Town of Davie
Police Pension Plan

Financial Statements
Years Ended September 30, 2014 and 2013

Goldstein Schechter Koch
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Town of Davie Police Pension Plan
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Goldstein Schechter Koch
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Independent Auditors' Report

Board of Trustees
Town of Davie Police Pension Plan
Davie, Florida

We have audited the accompanying financial statements of the Town of Davie Police 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

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 Town of Davie Police Pension Plan as of September 30, 2014 and 2013, and the 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 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 Schedules

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. The 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.

Coral Gables, Florida
February 10, 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

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 Town of Davie Police 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

- Plan assets exceeded its liabilities at the close of the fiscal years ended September 30, 2014 and 2013 by $117,768,626 and $106,391,394, respectively (reported as net position restricted for pensions). The Plan's net position is held in trust to meet future benefit payments. The increase of $11,377,232 and $13,509,192 in fiduciary net position of the respective years has resulted primarily from the changes in the fair value of the Plan's investments due to volatile financial markets.

- Receivables at September 30, 2014 decreased by $322,327 (or 47.76%) due primarily to decreases in accrued interest and dividends and contributions receivable from members and the Town of Davie ("the Town").

  Receivables at September 30, 2013 increased by $310,361 (or 85.2%) due primarily to an increase in receivable for securities sold and contribution receivable from the Town of Davie ("the Town").

- Liabilities at September 30, 2014 decreased by $1,784,760 (or 46.43%) due primarily to a decrease in the payable for securities purchased.

  Liabilities at September 30, 2013 increased by $2,894,373 (or 304.82%) due primarily to increases in the payable for securities purchased and prepaid contributions by the Town.

- For the fiscal year ended September 30, 2014, Town contributions to the Plan decreased by $247,202 (or 4.3%) based on the actuarial valuation. Actual Town contributions were $5,503,045 and $5,750,247 for 2014 and 2013, respectively.

  For the fiscal year ended September 30, 2013, Town contributions to the Plan decreased by $452,837 (or 7.30%) based on the actuarial valuation. Actual Town contributions were $5,750,247 and $6,203,084 for 2013 and 2012, respectively.

Financial Highlights - continued

- For the fiscal year ended September 30, 2014, member contributions including buybacks increased by $662,601 (or 65.71%). Actual member contributions were $1,085,172 and $999,781 for 2014 and 2013 respectively, and buybacks were $585,814 and $8,604 for 2014 and 2013, respectively. Member contributions have fluctuated from year to year based on the number of active members and salaries.

  For the fiscal year ended September 30, 2013, member contributions including buybacks increased by $7,884 (or 0.8%). Actual member contributions were $999,781 and $872,880 for 2013 and 2012 respectively, and buybacks were $8,604 and $127,621 for 2013 and 2012, respectively. Member contributions have fluctuated from year to year based on the number of active members and salaries.

- For the fiscal year ended September 30, 2014, net investment income decreased by $1,334,387 (or 12.43%) from 2013. Actual results were $6,936,717 and $8,754,219 of net appreciation in fair value of investments for 2014 and 2013, respectively, and $3,036,858 and $2,504,636 of income from interest and dividends for 2014 and 2013, respectively. Investment expenses increased by $49,107 (or 9.34%).

  For the fiscal year ended September 30, 2013, net investment income decreased by $3,009,010 (or 21.90%) from 2012. Actual results were $8,754,219 and $11,957,981 of net appreciation in fair value of investments for 2013 and 2012, respectively, and $2,504,636 and $2,258,887 of income from interest and dividends for 2013 and 2012, respectively. Investment expenses increased by $54,247 (or 11.50%).

- For the fiscal year ended September 30, 2014, benefit payments increased by $1,251,323 (or 27.88%) and refunds of contributions increased by $22,159 (or 234.31%) from 2013.

  For the fiscal year ended September 30, 2013, benefit payments decreased by $587,652 (or 11.58%) and refunds of contributions decreased by $36,409 (or 79.38%) from 2012.

- For the fiscal year ended September 30, 2014, administrative expenses decreased by $104 (or 0.06%) due primarily to decreases in trustee conference, and education fees.

  For the fiscal year ended September 30, 2013, administrative expenses decreased by $3,007 (or 1.72%) due primarily to decreases in professional fees.

Plan Highlights

For the fiscal year ended September 30, 2014, the relative return of the portfolio was 9.5% and ranked in the 59st percentile of the public fund universe. Actual net returns from investments were net investment income in 2014 and 2013 of $9,398,648 and $10,733,035, respectively.

