

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

FINANCIAL STATEMENTS
September 30, 2015 and 2014

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

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

September 30, 2015 and 2014

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
 <u>FINANCIAL STATEMENTS</u>	
STATEMENTS OF FIDUCIARY NET POSITION	3
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION	4
NOTES TO FINANCIAL STATEMENTS	5
 <u>REQUIRED SUPPLEMENTAL INFORMATION</u>	
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS	28
SCHEDULE OF CONTRIBUTIONS	29
NOTES TO SCHEDULE OF CONTRIBUTIONS	30
SCHEDULE OF INVESTMENT RETURNS	31
 <u>ADDITIONAL INFORMATION</u>	
SCHEDULES OF ADMINISTRATIVE AND INVESTMENT EXPENSES	32

Davidson, Jamieson & Cristini, P.L.

Certified Public Accountants

1956 Bayshore Boulevard
Dunedin, Florida 34698-2503
(727)734-5437 or 736-0771
FAX (727) 733-3487

Members of the Firm

John N. Davidson, CPA, CVA
Harry B. Jamieson, CPA
Richard A. Cristini, CPA, CPPT, CGFM
Jeanine L. Bittinger, CPA, CPPT

Member
American Institute of
Certified Public Accountants
Florida Institute of
Certified Public Accountants

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, 2015 and 2014, 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, 2015 and 2014, 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 28 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 & Crestine, P.L.

January 15, 2016

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

STATEMENTS OF FIDUCIARY NET POSITION

September 30, 2015 and 2014

	<u>Assets</u>	
	<u>2015</u>	<u>2014</u>
Receivables:		
Plan members	\$ 92,194	\$ 76,091
Interest	247,051	234,810
Dividends	54,506	60,147
Broker-dealers	208,373	399,867
Other	786	404
	<hr/>	<hr/>
Total receivables	602,910	771,319
Prepaid expenses	428,678	406,668
Investments at fair value:		
U.S. Government obligations	17,705,683	12,404,592
U.S. Government agency obligations	19,956,733	18,705,200
Corporate bonds	5,304,370	6,479,459
Domestic stocks	56,064,834	56,446,580
International equity stocks	-	4,706,323
International equity investment fund	4,334,109	4,347,550
Temporary investment fund	6,125,007	1,626,664
	<hr/>	<hr/>
Total investments	109,490,736	104,716,368
Equipment, at cost, net of accumulated depreciation of \$27,482 and \$27,482 as of September 30, 2015 and 2014, respectively	-	-
	<hr/>	<hr/>
Total assets	110,522,324	105,894,355
	<u>Liabilities</u>	
Accounts payable	128,984	137,780
Advance City contribution	-	93,526
Accounts payable, broker-dealers	154,276	99,144
	<hr/>	<hr/>
Total liabilities	283,260	330,450
Net position restricted for pensions	<u>\$ 110,239,064</u>	<u>\$ 105,563,905</u>

See Notes to Financial Statements.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Additions:		
Contributions:		
Employer	\$ 8,194,759	\$ 7,472,477
Plan members	1,524,051	1,293,252
Total contributions	<u>9,718,810</u>	<u>8,765,729</u>
Intergovernmental revenue:		
State excise tax rebate	639,176	620,714
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	(2,705,464)	6,303,229
Interest	1,687,365	1,508,778
Dividends	1,951,635	1,445,913
Commission recapture	1,141	37
Class action revenue	16,012	5,721
Other	2,936	3,115
Investment income	<u>953,625</u>	<u>9,266,793</u>
Less investment expenses	587,493	561,146
Net investment income	<u>366,132</u>	<u>8,705,647</u>
Total additions	10,724,118	18,092,090
Deductions:		
Benefits:		
Age and service	4,373,822	4,048,229
Disability	377,098	375,326
DROP	1,010,331	4,336,905
Refunds of contributions	56,610	40,078
Administrative expenses	231,098	222,848
Total deductions	<u>6,048,959</u>	<u>9,023,386</u>
Net increase in net position	4,675,159	9,068,704
Net position restricted for pensions:		
Beginning of year	<u>105,563,905</u>	<u>96,495,201</u>
End of year	<u>\$ 110,239,064</u>	<u>\$ 105,563,905</u>

