



**City of Plantation
Police Officers' Pension Plan**

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



Goldstein Schechter Koch
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

City of Plantation Police Officers’ Pension Plan
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Independent Auditors' Report

Board of Trustees
City of Plantation Police Officers' Pension Plan
Plantation, Florida

We have audited the accompanying financial statements of the City of Plantation Police Officers' Pension 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

Plan 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 Plantation Police Officers' Pension Plan as of September 30, 2014 and 2013, and the related statement of changes in 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

United States generally accepted accounting principles require that the management's discussion and analysis 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.

Other 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 (other supplementary schedules) 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
January 29, 2015

Goldstein Schechter Koch

Coral Gables: 2121 Ponce De Leon Blvd. • 11th Floor • Coral Gables, FL 33134 • Ph: 305-442-2200 • Fax: 305-444-0880
Hollywood: 4000 Hollywood Blvd. • Suite 215 South • Hollywood, FL 33021 • Ph: 954-989-7462 • Fax: 954-962-1021
Boca Raton: 2255 Glades Road. • Suite 324A • Boca Raton, FL 33431 • Ph: 561-395-3550 • Fax: 954-962-1021
Fort Lauderdale: 2400 E. Commercial Blvd. • Suite 517 • Fort Lauderdale, FL • Ph: 954-351-9800 • Fax: 954-938-8683

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

Our discussion and analysis of the City of Plantation Police Officers' Pension Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the fiscal years ended September 30, 2014 and 2013. Its purpose is to provide explanations and insights into the information presented in the financial statements, notes to the financial statements and required supplementary information. Please read it in conjunction with the Plan's financial statements, which follow this discussion.

Financial Highlights

- The Plan's assets exceeded its liabilities at the close of fiscal years ended September 30, 2014 and 2013 by \$120,792,841 and \$111,337,240, respectively (reported as net position restricted for pensions). Net position is held in trust to meet future benefit payments. The increase of \$9,455,601 and \$12,899,085, of the respective years has resulted primarily from the changes in the fair value of the Plan's investments due to volatile financial markets.

- For the fiscal year ended September 30, 2014, receivables increased by \$80,473 (or 32.7%) primarily due to an increase in accrued interest and dividend income.

For the fiscal year ended September 30, 2013, receivables decreased by \$157,447 (or 39.0%) primarily due to a decrease in receivables for securities sold.

- For the fiscal year ended September 30, 2014, liabilities increased by \$41,862 (or 20.9%) primarily due to increases in accounts payable and payable for securities purchased.

For the fiscal year ended September 30, 2013, liabilities decreased by \$679,680 (or 77.2%) primarily due to decreases in all payable accounts.

- For the fiscal years ended September 30, 2014 and 2013, City contributions to the Plan were \$6,969,739 and \$6,034,552, respectively, based on the actuarial valuation resulting in an increase of \$935,187 (or 15.5%).

For the fiscal years ended September 30, 2013 and 2012, City contributions to the Plan were \$6,034,552 and \$5,430,457, respectively, based on the actuarial valuation resulting in an increase of \$604,095 (or 11.1%).

- For the fiscal years ended September 30, 2014 and 2013, employee contributions to the Plan were \$874,712 and \$896,860, respectively, resulting in a decrease of \$22,148 or 2.5%.

For the fiscal years ended September 30, 2013 and 2012, employee contributions to the Plan were \$896,860 and \$1,181,972, respectively, resulting in a decrease of \$285,112 or 24.1%.

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, the net investment income decreased by \$1,274,649. The actual results for 2014 were \$6,917,342 of net appreciation in fair value of investments and \$3,055,061 of income from interest dividends, compared to \$9,085,369 of net appreciation in fair value of investments and \$2,157,807 income from interest and dividends for 2013. Investment expenses increased by \$3,876 (or 0.6%).

For the fiscal year ended September 30, 2013, the net investment income decreased by \$3,048,784. The actual results for 2013 were \$9,085,369 of net appreciation in fair value of investments and \$2,157,807 of income from interest and dividends, compared to \$12,178,870 of net appreciation in fair value of investments and \$2,034,555 income from interest and dividends for 2012. Investment expenses increased by \$78,535 (or 13.5%).

- For the fiscal year ended September 30, 2014 benefit payments increased by \$3,238,398 from 2013 or 65.1%. Refund of contributions decreased by \$86,950.

For the fiscal year ended September 30, 2013 benefit payments decreased by \$2,180,371 from 2012 or 30.5%. Refund of contributions decreased by \$214.

- For the fiscal year ended September 30, 2014, administrative expenses decreased by \$19,969 from 2013 or 8.8% primarily due to decreases in legal fees and office expenses.

For the fiscal year ended September 30, 2013, administrative expenses increased by \$40,117 from 2012 or 21.5% primarily due to an increase in fees paid for professional services.