For the fiscal year ended September 30, 2013, the relative return of the portfolio was 11.2% and ranked in the 71st percentile of the public fund universe. Actual net returns from investments were net investment income in 2013 and 2012 of $10,733,035 and $13,745,295, respectively.

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 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.

Description of the Financial Statements

The S*tatement 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 *Statements of Changes in Fiduciary Net Position* reports how the Plan's net position changed during the fiscal year. The additions and deductions to net position are summarized in this statement. The additions include contributions to the retirement plan from employers (Town 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 Town's net pension liability, the Town'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.

Condensed Statements of Fiduciary Net Position

The following condensed comparative statements of Fiduciary Net Position demonstrate the plan net position of the Plan as of September 30:

	2014	2013 (Restated)	2012 (Restated)
Cash and cash equivalents	**$ 2,536,783**	$ 6,114,270	$ 3,493,821
Receivables	**352,521**	674,848	364,487
Prepaid benefits paid	**405,359**	-	-
Investments	**116,533,124**	103,446,197	89,973,442
Total assets	**119,827,787**	110,235,315	93,831,750
Liabilities	**2,059,161**	3,843,921	949,548
Net position restricted for pensions	**$ 117,768,626**	$ 106,391,394	$ 92,882,202

Condensed Statements of Changes in Fiduciary Net Position

The Condensed Statement of Changes in Fiduciary Net Position displays the effect of pension plan transactions that occurred during the fiscal year, where Additions - Deductions = Net Increase (or Decrease) in net position restricted for Pensions. 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)	2012 (Restated)
Additions:			
Contributions			
Town	**$ 5,503,045**	$ 5,750,247	$ 6,203,084
Members	**1,670,986**	1,008,385	1,000,501
State	**747,469**	687,063	644,262
Total	**7,921,500**	7,445,695	7,847,847
Net investment income	**9,398,648**	10,733,035	13,742,045
Total additions	**17,320,148**	18,178,730	21,589,892
Deductions:			
Benefits paid	**5,739,942**	4,488,619	5,076,271
Refunds of contributions	**31,616**	9,457	45,866
Administrative expenses	**171,358**	171,462	174,470
Total deductions	**5,942,916**	4,669,538	5,296,607
Net increase	**11,377,232**	13,509,192	16,293,285
Net position restricted for pensions at beginning of year	**106,391,394**	92,882,202	76,588,917
Net position restricted for pensions at end of year	**$ 117,768,626**	$ 106,391,394	$ 92,882,202

The Plan's investment activities, measured as of the end of any month, quarter or year, are a function of the underlying marketplace for the period measured and the investment policy's asset allocation.

Condensed Statements of Changes in Fiduciary Net Position - continued

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

For the fiscal year ended September 30, 2014, the domestic equity portion comprised 53.30% ($63,468,503) of the total portfolio. The allocation to fixed income debt securities was 27.15% ($32,327,950), while cash and cash equivalents comprised 2.13% ($2,536,783). The portion of investments allocated to international equity was $11,233,935 or 9.44%, and the real estate funds was $9,502,736 or 7.98% of the total portfolio.

For the fiscal year ended September 30, 2013, the domestic equity portion comprised 47.0% ($51,503,707) of the total portfolio. The allocation to fixed income debt securities was 29.72% ($32,557,216), while cash and cash equivalents comprised 5.58% ($6,114,270). The portion of investments allocated to international equity was $11,159,816 or 10.19%, and the real estate funds was $8,225,458 or 7.51% of the total portfolio.

The target asset allocation was as follows at September 30:

	2014	2013
Domestic equity	**50.0%**	50.0%
Fixed income	**30.0%**	32.5%
International equity	**12.5%**	12.5%
Real estate fund	**7.5%**	5.0%
Cash equivalents	**0.0%**	0.0%

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 Town of Davie Police Pension Plan, c/o Precision Pension Administration, Inc., 13790 NW 4 Street., Suite 105, Sunrise, FL 33325.