See Notes to Financial Statements.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2015 and 2014

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 2005, 2006, 2008, 2009 and 2015, 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, 2015, the Plan's membership consisted of:

Retirees and beneficiaries:	
Currently receiving benefits	107
DROP retirees	27
Terminated employees entitled to benefits but not yet receiving them	<u>1</u>
Total	<u>135</u>
Current employees:	
Vested	78
Nonvested	<u>76</u>
Total	<u>154</u>

At September 30, 2014, the date of the most recent actuarial valuation, there were 141 retirees and beneficiaries receiving benefits.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2015 and 2014

1. Description of Plan (Continued)

Pension Benefits - Pension benefits are summarized as follows:

Benefits	Sunrise Police - Tier 1 (Hired Before September 30, 2015)	Sunrise Police - Tier 2 (Hired on or After September 30, 2015)
Benefit Formula	3% of FAE for first 10 years of service 4% of FAE for next 10 years of service 2% of FAE for each year thereafter (80% of FAE maximum)	3% of FAE for first 20 years of service 2% of FAE for each year thereafter (70% of FAE maximum; no less than 2.75% per year of service)
Monthly Supplemental Benefit	\$25 x service (max \$500) until age 65 \$15 x service (max \$300) after age 65	None from pension plan but \$350 for life outside of pension plan
Pensionable Earnings	Regular pay plus overtime (up to 300 hours), holiday and other payroll incentives and general expense allowances, but excluding lump sum payouts of accrued benefits upon termination of employment, auto and uniform allowances, travel reimbursements and special detail pay	Same as current definition but excluding all overtime
Final Average Earnings (FAE)	Highest 3 years of service (does not need to be consecutive)	Highest 5 consecutive years of service out of last 10 years
Normal Retirement Date (NRD)	Age 53 with 10 years of service 20 years of service regardless of age	Age 55 with 10 years of service Age 52 with 25 years of service
Early Retirement Date (ERD)	Age 47 with 10 years of service	Age 50 with 10 years of service
Early Retirement Reduction	3% per year early No COLA	3% per year early No COLA
Cost of Living Adjustment ("COLA")	2.5% annual COLA starting 5 years after retirement	None
13 th Check	None	13 th check for years of investment gains if plan is 100% funded
Normal Form of Benefit	10-Year Certain and Life Annuity	10-Year Certain and Life Annuity
Employee Contribution Rate	9.84% of Earnings	8% of earnings
Vesting Years	10 years of service	10 years of service

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2015 and 2014

1. Description of Plan (Continued)

Pension Benefits (Continued)

Benefits	Sunrise Police - Tier 1 (Hired Before September 30, 2015)	Sunrise Police - Tier 2 (Hired on or After September 30, 2015)
DROP Maximum Years of Participation	7 years (reduced if DROP entry is delayed more than 5 years after NRD)	4 years (must elect within 6 months of NRD)
DROP Interest Rate	6% per year (or self-directed DROP option)	0% until plan is 100% funded Actual plan return with minimum of 0% and maximum of 4% after plan is 100% funded
Service Connected Disability Benefits	75% of salary in effect on the date of disability, less offsets (42% of FAE minimum)	70% of salary in effect on the date of disability, less offsets (42% of FAE minimum)
Non-Service Connected Disability Benefits	Accrued benefit (25% of FAE minimum) 10-year eligibility requirements	Accrued benefit (25% of FAE minimum and 50% of FAE maximum) 10-Year eligibility requirement
Service Connected Death Benefit	Accrued benefit (75% of FAE minimum)	Accrued benefit Actuarially adjusted for beneficiary's age
Non-Service Connected Death Benefit	Accrued benefit (deferred to NRD or ERD) 10-year eligibility requirement	Accrued benefit (deferred to NRD or ERD) Actuarially adjusted for beneficiary's age 10-year eligibility requirement

