



**Town of Davie
Firefighters' Pension Plan**

**Financial Statements
Years Ended September 30, 2015 and 2014**



Town of Davie Firefighters' Pension Plan

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Independent Auditors' Report

Board of Trustees
Town of Davie Firefighters' Pension Plan
Davie, Florida

We have audited the accompanying financial statements of the Town of Davie Firefighters' Pension Plan (the "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

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Town of Davie Firefighters' Pension Plan as of September 30, 2015 and 2014, and the related statement of changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Independent Auditors' Report (continued)

Other Matters

Required Supplementary Information

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

Other Supplemental Schedules

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

Goldstein Schechter Koch, P.A.

Hollywood, Florida
January 28, 2016

Town of Davie Firefighters' Pension Plan

Management's Discussion and Analysis

(Required Supplementary Information – Unaudited)

September 30, 2015 and 2014

Our discussion and analysis of Town of Davie Firefighters' Pension Plan's (the "Plan") financial performance provides an overview of the Plan's financial activities for the fiscal years ended September 30, 2015 and 2014. Its purpose is to provide explanations and insights into the information presented in the financial statements, notes to the financial statements and required supplementary information. Please read it in conjunction with the Plan's financial statements, which follow this discussion.

Financial Highlights

- Plan assets exceeded liabilities at the close of the fiscal years ended September 30, 2015 and 2014 by \$78,752,749 and \$76,594,427 respectively (reported as net position restricted for pensions). The plan's net position is held in trust to meet future benefit payments. The increase of \$2,158,322 and \$9,960,581 in fiduciary net position of the respective years has resulted primarily from the changes in the fair value of the Plan's investments due to volatile financial markets.

- Receivables at September 30, 2015, increased by \$4,343 (or 0.4%) due primarily to an increase in the state contribution receivable.

Receivables at September 30, 2014, increased by \$874,883 (or 472.4%) due primarily to an increase in the state contribution receivable.

- Liabilities at September 30, 2015, increased by \$14,654 (or 0.5%) due primarily to an increase in prepaid contributions by the Town of Davie.

Liabilities at September 30, 2014, increased by \$353,977 (or 14.0%) due primarily to an increase in prepaid contributions by the Town of Davie.

- For the fiscal year ending September 30, 2015, Town contributions to the Plan increased by \$180,316 (or 4.5%) based on the actuarial valuation. Actual Town contributions were \$4,216,386 and \$4,036,070 for 2015 and 2014, respectively.

For the fiscal year ending September 30, 2014, Town contributions to the Plan decreased by \$298,266 (or 6.9%) based on the actuarial valuation. Actual Town contributions were \$4,036,070 and \$4,334,336 for 2014 and 2013, respectively.

- For the fiscal year ending September 30, 2015, member contributions including buybacks decreased by \$61,841 (or 5.5%). Actual member contributions were \$1,045,903 and \$1,087,071 for 2015 and 2014, respectively, and buybacks were \$14,464 and \$35,137 for 2015 and 2014, respectively. Member contributions have fluctuated from year to year based on the number of active members and salaries.

For the fiscal year ending September 30, 2014, member contributions including buybacks increased by \$135,665 (or 13.8%). Actual member contributions were \$1,087,071 and \$963,317 for 2014 and 2013, respectively, and buybacks were \$35,137 and \$23,226 for 2014 and 2013, respectively. Member contributions have fluctuated from year to year based on the number of active members and salaries.

**Town of Davie Firefighters' Pension Plan
Management's Discussion and Analysis
(Required Supplementary Information – Unaudited)
September 30, 2015 and 2014**

Financial Highlights - continued

- For the fiscal year ending September 30, 2015, net investment income decreased by \$6,575,583 (or 88.6%) from 2014. Actual results were (\$1,051,258) and \$5,316,599 of net (depreciation) appreciation in fair value of investments for 2015 and 2014, respectively, and \$2,230,392 and \$2,453,467 of income from interest and dividends for 2015 and 2014, respectively. Investment expenses decreased by \$15,349 (or 4.4%).

For the fiscal year ending September 30, 2014, net investment income increased by \$1,254,364 (or 20.3%) from 2013. Actual results were \$5,316,599 and \$4,806,833 of net appreciation in fair value of investments for 2014 and 2013, respectively, and \$2,453,467 and \$1,627,819 of income from interest and dividends for 2014 and 2013, respectively. Investment expenses increased by \$81,050 (or 30.6%).

- For the fiscal year ending September 30, 2015, benefit payments increased by \$1,315,164 (or 38.0%).

For the fiscal year ending September 30, 2014, benefit payments increased by \$827,835 (or 31.5%).