Plan Highlights

For the year ending September 30, 2014, the total return of the portfolio was 8.42%. Actual net returns from investments were net investment income \$9,306,160 in 2014 compared with net investment income of \$10,580,809 in 2013.

For the year ending September 30, 2013, the total return of the portfolio was 11.87%. Actual net returns from investments were net investment income \$10,580,809 in 2013 compared with net investment income of \$13,629,593.

Overview of the Financial Statements

The basic financial statements include the Statements of Fiduciary Net Position, the 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 schedules, which provide historical trend information about the Plan.

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.

Management's Discussion and Analysis

(Required Supplementary Information – Unaudited)

September 30, 2014 and 2013

Overview of the Financial Statements - continued

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 Held in Trust for Pension Benefits. It is a snapshot of the financial position of the Plan at that specific point in time and reflects the resources available to pay employees, 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 employees and net investment income, which include interest, dividends, investment expenses, and the net appreciation in the fair value of investments. The deductions include benefit payments, refunds of employee 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 tables below reflect condensed comparative statements of fiduciary net position as of September 30:

	2014	2013 (Restated)	Increase (Decrease)	% Change
Cash and cash equivalents	\$ 3,609,658	\$ 6,493,904	\$ (2,884,246)	(44.41)%
Receivables	326,349	245,876	80,473	32.73
Prepaid Expenses	22,255	8,275	13,980	168.94
Investments	117,077,119	104,789,863	12,287,256	11.73
Total assets	121,035,381	111,537,918	9,497,463	8.52
Liabilities	242,540	200,678	41,863	20.86
Net position restricted for pensions	\$ 120,792,841	\$ 111,337,240	\$ 9,455,600	8.49%

	2013 (Restated)	2012 (Restated)	Increase (Decrease)	% Change
Cash and cash equivalents	\$ 6,493,904	\$ 5,124,211	\$ 1,369,693	26.73%
Receivables	245,876	403,323	(157,447)	(39.04)
Prepaid Expenses	8,275	15,244	(6,969)	(45.72)
Investments	104,789,863	93,775,734	11,014,129	11.75
Total assets	111,537,918	99,318,512	12,219,406	12.30
Liabilities	200,678	880,358	(679,680)	(77.20)
Net position restricted for pensions	\$ 111,337,240	\$ 98,438,154	\$ 12,899,086	13.10%

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

Condensed Statements of Changes in Fiduciary Net Position

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

	2014	2013 (Restated)	Increase (Decrease)	% Change
Additions:				
Contributions				
Employer	\$ 6,969,739	\$ 6,034,552	\$ 935,187	15.50%
Employees	874,712	896,860	(22,148)	(2.47)
State of Florida	724,534	674,929	49,605	7.35
Total	8,568,985	7,606,341	962,644	12.66
Net investment income	9,306,160	10,580,809	(1,274,649)	(12.05)
Total additions	17,875,145	18,187,150	(312,005)	(1.72)
Deductions:				
Benefits paid	8,212,520	4,974,122	3,238,398	65.10
Refunds of contribution	-	86,950	(86,950)	(100.00)
Administrative expenses	207,024	226,993	(19,969)	(8.80)
Total deductions	8,419,544	5,288,065	3,131,479	59.22
Net increase	9,455,601	12,899,085	(3,443,484)	(26.70)
Net position restricted for pensions				
at beginning of year, restated	111,337,240	98,438,155	12,899,085	13.10
Net position restricted for pensions				
at end of year	\$ 120,792,841	\$ 111,337,240	\$ 9,455,601	8.49%

	2013 (Restated)	2012 (Restated)	Increase (Decrease)	% Change
Additions:				
Contributions				
Employer	\$ 6,034,552	\$ 5,430,457	\$ 604,095	11.12%
Employees	896,860	1,181,972	(285,112)	(24.12)
State of Florida	674,929	641,658	33,271	5.19
Total	7,606,341	7,254,087	352,254	4.86
Net investment income	10,580,809	13,629,593	(3,048,784)	(22.37)
Total additions	18,187,150	20,883,680	(2,696,530)	(12.91)
Deductions:				
Benefits paid	4,974,122	4,025,590	948,532	23.56
Refunds of contribution	86,950	87,164	(214)	(0.25)
Administrative expenses	226,993	186,876	40,117	21.47
Total deductions	5,288,065	4,299,630	988,435	22.99
Net increase	12,899,085	16,584,050	(3,684,965)	(22.22)
Net position restricted for pensions				
at beginning of year, restated	98,438,155	81,854,105	16,584,050	20.26
Net position restricted for pensions				
at end of year, restated	\$ 111,337,240	\$ 98,438,155	\$ 12,899,085	13.10%

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

Condensed Statements of Changes in Fiduciary Net Position – continued

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. The benefit payments are a function of changing payments to retirees, their beneficiary (if the retiree is deceased) and new retirements during the period.

