

**CITY OF SUNRISE POLICE OFFICERS'
RETIREMENT PLAN**

FINANCIAL STATEMENTS
September 30, 2014 and 2013

DAVIDSON, JAMIESON & CRISTINI, P.L.
Certified Public Accountants

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

September 30, 2014 and 2013

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The Board of Trustees
City of Sunrise Police Officers'
Retirement Plan
Sunrise, Florida

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

We have audited the accompanying financial statements of City of Sunrise Police Officers' Retirement Plan (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

The Plan's Board of Trustees 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.

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 of material misstatement.

An audit involves performing procedures to obtain 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 Plan'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 Plan'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.

The Board of Trustees
City of Sunrise Police Officers'
Retirement Plan
Sunrise, Florida

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 Sunrise Police Officers' Retirement Plan as of September 30, 2014 and 2013, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying required supplementary information on pages 27 through 31 of the City of Sunrise Police Officers' Retirement Plan is required by Governmental Accounting Standards Board Statement No. 67 and is not a required part of the basic financial statements. The additional information on page 32 is presented for purposes of additional analysis and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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 above information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Davidson, Jamieson & Cristie, P.L.

January 15, 2015

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

STATEMENTS OF FIDUCIARY NET POSITION

September 30, 2014 and 2013

	<u>Assets</u>	
	<u>2014</u>	<u>2013</u>
Receivables:		
Plan members	\$ 76,091	\$ 69,991
Interest	234,810	264,515
Dividends	60,147	48,550
Broker-dealers	399,867	92,763
Other	404	1,397
	<hr/>	<hr/>
Total receivables	771,319	477,216
Prepaid expenses	406,668	10,621
Investments at fair value:		
U.S. Government obligations	12,404,592	2,868,436
U.S. Government agency obligations	18,705,200	19,382,915
Corporate bonds	6,479,459	14,332,808
Domestic stocks	56,446,580	48,808,758
International equity stocks	4,706,323	3,694,666
International equity investment fund	4,347,550	4,170,714
Temporary investment funds	1,626,664	2,973,808
	<hr/>	<hr/>
Total investments	104,716,368	96,232,105
Equipment, at cost, net of accumulated depreciation of \$27,482 and \$27,482 as of September 30, 2014 and 2013, respectively	<hr/> -	<hr/> -
Total assets	105,894,355	96,719,942
	<u>Liabilities</u>	
Accounts payable	137,780	127,195
Advance City contribution	93,526	-
Accounts payable, broker-dealers	99,144	97,546
	<hr/>	<hr/>
Total liabilities	330,450	224,741
Net position restricted for pensions	<u>\$ 105,563,905</u>	<u>\$ 96,495,201</u>

See Notes to Financial Statements.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Additions:		
Contributions:		
Employer	\$ 7,472,477	\$ 6,863,371
Plan members	<u>1,293,252</u>	<u>1,260,531</u>
Total contributions	8,765,729	8,123,902
Intergovernmental revenue:		
State excise tax rebate	620,714	568,388
Investment income (loss):		
Net appreciation (depreciation) in fair value		
of investments	6,303,229	7,443,469
Interest	1,508,778	1,448,845
Dividends	1,445,913	1,174,594
Commission recapture	37	54
Other	<u>8,836</u>	<u>19,377</u>
Investment income	9,266,793	10,086,339
Less investment expenses	<u>561,146</u>	<u>497,857</u>
Net investment income	<u>8,705,647</u>	<u>9,588,482</u>
Total additions	18,092,090	18,280,772
Deductions:		
Benefits:		
Age and service	4,048,229	3,399,228
Disability	375,326	311,081
DROP	4,336,905	1,311,925
Refunds of contributions	40,078	86,289
Administrative expenses	<u>222,848</u>	<u>204,893</u>
Total deductions	<u>9,023,386</u>	<u>5,313,416</u>
Net increase in net position	9,068,704	12,967,356
Net position restricted for pensions:		
Beginning of year	<u>96,495,201</u>	<u>83,527,845</u>
End of year	<u>\$ 105,563,905</u>	<u>\$ 96,495,201</u>

See Notes to Financial Statements.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

1. Description of Plan

The following brief description of the City of Sunrise Police Officers' Retirement Plan (Plan) is provided for general information purposes only. Participants should refer to the Plan Ordinance for more complete information.

General - The Plan is a single employer defined benefit pension plan covering all full-time sworn police officers of the City of Sunrise, Florida (City). Participation in the Plan is required as a condition of employment. Originally established in 1972 and substantially amended in 2002, 2005, 2006, 2008 and 2009, the Plan provides for pension, death and disability benefits. The Plan is subject to provisions of Chapter 185 of the State of Florida Statutes.

The Plan, in accordance with the above statute, is governed by a five member pension board. Two police officers who are elected by a majority of the members of the Plan, two are current members of the Plan or former Police employees who are vested in the Plan and are appointed by the City and a fifth member elected by the other four members constitute the pension board. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City is authorized to establish benefit levels and the Board of Trustees approves the actuarial assumptions used in the determination of contribution levels.