- For the fiscal year ended September 30, 2015, administrative expenses increased by \$17,406 (or 13.7%) due primarily to an increase in legal and accounting fees.

For the fiscal year ended September 30, 2014, administrative expenses decreased by \$12,099 (or 8.7%) due primarily to a decrease in legal and accounting fees.

Plan Highlights

For the fiscal year ending September 30, 2015, the relative return of the portfolio was 1.3% for the trailing year and ranked in the 24th percentile of the public fund universe. Actual net returns from investments were net investment income in 2015 and 2014 of \$848,808 and \$7,424,391, respectively.

For the fiscal year ending September 30, 2014, the relative return of the portfolio was 11.1% for the trailing year and ranked in the 21st percentile of the public fund universe. Actual net returns from investments were net investment income in 2014 and 2013 of \$7,424,391 and \$6,170,027, respectively.

Overview of the Financial Statements

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

The Plan presents required supplementary schedules, which provide historical trend information about the Plan.

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

**Town of Davie Firefighters' Pension Plan
Management's Discussion and Analysis
(Required Supplementary Information – Unaudited)
September 30, 2015 and 2014**

Description of the Financial Statements

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

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

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

There is also *Required Supplementary information* included in this report as required by the Governmental Accounting Standards Board. These *Schedules* consists of the plan's actuarial methods and assumptions and provide data of changes in the town's net pension liability, the Town's contributions, and the Plan's investment returns.

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

Condensed Statements of Fiduciary Net Position

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

	2015	2014	2013
Cash and cash equivalents	\$ 896,255	\$ 855,380	\$ 2,175,138
Receivables	1,064,432	1,060,089	185,206
Investments	79,693,531	77,565,773	66,806,340
Total assets	81,654,218	79,481,242	69,166,684
Liabilities	2,901,469	2,886,815	2,532,838
Net position restricted for pensions	\$ 78,752,749	\$ 76,594,427	\$ 66,633,846

Town of Davie Firefighters' Pension Plan
Management's Discussion and Analysis
(Required Supplementary Information – Unaudited)
September 30, 2015 and 2014

Condensed Statements of Changes in Fiduciary Net Position

The Condensed Statement of Changes in Fiduciary Net Position displays the effect of pension fund transactions that occurred during the fiscal year, where Additions - Deductions = Net Increase (or Decrease) in Fiduciary Net Position restricted for pensions. The table below reflects condensed comparative statements which summarizes the changes in Fiduciary Net Position and reflects the activities of the Plan for the fiscal years ended September 30:

	2015	2014	2013
Additions:			
Contributions			
Town	\$ 4,216,386	\$ 4,036,070	\$ 4,334,336
Members	1,060,367	1,122,208	986,543
State	984,329	966,799	906,640
Total	6,261,082	6,125,077	6,227,519
Net investment income	848,808	7,424,391	6,170,027
Total additions	7,109,890	13,549,468	12,397,546
Deductions:			
Benefits paid	4,773,988	3,458,824	2,630,989
Refund of contributions	33,536	3,425	-
Administrative expenses	144,044	126,638	138,737
Total deductions	4,951,568	3,588,887	2,769,726
Net increase	2,158,322	9,960,581	9,627,820
Net position restricted for pensions at beginning of year	76,594,427	66,633,846	57,006,026
Net position restricted for pensions at end of year	\$ 78,752,749	\$ 76,594,427	\$ 66,633,846

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

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

**Town of Davie Firefighters' Pension Plan
Management's Discussion and Analysis
(Required Supplementary Information – Unaudited)
September 30, 2015 and 2014**

Asset Allocation

At the end of the fiscal year ended September 30, 2015, the domestic equity portion comprised 53.6% (\$41,467,870) of the total portfolio, net of DROP mutual funds. The allocation to fixed income securities was 21.8% (\$16,865,537) while cash and cash equivalents comprised 1.2% (\$896,255). The portion of investments allocated to international equity and real estate was \$7,095,672 and \$11,017,750 or 9.2% and 14.2%, respectively of the total portfolio, net of DROP mutual funds.

At the end of the fiscal year ended September 30, 2014, the domestic equity portion comprised 53.7% (\$40,789,540) of the total portfolio, net of DROP mutual funds. The allocation to fixed income securities was 21.0% (\$15,931,921) while cash and cash equivalents comprised 1.1% (\$855,380). The portion of investments allocated to international equity and real estate was \$8,554,555 and \$9,804,412 or 11.3% and 12.9%, respectively of the total portfolio, net of DROP mutual funds.