Town of Davie Police Pension Plan
Statements of Fiduciary Net Position
September 30, 2014 and 2013

	2014	2013 (Restated)
Assets		
Cash and cash equivalents	**$ 2,536,783**	$ 6,114,270
Receivables:		
Town contributions	**-**	229,630
Members' contributions	**-**	37,029
Accrued interest and dividends	**249,650**	311,202
Receivable for securities sold	**102,871**	96,987
Total receivables	**352,521**	674,848
Prepaid benefits paid	**405,359**	-
Investments, at fair value:		
Debt securities	**7,935,980**	14,194,116
U.S. government securities	**24,391,970**	18,363,100
Domestic equity fund	**31,113,791**	8,462,987
Domestic equity securities	**32,354,712**	43,040,720
International equity funds	**11,233,935**	11,159,816
Real estate funds	**9,502,736**	8,225,458
Total investments	**116,533,124**	103,446,197
Total assets	**119,827,787**	110,235,315
Liabilities		
Accounts payable	**109,725**	123,081
Payable for securities purchased	**23,068**	2,057,827
Prepaid Town of Davie contribution	**1,926,368**	1,663,013
Total liabilities	**2,059,161**	3,843,921
Net position restricted for pensions, as restated in 2013	**$ 117,768,626**	$ 106,391,394

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

Town of Davie Police Pension Plan
Statements of Changes in Fiduciary Net Position
For the Years Ended September 30, 2014 and 2013

	2014	2013 (Restated)
Additions		
Contributions:		
Town	**$ 5,503,045**	$ 5,750,247
Members	**1,670,986**	1,008,385
State	**747,469**	687,063
Total contributions	**7,921,500**	7,445,695
Investment Income:		
Net appreciation in fair value of investments	**6,936,717**	8,754,219
Interest and dividends	**3,036,858**	2,504,636
Total investment income	**9,973,575**	11,258,855
Less: Investment expenses	**574,927**	525,820
Net investment income	**9,398,648**	10,733,035
Total additions	**17,320,148**	18,178,730
Deductions		
Benefits paid	**5,739,942**	4,488,619
Refunds of contributions	**31,616**	9,457
Administrative expenses	**171,358**	171,462
Total deductions	**5,942,916**	4,669,538
Net increase	**11,377,232**	13,509,192
Net position restricted for pensions, as restated in 2013		
Beginning of year	**106,391,394**	92,882,202
End of year	**$ 117,768,626**	$ 106,391,394

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

Note 1 - Description of the Plan

Organization

The Town of Davie Police Pension Plan (the "Plan"), is a single employer defined benefit pension plan, established May 1, 1976, covering substantially all police officers of the Town of Davie ("the Town") that have met the conditions of eligibility. Since the Plan is sponsored by the Town, the Plan is included as a pension trust Plan in the Town's comprehensive financial report as part of the Town's financial reporting entity.

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

- Two are elected by the Plan's members
- Two are appointed by the Town
- One is elected by the board of trustees

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

Participants

The Plan is open solely to sworn full-time certified law enforcement officer employee members of the police department who are compensated by the Town, regardless of rank. Tier One members are members hired prior to October 1, 2010 and Tier Two members hired on or after such date.

Plan Membership

Plan membership data at October 1, was as follows:

	2013	2012
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	**101**	99
Active plan participants	**160**	152
Total participants	**261**	251

Pension Benefits

Normal Retirement:

Tier One members

Any member may retire the earlier of the date on which they attain 20 years of benefit service or the date on which they attain age 55. For members terminating service with more than 15 years but less than 20 years of benefit service, the normal retirement benefit will commence on the first day of the month coincident with or next following the date the member would have completed 20 years of benefit service. A member has vested benefits after 10 years of continuous service.

Note 1 - Description of the Plan - continued

Pension Benefits - *continued*

Normal Retirement – continued:

Upon retirement, a member will receive a monthly benefit amount equal to the number of years of benefit service multiplied by 3% of final average earnings for the first 10 years of service plus 4% for the next 5 years of benefit service, plus 5% for the next 5 years of benefit service, plus 2% for the next 10 years of benefit service, with a 95% maximum. However, after 47½ years of benefit service, benefits shall recommence at a rate of 2% of final average earnings per year.

Tier Two members:

Tier Two benefits shall be administered in the same manner as Tier One benefits, except as follows: the normal retirement benefit for Tier Two members shall be calculated using a 3% multiplier for the first 20 years of service and 2% for each additional year, up to a maximum benefit of 80%. Notwithstanding the 80% cap, benefits shall accrue at a rate of 2% per year for any active Tier Two member after 40 years of service.

The member's benefits commence on the first day of the month following their retirement date and are continued until their death; however, benefits may be payable to the members' beneficiaries, depending on the optional form of payment elected. A member with the consent of the Town of Davie may continue to work beyond their normal retirement date and retire on any subsequent first day of the month.

Early Retirement:

Any member who has completed 10 years of benefit service and attained age 50 may retire early, with the consent of the Town of Davie.