Asset Allocation

At September 30, 2014, the domestic equity portion comprised 50.0% (\$60,353,246) of the total portfolio. The allocation to fixed income funds was 30.5% (\$36,821,330), while cash and cash equivalents comprised 3.0% (\$3,609,658). The portion of investments allocated to international equity funds was \$19,902,543 or 16.5% of the total portfolio.

At September 30, 2013, the domestic equity portion comprised 45.7% (\$50,869,702) of the total portfolio. The allocation to fixed income funds was 30.4% (\$33,846,455), while cash and cash equivalents comprised 5.8% (\$6,493,904). The portion of investments allocated to international equity funds was \$20,073,706 or 18.1% of the total portfolio.

The target asset allocation ranges as of September 30, were as follows:

	2014	2013
Cash and cash equivalents	-	0-10%
Domestic equity	45%	40-70%
International equity	15%	20%
Broad market fixed income securities	20%	30-60%
TIPS*	5%	-
Global bond*	5%	-
Real estate*	10%	-
Alternative investments	-	10%

*Benchmark and allocation targets will default to “broad market fixed income” if these portfolios are not funded.

Contacting the Plan’s Financial Management

This financial report is designed to provide the Retirement Board, 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 Plantation Police Officers’ Pension Plan, 451 N.W. 70th Terrace, Plantation, Florida 33317.

City of Plantation Police Officers' Pension Plan

Statements of Fiduciary Net Position

September 30, 2014 and 2013

	2014	2013 (Restated)
Assets:		
Cash and cash equivalents	\$ 3,609,658	\$ 6,493,904
Receivables:		
Interest and dividends	231,252	64,894
Receivable for securities sold	95,097	180,982
Total receivables	326,349	245,876
Prepaid expenses	22,255	8,275
Investments, at fair value:		
Equity investments, domestic	60,353,246	50,869,702
Equity investments, international	19,902,543	20,073,706
Fixed income mutual funds	6,218,499	14,224,928
Debt securities	30,602,831	19,621,527
Total investments	117,077,119	104,789,863
Total assets	121,035,381	111,537,918
Liabilities:		
Accounts payable	127,314	111,373
Payable for securities purchased	115,226	89,305
Total liabilities	242,540	200,678
Net position restricted for pensions, as restated in 2013	\$ 120,792,841	\$ 111,337,240

The accompanying notes are an integral part of these financial statements.

City of Plantation Police Officers' Pension Plan
Statements of Changes in Fiduciary Net Position
For the Years Ended September 30, 2014 and 2013

	2014	2013 (Restated)
Additions:		
Contributions:		
City	\$ 6,969,739	\$ 6,034,552
Employees	874,712	896,860
State	724,534	674,929
Total contributions	8,568,985	7,606,341
Investment income:		
Net appreciation in fair value of investments	6,917,342	9,085,369
Interest and dividends	3,055,061	2,157,807
Total investment income	9,972,403	11,243,176
Less:		
Investment expenses	666,243	662,367
Net investment income	9,306,160	10,580,809
Total additions	17,875,145	18,187,150
Deductions:		
Pension benefits paid	8,212,520	4,974,122
Refund of contributions	-	86,950
Administrative expenses	207,024	226,993
Total deductions	8,419,544	5,288,065
Net increase	9,455,601	12,899,085
Net position restricted for pensions, as restated in 2013:		
Beginning of period	111,337,240	98,438,155
End of period	\$ 120,792,841	\$ 111,337,240

The accompanying notes are an integral part of these financial statements.

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 1 - Description of the Plan

Organization

The City of Plantation Police Officers' Pension Plan (the "Plan") is a single employer defined benefit plan established by the City of Plantation, Florida (the "City"). The Plan reflects the provisions and requirements of Ordinance No. 2469, as amended. 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. Participants should refer to the Summary Plan Description for more complete information.

The Trust's governing board is made up of a Board of Trustees consisting of 5 members:

- Two (2) legal residents of the city appointed by the city council.
- Two (2) police officer members of the plan who are elected by a majority of the police officers who are members of the plan.
- A fifth person chosen by a majority of the previous four (4) members of the Board of Trustees.

Participants

All full-time police officers of the City with one year of continuous employment prior to September 1, 1973, and after September 1, 1973 all full-time police officers of the City, are eligible for membership in the system.

Tier One members are those members hired prior to January 1, 2010.

Tier Two members are those members hired on or after January 1, 2010.

Membership

As of October 1, membership in the Plan consisted of:

	2013	2012
Retirees, beneficiaries and DROP participants receiving benefits	143	138
Terminated plan members entitled to but not yet receiving benefits	5	4
Active plan members	108	114
<u>Total members</u>	<u>256</u>	<u>256</u>

Pension Benefits

Normal retirement date is the earliest date when unreduced retirement benefits may be paid. The normal retirement date is the earlier of the date when the member reaches 20 years of credited service regardless of age, or age 55 with 10 years of credited service.