At September 30, 2014, the Plan's membership consisted of:

Retirees and beneficiaries:	
Currently receiving benefits	105
DROP retirees	36
Terminated employees entitled to benefits but not yet receiving them	<u>1</u>
Total	<u>142</u>
Current employees:	
Vested	92
Nonvested	<u>57</u>
Total	<u>149</u>

At September 30, 2013, the date of the most recent actuarial valuation, there were 134 retirees and beneficiaries receiving benefits.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

1. Description of Plan (Continued)

Pension Benefits - Under the Plan, participants with 10 or more years of continuous service are entitled to annual pension benefits beginning at normal retirement age (53) or before age 53 if they have completed 20 continuous years of service. Benefits are equal to 3% of the participants average final compensation for each of the first 10 years of service plus 4% of the participant's average final compensation for the next 10 years of service plus 2% of the average final compensation for each year of credited service thereafter up to a maximum of 80% of the average final compensation. Current normal retirement benefits were 4% of the participant's average final compensation for each of the first 10 years of service and 2% of average final compensation for each year of credited service thereafter provided however, in no event if a participant is employed after January 1, 1980 shall the monthly benefit exceed 100% of average final compensation. These current normal benefits would still be available to active participants employed prior to October 1, 2003, if greater. Average final compensation is the participant's average salary of the three (3) best contributing years. A participant's monthly retirement benefit ceases at the later of death or ten years from retirement if the normal form of payment is elected (10 year certain & life annuity). A participant who terminates prior to 10 continuous years of service forfeits the right to receive all benefits he/she has accumulated. However, he/she retains the right of refund of all personal contributions made to the Plan. An additional benefit of \$25 per year of service per month, up to a maximum of \$500 per month, shall be paid to all retirees who retired after January 1, 2006 through age 65. This payment is reduced to \$15 per year of credited service up to a maximum of \$300 per month after age 65.

The Plan also has a cost of living adjustment of 2.5% per year for members who begin receiving normal retirement benefits or enter the DROP on or after October 1, 2008. The COLA is payable after 5 years of retirement, or for members who participate in the DROP for more than 5 years, upon termination.

A participant with 10 or more years of credited service is eligible for early retirement. These benefits begin upon application on or after reaching age 47 and are computed the same as normal retirement, based upon the participant's final average salary and credited service at the date of termination. Such benefits will be reduced by 3% for each year by which the participant's age at retirement precedes the age of 53.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS September 30, 2014 and 2013

1. Description of Plan (Continued)

Deferred Retirement Option Plan - Any Plan participant who is eligible to receive a normal retirement pension may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a police officer. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the participant as a result of retirement are accumulated and invested in the DROP to be distributed to the participant upon his or her termination of employment. Participants who enter the DROP within 60 months of their earliest or normal retirement date may participate in the DROP. There were thirty-six participants in the DROP as of September 30, 2013.

Participants in the DROP on August 9, 2011 will be given the following options:

Option 1 - Continue to earn the assumed rate of return used in the annual pension valuation on any balance accrued and future deposits in their DROP accounts. The period of maximum DROP participation would remain at 72 months.

Option 2 - Earns a fixed 6% on all deposits (past and future) in their DROP accounts. The period of maximum DROP participation is extended to 84 months.

Participants that enter the DROP on or after August 9, 2011 will be given the following options:

Option 1 - Deposits earn a fixed rate of 6% per year.

Option 2 - Deposits will be invested as directed by the participants among investment options selected by the Board.

The period of maximum DROP participation under both of these options will be 84 months. Upon termination of participation in the DROP all monthly benefits and investment earnings and losses or interest shall cease to be transferred to the participant's DROP account. Any amounts remaining in the participant's DROP account shall be paid to the participant upon termination of employment as a police officer.

Supplemental Pension Distributions - Any participant of the Police Officers' Retirement Plan who terminates employment with immediate eligibility for early or normal retirement benefits or enters the DROP on or after August 14, 2001 is eligible for a 13th check. Participants in the DROP are not eligible for a 14th check. Participants who retire or enter the DROP on or after December 14, 2004 are not eligible for a 13th or 14th check.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

1. Description of Plan (Continued)

The amount of the 13th check is determined in November and is paid on or before December 15 each year based on the cumulative net actuarial gain for the plan as identified in the most recent actuarial report. The amount of the 13th check shall not exceed 100% of a participant's monthly retirement benefit.

In the event that the cumulative net actuarial gain exceeds the amount distributed by the 13th check and the City's required contribution to the Plan a 14th check will be distributed during the following year.

Death Benefits - For any deceased employee who had been an actively employed participant eligible for early, normal or delayed retirement, the benefit payable shall be at least equal to the annuity of ten years calculated as of the date of death. Benefits payable under service-connected death for participants ineligible for early retirement shall be payable to the designated beneficiary at the rate of 100%, 75%, 66⅔% or 50% of the participant's regular monthly retirement benefit per month until death.

