11.8
BBB	2,504,526	31.1	2,485,202	27.8
BB	822,727	10.2	934,975	10.5
B	747,686	9.3	729,178	8.2
Below B	1,204,750	14.8	1,112,217	12.4
Total fixed income securities	\$ 8,066,067	100.0%	\$ 8,931,674	100.0%

Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of fiduciary net position at September 30, 2014 and 2013.

Custodial Credit Risk

Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Plan and are held either by the counterparty or the counterparty's trust department or agent but not in the Plan's name.

Consistent with the Plan's investment policy, the investments are held by Plan's custodial bank and registered in the Plan's name. All of the Plan's deposits are insured and or collateralized by a financial institution separate from the Plan's depository financial institution.

Note 5 – Related Party Transactions

As of September 30, 2014 and 2013, the Plan has a note receivable from the City of Lauderhill Housing Authority and the City as guarantor, the Plan Sponsor, for \$1,000,000. The note accrues interest at 7.0% per annum. Commencing on July 1, 2010 and continuing on the first day of each quarter thereafter, consecutive quarterly payments of interest only on the outstanding principal balance shall be made. The note matures on July 1, 2020 at which time the remaining indebtedness, if not paid sooner, shall be due.

City of Lauderhill Police Officers' Retirement Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 5 – Related Party Transactions - continued

During the fiscal year ended September 30, 2014 and 2013, the Plan recorded interest income of \$70,000 and \$70,000, respectively. Included in interest and dividends receivable is \$0 and \$17,500 in accrued interest due on the note at September 30, 2014 and 2013, respectively.

The City of Lauderhill Housing Authority and the City, severally expressly grant to the Plan a continuing first lien security interest in any and all money, general or specific deposits, or property of any such parties now or hereafter in their possession.

Note 6 – Net Pension Liability of the City

The components of the net pension liability of the City at September 30, 2014 were as follows:

	2014
Total pension liability	\$ 61,334,537
<u>Plan fiduciary net position</u>	<u>(48,801,039)</u>
<u>City net pension liability</u>	<u>\$ 12,533,498</u>
Plan fiduciary net position as a percentage of total pension liability	79.57%

Actuarial Assumptions

The total pension liability at September 30, 2014 was determined using an actuarial valuation as of October 1, 2013, with update procedures used to roll forward the total pension liability to September 30, 2014. The actuarial valuation used the following actuarial assumptions:

Inflation	3.00%
Projected salary increases	6.00%
Projected COLAs	Variable 13 th check, only if plan has cumulative net actuarial gain
Investment rate of return	7.64% compounded annually, net of pension plan investment expense, including inflation.

Mortality rates are calculated with the RP-2000 Mortality Table with generational projection rates.

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period October 1, 2006 to September 30, 2011.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*.

City of Lauderdale Police Officers' Retirement Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 6 – Net Pension Liability of the City – continued

Actuarial Assumptions - continued

ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of the valuation date of October 1, 2013 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	2014
US Large Cap Stocks		5.75%
US Small / Mid Cap Stocks		6.25%
International Equity		6.00%
US Direct Real Estate		4.50%
Absolute Return		3.00%
Global Infrastructure		4.50%
US Aggregate Bond		1.75%

* Real rates of return are net of the long-term inflation assumption of 3.0% for 2014.

Discount Rate

The discount rate used to measure the total pension liability was 7.64%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from the City will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City calculated using the discount rate of 7.64%, as well as what the employer net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.64 percent) or 1-percentage-point higher (8.64 Percent) than the current rate:

	1% Decrease (6.64%)	Current Discount Rate (7.64%)	1% Increase (8.64%)
September 30, 2014	\$ 20,219,464	\$ 12,533,498	\$ 6,138,337

City of Lauderdale Police Officers' Retirement Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 7 – Restatement of Financial Statements

In accordance with U.S. GAAP and paragraph 49 of GASB 67, certain changes in accounting principles were retrospectively applied, and therefore, comparative financial statements include a restatement of all prior years presented for the following changes made to comply with the requirements of GASB 67.