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 1 - Description of the Plan - continued

Pension Benefits - continued

Tier One members

Normal retirement benefit is 3% of average monthly salary multiplied by years of credited service for members with less than 20 years of credited service at retirement. For members with 20 or more years of credited service at retirement, the normal retirement benefit is 3.50% of average monthly salary multiplied by the first 22.8571 years of credited service plus 2% of average monthly salary multiplied by each year of credited service in excess of 40.

The maximum normal retirement monthly benefit for members who retire on or after October 1, 2007 shall be eighty percent (80%) of average final compensation, except that any member who completed twenty (20) years of credited services as of October 1, 1997 shall be entitled to a maximum normal retirement monthly benefit of ninety percent (90%) of average final compensation.

Tier Two members

Normal retirement benefit is 3% of average monthly salary multiplied by years of credited service. The maximum normal retirement monthly benefit shall be eighty percent (80%) of average monthly salary.

The portion of the normal retirement benefit earned at any point in time is the accrued benefit. The accrued benefit is computed in the same way as the normal retirement benefit except the present average monthly salary and credited service are used in the calculation.

Final average compensation for the Tier One members shall be calculated using the highest three (3) years preceding retirement; whereas final average compensation for the Tier Two members shall be calculated using the highest five (5) years preceding retirement.

Early Retirement

Early retirement age is the earlier of the date the member reaches age 45 and completes 15 years of credited service, or age 50 with 10 years of credited service. Early retirement benefits can be received immediately or on a deferred basis. A deferred early retirement benefit means a benefit begins on the member's otherwise normal retirement date and is paid for the rest of the member's life. The benefit is equal to the accrued benefit. An immediate early retirement benefit means a benefit begins on the early retirement date and is paid for the rest of the member's life. The benefit is equal to the accrued benefit, but is reduced for the number of months by which the starting date of the benefit precedes the member's otherwise normal retirement date.

Late retirement age is the date the member actually stops working past the normal retirement date. Late retirement benefits are calculated and paid in the same way as the normal retirement benefit except that the average monthly salary and credited service as of the actual retirement date are used in the calculation.

Disability, death, and other benefits are also provided.

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 1 - Description of the Plan - continued

Deferred Retirement Option Plan (DROP)

Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the Deferred Retirement Option Plan ("DROP"). A member is eligible to enter the DROP when the normal retirement date is reached. Participation in the DROP is voluntary. Under the provision of the DROP, an employee discontinues their participation in the Plan and an amount equal to their monthly pension payment is escrowed with the proportionate share of earnings until actual retirement, at which time the individual may elect payment in the entirety or payment options. The account is debited or credited each quarter at a rate equal to the actual net rate of investment return realized by the Plan for that quarter for the investment category chosen.

Members entering the DROP on or after January 28, 2010 may participate for a maximum of seven (7) years if in Tier One and five (5) years if in Tier Two, and are not subject to the thirty (30) year limitation. Tier One members who entered the DROP under the provisions of five (5) year maximum participation are allowed a one-time irrevocable option to elect the seven (7) year maximum. Members in the DROP prior to January 28, 2010 may not participate beyond reaching a total of thirty (30) years of credited service.

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

	2014	2013
Beginning balance	\$ 14,905,381	\$ 11,422,102
Additions	2,792,351	3,203,114
Distributions	(3,441,785)	(838,261)
Interest	1,090,592	1,118,426
Ending balance	\$ 15,346,539	\$ 14,905,381

Supplemental Benefits

An annual supplemental benefit is payable for life to Tier One or Tier Two retirees in the amount of \$120 multiplied by years of benefit service. Additionally, a monthly supplemental benefit of \$200 before age 55 and \$300 after age 55 is payable to Tier One retirees for the life of the retiree. If the member has prior General Employees Plan service, a supplemental monthly benefit is payable only from this plan.

Cost of Living Adjustment

A cost of living adjustment ("COLA") is payable to Tier One members who separate from service on or after October 1, 2008, and for members in the DROP as of October 1, 2008. The benefit amount is equal to 1.5% and commences five years after retirement. The first increase for any member must be on or after October 1, 2013. Members may receive up to a total of 20 increases. The COLA is not applicable to supplemental benefits.

No COLA is paid to Tier Two retirees.

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 1 - Description of the Plan - continued

Terminations

Upon termination of employment with less ten years of credited service, a participant is entitled to a refund of their accumulated contributions plus interest credited. Interest is credited to member contributions at the annual rate of 5%. This interest is only payable if the member terminates employment and receives a refund of contributions without any further benefits.