Purchase of Credited Service - Members may purchase Credited Service as provided for in the ordinance. A member who has not yet vested may be permitted to purchase Credited Service as a conditional purchase whereby the purchased service will not be credited until the member has vested. Should the member separate from service prior to vesting, he may choose to receive a return of the employee contributions, including those attributable to the purchased service, without interest or may leave the contribution in the Fund for up to five years in accordance with the ordinance provisions.

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% (8.00% for Tier 2 officers) of their salary to the Plan for the years ended September 30, 2015 and 2014, 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, 2015 and 2014

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 Fiduciary Net Position.

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, 2015 and 2014

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 GASB statement No. 53, *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, 2015 and 2014. 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, 2015 and 2014

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, 2015 was 61.63%. This rate consists of 20.72% of member salaries to pay normal costs plus 40.91% to amortize the unfunded actuarially accrued liability pursuant to the September 30, 2014 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 Entry Age Normal 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, 2015 and 2014, 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, 2015 and 2014

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, 2014 have been restated to conform to the financial statement presentation for the year ended September 30, 2015.

New Accounting Pronouncement - 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.

It is important to note that the disclosures related to GASB 67 are accounting measurements, not actuarial measurements of the funded status of the Plan, and are not used to develop employer contribution rates.

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, 2015 and 2014

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 Developing 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, 2015 and 2014

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. (WHV). The WHV investment was closed during the year ended September 30, 2015. 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, and Kayne Anderson Rudnick Investment Management, LLC the authority to manage the investments. 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, 2015.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2015 and 2014

3. Deposits and Investments (Continued)

Investments (Continued)

The Plan held the following fixed income investments as of September 30, 2015:

Investment Type	Fair Value	Rating	
		Barclays Aggregate Bond Index	Effective Average Duration (Years)
U.S. Government securities	\$ 17,705,683	AA	4.80
U.S. Government agencies	19,956,733	AA	5.40
Corporate bonds	5,304,370	A-AAA	6.20
Temporary investment funds	<u>6,125,007</u>	Not Rated	0.0
Total fixed investments	<u>\$ 49,091,793</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, 2015 and 2014

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 November, 2014 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, 2015 and 2014

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, 2015 and 2014

3. Deposits and Investments (Continued)

Investment Asset Allocation - The Plan's adopted asset allocation policy as of September 30, 2015 is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Large cap equity	31%
Mid cap equity	10
Small cap value	5
Small cap growth	5
International equity	9
Fixed income	<u>40</u>
 Total	 <u><u>100%</u></u>

Rate of Return - For the year ended September 30, 2015 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.37 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, 2015 and 2014

4. 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 2015 that had been held for more than one year were included in net appreciation (depreciation) reported in the prior year.

5. Investments

The Plan's investments at both carrying value and cost or adjusted cost as of September 30, 2015 and 2014 are summarized as follows:

<u>Investment</u>	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Government obligations	\$ 17,199,947	\$ 17,705,683	\$ 12,303,953	\$ 12,404,592
U.S. Government agency obligations	20,152,765	19,956,733	18,735,203	18,705,200
Corporate bonds	5,232,370	5,304,370	6,466,756	6,479,459
Domestic stocks	52,405,149	56,064,834	45,400,740	56,446,580
International equity investment fund	4,630,432	4,334,109	4,499,849	4,706,323
International equity stocks	-	-	3,589,353	4,347,550
Temporary investment fund	6,125,007	6,125,007	1,626,664	1,626,664
Total	<u>\$ 105,745,670</u>	<u>\$ 109,490,736</u>	<u>\$ 92,622,518</u>	<u>\$104,716,368</u>

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2015 and 2014

6. 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, 2015 and 2014 was \$1,141 and \$37, respectively.