Disability Benefits - Benefits payable to participants under service-incurred disability shall be monthly installments of 75% of participant's regular monthly base salary in effect at the date of disability. The benefit shall be paid from the date of disability until recovery or death of the participant. Should a participant become disabled due to a nonservice-incurred cause, benefits of a minimum of 25% of the participant's average final compensation shall be paid monthly from the date of the disability until recovery or death. This non-service connected benefit is only available to participants with ten years or more of creditable service.

Notwithstanding the foregoing, the benefits for service connected disabilities cannot be reduced below the greater of the participant's accrued benefit or 75% of average final compensation.

Refund and Compulsory Contributions - Nonvested participants, upon termination, may request return of their compulsory contributions or leave them on deposit with the Plan for not more than five years. The Plan does not pay any interest on compulsory account balances or contributions returned.

Covered officers are required to contribute 9.84% of their salary to the Plan for the years ended September 30, 2014 and 2013, respectively. If an officer retires, dies, becomes disabled, or terminates employment with the City, accumulated contributions are refunded to the officer or his/her designated beneficiary.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

2. Summary of Significant Accounting Policies

Basis of Accounting - Basis of accounting is the method by which revenues and expenses are recognized in the accounts and are reported in the financial statements. The accrual basis of accounting is used for the Plan. Under the accrual basis of accounting, revenues are recognized when they are earned and collection is reasonably assured, and expenses are recognized when the liability is incurred. Plan member contributions are recognized in the period in which the contributions are due. City contributions to the plan, as calculated by the Plan's actuary, are recognized as revenue when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Basis of Presentation - The accompanying financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statement 67, Financial Reporting for Defined Benefit Pension Plans and the Codification of Governmental Accounting and Financial Reporting Standards which covers the reporting requirements for defined benefit pensions established by a governmental employer. The accompanying financial statements include solely the accounts of the Plan which include all programs, activities and functions relating to the accumulation and investment of the assets and related income necessary to provide the service, disability and death benefits required under the terms of the Plan and the amendments thereto.

Valuation of Investments - Investments in common stock and bonds traded on a national securities exchange are valued at the last reported sales price on the last business day of the 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 mean between the past reported bid and asked prices; investments in securities not having an established market value are valued at fair value as determined by the Board of Trustees. The fair value of an investment is the amount that the Plan could reasonably expect to receive for it in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale. Purchase and sales of investments are recorded on a trade date basis.

Investment income is recognized on the accrual basis as earned. Unrealized appreciation in fair value of investments includes the difference between cost and fair value of investments held. The net realized and unrealized investment appreciation or depreciation for the year is reflected in the Statement of Changes in Plan Net Assets.

Custody of Assets - Custodial and certain investment services are provided to the Plan under contracts with a custodian having trust powers in the State of Florida. The Plan's investment policies are governed by Florida State Statutes and ordinances of the City of Sunrise, Florida.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

2. Summary of Significant Accounting Policies (Continued)

Authorized Plan Investments - The Board recognizes that the obligations of the Plan are long-term and that its investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return defined as interest and dividend income plus realized and unrealized capital gains or losses commensurate with the prudent investor rule and Chapter 185 of the Florida Statutes.

Permissible investments include obligations of the U.S. Treasury and U.S. agencies, high capitalization common or preferred stocks, small capitalization common stocks, pooled equity funds, high quality bonds or notes and fixed income funds. In addition, the Board requires that Plan assets be invested within a range of no more than 70% in stocks and fixed income securities measured at market.

In addition, the Plan limits investment in common stock (equity investments) as follows:

- a. No more than five percent of the Plan's assets may be invested in the common or capital stock of any single corporation.
- b. The Plan's investment in the common stock of any single corporation shall not exceed five percent of such corporation's outstanding common or capital stock.
- c. The Plan has no instrument that, in whole or in part, is accounted for as a derivative instrument under FASB statement No. 133, *Accounting for Derivative Instruments and Hedging Activities* during the current Plan year.

Further information regarding the permissible investments for the Plan can be found in the Plan's Statement of Investment Policy.

Funding Policy - Participants are required to contribute 9.84% of their annual earnings to the Plan for the fiscal years ended September 30, 2014 and 2013. Prior to January 1, 1990, contributions to the System were made on an after-tax basis. Subsequent to this date, contributions are made on a pre-tax basis pursuant to an amendment to the Plan. These contributions are designated as employee contributions under Section 414(h)(2) of the Internal Revenue Code. Contribution requirements of the Plan's participants are established and may be amended by the City of Sunrise, Florida.

A rehired member returning to work in ninety days from termination may buy back past service by paying into the Plan the amount of contributions that the participant would otherwise have paid for such continuous past service, plus the interest that would have been earned had such funds been invested by the Plan during that time.

A rehired member returning to work more than ninety days from termination may buy back past service by paying into the Plan the actuarially calculated amount of contributions that the participant would otherwise have paid for such continuous past service.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

2. Summary of Significant Accounting Policies (Continued)

The City's funding policy is to make actuarially computed contributions to the Plan in amounts, such that when combined with participants' contributions and the State insurance excise tax rebate, all participants' benefits will be fully provided for by the time that they retire.