The target asset allocation was as follows, at September 30:

	2015	2014
Domestic equity	55%	55%
Fixed income	25%	30%
International equity	10%	10%
Real estate securities	10%	5%
Cash equivalents	0%	0%

Contacting the Plan's Financial Management

This financial report is designed to provide the Retirement Board, membership, taxpayers, investors, and creditors with a general overview of the Plan's finances and to demonstrate the Plan's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Town of Davie Firefighters' Pension Plan, c/o Susy Pita, Pension Plan Administrator, 21629 Stirling Pass, Leesburg, Florida 34748 or call (352) 787-9795.

Town of Davie Firefighters' Pension Plan

Statements of Fiduciary Net Position

September 30, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	\$ 896,255	\$ 855,380
Receivables:		
Accrued interest and dividends	82,980	82,097
Contributions from members	34,095	37,630
Contribution from State	947,357	940,362
Total receivables	1,064,432	1,060,089
Investments, at fair value:		
Corporate bonds	6,064,708	6,657,614
U.S. Government securities	10,800,829	9,274,307
Common stock	41,467,870	40,789,540
International equities	7,095,672	8,554,555
Real estate fund	11,017,750	9,804,412
Mutual funds - deferred retirement option plans	3,246,702	2,485,345
Total investments	79,693,531	77,565,773
Total assets	81,654,218	79,481,242
Liabilities		
Accounts payable	41,258	67,703
Payable for securities purchased	14,634	15,401
Prepaid Town of Davie contribution	2,845,577	2,803,711
Total liabilities	2,901,469	2,886,815
Net position restricted for pensions	\$ 78,752,749	\$ 76,594,427

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

Town of Davie Firefighters' Pension Plan
Statements of Changes in Fiduciary Net Position
For the Years Ended September 30, 2015 and 2014

	2015	2014
Additions		
Contributions:		
Town	\$ 4,216,386	\$ 4,036,070
Members	1,060,367	1,122,208
State	984,329	966,799
Total contributions	6,261,082	6,125,077
Investment income:		
Net (depreciation) appreciation in fair value of investments	(1,051,258)	5,316,599
Interest and dividends	2,230,392	2,453,467
Total investment income	1,179,134	7,770,066
Less: Investment expenses	330,326	345,675
Net investment income	848,808	7,424,391
Total additions	7,109,890	13,549,468
Deductions		
Benefits paid	4,773,988	3,458,824
Refund of contributions	33,536	3,425
Administrative expenses	144,044	126,638
Total deductions	4,951,568	3,588,887
Net increase in net position	2,158,322	9,960,581
Net position restricted for pensions		
Beginning of year	76,594,427	66,633,846
End of year	\$ 78,752,749	\$ 76,594,427

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

Town of Davie Firefighters' Pension Plan
Notes to Financial Statements
September 30, 2015 and 2014

Note 1 - Description of the Plan

Organization

Town of Davie Firefighters' Pension Plan (the "Plan") is a single employer defined benefit pension plan covering substantially all firefighters of the Town of Davie (the "Town" or the "Employer") that have met the conditions of eligibility. Since the Plan is sponsored by the Town, the Plan is included as a pension trust fund in the Town's comprehensive financial report as part of the Town's financial reporting entity. Participants should also refer to the Plan for more detailed and comprehensive information.

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

- One is elected by the Board of Trustees
- Two are elected by the Plan's members
- Two are appointed by the Town manager

Participants

Plan participants are full time firefighters of the Town, regardless of rank.

Plan Membership

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

	2014	2013
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	63	60
Deferred retirement option plan participants	7	10
<u>Active plan participants</u>	<u>137</u>	<u>137</u>
<u>Total participants</u>	<u>207</u>	<u>207</u>

Funding Requirements

Benefits of the Plan are financed by contributions that are paid into the Plan and by investment earnings generated by investments of the pension fund.

Member Contributions:

The Plan provides for member employee contributions of 9% of earnable compensation, starting on their eligibility dates and continuing to their date of retirement, disability, termination or death, or entry into the Deferred Retirement Option Plan, whichever comes first.

Town of Davie Firefighters' Pension Plan

Notes to Financial Statements

September 30, 2015 and 2014

Note 1 - Description of the Plan - continued

Funding Requirements - continued

Town and State Contributions:

The Town provides for periodic employer contributions at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due that are not met by member contributions and the allowable amount received from the State of Florida pursuant to Chapter 175.

Pursuant to Florida Statutes, Chapter 175, contributions from the State of Florida consist of an excise tax imposed by the Town upon certain casualty insurance companies on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance policies covering property within the Town.

The allowable portion of the State contribution is used to reduce the Town's contribution when received. The Town is expected to contribute such additional amounts as are necessary on an actuarial basis to fund the Plan's expenses, normal costs, and to amortize the unfunded actuarial accrued liability.