Upon retirement, a member will receive a monthly benefit amount equal to the number of years of benefit service multiplied by 3% of final average earnings for the first 10 years of service plus 4% for the next 5 years of benefit service, plus 5% for the next 5 years of benefit service, plus 2% for the next 10 years of benefit service. The benefit will be reduced for early payment so that it is actuarially equivalent to the normal retirement benefit. Effective May 1, 2011, the early retirement reduction shall be no more than 3% per year.

The member also has the option of deferring the commencement of his monthly benefit to his normal retirement date, the earlier of the date he would have attained 20 years of benefit service (provided he has completed 15 years of actual Benefit Service) or age 55. In such case, there would be no actuarial reduction to his monthly benefit.

Note 1 - Description of the Plan - continued

Pension Benefits - continued

Disability:

Any member who receives a medically substantiated service connected disability as determined by the pension board will receive a monthly benefit equal to the greater of 66-2/3% of such members base pay at time of disability, less any applicable benefits payable by Federal Old Age, Survivors and Disability Insurance, Worker's Compensation benefits or other disability benefits payable from Broward County or the Town of Davie, or 42% of final average earnings payable as a ten year certain and life annuity. If the disability is non-service connected, a member will receive a monthly benefit of the greater of $100 or 1.50% of final average earnings multiplied by the number of years of benefit service at their date of disability offset by the amounts described above. Benefits are payable beginning six months after termination of service for disability. Effective May 1, 2011 the minimum non-service connected disability benefit shall be the greater of the accrued benefit or 25% of final pay payable as a 10 year certain and life annuity.

Death Benefits:

Prior to retirement, if death is non-service connected or member had no spouse to whom he had been married for at least one (1) year prior to death, the death benefit shall be the return of accumulated employee contributions plus prior plan benefits, if any. However, if a member had at least 10 years of benefit service at the time of death, then his or her beneficiary will be entitled to the benefits otherwise payable to the member at early or normal retirement date.

If death is service-connected and member has an eligible spouse to whom he had been married to for at least one (1) year prior to death, such spouse shall be entitled to a monthly annuity equal to the greater of 50% of base pay at his date of death, or accrued benefit payable to the eligible spouse on the date of what would have been the member's normal retirement date. Such pension shall continue to the spouse until the earlier of the spouse's death or remarriage, with a guarantee that such benefits will at least equal the accumulated contributions at his date of death. If a member had no eligible spouse but had at least 10 years of benefit service at the time of death, then his or her beneficiary will be entitled to the benefits otherwise payable to the member at early or normal retirement date.

After retirement, if a member had elected a joint and survivor or a 10 year certain and life optional form of payment, the adjusted monthly benefit will be continued to the beneficiary until the appropriate annuity ending date. Total benefits payable to the member and his beneficiary will not be less than the amount of accumulated contributions at date of retirement.

Cost-of-Living Adjustment (COLA):

An annual COLA will be granted to retirees and beneficiaries. The amount of the COLA will be 2% per year. For recipients who retired prior to October 1, 1997, the monthly benefit after the yearly COLA will not exceed 115% of the original monthly benefit prior to any COLA. For post October 1, 1997 retirees, the limit for future monthly benefits after COLA will be 130% of the original benefit amounts prior to any COLA. The first annual COLA will commence on the fifth anniversary of retirement, but no earlier than November 1, 2004.

Note 1 - Description of the Plan - continued

Normal Form of Retirement Income:

For a married participant, the normal form of retirement income will be monthly payments for the life of the member with benefit continuing to the spouse after member's death for one year and 60% of the benefit to the spouse thereafter. The benefit amount is not reduced due to this form of payment. The participant may also elect to receive the benefit as an unreduced ten year certain life annuity. For an unmarried participant, the normal form of payment will be an unreduced ten year certain and life annuity.

Optional Forms of Retirement Income:

The following optional forms of retirement income may be elected by a member.

Option 1 A single life annuity payable during the lifetime of the participant only.

Option 2 A retirement annuity of smaller monthly amount, payable to the member during the joint lifetime of the member and a joint pensioner designated by the member, and following the death of either of them, 50%, 66 2/3%, 75% or 100% depending on the retiree's election, of such smaller monthly amount payable to the survivor for the lifetime of the survivor.

Option 3 A monthly annuity payable to the member for ten years certain and life thereafter.