The Plan administers a DROP (see Note 1). During the DROP participation period, each member's monthly retirement benefit accrues and the balance accumulates with the DROP account. Upon termination of employment and the end of the DROP period, each retired member's funds are immediately due and payable. Monthly accruals of benefits were previously expensed and accordingly recorded as a deduction on the Statement of Changes in Fiduciary Net Position. Similarly, the total amount of deferred retirement benefits that had accumulated but not yet been distributed at fiscal year-end were previously classified as a liability on the Statement of Fiduciary Net Position. According to paragraph 98 of GASB 67, "DROP balances, similar to other benefit payments, should be recognized as a pension plan liability only when ultimately due to the plan member." Further clarification is provided by question 37 in the GASB 67 implementation guide which states that "benefits generally would be considered due and payable only when they are required to be distributed to the plan member from the DROP account."

As a result of the preceding, financial statements have been restated to report a liability only for benefits due but not yet distributed to members who had ended their participation in the DROP program at September 30. Likewise, deductions have been restated to include only DROP amounts actually distributed to participants as well as amounts due but not yet distributed. Additions have also been restated to add back those that relate to the DROP for investment income earned by the DROP account. The cumulative effect of the restatement is as follows:

Statement of Fiduciary Net Position

Total liabilities, previously reported	\$ 654,589
<u>Impact of restatement</u>	<u>(176,108)</u>
<u>Total liabilities, as restated</u>	<u>\$ 478,481</u>
Net position restricted for pensions, previously reported	\$ 42,145,078
<u>Impact of restatement</u>	<u>176,108</u>
<u>Total net position restricted for pensions, as restated</u>	<u>\$ 42,321,186</u>

Statement of Changes in Fiduciary Net Position

Total additions, previously reported	\$ 9,283,786
<u>Impact of restatement</u>	<u>22,344</u>
<u>Total additions, as restated</u>	<u>\$ 9,306,130</u>
Total deductions, previously reported	\$ 1,165,613
<u>Impact of restatement</u>	<u>339,741</u>
<u>Total deductions, as restated</u>	<u>\$ 1,505,354</u>

Required Supplementary Information

City of Lauderdale Police Officers' Retirement Plan
Required Supplementary Information
Schedule of Changes in the Town's Net Pension Liability (Unaudited)
Last Fiscal Year

	2014
Total pension liability	
Service cost	\$ 2,410,501
Interest	4,396,768
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(1,223,106)
Net change in total pension liability	5,584,163
Total pension liability- beginning	55,750,374
Total pension liability- ending	61,334,537
Plan fiduciary net position	
Contributions - Employer	2,872,191
Contributions - Member	1,071,357
Net investment income	3,886,946
Benefit payments, including refunds of member contributions	(1,223,106)
Administrative expenses	(127,535)
Other	-
Net change in plan fiduciary net position	6,479,853
Plan fiduciary net position - beginning	42,321,186
Plan fiduciary net position - ending	\$ 48,801,039
Town's net pension liability	\$ 12,533,498

See independent auditors' report and notes to required supplementary information.

City of Lauderdale Police Officers' Retirement Plan
Required Supplementary Information
Schedule of the City's Net Pension Liability (Unaudited)
Last Fiscal Year

	2014
Total pension liability	\$ 61,334,537
Plan fiduciary net position	(48,801,039)
City's net pension liability	\$ 12,533,498

Plan fiduciary net position as a percentage of the
total pension liability 79.57%

Covered – employee payroll 9,671,315

City's net pension liability as a percentage of
covered – employee payroll 129.59%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Lauderdale Police Officers' Retirement Plan
Required Supplementary Information
Schedule of Contributions by Employer (Unaudited)
Last 10 Fiscal Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$2,872,191	\$ 2,769,493	\$ 2,629,422	\$ 2,306,698	\$ 2,320,277
Contributions in relation to the actuarially determined contribution	2,872,191	2,769,493	2,629,422	2,306,698	2,320,277
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	9,671,315	8,844,361	8,818,777	9,149,345	8,751,221
Contributions as a percentage of covered-employee payroll	29.70%	31.31%	29.82%	25.21%	26.51%
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarially determined contribution	\$2,076,113	\$ 2,095,909	\$ 1,782,115	\$ 1,415,977	\$ 1,151,914
Contributions in relation to the actuarially determined contribution	2,076,113	2,095,909	1,782,115	1,415,977	1,151,914
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	7,677,961	8,102,977	7,098,797	6,518,591	5,255,882
Contributions as a percentage of covered-employee payroll	27.04%	25.87%	25.10%	21.72%	21.92%

See independent auditors' report and notes to required supplementary information.