Effective January 1, 2012, the Plan adopted the stop/restart concept approved by the State. The stop/restart does not reduce or change the existing retirement benefits for the members. The only result is that the Town can use a greater amount of premium tax revenues to fund the retirement benefits already in place.

Because of the stop/restart implementation, a "Share Plan" was established. The effective date of the Share Plan is October 16, 2013.

Pension Benefits

The Plan provides for three types of retirement: normal service, early service, and disability retirement.

Normal Retirement:

A member is eligible for normal service retirement on the first business day of the month coincident with or next following the date upon which the member completes 20 years of credited service, regardless of age or the date on which a member attains age 55 and completes 10 years of credited services.

The amount of normal retirement income is 3% times final monthly compensation ("FMC") multiplied by credited service for the first 10 years. Normal retirement benefit is a 4% multiplier for years eleven to fifteen and a 5% multiplier for years sixteen through twenty, resulting in a 75% benefit after twenty years of service for members actively employed, including Deferred Retirement Option Plan ("DROP") participants, on June 21, 2006. During years twenty-one through thirty, the multiplier shall be 2% per year, resulting in a total maximum benefit accrual of 95% of FMC after thirty years of service for members actively employed on June 21, 2007, including DROP participants.

Town of Davie Firefighters' Pension Plan

Notes to Financial Statements

September 30, 2015 and 2014

Note 1 - Description of the Plan - continued

Pension Benefits - continued

Early Retirement:

Early retirement is the first day of the month coincident with or next following a member's completion of ten years of credited service.

The amount of early retirement income is the monthly accrued benefit earned by a member at his or her early retirement date, reduced by 3% per year for commencement prior to normal retirement date.

Disability, death, and other benefits are also provided.

Cost-of-Living Adjustment Benefits to Retirees and Beneficiaries

For plan years beginning with the 1993/94 plan year, COLA benefits were to be awarded if the Plan experienced an actuarial gain for the prior plan year. The COLA benefit, if awarded, is paid in the form of a 13th monthly pension payment to each retiree or beneficiary.

The payment, since the 2000 plan year, is equal to 5% of the annual retirement benefit multiplied by the number of years that the participant has been retired up to a maximum of 10 years, resulting in a maximum benefit equal to 50% of the participant's annual pension payment.

Deferred Retirement Option Plan (the "DROP")

Effective September 30, 1998, members who continue in employment past normal retirement date and have attained the 20 years of credited service may enter the DROP. The DROP is administered by Town of Davie Firefighters' Pension Board of Trustees. The rate of return earned by the DROP is the same as that earned by the Plan less a \$10 per month adjustment for expenses. Once a member enters the DROP, their monthly retirement benefit is frozen, and their monthly benefit is paid into their DROP account. Upon termination of employment, the balance in the member's DROP account, including interest, is payable to them and they also begin to receive their frozen monthly retirement benefit.

The maximum period of DROP participation is five years for all members entering the DROP after June 21, 2007. For members who were beyond normal retirement date, as of adoption of the DROP, a 24 month minimum participation in DROP was available. The earliest entry date to the DROP was July 1, 1998.

Effective December 2, 2009, the earliest date of eligibility for entry into the DROP begins on the first day of a member's twenty-first year of employment. The maximum DROP participation period declines by one month, for every month that a member delays entry into the DROP following the first day of a member's twenty-sixth year of employment. The total years of credited service plus DROP participation cannot exceed 30 years.

Town of Davie Firefighters' Pension Plan

Notes to Financial Statements

September 30, 2015 and 2014

Note 1 - Description of the Plan - continued

Deferred Retirement Option Plan (the "DROP") - continued

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

	2015	2014
Beginning balance	\$ 2,088,612	\$ 1,654,843
Additions	413,946	324,200
Distributions	(677,027)	(76,800)
Interest	21,820	187,329
Expenses	(1,200)	(960)
<u>Ending balance</u>	<u>\$ 1,846,151</u>	<u>\$ 2,088,612</u>

For the Plan year beginning October 1, 2011, DROP participants have the option to "self-direct" their DROP account balances using mutual fund options available under the DROP program. The Board approved that the self directed DROP be administered by Hartford Life Insurance Company ("Hartford"). Any losses, charges or expenses incurred by the DROP participant shall be borne by the participant, not the Town or the Plan.

The value of the total DROP balance, including amounts pertaining to "self-directed" balances, at September 30, 2015 and 2014 was \$5,092,853 and \$4,573,957, respectively of which \$3,246,702 and \$2,485,345, respectively, represents the amount of self-directed investments held outside the Plan.