7. 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, 2015 and 2014 are presented below as determined and reported by the Plan's actuary.

	<u>2015</u>	<u>2014</u>
Designated net position for DROP accounts (fully funded)	\$ 8,689,598	\$ 7,274,060
Undesignated net position	<u>101,549,466</u>	<u>98,289,845</u>
Total net position	<u>\$ 110,239,064</u>	<u>\$ 105,563,905</u>

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2015 and 2014

8. Plan Amendments

The Plan was amended during the fiscal year ended September 30, 2015 as follows:

For police officers hired on or after September 30, 2015, with the exception of the three named candidates who must be hired on or before December 30, 2015 to obtain the first tier benefits, a second tier is created with the following benefit provisions:

- The normal retirement date is age 55 with 10 years of service or age 52 with 25 years of service.
- The early retirement date is age 50 with 10 years of service. The early retirement benefit is reduced by 3% for each year by which the member's age precedes age 55.
- The benefit formula is 3% of average final compensation for the first 20 years of credited service plus 2% of average final compensation for each year thereafter, with a maximum benefit of 70% of average final compensation. The benefit shall not be less than 2.75% for each year of credited service.
- There is no monthly supplemental benefit paid from the Plan.
- The normal form of payment is a 10-year certain and life annuity.
- The average final compensation is based on the best 5 consecutive years of the member's last 10 years of credited service.
- Salary excludes all overtime pay.
- The annual Cost of Living Adjustment is eliminated.
- The member contribution rate is 8% of pay.
- The maximum period of DROP participation is 4 years. If DROP Participation is not elected within 6 months after reaching the member's earliest normal retirement date, the eligibility to elect DROP participation is forfeited.
- The DROP interest crediting rate is 0% until the Plan is 100% funded. If the Plan is 100% funded, the DROP interest rate shall be the same as the actual return of the Plan with a minimum of 0% and a maximum of 4%.
- A 13th Check Benefit will be paid to retired police officers if the Plan is at least 100% funded. The amount distributed shall equal the amount of investment earnings that exceed the assumed rate of return for a plan year, limited to 100% of the monthly retirement benefits payable to the eligible retirees.
- Service-connected disability benefits shall equal 70% of Salary less offsets, with a minimum of 42% of average final compensation.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2015 and 2014

8. Plan Amendments (Continued)

- Non-service connected disability benefits shall equal the accrued benefits, but not less than 25% nor more than 50% of average final compensation. The eligibility requirement for non-service connected disability benefits is 10 years of credited service.
- Service-connected pre-retirement death benefits shall equal the accrued benefit, up to 75% of average final compensation, actuarially adjusted for the beneficiary's age, payable immediately.
- Non-service connected pre-retirement death benefits shall equal the accrued benefit, actuarially adjusted for the beneficiary's age commencing on the date the member would have attained early or normal retirement age. The eligibility requirement for non-service connected pre-retirement death benefits is 10 years of credited service.
- Effective September 15, 2015, Salary for current members shall exclude all payments for accrued unused sick and annual leave.
- A Share Plan is created in accordance with Chapter 185. All Chapter 185 revenue received during each fiscal year up to \$2,137,895 shall be used to reduce the City's annual required contribution. Any Chapter 185 revenue in excess of \$2,137,895 shall be held in reserve and may be used to provide defined contribution benefits through the Share Plan. The City and the Fraternal Order of Police shall negotiate the use of excess Chapter 185 revenue.
- Provision are established for current member who leave employment and are subsequently rehired after September 30, 2015.

Financial Impact

Since the second tier applies only to police officers who are hired on or after September 30, 2015, the proposed ordinance would have no immediate actuarial impact on the costs of the Plan. The reduction in cost would occur gradually over time as an increasing percentage of the population is made up of police officers hired after September 30, 2015. The timeframe for the cost reduction will depend on the City's hiring practices and how quickly current active officers retire or terminate employment. Ultimately, when the total population is made up of new police officers, the expected savings generated by the proposed lower benefits as indicated above would be about 9.6% of covered payroll for police officers.