A "pop-up" feature can also be elected by the member together with the 66 2/3%, 75% or 100% joint and contingent annuity described in Option 2 above. For those members who elect this feature, the benefit amount will increase to the original normal form of payment amount if the beneficiary predeceases the member.

Deferred Retirement Option Plan

A Deferred Retirement Option Plan (the "DROP") was implemented for the year ended September 30, 1998. The DROP is administered by the Police Officers' Pension Board of Trustees. The rate of return earned by the DROP is the same as that earned by the Plan less a $10 per month adjustment for expenses. 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 is payable to them and they also begin to receive their (frozen) monthly retirement benefit. The

DROP has a five (5) year maximum participation period. Effective October, 1, 2010, DROP participants may remain in the DROP for up to 5 years. In no event can the total of the sum of years of creditable service and years of DROP participant exceed 30 years for a member who enters the DROP.

All members electing to participate in the DROP are required upon entering DROP to transfer any accumulated leave balances above four hundred and eighty (480) hours into the member's DROP account, subject to the annual limit set forth in the Internal Revenue Code. The Internal Revenue Code limits transfers to $52,000 for 2014. Such contributions for the fiscal years ended September 30, 2014 and 2013 were $186,580 and $91,300, respectively.

Note 1 - Description of the Plan - continued

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

	2014	2013
Beginning balance	**$ 5,554,331**	$ 4,663,060
Additions	**895,801**	654,381
Unused leave balance	**186,580**	91,300
Distributions	**(1,235,269)**	(380,495)
Interest	**527,269**	529,365
Expenses	**(3,870)**	(3,280)
Ending balance	**$ 5,924,842**	$ 5,554,331

Funding Requirements

Member Contributions:

Each police officer will contribute 7.0% of their basic compensation to the Plan, starting on their eligibility dates and continuing to their date of retirement, disability, termination or death, whichever comes first.

Town and State Contributions:

Pursuant to Florida Statutes, Chapter 185, contributions from the State of Florida Department of Insurance consist of an excise tax imposed by the Town upon certain casualty insurance companies on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance policies covering property within the Town. The Town pays into the Plan such amount as is determined actuarially to provide for benefits under the Plan not met by member contributions. This amount is reduced by any allowable Chapter 185 State contributions.

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 revenues in the period in which contributions are due. Town 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 of Florida. 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.

Investments

Plan investments are reported at fair value. 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 overall valuation processes and information sources by major investment classification are as follows:

Note 2 - Summary of Significant Accounting Policies - continued

Investments - continued

- Debt securities: Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations and foreign debt securities. 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.

- Equity securities: Equity securities consist of domestic equity securities, domestic equity funds, 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. Securities which are not traded on a national security exchange are valued by the respective Plan manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

- Alternative investments: These investments include equity real estate investments where no readily ascertainable market value exists. To value these investments, management, in consultation with the general partner and investment advisors, determines the fair values for the individual investments based upon the partnership’s or limited liability company’s most recent available financial information adjusted for cash flow activities through September 30, 2014 and 2013. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

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 realized on sales of investments. Purchases and sales of securities are reflected on a trade-date basis. Interest income is recognized as earned and dividend income is recorded as of the ex-dividend date. Realized gains and losses on the sale of investments are based on average cost identification method.

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 accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Summary of Significant Accounting Policies – continued

Cash Equivalents

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

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 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.

Subsequent Events

Management has evaluated subsequent events through February 10, 2015, the date at which the financial statements were available for issue.

Note 3 - Contributions

Actuarially Determined Contributions

The minimum required contributions from the Town and the State of Florida for the fiscal years ended September 30, 2014 and 2013, were actuarially determined by the October 1, 2013 and 2012 valuations to be $6,250,514 and $6,437,310, respectively based on actuarially computed payrolls of $13,905,482 and 13,014,220, respectively.

Note 3 - Contributions - continued

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 contributions) that best fits the funding requirements of the Plan. For the year ended September 30, 2014 and 2012, respectively, the Plan determined to use the "fixed dollar contributions amount".