A summary of the changes in the "self-directed" DROP balances as of September 30, is as follows:

	2015	2014
Beginning balance	\$ 2,485,345	\$ 1,833,844
Additions	717,412	541,122
Interest	44,115	110,499
Expenses	(170)	(120)
<u>Ending balance</u>	<u>\$ 3,246,702</u>	<u>\$ 2,485,345</u>

Share Plan

Available cumulative excess Chapter 175 contributions will be distributed to the members through the Town of Davie Firefighters' Pension Plan Share Plan (the "Share Plan") with the Share Plan being effective starting October 16, 2013. The Share Plan was created to implement the provisions of Chapters 175, Florida Statutes, and to provide a means whereby firefighters of the Town may receive benefits from the funds provided for that purpose. The Share Plan is in addition to any other benefits, and shall not in any way affect any other benefits that now or hereafter exist.

In each year, after receipt of the annual distribution of chapter money from the State, the Board of Trustees, with the advice of their actuary, shall determine the amount of excess chapter money received during the fiscal year that has not been otherwise committed for benefits. The sum of these amounts shall be known as the "available funds". Allocation of shares shall be credited to the participants who were on the Town payroll on September 30 of the year. The first annual allocation shall begin with the plan year ended September 30, 2008. The account balance for each member shall be payable to the active members within 90 days after separation from service, or on such other date as is feasible by the Board of Trustees.

Town of Davie Firefighters' Pension Plan

Notes to Financial Statements

September 30, 2015 and 2014

Note 1 - Description of the Plan - continued

Share Plan - continued

Available funds are invested by the Board of Trustees and may be comingled for investment purposes with the other assets of the Plan. The balance in the share plan was \$1,751,959 and \$1,524,315 at September 30, 2015 and 2014, respectively.

A summary of the changes in the share plan balances as of September 30, is as follows:

	2015	2014
Beginning balance	\$ 1,524,315	\$ 1,131,163
Additions	267,389	272,118
Earnings	16,310	121,034
Distributions	(56,055)	-
Ending balance	\$ 1,751,959	\$ 1,524,315

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Member contributions are recognized as revenues in the period in which the contributions are due. Town contributions are recognized as revenue when due pursuant to the actuarial valuation. State contributions are recognized as revenue in the period in which they are approved by the State of Florida. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest income is recorded as earned and dividend income is recorded as of the ex-dividend date.

Investments

Plan investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The overall valuation processes and information sources by major investment classification are as follows:

- Debt securities: Debt securities consist primarily of corporate bonds, negotiable obligations of the U.S. government and U.S. government-sponsored agencies and corporations. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.
- Equity securities: Equity securities include common stock and international equity funds. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2015 and 2014. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

Town of Davie Firefighters' Pension Plan

Notes to Financial Statements

September 30, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies - continued

Investments - continued

- Real estate fund: The real estate portfolio holds investments in comingled funds. Limited partner interests in comingled funds are valued using the net asset value (NAV) of the partnership provided by the general partner. The most significant input into the NAV of such entity is the fair value of its investment holdings. These holdings are valued by the general partners on a continuous basis, audited annually and periodically appraised by an independent third party as directed by the governing document for each comingled fund investment. The valuation assumptions use both market and property specific input.

Unrealized gains and losses are presented as net (depreciation) appreciation in fair value of investments on the statement of changes in fiduciary net position along with gains and losses realized on sales of investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recognized as earned and dividend income is recorded as of the ex-dividend date. Realized gains and losses on the sale of investments are based on average cost identification methods.

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

Use of Estimates

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

Cash equivalents

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

Income Tax Status

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

Risks and Uncertainties

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

Town of Davie Firefighters' Pension Plan

Notes to Financial Statements

September 30, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies - continued

Subsequent Events

Management has evaluated subsequent events through January 28, 2016, the date which the financial statements were available for issue.

Note 3 - Contributions

Actuarially Determined Contributions

The contributions required from the Town and the State of Florida for the fiscal years ended September 30, 2015 and 2014 were actuarially determined by the October 1, 2014 and 2013 valuations to be \$4,896,354 and \$4,716,038, respectively based on actuarially computed payrolls of approximately \$12,095,000 and \$11,510,000, respectively.

Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain a contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. For the years ended September 30, 2015 and 2014, the Plan determined to use the "fixed dollar contribution amount".