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

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2015 and 2014

9. 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.

10. 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.

11. 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, 2015, aggregate contributions from active members of the Plan were approximately \$16,350,000. 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, 2015 and 2014

12. Lease Agreement

The Plan was obligated under noncancelable operating lease agreements on certain equipment and its office facilities during the year ended September 30, 2015. The lease terms cover the period from October 1, 2014 through April 22, 2018. Future minimum annual maturities under these lease agreements are summarized as follows:

Year Ended <u>September 30</u>	
2016	\$ 20,028
2017	11,028
2018	<u>1,183</u>
	<u><u>\$ 32,239</u></u>

Equipment and office rent expense, which includes CAM maintenance costs, for the years ended September 30, 2015 and 2014 was \$29,217 and \$29,286, 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, 2015 and 2014 was \$2,939 and \$2,939, respectively.

13. Changes in Actuarial Assumptions

The 2015 valuation reflects the following changes in assumptions since the prior actuarial valuation:

- The assumed investment rate of return has been lowered from 8.0% to 7.8%.
- The salary increase assumption has been lowered by 1% by lowering each of the merit and inflation assumptions by 0.5%. In addition, the payroll growth assumption has been lowered by 1%.
- The retirement rates have been adjusted to more accurately reflect recent retirement experience.

The assumption changes recognized in this valuation have increased the required employer contribution by 4.36% of covered payroll.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2015 and 2014

14. 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, 2015.

15. Net Pension Liability of the City

The components of net position liability of the City of Sunrise (City) as of September 30, 2015 were as follows:

Total Pension Liability	\$	175,806,062
Plan Fiduciary Net Position		<u>110,239,064</u>
City's Net Pension Liability	\$	<u><u>65,566,998</u></u>
Plan Fiduciary Net Position as a percentage of total pension liability		62.70%

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of October 1, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation	3.00%
Salary increases	4.2% to 7.5% depending on age, including inflation
Investment rate of return	7.80%

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, 2015 and 2014

15. 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, 2015 are summarized in the following table:

Target Allocation	Asset Class	Long-Term Expected Real Rate of Return
31 %	Large cap equity	7.77 %
5	Small cap growth	7.40
5	Small value	7.00
10	Mid-cap equity	6.70
40	Fixed income	2.25
9	International equity	6.67

Discount Rate - The discount rate used to measure the total pension liability was 7.80 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.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2015 and 2014

15. Net Pension Liability of the City (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the plan's net pension liability of the City, calculated using the discount rate of 7.80%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (6.80%) or 1-percentage-point higher (8.80).

<u>1% Decrease</u> <u>6.80%</u>	<u>Current</u> <u>Single Discount</u> <u>Rate Assumption</u> <u>7.80%</u>	<u>1% Increase</u> <u>8.80%</u>
\$ <u>88,648,754</u>	\$ <u>65,556,998</u>	\$ <u>46,717,148</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