	2014		2013	
	Amount	**Percent of Actual Covered Annual Payroll**	Amount	Percent of Actual Annual Covered Payroll
Normal cost	**$ 3,864,154**	**27.8%**	$ 3,887,728	28.3%
Amortization of unfunded liability	**2,386,360**	**17.1**	2,549,582	18.5
Total required from Town and State	**$ 6,250,514**	**44.9%**	$ 6,437,310	46.8%

Actual Contributions

The actual contributions from the Town and the State of Florida for active employees for the fiscal years ended September 30, 2014 and 2013, amounted to $6,250,514 and $6,437,310, respectively, and the actual amount of covered payroll was approximately $13,916,900 and $13,754,000 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
Town	**$ 5,503,045**	**39.5%**	$ 5,750,247	41.8%
State of Florida	**747,469**	**5.4**	687,063	5.0
Total contributions from Town and State of Florida	**$ 6,250,514**	**44.9%**	$ 6,437,310	46.8%

Members' contributions consisted of the following for the years ended September 30:

	2014	2013
Members – regular	**$ 898,592**	$ 908,481
DROP – unused vacation	**186,580**	91,300
Buybacks	**585,814**	8,604
Total member's contributions	**$ 1,670,986**	$ 1,008,385

Note 3 – Contributions – continued

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 achieve a favorable rate of return using both absolute and relative measures against inflation, preservation of capital and long term growth, which will keep the Plan actuarially sound. 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.

Note 4 - Deposits and Investment Risk Disclosures

Investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 60% (at market) of the Plan's total asset value. No more than 5% of the portfolio may be invested in the shares of a single corporate issuer at cost. Investments in stocks of foreign companies shall be limited to 10% of the value of the portfolio.

The fixed income portfolio shall be comprised of securities rated not less than "A" rating by a major rating service with no more than 80% (at market) of the Plan's total asset value. In the event that there is a downgrade in the quality below the "A" rating, the manager must notify the board immediately and justify any reason for holding the position in the downgraded security.

Types of Investments

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

The target and actual allocations of these investments at September 30, 2014 and 2013 are as follows:

	2014		2013	
Authorized investments	**Target % of portfolio**	**Actual**	Target % of portfolio	Actual
Domestic equities	**50.0%**	**53.30%**	50.0%	47.00%
Debt securities	**30.0%**	**27.15%**	32.5%	29.72%
International equity	**12.5%**	**9.43%**	12.5%	10.19%
Real estate fund	**7.5%**	**7.98%**	5.0%	7.51%
Cash equivalents	**0.0%**	**2.13%**	0.0%	5.58%

Note 4 - Deposits and Investment Risk Disclosures - continued

Rate of Return

For the year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses was 9.10%. The money-weighted rate of return expresses investment performance, net of investment expenses, 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**
U.S. treasuries	**$ 11,248,521**	**$ -**	**$ 2,243,858**	**$ 4,151,478**	**$ 4,853,185**
U.S. agencies	**13,143,449**	**-**	**5,149,737**	**6,329,697**	**1,664,015**
Debt securities	**7,935,980**	**327,973**	**1,506,100**	**6,101,907**	**-**
Total fixed income securities	**$ 32,327,950**	**$ 327,973**	**$ 8,899,695**	**$ 16,583,082**	**$ 6,517,200**

2013

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	$ 7,909,530	$ -	$ 2,464,953	$ 2,804,687	$ 2,639,890
U.S. agencies	10,453,570	56	302,293	4,499,542	5,651,679
Debt securities	14,194,116	259,097	5,223,616	8,560,215	151,188
Total fixed income securities	$ 32,557,216	$ 259,153	$ 7,990,862	$ 15,864,444	$ 8,442,757

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.

Note 4 - Deposits and Investment Risk Disclosures - continued

The following tables disclose credit ratings by investment type, at September 30, as applicable:

	2014		2013	
	Fair Value	**Percentage of Portfolio**	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	**$ 24,391,970**	**75.45%**	$ 18,363,100	56.40%
Quality rating of credit risk debt securities:				
AA+	**935,593**	**2.89**	953,668	2.93
AA	**-**	**-**	130,736	0.40
AA-	**540,850**	**1.67**	650,740	2.00
A+	**609,246**	**1.88**	1,771,441	5.44
A	**2,025,537**	**6.27**	3,671,171	11.28
A-	**2,977,162**	**9.22**	6,879,955	21.13
BBB+	**847,592**	**2.62**	136,405	0.42
Total credit risk debt securities	**7,935,980**	**24.55**	14,194,116	43.60
Total fixed income securities	**$ 32,327,950**	**100.00%**	$ 32,557,216	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.

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 plan net assets at September 30, 2014 and 2013.

Custodial Credit Risk

Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Plan's deposits are covered by depository insurance or are collateralized by securities held with a financial institution in the Plan's name. The Plan is only exposed to custodial credit risk for uncollateralized cash and cash equivalents that are not covered by federal depository insurance.

Custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investment 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 Fund 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.