	2015		2014	
	Amount	Percent of Actuarially Computed Covered Payroll	Amount	Percent of Actuarially Computed Covered Payroll
Normal cost	\$ 2,744,369	22.7%	\$ 2,658,025	23.1%
Amortization of unfunded liability	2,151,985	17.8	2,058,013	17.9
Total required from Town and State	\$ 4,896,354	40.5%	\$ 4,716,038	41.0%

Actual Contributions

The actual contributions from the Town and the State of Florida for active employees for the fiscal years ended September 30, 2015 and 2014, amounted to \$5,200,715 and \$5,002,869, respectively, and the actual amount of covered payroll was approximately \$11,662,000 and \$12,095,000, respectively. The contributions consisted of the following at September 30:

	2015		2014	
	Amount	Percent of Actual Annual Covered Payroll	Amount	Percent of Actual Annual Covered Payroll
Town	\$ 4,216,386	36.2%	\$ 4,036,070	33.4%
State of Florida	984,329	8.4	966,799	8.0
Total contributions from Town and State of Florida	\$ 5,200,715	44.6%	\$ 5,002,869	41.4%

Town of Davie Firefighters' Pension Plan

Notes to Financial Statements

September 30, 2015 and 2014

Note 3 - Contributions - continued

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

	2015	2014
Members	\$ 1,045,903	\$ 1,087,071
Buybacks	14,464	35,137
	\$ 1,060,367	\$ 1,122,208

Note 4 - Deposits and Investment Risk Disclosures

Cash and Cash Equivalents

Deposits are carried at cost and are included in cash and cash equivalents in the statement of fiduciary net position. Cash and cash equivalents include money market accounts at September 30, 2015 and 2014.

Investment Authorization

The Plan's investment policy is determined by the Board of Trustees. The Pension Board of Trustees maintains that an important determinant of future investment returns is the periodic review of the Plan's investment objectives. The Trustees are prohibited to invest in the venture capital, trading on margin and short selling securities.

Investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 70% (at market) of the Plan's total asset value. No more than 5% of the Plan's assets shall be invested in the common stock of any one issuing company nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding stock of the company. Investments in stocks of foreign companies shall be limited to 25% of any investment manager's total fund portfolio.

The fixed income portfolio shall be comprised of securities rated not less than "BBB" rating by a major rating service with no more than 75% (at market) of the Plan's total asset value.

Types of Investments

Florida statutes and Plan investment policy authorize the Trustees to invest funds in various investments. The target and actual allocations of these investments at September 30, 2015 and 2014 are as follows:

	2015		2014	
Authorized Investments	Target %	Actual %	Target %	Actual
Domestic equity	55%	54%	55%	54%
Fixed income	25%	22%	30%	21%
International equity	10%	9%	10%	11%
Real estate	10%	14%	5%	13%
Cash and cash equivalents	0%	1%	0%	1%

Town of Davie Firefighters' Pension Plan

Notes to Financial Statements

September 30, 2015 and 2014

Note 4 - Deposits and Investment Risk Disclosures - continued

Rate of Return

For the years ended September 30, 2015 and 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.0% and 10.7%, respectively. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Interest Rate Risk

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

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

2015					
Investment Maturities (in years)					
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 5,154,903	\$ -	\$ 1,722,797	\$ -	\$ 3,432,106
U.S. agencies	5,645,926	-	-	3,273,690	2,372,236
Corporate bonds	6,064,708	-	165,370	5,899,338	-
	<u>\$ 16,865,537</u>	<u>\$ -</u>	<u>\$ 1,888,167</u>	<u>\$ 9,173,028</u>	<u>\$ 5,804,342</u>

2014					
Investment Maturities (in years)					
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 4,410,078	\$ -	\$ 1,641,332	\$ 913,340	\$ 1,855,406
U.S. agencies	4,864,229	-	-	4,086,677	777,552
Corporate bonds	6,657,614	-	215,159	2,179,493	4,262,962
	<u>\$ 15,931,921</u>	<u>\$ -</u>	<u>\$ 1,856,491</u>	<u>\$ 7,179,510</u>	<u>\$ 6,895,920</u>

Credit Risk

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

Town of Davie Firefighters' Pension Plan

Notes to Financial Statements

September 30, 2015 and 2014

Note 4 - Deposits and Investment Risk Disclosures - continued

Credit Risk - continued

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

	2015		2014	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 10,800,829	64.04%	\$ 9,274,307	58.21%
Quality rating of credit risk debt securities:				
AA+	319,601	1.89	351,144	2.20
AA	154,894	0.93	-	-
AA-	185,483	1.10	142,866	0.90
A	506,989	3.01	618,426	3.88
A-	477,561	2.83	1,003,688	6.30
BBB+	150,861	0.89	278,528	1.75
Not rated**	4,269,319	25.31	4,262,962	26.76
Total credit risk debt securities	6,064,708	35.96	6,657,614	41.79
Total fixed income securities	\$ 16,865,537	100.00%	\$ 15,931,921	100.00%

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

**Mutual Funds are not rated.

Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of fiduciary net position at September 30, 2015 and 2014.