The City's actuarially determined contribution rate for the year ended September 30, 2014 was 56.82%. This rate consists of 19.91% of member salaries to pay normal costs plus 36.91% to amortize the unfunded actuarially accrued liability pursuant to the September 30, 2013 actuarial valuation.

Administrative Costs - All administrative costs of the Plan are financed through investment earnings and charges against the DROP accounts and supplemental distributions. The Plan has no undue investment concentrations.

Cash - The Plan considers broker-dealer deposits as cash. Temporary investments shown on the balance sheet are composed of investments in short-term custodial and broker-dealer proprietary money market funds.

Federal Income Taxes - The Plan has not applied for a favorable determination letter from the Internal Revenue Service indicating that the Plan is qualified and exempt from Federal income taxes. The Board believes that the Plan is designed and continues to operate in compliance with the applicable requirements of the Internal Revenue Code.

Actuarial Cost Method - Under the Frozen Entry Age Actuarial Cost method the present value of benefits for each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the participant between the age of entry into the plan and expected retirement.

Reporting Entity - The financial statements presented are only for the Plan and are not intended to present the basic financial statements of the City of Sunrise, Florida.

The Plan is included in the City's Comprehensive Annual Financial Report (CAFR) for the years ended September 30, 2014 and 2013, which are separately issued documents. Anyone wishing further information about the City is referred to the City's CAFR.

The Plan is a pension trust fund (fiduciary fund type) of the City which accounts for the single employer defined benefit pension plan for all City Police Officers. The provisions of the Plan provide for retirement, disability, and survivor benefits.

Equipment - Equipment is recorded at cost. Depreciation is recorded on the straight-line method over a ten year estimated useful life.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

2. Summary of Significant Accounting Policies (Continued)

Risk and Uncertainties - The Plan invests in a variety of investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Restatement - Certain figures for the year ended September 30, 2013 have been restated to conform to the financial statement presentation for the year ended September 30, 2014.

New Accounting Pronouncements - Governmental Accounting Standards Board (GASB) 67, *Financial Reporting for Pension Plans* and GASB 68, *Accounting & Financial Reporting for Pensions (Employer)*, address accounting and financial reporting requirements for pension plan activities. The City of Sunrise Police Officers' Retirement Plan (Plan) is a single employer pension plan as defined by GASB 67. The requirements for GASB 67 require changes in presentation of the financial statements, notes to the financial statements, and required supplementary information. GASB 67 is effective for fiscal years beginning after June 15, 2013. The implementation of GASB 67 did not significantly impact the accounts receivable and investment balances, as they were already accounted for in accordance with GASB 67 requirements and therefore no restatement of the 2013 balances were necessary. The Plan's implementation consist of the assumptions and actuarial calculation of total and net pension liability, comprehensive footnote disclosures regarding the pension liability calculation and assumptions and increased investment activity disclosures.

Subsequent Events - Management has adopted the provisions set forth in GASB Statement No. 56, *Subsequent Events*, and considered subsequent events through the date of the audit report which is the date that the financial statements were available to be issued.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

3. Deposits and Investments

Deposits

Fiduciary Trust Company International ("Fiduciary Trust") periodically holds uninvested cash in its capacity as custodian for the Plan. These funds exist temporarily as cash in the process of collection from the sale of securities.

Investments

Vanguard Developing Markets (Vanguard) is an alternative investment fund that invests primarily in foreign securities and investment funds. These investments are generally valued at fair value as determined by the management of the fund by reference to the value of the underlying fund's assets minus its liabilities (Net Asset Value - NAV) and then divided by the percentage of ownership outstanding (capital account), if available, or by the valuation of a fund's underlying assets as provided by the general partner or investment manager, if the assets are not publicly traded. The fund may also hold certain investments which may be valued by a single market maker. While the fund managers use their best judgment in estimating the fair value of underlying funds, there are inherent limitations in any estimation technique. Accordingly the fair value of international securities and funds have been estimated by the Plan's management in the absence of readily ascertainable market values. Therefore, the values of such securities and funds are not necessarily indicative of the amount that could be realized in a current transaction. The fair values may differ significantly from the values that would have been used had a ready market for the underlying funds existed, and the difference could be material. Future confirming events will also affect the estimates of fair value, and the effects of such events on the estimates of fair value could be material.

This alternative investment fund exposes the Plan to certain risks, including liquidity risks, counterparty risks, foreign political, economic, and governmental risks, and market risk. In addition, these investments may have initial lock-up period, as well as restrictions for liquidating positions in these funds, that make the investment non-current and non-marketable.