Funding Requirements

Tier One members of the Plan are required to contribute 9.5% of covered salary and Tier Two members are required to contribute 8.0% of covered salary. As of October 1, 2009, up to three hundred (300) hours of overtime pay is included in covered salary. Contributions cease upon retirement, death, employment termination or entry into the DROP. The City is to contribute such amounts as are necessary to maintain the actuarial soundness of the Plan and when combined with plan members' contributions and allowable contributions from the State of Florida (the "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 owned are held by a custodian in the name of the Plan.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which the contributions are due. City contributions are recognized as revenues 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. 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 maturity of twelve months 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:

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 2 - Summary of Significant Accounting Policies - continued

Investments - continued

- Equity investments: These include common stock, Real Estate Investment Trusts (REITS), domestic and international 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. REITS are securities that sell like a stock on the major exchanges and invest in real estate directly. 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.
- Mutual funds: These include equity and fixed income mutual funds. These 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.
- Debt securities: Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, preferred securities, and bond funds. 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.

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. 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 United States 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.

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 2 - Summary of Significant Accounting Policies - continued

Risks 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, employee 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 6.

Subsequent Events

Management has evaluated subsequent events through January 29, 2015, the date which the financial statements were available for issue.

Note 3 – Contributions

Actual Contributions

The actual contributions from the City and the State for active employees for the fiscal years ended September 30, 2014 and 2013, amounted to \$7,694,273 and \$6,709,481, respectively, and the actual amount of covered payroll was approximately \$9,233,000 and \$9,200,000, respectively. The contributions consisted of the following at September 30:

	2014		2013	
	Amount	Percent of Actual Annual Covered Payroll	Amount	Percent of Actual Annual Covered Payroll
City	\$ 6,969,739	75%	\$ 6,034,552	66%
State	724,534	8	674,929	7
Total contributions from City and State	\$ 7,694,273	83%	\$ 6,709,481	73%

Employee contributions were \$874,712 and \$896,860 for the fiscal years ended September 30, 2014 and 2013, respectively.

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 3 – Contributions - continued

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 years ended September 30, 2014 and 2013, were originally actuarially determined by the October 1, 2012 and 2011 valuations to be \$7,627,566 and \$6,692,379, respectively. The actuarially computed annual covered payroll used in the October 1, 2012 and 2011 valuations was \$9,907,061 and \$11,022,576, respectively.

The required City and State contributions cover the following for the fiscal years ended September 30:

	2014		2013	
	Amount	Percent of Actuarially Computed Covered Payroll	Amount	Percent of Actuarially Computed Covered Payroll
Normal cost	\$ 3,494,139	37%	\$ 3,669,202	33%
Amortization of the unfunded liability	4,133,427	44	3,023,177	27
Total required from City and State	\$ 7,627,566	81%	\$ 6,692,379	60%

Note 4 – Deposit 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 to provide for the accumulation and distribution of money in an actuarially sound fashion over the years of the employees' service and subsequent retirement. 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.

Types of Investments

Florida statutes and the Plan investment policy authorize the Trustees to invest funds in various investments.

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 4 – Deposit and Investment Risk Disclosures - continued

Types of Investments - continued

Investments in all equity securities must be traded on a national exchange or electronic network; and not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the Outstanding Capital stock of the company.

Investments in corporate common stock and convertible bonds shall not exceed seventy five percent (75%) of the market value of Plan assets.

Foreign securities (regardless of asset class) shall not exceed twenty-five percent (25%) of the market value of Plan assets. For the purposes of this Investment Policy Statement, foreign securities are defined as bonds, stocks, or other evidences of indebtedness issued or guaranteed by a company that is not organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia.

All equity and fixed income securities must be readily marketable. Commingled funds must be independently appraised at least annually. All direct investment in fixed income investments shall have a minimum rating of investment grade or higher as reported by a major credit ratio service. The value of the bonds issued by any single corporation shall not exceed 3% of the total bond portfolio, excluding U.S. government and agency securities.

The money market fund or STIF options provided by the Plan's Custodian; and have a minimum rating of AI/PI. or its equivalent, by a major credit rating service. Investments made by the Board may include pooled funds. For purposes of this policy pooled funds may include, but are not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships and private equity. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this Investment Policy Statement. In the event of investment by the Plan into a pooled fund, the prospectus or governing policy of that pooled fund, as updated from time to time, shall be treated as an addendum to this Investment Policy Statement.

When feasible and appropriate, all securities shall be competitively bid. Except as otherwise required by law, the most economically advantageous bid shall be selected. Commissions paid for purchase of securities must meet the prevailing best-execution rates. The responsibility of monitoring best price and execution of trades placed by each Investment Manager on behalf of the Plan will be governed by the Portfolio Management Agreement between the Plan and the Investment Managers.

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 4 – Deposit and Investment Risk Disclosures - continued

Types of Investments - continued

The current target asset allocation range at market is as follows:

Authorized investments	Target % of portfolio
Broad market fixed income securities	20%
Domestic equity	45%
International equity	15%
TIPS*	5%
Global bond*	5%
Real estate*	10%

*Benchmark and allocation targets will default to “broad market fixed income” if these portfolios are not funded.