Custodial Credit Risk

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

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

Town of Davie Firefighters' Pension Plan

Notes to Financial Statements

September 30, 2015 and 2014

Note 4 - Deposits and Investment Risk Disclosures - continued

Custodial Credit Risk - continued

Consistent with the Plan's investment policy, the investments are held by the Plan's custodial banks and registered in the Plan's name.

Note 5 - Net Pension Liability of the Town

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

	2015	2014
Total pension liability	\$ 104,141,562	\$ 107,133,454
Plan fiduciary net position	(78,752,749)	(76,594,427)
City net pension liability	\$ 25,388,813	\$ 30,539,027
Plan fiduciary net position as a percentage of total pension liability	75.62%	71.49%

Actuarial Assumptions

The total pension liability at September 30, 2015 was determined using an actuarial valuation as of October 1, 2014, with update procedures used to roll forward the total pension liability to September 30, 2015. The actuarial valuation used the following actuarial assumptions:

Inflation	3.00%
Projected salary increases	5.75%
Allowances for expenses or contingencies	Actual administrative expenses paid during the previous year.
Investment rate of return	7.61% compounded annually, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study from October 1, 2005 through September 30, 2010.

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

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

Town of Davie Firefighters' Pension Plan

Notes to Financial Statements

September 30, 2015 and 2014

Note 5 - Net Pension Liability of the Town - continued

Actuarial Assumptions - continued

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of the valuation dates of October 1, 2014 and October 1, 2013 (see the discussion of the Plan's investment policy) are summarized in the following table:

Long-Term Expected Real Rate of Return*

Asset Class	2015	2014
US Large Cap Equity	5.50%	7.50%
US Small / Mid Cap Equity	6.00%	7.75%
International Equity	5.75%	7.75%
US Direct Real Estate	4.40%	6.00%
Absolute Return	4.00%	-
Global Infrastructure	4.25%	-
US Aggregate Bond	1.50%	4.25%

*Real rates of return are net of the long-term inflation assumption of 3.00% and 2.25% for 2015 and 2014, respectively.

Discount Rate

The discount rate used to measure the total pension liability was 7.61% and 6.50% for 2015 and 2014, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from the Town will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the Town calculated using the discount rate of 7.61% and 6.50% for 2015 and 2014, respectively, as well as what the employer net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Town Net Pension Liability – 2015

	1% Decrease (6.61%)	Current Discount Rate (7.61%)	1% Increase (8.61%)
September 30, 2015	\$ 36,632,548	\$ 25,388,813	\$ 16,033,141

Town of Davie Firefighters' Pension Plan
Notes to Financial Statements
September 30, 2015 and 2014

Note 5 - Net Pension Liability of the Town - continued

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

	Town Net Pension Liability – 2014		
	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
September 30, 2014	\$ 43,475,888	\$ 30,539,027	\$ 19,909,982

Required Supplementary Information

Town of Davie Firefighters' Pension Plan
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability (Unaudited)
Last Two Fiscal Years

	2015	2014
Total pension liability		
Service cost	\$ 3,662,229	\$ 4,492,271
Interest	7,534,708	6,644,317
Differences between expected and actual experience	2,896,606	-
Changes of assumptions	(12,277,911)	-
Benefit payments including refunds of member contributions	(4,807,524)	(3,462,249)
Net change in total pension liability	(2,991,892)	7,674,339
Total pension liability - beginning	107,133,454	99,459,115
Total pension liability - ending	104,141,562	107,133,454
Plan fiduciary net position		
Contributions - Employer (Town)	4,216,386	4,036,070
Contributions - State	984,329	966,799
Contributions - Member	1,060,367	1,122,208
Net investment income	848,808	7,424,391
Benefit payments, including refunds of member contributions	(4,807,524)	(3,462,249)
Administrative expenses	(144,044)	(126,638)
Net change in plan fiduciary net position	2,158,322	9,960,581
Plan fiduciary net position - beginning	76,594,427	66,633,846
Plan fiduciary net position - ending	\$ 78,752,749	\$ 76,594,427
City's net pension liability	\$ 25,388,813	\$ 30,539,027

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

Town of Davie Firefighters' Pension Plan

Required Supplementary Information

Schedule of Changes in the Town's Net Pension Liability (Unaudited) - continued

Last Two Fiscal Years

	2015	2014
Total pension liability	\$ 104,141,562	\$ 107,133,454
Plan fiduciary net position	(78,752,749)	(76,594,427)
City's net pension liability	\$ 25,388,813	\$ 30,539,027