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

Last Two Fiscal Years

	September 30, <u>2015</u>	September 30, <u>2014</u>
Total pension liability:		
Service cost	\$ 4,068,061	\$ 3,784,863
Interest	12,756,539	12,056,017
Benefit changes	-	-
Differences between actual and expected experience	(417,253)	(58,354)
Assumption changes	6,918,969	-
Benefit payments,	(5,761,251)	(8,760,460)
Refunds	<u>(56,610)</u>	<u>(40,078)</u>
Net change in total pension liability	17,508,455	6,981,988
Total pension liability - beginning	<u>158,297,607</u>	<u>151,315,619</u>
Total pension liability - ending (a)	<u><u>\$ 175,806,062</u></u>	<u><u>\$ 158,297,607</u></u>
Plan fiduciary net position:		
Contributions - employer	\$ 8,194,759	\$ 7,472,477
Contributions - employer (from state)	639,176	620,714
Contributions - members	1,524,051	1,293,252
Net investment income	366,132	8,705,647
Benefit payments	(5,761,251)	(8,760,460)
Refunds	(56,610)	(40,078)
Administrative expense	(231,098)	(222,848)
Other	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	4,675,159	9,068,704
Plan fiduciary net position - beginning	<u>105,563,905</u>	<u>96,495,201</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 110,239,064</u></u>	<u><u>\$ 105,563,905</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 65,566,998</u></u>	<u><u>\$ 52,733,702</u></u>
Plan fiduciary net position as a percentage of		
total pension liability	62.70%	66.69%
Covered employee payroll	\$ 20,624,275*	\$ 18,525,964
Net pension liability as a percentage		
of covered employee payroll	317.91%	284.64%

*Actual total covered payroll for the fiscal year ended September 30, 2015.

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>
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	-	18,525,964	43.69
2015	8,833,935	8,833,935	-	20,624,275	42.83

*Actual total covered payroll for fiscal years ended September 30, 2015 and 2014; expected total covered payroll for all other years.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

NOTES TO THE SCHEDULE OF CONTRIBUTIONS

September 30, 2015

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	25 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

Other Information:

Notes See Discussion of Valuation Results from the October 1, 2013 Actuarial Valuation Report; effective October 1, 2014 the investment return assumption was lowered to 7.8%, the salary scale was changed to an age-based table with rates from 4.2% to 7.5%, and the assumed retirement rates were updated.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

SCHEDULE OF INVESTMENT RETURNS

September 30, 2015

Last Two Fiscal Years

	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Annual money-weighted rate of return net of investment expenses	<u>0.37%</u>	<u>10.77%</u>

ADDITIONAL INFORMATION

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
SCHEDULES OF ADMINISTRATIVE AND INVESTMENT EXPENSES

Years ended September 30, 2015 and 2014

Administrative and investment expenses for the years ended September 30, 2015 and 2014 are summarized as follows:

	2015		2014	
	Expenses		Expenses	
	Administrative	Investment	Administrative	Investment
Actuary	\$ 50,024	\$ -	\$ 38,717	\$ -
Administrator	57,069	-	56,459	-
Audit	20,500	-	16,600	-
Custodial fees		70,309		60,959
Dues and subscriptions	410	-	470	-
Education and training*	8,956	-	9,933	-
Electric	1,174	-	1,099	-
Insurance	15,321	-	14,542	-
Investment manager fees:				
Garcia Hamilton and Associates	-	208,678	-	192,716
Ceredex Value Advisors, LLC		112,903		106,191
Mutual of America Capital Management Corporation	-	10,106	-	9,577
Wentworth, Hauser and Violich, Inc.	-	21,978	-	46,908
Kayne, Anderson, Rudnick Investment Management LLC	-	19,835	-	100,991
New Amsterdam Partners, LLC	-	52,298	-	-
State Street fees	-	46,270	-	-
Legal	23,400	-	15,133	-
Office space rent	18,000	-	18,000	-
CAM fees	9,274	-	9,144	-
Office supplies and expense	6,491	-	7,089	-
Performance monitor	-	45,116	-	43,804
Secretarial	13,278	-	14,016	-
Telephone	1,801	-	1,801	-
Information Technology	600	-	17,724	-
IME medical fees	4,800	-	-	-
Postage	-	-	1,639	-
Printing and stationery	-	-	482	-
TOTALS	<u>\$ 231,098</u>	<u>\$ 587,493</u>	<u>\$ 222,848</u>	<u>\$ 561,146</u>
Percent of Plan Net Position	<u>0.21%</u>	<u>0.53%</u>	<u>0.21%</u>	<u>0.53%</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, 2015 and 2014 was \$1,141 and \$37, respectively.