The Vanguard Developed Markets International Equity Index Investment fund replaced the Thornburg International Equity Investment fund during the fiscal year ended September 30, 2013.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

3. Deposits and Investments (Continued)

The Plan's security investments are segregated into five separate accounts and managed under separate investment agreements with Ceredex Value Advisors, LLC, Mutual of America Capital Management Corporation, Garcia Hamilton and Associates, Kayne Anderson Rudnick Investment Management, LLC and Wentworth Hauser and Violich, Inc.. These accounts give Fiduciary Trust International of the South (FTIOS) the custodianship, but give Ceredex Value Advisors, LLC, Mutual of America Capital Management Corporation, Garcia Hamilton and Associates, Kynes Anderson Rudnick Investment Management, LLC and Wentworth, Hauser and Violich, Inc. the authority to manage the investments. Wentworth, Hauser, Violich, Inc. is an international equity manager. These assets are invested in accordance with the specific guidelines as set forth in the Plan's Statement of Investment Policy. Investment management and custodial fees are calculated quarterly as a percentage of the fair market value of the Plan's assets managed.

The Plan's investments are uninsured and unregistered and are held in the custodian's accounts in the Plan's name.

The Plan held no individual investments that individually represented 5% or more of the Plan's net assets available for benefits during the year ended September 30, 2014.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

3. Deposits and Investments (Continued)

Investments (Continued)

The Plan held the following fixed income investments as of September 30, 2014:

Investment Type	Fair Value	Rating	
		Barclays Aggregate Bond Index	Effective Average Duration (Years)
U.S. Government securities	\$ 12,404,592	AA	3.40
U.S. Government agencies	18,705,200	AA	4.60
Corporate bonds	6,479,459	A-AAA	4.90
Temporary investment funds	<u>1,626,664</u>	Not Rated	0.0
Total fixed investments	<u>\$ 39,215,915</u>		

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. Through its investment policies the Plan manages its exposure to fair value losses arising from increasing interest rates. The Plan limits the effective duration of its investment portfolio through the adoption of the Barclays Capital Intermediate Government/Credit Index for Garcia, Hamilton, Jackson & Associates Fixed Income.

The Plan manages its investment risks by meeting the following criteria:

1. Over a three to five year time horizon, fixed income performance should be equal to or greater than the return of the Barclays Intermediate Government/Credit Index. The new fixed income portfolio performance (inception January 1, 2007) should be equal to or greater than the return of the Barclays Aggregate Bond Index (A rated bonds or better).
2. Over a three to five year time horizon, fixed income performance should be greater than the median (50th percentile) of an appropriate fixed income universe. Placing above the 50th percentile is not a condition of retention.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

3. Deposits and Investments (Continued)

Investments (Continued)

Credit Risk - Credit risk is the risk that a debt issuer will not fulfill its obligations. Consistent with state law the Plan's investment guidelines limit its fixed income investments to the following rating criteria:

- 1) All corporate debt issues (bonds, notes, and debentures) shall be rated in the highest three (3) categories of quality by any of the following listed services: Moody's or Standard and Poor's.

Any issue, if downgraded to the (4th) category) by one of the ratings services must be sold within a reasonable period of time not to exceed twelve (12) months. Fixed income investments that are downgraded below the (4th) category shall be liquidated immediately.

- 2) Temporary investments: Moody's P1 of Standard and Poor's A1.

The Plan's investment policy which conforms to Chapter 185 of the Florida Statutes was adopted in May 2008 and contains the following sections:

1. Scope
2. Investment objectives
3. Performance measurement
4. Investment and fiduciary standards
5. Authorized investments
6. Maturity and liquidity requirements
7. Portfolio composition
8. Risk and diversification
9. Expected annual rate of return
10. Third-party custodial agreements
11. Master repurchase agreement
12. Bid requirement
13. Internal controls
14. Continuing education
15. Reporting
16. Filing of investment policy
17. Valuation of illiquid investments

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

3. Deposits and Investments (Continued)

Investments (Continued)

Custodial Credit Risk - Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another party in the event of a financial failure. The Plan requires all securities to be held by a third party custodian in the name of the Plan. Securities transactions between the broker-dealer and the custodian involving the purchase or sale of securities must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

Investment in Foreign Markets - Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized or unrealized gains, and their prices and more volatile than those of comparable securities in U.S. companies.

Foreign Tax Withholdings and Reclaims - Withholding taxes on dividends from foreign securities are provided for based on rates established via treaty between the United States of America and the applicable foreign jurisdiction, or where no treaty exists at the prevailing rate established by the foreign country. Foreign tax withholdings are reflected as a reduction of dividend income in the statement of changes in Plan net assets. Where treaties allow for a reclaim of taxes, the Plan will make a formal application for refund. Such reclaims are included as an addition to dividend income when received.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
September 30, 2014 and 2013

3. Deposits and Investments (Continued)

Investment Asset Allocation - The Plan's adopted asset allocation policy as of September 30, 2014 is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed income	40%
Domestic equity	51
International equity	<u>9</u>
Total	<u>100%</u>

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 expense, was 8.72 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

4. Plan's Funded Status

The City's Net Pension Liability as of October 1, 2014 actuarial valuation is presented below:

Fiscal Year Ended September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2014	\$ 158,297,607	\$ 105,563,905	\$ 52,733,702	66.69%	\$ 13,142,805	401.24%

The required schedule of the employer's net pension liability immediately following the notes to the financial statements presents trend information about whether the plan net position is increasing or decreasing over time relative to the total pension liability.