City of Lauderhill Police Officers' Retirement Plan
Required Supplementary Information
Schedule of Investment Returns (Unaudited)
Last Ten Fiscal Years

Annual money-weighted rate of return, net of investment expense, is as follows:

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
9.2%	16.1%	17.4%	(4.4%)	9.5%
<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
1.2%	(11.9%)	14.6%	7.4%	9.7%

The annualized compounded return is 6.5%.

City of Lauderdale Police Officers' Retirement Plan
Required Supplementary Information
Notes to Required Supplementary Information (Unaudited)
Last Fiscal Year

Method and assumptions used in calculations of City's actuarially determined contributions. The actuarially determined contribution rates in the schedule of City's contributions are calculated as of October 1, 2013. Unless otherwise noted above, the following actuarial methods and assumptions were used to determine contribution rates reported in the Schedule of the City's contributions.

Actuarial cost method	Entry-Age-Actuarial Cost Method
Asset valuation method	The actuarial value of assets is determined by smoothing the differences between actual and investment earnings and assumed investment return over four (4) years. This method was adopted effective October 1, 2001 with no phase-in. The resulting value would then be limited to between 80 % and 120% of market value.
Interest Rates	7.75% compounded annually, net of pension plan investment expense.
Inflation	3%
Projected salary increases	Current salaries are assumed to increase at a rate of 6.0% per year until retirement. In addition, cash outs of accumulated sick and vacation leaves are assumed to equal 30% of earnings for the final year of employment
Expense and or Contingency Loading	Actual administrative expense paid during the prior plan year.
Mortality Rates:	The RP-2000 Mortality Table with generational projection rates.

See accompanying independent auditors' report.

City of Lauderdale Police Officers' Retirement Plan
Required Supplementary Information
Notes to Required Supplementary Information (Unaudited) - continued
Last Fiscal Year

Retirement Rates: Tier One Members: the earlier of the completion of 20 years of Credited Service or the attainment of age 55 with completion of five (5) years of Credited Service.

Tier Two Members: the earlier of the completion of 25 years of Credited Service or the attainment of age 55 with completion of ten (10) years of Credited Service.

Disability Rates: Disability incidence rates were used in accordance with a table per the following illustrative below:

<u>Age</u>	<u>Disability Rates Per 100 Employees</u>
20	0.03
25	0.03
30	0.04
35	0.05
40	0.07
45	0.10
50	0.18
55	0.36
60	0.90
65 & Over	0.00

Withdrawal Rates: Withdrawal Rates were used in accordance with a table per the following illustrative example

<u>Age</u>	<u>Disability Rates Per 100 Employees</u>
20	6.0
25	5.7
30	5.0
35	3.8
40	2.6
45	1.6
50	0.5
55 & Over	0.0

Marital Status and Ages: 100% of active participants were assumed married, with husbands three (3) years older than wives.

Withdrawal of Employee Contributions:

It is assumed that employees do not withdraw their contribution balances upon employment termination or retirement.

Other Supplemental Schedules

City of Lauderdale Police Officers' Retirement Plan
Other Supplemental Schedules of Investment Expenses and Administrative Expenses
For the Years Ended September 30, 2014 and 2013

	2014	2013
Schedule "1" - Schedule of Investment Expenses		
Financial management expenses:		
ICC Capital Management	\$ 65,794	\$ 76,075
Total financial management expenses	65,794	76,075
Investment consultant fees:		
Southeastern Advisory Services, Inc.	45,634	37,221
Investment custodial fees:		
Salem Trust	24,888	10,497
Total investment expenses	\$ 136,316	\$ 123,793

Schedule "2" - Schedule of Administrative Expenses		
Professional services:		
Actuarial	\$ 29,650	\$ 27,520
Administrator	36,000	36,000
Audit	19,400	16,500
Legal	32,430	25,634
Total professional services	117,480	105,654
Other:		
Conferences	5,047	4,680
Insurance and other	5,008	4,642
Total other	10,055	9,322
Total administrative expenses	\$ 127,535	\$ 114,976



Coral Gables

2121 Ponce de Leon Blvd.
11th Floor
Coral Gables, FL 33134
305.442.2200

Hollywood

4000 Hollywood Blvd.
Suite 215 South
Hollywood, FL 33021
954.989.7462

Fort Lauderdale

2400 E. Commercial Blvd.
Suite 517
Fort Lauderdale, FL 33308
954.351.9800

Boca Raton

2255 Glades Rd.
Suite 324A
Boca Raton, FL 33431
561.395.3550



CPAs & CONSULTANTS
GOLDSTEIN SCHECHTER KOCH