Note 5 – Net Pension Liability of the Town

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

		2014
Total pension liability	$	**120,782,373**
Plan fiduciary net position		**(117,768,626)**
Town net pension liability	$	**3,013,747**

Plan fiduciary net position as a percentage of total pension liability	97.50%

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	2%, the first annual COLA will commence on the fifth anniversary of retirement.
Investment rate of return	9.17% compounded annually, net of pension plan investment expense, including inflation.

Mortality rates are calculated with the 1983 Group Annuity Mortality Table with separate rates for males and females. For disabled participants, the 1985 Pension Disability Table was used with separate rates for males and females.

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study from October 1, 2004 through September 30, 2009.

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.* 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 Trust investment expense and inflation) for each major asset class as well as historical investment data and Trust 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 Plan's investment policy) are summarized in the following table:

Note 5 – Net Pension Liability of the Town –continued

Long-Term Expected Real Rate of Return Asset Class	**2014**
Large cap equity	**8.1%**
Mid cap equity	**10.2%**
Small cap equity	**8.1%**
Debt securities	**2.9%**
International equities	**5.2%**
Real estate fund	**6.4%**
Cash equivalents	**0.0%**

** Real rates of return are net of the long-term inflation assumption of 3% for 2014.*

Discount Rate

The discount rate used to measure the total pension liability was 6.17%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rates and that contributions from the Town 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 benefic 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 Town using the discount rate of 9.17%, 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 (8.17 percent) or 1-percentage-point higher (10.17 Percent) than the current rate:

	Town Net Pension Liability		
	1% Decrease (8.17%)	Current Discount Rate (9.17%)	1% Increase (10.17%)
September 30, 2014	$ 16,060,339	$ 3,013,747	$ (7,948,576)

Note 6 – Restatement of Financial Statements

In accordance with U.S. GAAP and paragraph 49 of GASB 67, certain changes in accounting practices 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.

Note 6 – Restatement of Financial Statements - continued

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 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 exclude 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	$	9,398,252
Impact of restatement		(5,554,331)
Total liabilities, as restated	$	3,843,921
Net position restricted for pensions, previously reported	$	100,837,063
Impact of restatement		5,554,331
Total net position restricted for pensions, as restated	$	106,391,394

Statement of Changes in Fiduciary Net Position

Total additions, previously reported	$	17,649,365
Impact of restatement		529,365
Total additions, as restated	$	18,178,730
Total deductions, previously reported	$	5,031,444
Impact of restatement		(361,906)
Total deductions, as restated	$	4,669,538

Required Supplementary Information

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

Total pension liability	
Service cost	$ 3,065,753
Interest	10,387,808
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments. including refunds of member contributions	(5,771,558)
Net change in total pension liability	7,682,003
Total pension liability- beginning	113,100,370
Total pension liability- ending	120,782,373
Plan fiduciary net position	
Contributions - town	5,503,045
Contributions - state	747,469
Contributions - member	1,670,986
Net investment income	9,398,648
Benefit payments, including refunds of member contributions	(5,771,558)
Administrative expenses	(171,358)
Net change in plan fiduciary net position	11,377,232
Plan fiduciary net position – beginning	106,391,394
Plan fiduciary net position - ending	$ 117,768,626
City’s net pension liability	$ 3,013,747

* 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.

Town of Davie Police Pension Plan
Required Supplementary Information
Schedule of Changes in the Town's Net Pension Liability (Unaudited) - continued
Last Fiscal Year

Total pension liability	$	120,782,373
Plan fiduciary net position		(117,768,626)
City's net pension liability	$	3,013,747
Plan fiduciary net position as a percentage of the total pension liability		97.50%
Covered – employee payroll	$	13,916,944
City's net pension liability as a percentage of covered – employee payroll		21.66%

* 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.

Town of Davie Police Pension Plan

Required Supplementary Information
Schedule of Contributions by Employer (Unaudited)
Last 10 Fiscal Years

	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 6,430,027	$ 6,347,310	$ 6,847,346	$ 5,780,246	$ 6,109,706
Contributions in relation to the actuarially determined contribution	$ 6,430,027	$ 6,347,310	$ 6,847,346	$ 5,780,246	$ 6,109,706
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 13,916,944	$ 13,014,220	$ 13,006,234	$ 11,618,049	$ 12,105,937
Contributions as a percentage of covered-employee payroll	46.2%	48.8%	52.6%	49.8%	50.5%