The actuarial methods and significant assumptions used are summarized as follows:

- (a) Actuarial cost method - Entry Age Normal
- (b) Asset valuation method - Five Year Smoothed Market
- © Actuarial assumptions:
 - Investment rate of return - 8.0%
 - Post retirement benefit increases - 2.5% after 5 years of retirement
 - Projected salary increases - 5.2% to 8.5% depending on age, including inflation
 - Inflation rate - 3.0%
- (d) Amortization method - Level percent of pay - closed
- (e) Remaining amortization period - 20 years
- (f) Mortality - RP 2000 Combined Healthy Participant Mortality Tables.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

5. Net Increase (Decrease) in Realized and Unrealized Appreciation (Depreciation) of Investments

The Plan's investments appreciated (depreciated) in value during the years ended September 30, 2014 and 2013 as follows:

	2014		
	Realized Appreciation (Depreciation)	Unrealized Appreciation (Depreciation)	Total
Investments at fair value as determined by quoted market price:			
U.S. Government obligations	\$ (61,463)	\$ 297,407	\$ 235,944
U.S. Government agency obligations	(328,925)	(96,775)	(425,700)
Corporate bonds	148,807	367,319	516,126
Domestic stocks	5,396,233	331,266	5,727,499
International equity investment fund	-	(94,406)	(94,406)
International equity stocks	6,877	336,889	343,766
Net increase in realized and unrealized appreciation (depreciation) of investments	<u>\$ 5,161,529</u>	<u>\$ 1,141,700</u>	<u>\$ 6,303,229</u>
	2013		
	Realized Appreciation (Depreciation)	Unrealized Appreciation (Depreciation)	Total
Investments at fair value as determined by quoted market price:			
U.S. Government obligations	\$ 43,758	\$ (306,013)	\$ (262,255)
U.S. Government agency obligations	(939,340)	(2,229,804)	(3,169,144)
Corporate bonds	1,453,518	(1,509,225)	(55,707)
Domestic stocks	5,093,205	4,897,072	9,990,277
International equity investment fund	380,943	300,880	681,823
International equity stocks	(44,090)	302,565	258,475
Net increase in realized and unrealized appreciation (depreciation) of investments	<u>\$ 5,987,994</u>	<u>\$ 1,455,475</u>	<u>\$ 7,443,469</u>

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

5. Net Increase (Decrease) in Realized and Unrealized Appreciation (Depreciation) of Investments (Continued)

The calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) in the fair value of plan investments.

Unrealized gains and losses on investments sold in 2014 that had been held for more than one year were included in net appreciation (depreciation) reported in the prior year.

6. Investments

The Plan's investments at both carrying value and cost or adjusted cost as of September 30, 2014 and 2013 are summarized as follows:

<u>Investment</u>	<u>2014</u>		<u>2013</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Government obligations	\$ 12,303,953	\$ 12,404,592	\$ 3,065,504	\$ 2,868,436
U.S. Government agency obligations	18,735,203	18,705,200	19,422,944	19,382,915
Corporate bonds	6,466,756	6,479,459	14,687,424	14,332,808
Domestic stocks	45,400,740	56,446,580	37,698,695	48,808,758
International equity investment fund	4,499,849	4,706,323	3,869,834	4,170,714
International equity stocks	3,589,353	4,347,550	3,273,358	3,694,666
Temporary investments	1,626,664	1,626,664	2,973,808	2,973,808
Total	<u>\$ 92,622,518</u>	<u>\$ 104,716,368</u>	<u>\$ 84,991,567</u>	<u>\$ 96,232,105</u>

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

7. Commission Recapture

The Plan has entered commission recapture agreements with certain commission rebate broker-dealers. Terms of these agreements provide that the Plan agrees to direct its investment managers to effect certain trades through these broker-dealers consistent with best execution. These broker-dealers agree to refund an agreed upon percentage of the total of such brokerage commissions to the Plan. Commission recapture revenues for the years ended September 30, 2014 and 2013 was \$37 and \$54, respectively.

8. Designations

A portion of the net position will be designated for benefits that accrue in relation to the DROP accounts as further described in Note 1. Allocations to the DROP plan accounts for the years ended September 30, 2014 and 2013 are presented below as determined and reported by the Plan's actuary.

	<u>2014</u>	<u>2013</u>
Designated net position for DROP accounts (fully funded)	\$ 7,274,060	\$ 8,890,314
Undesignated net position	<u>98,289,845</u>	<u>87,604,887</u>
Total net position	<u>\$ 105,563,905</u>	<u>\$ 96,495,201</u>

9. Plan Amendments

The Plan was not amended during the fiscal year ended September 30, 2014.

The Plan was amended during the fiscal year ended September 30, 2013 as follows:

Plan Board members who participate in the DROP must have at least eighteen months remaining in their DROP participation at the time that they take office.