Rate of Return

For the years ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.69%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investments

The table below shows the Plan's investments by type as of September 30:

	2014	2013
Equity securities, domestic:		
Common stock	\$ 43,644,903	\$ 49,961,661
Real estate investment trust	525,613	908,041
Exchange traded funds	7,999,299	-
Mutual funds	8,183,431	-
	60,353,246	50,869,702
Equity securities, international	19,902,543	20,073,706
Fixed income mutual funds	6,218,499	14,224,928
Debt securities:		
U.S. treasuries	10,978,034	1,218,123
U.S. agencies	13,343,550	-
Corporate Bonds	6,281,247	-
Preferred securities	-	4,288,487
Bond fund	-	14,114,917
	30,602,831	19,621,527
Total	\$ 117,077,119	\$ 104,789,863

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 4 – Deposit and Investment Risk Disclosures - continued

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 table that shows 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
Corporate Bonds	\$ 6,281,247	\$ -	\$ 594,851	\$ 5,686,396	\$ -
U.S. Government and agency bonds	24,321,584	-	6,776,248	9,696,742	7,848,594
Mutual funds	6,218,499	3,107,619	3,110,880	-	-
Total fixed income securities	\$ 36,821,330	\$ 3,107,619	\$ 10,481,979	\$ 15,383,138	\$ 7,848,594

2013					
Investment Maturities					
(in years)					
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Bond funds	\$ 14,114,917	\$ -	\$ 14,114,917	\$ -	\$ -
U.S. Government and agency bonds	1,218,123	505,217	712,906	-	-
Preferred securities	4,288,487	2,404,432	1,503,075	-	380,980
Mutual funds	14,224,928	-	8,327,624	5,897,304	-
Total fixed income securities	\$ 33,846,455	\$ 2,909,649	\$ 24,658,522	\$ 5,897,304	\$ 380,980

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.

The following table discloses Standard & Poor credit ratings by investment type, at September 30, 2014 and 2013, as applicable:

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 4 – Deposit and Investment Risk Disclosures - continued

Credit Risk - continued

	2014		2013	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 24,321,584	66.05%	\$ 10,365,580	30.63%
Quality rating of credit risk debt securities:				
AAA	-		10,212,859	30.17
AA	821,790	2.23	8,961,739	26.48
A	3,364,201	9.14	1,977,227	5.84
BBB	2,095,256	5.69	1,969,119	5.82
BB	3,110,880	8.45	101,627	0.30
Not rated **	3,107,619	8.44	258,3040.76	
Total credit risk debt securities	12,499,746	33.95	23,480,875	69.37
Total fixed income securities	\$ 36,821,330	100.00%	\$ 33,846,455	100.00%

*Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

**Mutual funds are not rated.

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 the 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 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 the 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 – Net Pension Liability of the City

The components of the net pension liability of the City at September 30, 2014 and 2013 were as follows:

	2014
Total pension liability	\$ 169,772,266
Plan fiduciary net position	(120,792,841)
City net pension liability	\$ 48,979,425

Plan fiduciary net position as a percentage of total pension liability 71.15%

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 5 – Net Pension Liability of the City - continued

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. These actuarial valuations used the following actuarial assumptions:

Inflation	3%
Projected salary increases	Service based table, rates ranging from 4.4% - 24%, depending on service (weighted average as of 10/1/2013 was 5.7%)
Projected COLAs	1.5%, delayed 5 years, up to 20 increases
Investment rate of return	7.05% compounded annually, net of pension plan investment expense, including inflation.

Mortality rates calculated with the RP-2000 mortality table for males and females with mortality improvement projected to all future years after 2000 using scale AA.

The actuarial assumptions used in the October 1, 2013 valuation were based on the result of an actuarial experience study for the period October 1, 2000 through September 30, 2006. Since this study was performed the investment return assumption has been lowered to reflect the lower capital market forecast of investment consultants.

Asset Class	Long-Term Expected Real Rate of Return*	2014
Domestic equities		7.5%
International equities		8.5%
Real estate		5.5%
Domestic bonds		3.5%
International bonds		4.5%

- Real rate of return adjusted for 2.5% annual inflation rate.

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. 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 (7.05%) was applied to all periods of projected benefit payments to determine the total pension liability.

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 5 – Net Pension Liability of the City - continued

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 percent, as well as what the employer net pension liability would if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	Employer Net Pension Liability		
	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
September 30, 2014	\$ 68,828,403	\$ 48,979,425	\$ 32,578,825

Note 6 – Restatement of Financial Statements

In accordance with U.S. GAAP and paragraph 49 of GASB 67, certain changes in accounting principle were retrospectively applied, and therefore, comparative financial statements include a restatement of all prior periods 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 within the DROP account. Upon termination of employment at 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 Plan 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 Plan 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 exclude those that relate to the DROP for investment income earned by the DROP account. The cumulative effect of the restatement is as follows:

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 6 – Restatement of Financial Statements - continued