	2009	2008	2007	2006	2005
Actuarially determined contribution	$ 5,594,422	$ 4,644,822	$ 4,482,150 `	$ 3,827,510	$ 3,090,663
Contributions in relation to the actuarially determined contribution	$ 5,594,422	$ 4,644,822	$ 4,482,150 `	$ 3,827,510	$ 3,090,663
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 11,177,496	$ 10,591,408	$ 11,999,219	$ 10,976,260	$ 9,104,523
Contributions as a percentage of covered-employee payroll	50.1%	43.9%	37.4%	34.9%	33.9%

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

Town of Davie Police Pension Plan
Required Supplementary Information
Schedule of Investment Returns (Unaudited)
For the Year Ended September 30, 2014

	2014
Annual money-weighted rate of return, net of investment expense	9.10%

* 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.

Method and assumptions used in calculations of the City's actuarially determined contributions. The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported. 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	Determined by smoothing the difference between actual investment earnings and assumed investment return over three years (limited to between 80% and 120% of market value).
Interest Rates	9.17%, compounded annually, net of investment expense, including inflation
Inflation	3.00%
Projected salary increases	6.00%
Expense and or Contingency Loading	Estimated by actual expenses paid during prior year
Mortality Rates:	
Healthy	1983 Group Annuity Mortality Table with separate rates for males and females
Disabled	1985 Pension Disability Table with separate rates for male and females 50% of all pre-retirement deaths are assumed to be duty related

Retirement Rates

The following are the retirement rates assumed for the participants eligible for retirement:

Participants with 20 or more years of Benefit Service

Years of Service	Percentage Retiring
20	65%
21-24	50%
25 and over	100%

Participants with less than 20 years of Benefit Service

Age	Percentage Retiring
50-54	25%
55-59	50%
60 and over	100%

Active participants eligible for retirement that have less than 20 years of Benefit Service as of the valuation date are assumed to have a minimum of one year of future service.

Assumptions on Pensionable Overtime Hours

Each member is assumed to continue to work the same number of overtime hours as in the most recent plan year, subject to the 300 hours maximum, for each future year.

Disability Rates

The 1985 Disability Study - Class 1 with separate male and female rates were used.
75% of disabilities assumed to be service incurred
25% of disabilities assumed to be non-service incurred

Withdrawal Rates

Age	Male	Female
20	10.5%	17.5%
25	7.0%	10.5%
30	4.9%	7.0%
35	3.5%	4.9%
40	2.0%	3.5%
45	1.3%	2.0%
50	0.3%	1.3%
55 & over	0.0%	0.0%

Marital Status and Ages:

100% of active members are assumed to be married.
Female spouses assumed to be 3 years younger than male spouses.

Withdrawal of Employee Contributions:

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

Valuation of Normal Form of Payment

The normal form of payment is valued as an unreduced joint and 60% survivor annuity benefit for married members. For unmarried members, the normal form of payment is valued as a ten year certain and life annuity.

Other Supplemental Schedules

Town of Davie Police Pension Plan
Other Supplemental Schedules of Investment Expenses and Administrative Expenses
For the Years Ended September 30, 2014 and 2013

Schedule "1"
Schedule of Investment Expenses

		2014		2013
Financial management expenses *				
Garcia Hamilton & Associates	$	**124,938**	$	153,861
Buckhead Capital		**92,206**		129,857
Tamro Capital		**102,528**		65,458
Johnston Asset Management		**51,994**		45,451
American Core Realty Fund		**30,527**		27,362
State Street		**9,964**		6,642
Rhumbline Advisers		**25,423**		7,614
Intercontinental		**30,934**		2,441
UBS Realty Investment, LLC		**13,693**		12,523
Total financial management expenses	$	**482,207**	$	451,209
Investment consultant fees				
Dahab & Associates		**49,000**		41,000
Investment custodial fees				
Salem Trust Company		**28,264**		33,611
Fiduciary Trust		**15,456**		-
Total investment expenses	$	**574,927**	$	525,820

* Does not include mutual funds.

Schedule "2"
Schedule of Administrative Expenses

		2014		2013
Professional services				
Actuarial	$	**59,469**	$	43,138
Legal		**16,870**		20,288
Accounting and auditing		**21,000**		20,750
Total professional services	$	**97,339**		84,176
Other				
Administration fee		**43,750**		44,450
Trustee conference and education		**15,314**		28,370
Insurance		**12,883**		9,756
Miscellaneous expense		**1,022**		3,330
Dues and subscriptions		**1,050**		1,380
Total other		**74,019**		87,286
Total administrative expenses	$	**171,358**	$	171,462

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

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