The actuary reported that this amendment would have no actuarial impact on the Plan.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

10. Mortgage-Backed Securities

The Plan invests in mortgage-backed securities representing interests in pools of mortgage loans as part of its interest rate risk management strategy. The mortgage-backed securities are not used to leverage investments in fixed income portfolios. The mortgage-backed securities held by the Plan were guaranteed by federally sponsored agencies such as: Government National Mortgage Association, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation.

All of the Plan's financial investments are carried at fair value on the Statements of Fiduciary Net Position included in investments. The gain or loss on financial instruments is recognized and recorded on the Statements of Changes in Fiduciary Net Position as part of investment income.

11. Plan Termination

Although it has not expressed an intention to do so, the City may terminate the Plan at any time by a written ordinance of the City Commission of Sunrise, duly certified by an official of the City. In the event that the Plan is terminated or contributions to the Plan are permanently discontinued, the benefits of each police officer in the Plan at such termination date would be non-forfeitable.

12. Commitments

As described in Note 1, certain members of the Plan are entitled to refunds of their accumulated contributions, without interest, upon termination of employment with the City prior to being eligible for pension benefits. At September 30, 2014, aggregate contributions from active members of the Plan were approximately \$14,856,000. The portion of these contributions which are refundable to participants who may terminate with less than ten years of service has not been determined.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
September 30, 2014 and 2013

13. Lease Agreement

The Plan was obligated under noncancelable operating lease agreements on certain equipment and its office facilities during the year ended September 30, 2014. The lease terms cover the period from October 1, 2013 through April 1, 2017. Future minimum annual maturities under these lease agreements are summarized as follows:

Year Ended <u>September 30</u>	
2015	\$ 18,000
2016	18,000
2017	<u>9,000</u>
	<u>\$ 45,000</u>

Equipment and office rent expense, which includes CAM maintenance costs, for the years ended September 30, 2014 and 2013 was \$29,286 and \$29,259, respectively.

The Plan also entered a noncancelable month-to-month sublease agreement of certain office space. Rent income for the fiscal year ended September 30, 2014 and 2013 was \$2,939 and \$2,939, respectively.

14. Changes in Actuarial Assumptions

The actuarial assumptions as of September 30, 2014 have been changed as follows:

- A. The assumed rate of return is lowered from 8.1% to 8.0%.
- B. The change in the mortality rates to the RP2000 Generational Mortality Table from the 1983 Group Annuity Mortality Table is being phased in over five years, this being the fifth year.

The above assumption changes recognized in the 2014 valuation have increased the required employer contribution by 2.72% of covered payroll.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
September 30, 2014 and 2013

15. Self-Directed DROP Accounts

During fiscal year ended September 30, 2013, the Board entered a group annuity contract with the ING Life Insurance and Annuity Company (ILIAC). Terms of this investment agreement provide for the investment of DROP assets in a participant self-directed investment program under Section 401(a) of the Internal Revenue Code. The twenty-two investment alternatives have been approved by the Plan's Board of Trustees. There were no self-directed DROP accounts established as of September 30, 2014.

16. Net Pension Liability of the City

The components of net position liability of the City of Sunrise (City) as of September 30, 2014 were as follows:

Total Pension Liability	\$ 158,297,607
Plan Fiduciary Net Position	<u>(105,563,905)</u>
City's Net Pension Liability	\$ 52,733,702
Plan Fiduciary Net Position as a percentage of total pension liability	66.69%

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of October 1, 2013 using the following actuarial assumptions applied to all measurement periods.

Inflation	3.00%
Salary increases	5.2% to 8.5% depending on age, including inflation
Investment rate of return	8.00%

Mortality rates were based on the RP-2000 Table for males and females with mortality improvement projected to all future years using Scale AA.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
September 30, 2014 and 2013

16. Net Pension Liability of the City (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
15.5% large growth	7.75%
15.5% large value	8.00%
9% international stock	8.25%
10% small stock	8.73%
10% mid-cap stock	8.25%
20% fixed	3.50%
20% international fixed	1.90%

Discount Rate - The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	7.00%	8.00%	9.00%
City's Net Pension Liability	\$ 73,876,421	\$ 52,733,202	\$ 35,419,367

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

**SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS**

Last Fiscal Year

	September 30, <u>2014</u>
Total pension liability:	
Service cost	\$ 3,784,863
Interest	12,056,017
Benefit changes	-
Differences between actual and expected experience	(58,354)
Assumption changes	-
Benefit payments,	(8,760,460)
Refunds	<u>(40,078)</u>
Net change in total pension liability	6,981,988
Total pension liability - beginning	<u>151,315,619</u>
Total pension liability - ending (a)	\$ <u><u>158,297,607</u></u>
Plan fiduciary net position:	
Contributions - employer	\$ 7,472,477
Contributions - non-employer contribution entity	620,714
Contributions - members	1,293,252
Net investment income	8,705,647
Benefit payments	(8,760,460)
Refunds	(40,078)
Administrative expense	(222,848)
Other	<u>-</u>
Net change in plan fiduciary net position	9,068,704
Plan fiduciary net position - beginning	<u>96,495,201</u>
Plan fiduciary net position - ending (b)	\$ <u><u>105,563,905</u></u>
Net Pension Liability - Ending (a) - (b)	\$ <u><u>52,733,702</u></u>
Plan fiduciary net position as a percentage of total pension liability	66.69%
Covered employee payroll	\$ 13,142,805*
Net pension liability as a percentage of covered employee payroll	401.24%