Statement of Fiduciary Net Position

Total liabilities, previously reported	\$ 15,106,058
<u>Impact of restatement</u>	<u>(14,905,380)</u>
<u>Total liabilities, as restated</u>	<u>\$ 200,678</u>
Net position restricted for pensions, previously reported	\$ 96,431,860
<u>Impact of restatement</u>	<u>14,905,380</u>
<u>Total net position restricted for pensions, as restated</u>	<u>\$ 111,337,240</u>

Statement of Changes in Fiduciary Net Position

Total additions, previously reported	\$ 17,068,727
<u>Impact of restatement</u>	<u>1,118,423</u>
<u>Total additions, as restated</u>	<u>\$ 18,187,150</u>
Total deductions, previously reported	\$ 7,652,918
<u>Impact of restatement</u>	<u>(2,364,853)</u>
<u>Total deductions, as restated</u>	<u>\$ 5,288,065</u>

Note 7 - Subsequent Events

The following provisions become effective October 1, 2014 in accordance with Ordinance 2516 of the City of Plantation:

- a) Section 18-17 provides a definition of final average compensation for Tier Two Members: annual compensation shall include base pay, up to fifty (50) hours of overtime, shift differential, and assignment pay.
- b) Section 18-62 changes the retirement date for Tier 2 members: effective October 1, 2014, the normal retirement date for Tier 2 members (including Tier 1 members with less than 10 years of vesting service on October 1, 2014 shall be age 52 with 10 years of vesting service or 25 years of vesting service regardless of age, and termination of employment.
- c) Section 18-63 changes the benefit multiplier for Tier 1 officers with less than 20 years of service on October 1, 2014:
 - At least 17 but less than 20 years of vesting service on October 1, 2014, who complete 20 years of vesting service, will be 3.5% for all years of service up to 20 years and 3.0% for all years of service after 20 years.
 - At least 10 but less than 17 years of vesting service on October 1, 2014 who complete 20 years of vesting service will be 3.5% for all years of benefit service up to 17 years, and 3.0% for all years of benefit service after 17 years.
 - Less than 10 years of vesting service on October 1, 2014 shall be credited with Tier 1 benefits through September 30, 2014.

City of Plantation Police Officers' Pension Plan

Notes to Financial Statements

September 30, 2014 and 2013

Note 7 - Subsequent Events - continued

- 20 years of vesting service will be 3.5% for all years of benefit service earned before October 1, 2014 and 3.0% for all years of benefit service earned on or after October 1, 2014.
- d) Section 18-63 also changes, effective October 1, 2014, the maximum retirement benefit to be seventy-five percent (75%) of average final compensation for all employees (except Tier 1 employees with 20 years of vesting service on October 1, 2014); provided, if an employee has already accrued a benefit of more than seventy-five percent (75%) as of October 1, 2014, the employee shall retain the percentage earned as of that date but will not earn any additional benefit percentage.
- e) Section 18-63 also changes the method of determining average final compensation for Tier 1 Officers with 20 years of service on October 1, 2014 to be calculated using a three-year average.
- f) Section 18-63.1 changes the maximum DROP period. Effective October 1, 2014, the maximum DROP period is three (3) years for all employees who are not participating in the DROP on that date (except Tier 1 employees with 20 years of vesting service on October 1, 2014) with the following additional exceptions – employees with the following years of continuous benefit service as of October 1, 2014 are eligible for the following DROP periods:
- 17 or more years – seven (7) year DROP period.
 - 15-16.99 years – six (6) year DROP period.
 - 13-14.99 years – five (5) year DROP period.
 - 10-12.99 years – four (4) year DROP period.

Required Supplementary Information

City of Plantation Police Officers' Pension Plan
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability
Last Fiscal Year

	2014
Total pension liability	
Service cost	\$ 3,450,673
Interest	11,440,209
Changes of benefit terms	
Differences between expected and actual experience	62,656
Changes of assumptions	
Benefit payments, including refunds of member contributions	(8,212,520)
Other (increase in State reserve)	66,707
Net change in total pension liability	6,807,725
<u>Total pension liability- beginning</u>	<u>162,964,541</u>
<u>Total pension liability- ending (a)</u>	<u>169,772,266</u>
Plan fiduciary net position	
Contributions – employer and state	7,694,273
Contributions – member	874,712
Net investment income	9,306,160
Benefit payments, including refunds of member contributions	(8,212,520)
Administrative expenses	(207,024)
Net change in plan fiduciary net position	9,455,601
<u>Plan fiduciary net position – beginning</u>	<u>111,337,240</u>
<u>Plan fiduciary net position – ending</u>	<u>\$ 120,792,841</u>
<u>City's net pension liability</u>	<u>\$ 48,979,425</u>

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

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

City of Plantation Police Officers' Pension Plan
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability - continued
Last 10 Fiscal Years