*Actual total covered payroll for the fiscal year ended September 30, 2014.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

**SCHEDULE OF THE CITY'S
NET PENSION LIABILITY**

Last Fiscal Year

<u>Fiscal Year Ended September 30,</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as a Percentage of the Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>
2014	\$ 158,297,607	\$ 105,563,905	\$ 52,733,702	66.69%	\$ 13,142,805 0	401.24%

*Actual total covered payroll for the fiscal year ending September 30, 2014.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

SCHEDULE OF CONTRIBUTIONS

Last Ten Fiscal Years

<u>Fiscal Year Ended September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll*</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2005	\$ 1,694,795	\$ 1,694,795	\$ -	\$ 10,894,352	15.56%
2006	2,017,275	2,017,275	-	11,323,389	17.82
2007	3,483,437	3,530,143	(46,706)	11,686,231	30.21
2008	4,227,050	4,227,050	46,706	12,497,032	33.45
2009	4,547,620	4,547,620	-	13,475,617	33.75
2010	5,705,361	5,705,361	-	13,936,365	40.94
2011	6,462,794	6,462,794	-	13,027,405	49.61
2012	6,542,571	6,542,571	-	13,521,139	48.39
2013	7,431,759	7,431,759	-	13,359,510	55.63
2014	8,093,191	8,093,191	-	13,292,908	60.88

*Actual total covered payroll for fiscal year ending September 30, 2014; expected total covered payroll for all other years.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO THE SCHEDULE OF CONTRIBUTIONS

September 30, 2014

Last Fiscal Year

Valuation date: October 1, 2013
Notes Actuarially determined contribution rates are calculated as of October 1, which is two year(s) prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of pay closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	5.2% to 8.5% depending on age, including inflation
Investment Rate of Return	8.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years using Scale AA

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

SCHEDULE OF SINGLE DISCOUNT RATE

September 30, 2014

A single discount rate of 8.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 8.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (8.00%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability calculated using a single discount rate of 8.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1- percentage-point lower or 1 percentage-point higher.

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

<u>1% Decrease</u> <u>7.00%</u>	<u>Current</u> <u>Single Discount</u> <u>Rate Assumption</u> <u>8.00%</u>	<u>1% Increase</u> <u>9.00%</u>
\$ 73,876,421	\$ 52,733,702	\$ 35,419,367

ADDITIONAL INFORMATION

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

SCHEDULES OF ADMINISTRATIVE AND INVESTMENT EXPENSES Years ended September 30, 2014 and 2013

Administrative and investment expenses for the years ended September 30, 2014 and 2013 are summarized as follows:

	2014		2013	
	Expenses		Expenses	
	Administrative	Investment	Administrative	Investment
Actuary	\$ 38,717	\$ -	\$ 28,305	\$ -
Administrator	56,459	-	54,504	-
Audit	16,600	-	14,300	-
Custodial fees		60,959		52,229
Depreciation expense	-	-	-	-
Dues and subscriptions	470	-	385	-
Education and training*	9,933	-	14,694	-
Electric	1,099	-	884	-
Insurance	14,542	-	13,663	-
Investment manager fees:				
Cohen and Steers	-	-	-	1,986
Garcia Hamilton and Associates	-	192,716	-	181,275
Ceredex Value Advisors, LLC		106,191		98,441
Mutual of America Capital Management Corporation	-	9,577	-	7,329
Wentworth, Hauser and Violich, Inc.	-	46,908	-	36,586
Kayne, Anderson, Rudnick Investment Management LLC	-	100,991	-	77,472
Legal	15,133	-	26,163	-
Medical fees	-	-	1,900	-
Office space rent	18,000	-	18,000	-
CAM fees	9,144	-	9,116	-
Office supplies and expense	7,089	-	7,488	-
Performance monitor	-	43,804	-	42,539
Postage	1,639	-	68	-
Printing and stationery	482	-	84	-
Secretarial	14,016	-	12,914	-
Telephone	1,801	-	1,824	-
Information Technology	17,724	-	601	-
TOTALS	<u>\$ 222,848</u>	<u>\$ 561,146</u>	<u>\$ 204,893</u>	<u>\$ 497,857</u>
Percent of Plan Net Position	<u>0.21%</u>	<u>0.53%</u>	<u>0.21%</u>	<u>0.52%</u>

* It is the Board's policy to pay education and training costs with earnings from the Plan's commission recapture program. Commission recapture revenue for the years ended September 30, 2014 and 2013 was \$37 and \$54, respectively.