	2014
Total pension liability	\$ 169,772,266
Plan fiduciary net position	(120,792,841)
<u>City's net pension liability</u>	<u>\$ 48,979,425</u>
Plan fiduciary net position as a percentage of the total pension liability	71.15%
Covered – employee payroll	\$ 9,339,051
City's net pension liability as a percentage of covered – employee payroll	524.46%

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

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

City of Plantation Police Officers' Pension Plan
Required Supplementary Information
Schedule of the City's Contributions
Last Fiscal Year

FY Ending September 30,	Actuarially Determined Contribution	Actual* Contribution	Contribution Deficiency (Excess)	Estimated Covered Payroll	Actual Contribution as a % of Covered Payroll
2005	\$ 2,333,978	\$ 2,333,978	\$ -	\$ 10,628,185	23.65%
2006	3,129,193	3,129,193	-	11,061,190	28.73
2007	3,583,383	3,583,383	-	10,844,015	33.04
2008	3,767,905	3,767,905	-	10,839,903	34.76
2009	4,077,625	4,077,625	-	11,142,524	37.23
2010	5,323,631	5,323,631	-	11,861,026	44.88
2011	5,652,428	5,652,428	-	11,208,624	50.44
2012	6,072,115	6,072,115	-	11,022,576	55.09
2013	6,692,379	6,692,379	-	9,907,061	67.55
2014	7,627,566	7,627,566	-	9,339,051	82.39

*Reflects State contributions at allowable amounts.

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

City of Plantation Police Officers' Pension Plan
Required Supplementary Information
Schedule of Investment Returns
Last Fiscal Year

2014

Annual money-weighted rate of return, net of investment expense 7.69%

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

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

City of Plantation Police Officer's Pension Plan
Required Supplementary Information
Notes to Required Supplementary Information (Unaudited)
Last Ten Fiscal Years

Method and assumptions used in calculations of the Plan's actuarially determined contributions. The actuarially determined contribution rates in the schedule of the Plan'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-Normal
Asset valuation method	5 - year smoothed market
Amortization method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 years
Investment Rate of Return	7.05%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Cost of Living Adjustments	1.5%, delayed 5 years, up to 20 increases
Inflation	3.00%
Salary Increases	Service based table, rates ranging from 4.4% - 24% depending on service (weighted average as of 10/1/2013 was 5.7%)
Mortality Rates:	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale AA

City of Plantation Police Officers' Pension Plan
Required Supplementary Information
Notes to Required Supplementary Information (Unaudited) - continued
Last Ten Fiscal Years

Rates of separation from active membership were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of member's remaining in employment.

Years of Service	Turnover
0-1	10.0%
1-2	8.0%
2-3	6.0%
3-4	5.5%
4-5	5.0%
5-6	4.5%
6-7	4.0%
7-8	3.5%
8-9	3.0%
9-10	2.5%
10-11	2.0%
11-12	1.5%
12-13	1.0%
13-14	0.5%
14+	0.5%

Rates of disability among active members (75% of disabilities are assumed to be service-connected).

Attained Ages	Rate of Disability
20	0.21%
30	0.33%
40	0.57%
50	1.50%
60	1.50%

The rates of retirement used to measure the probability of eligible members retiring during the next year were as follows:

Years of Service	Probability of Retirement
20	30%
21	20%
22	20%
23+	100%

See accompanying independent auditors' report.

Other Supplemental Schedules

City of Plantation Police Officer's Pension 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 *:		
Karpus Investment Management	\$ 129,703	\$ 209,479
Armstrong Shaw Associates, Inc.	32,006	127,302
Atalanta Sosnoff Capital , LLC	14,811	61,180
DePrince, Race and Zollo, Inc.	169,732	72,940
Brown Advisory	53,142	52,448
Garcia Hamilton	64,721	-
Wells capital Management	98,780	-
Polen Capital Management	11,745	43,775
Total financial management expenses	574,640	567,124
Investment consultant fees:		
Strategic Asset Management Group	70,000	75,000
Investment custodial fees:		
SunTrust Bank	21,603	20,243
Total investment expenses	\$ 666,243	\$ 662,367

*Does not include Mutual Funds.

Schedule "2" - Schedule of Administrative Expenses		
Professional services:		
Actuarial	\$ 57,846	\$ 56,122
Administrator	52,500	52,500
Audit	18,000	17,500
Legal	47,044	55,543
Total professional services	175,390	181,665
Other:		
Dues and seminars	1,105	910
Insurance	9,675	10,684
Office expense	20,854	33,734
Total other	31,634	45,328
Total administrative expenses	\$ 207,024	\$ 226,993



Goldstein Schechter Koch
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Coral Gables Office:

2121 Ponce de Leon Blvd., 11th Floor, Coral Gables, FL 33134 • Ph: (305) 442-2200, Fax: (305) 444-0880

Hollywood Office:

4000 Hollywood Blvd., Suite 215 South, Hollywood, FL 33021 • Ph: (954) 989-7462, Fax: (954) 962-1021

www.gskcpas.com