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

75.62%	71.49%
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Covered – actuarially computed employee payroll

\$ 12,095,009	\$ 12,085,728
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City's net pension liability as a percentage of
covered – employee payroll

209.91%	252.69%
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* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Town of Davie Firefighters' Pension Plan
Required Supplementary Information
Schedule of Contributions by Employer (Unaudited)
Last 10 Fiscal Years

	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 5,075,672**	\$ 4,892,004*	\$ 4,964,304	\$ 4,661,312	\$ 4,487,996
Contributions in relation to the actuarially determined contribution	5,075,672**	4,892,004*	4,964,304	4,661,312	4,487,996
Contribution deficiency (excess)	\$ (41,714)**	\$ (344,130)*	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 12,095,009	\$ 11,510,217	\$ 11,259,382	\$ 10,708,836	\$ 10,554,782
Contributions as a percentage of covered-employee payroll	42.0%	42.5%	44.1%	43.5%	42.5%
	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 4,187,213	\$ 4,114,229	\$ 3,620,621	\$ 2,872,187	\$ 2,795,543
Contributions in relation to the actuarially determined contribution	4,187,213	4,114,229	3,620,621	2,872,187	2,795,543
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 10,645,916	\$ 10,131,283	\$ 9,232,545	\$ 7,359,644	\$ 6,754,542
Contributions as a percentage of covered-employee payroll	39.3%	40.6%	39.2%	39.0%	41.4%

*The Town's Minimum Funding Requirement (MFR) was \$4,212,036, as shown in the Actuarial Valuation Report, if quarterly payments had been made. Instead, the Town contributed a single amount of \$4,380,200 on 10/21/2013. The MFR as of that date was only \$4,036,070, resulting in a prepaid contribution of \$344,130 (\$4,380,200 - \$4,036,070).

**The Town's Minimum Funding Requirement (MFR) was \$4,395,704, as shown in the Actuarial Valuation Report, if quarterly payments had been made. Instead, the Town contributed a single amount of \$4,258,100 on 10/22/2014. The MFR as of that date was only \$4,216,386, resulting in a prepaid contribution of \$41,714 (\$4,258,100 - \$4,216,386).

Town of Davie Firefighters' Pension Plan
Required Supplementary Information
Schedule of Investment Returns (Unaudited)
Last Ten Fiscal Years

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
1.0%	10.7%	10.5%	17.0%	(0.1%)
<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
9.6%	2.1%	(12.3%)	12.3%	4.5%

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

Town of Davie Firefighters' Pension Plan
Required Supplementary Information
Notes to Required Supplementary Information (Unaudited)
Last Ten Fiscal Years

Method and assumptions used in calculations of Town' actuarially determined contributions. The actuarially determined contribution rates in the schedule of Town's contributions are calculated as of October 1, 2014. Unless otherwise noted above, the following actuarial methods and assumptions were used to determine contribution rates reported in the schedule of the Town's contributions.

Actuarial cost method	Entry-Age-Actuarial Cost Method
Asset valuation method	The actuarial value of assets is determined by phasing in the deviations between actual and expected return on assets at the rate of 25% per year. The resulting actuarial value of assets would then be adjusted, if necessary, to be within the corridor of 80% (lower end) to 120% (upper end) of market value of assets. This method contains a systematic bias in that if the fund earned the assumed rate of return of 7.70% on a market value basis for four (4) consecutive years, the actuarial value of assets would not converge to the market value of assets.
Interest Rates	7.70% compounded annually, net of pension plan investment expense. This rate is lower than what would otherwise be assumed, in order to reflect the fact that 50% of actuarial gains are credited to the COLA Reserve, but losses do not reduce the Reserve.
Inflation	3.00%
Projected salary increases	5.75%
Expense and or Contingency Loading	Actual administrative expense paid during the previous year
Mortality Rates:	
Healthy	Mortality rates are calculated with the 1983 Group Annuity Mortality Table with separate rates for males and females.
Disabled	For disabled participants, the 1985 Pension Disability Table was used with separate rates for males and females.
	50% of all pre-retirement deaths are assumed to be duty related.

Town of Davie Firefighters' Pension Plan
Required Supplementary Information
Notes to Required Supplementary Information (Unaudited) - continued
Last 10 Fiscal Years

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

<u>Years of Service</u>	<u>Percentage retiring</u>
20	50%
21	25%
22	25%
23	25%
24	25%
25 or more	100%
55 with 10 or more years of credit service 100% of retiring upon eligibility	

Disability Rates: The 1985 Disability Study-Class 1 with separate male and female rates were used. 80% of disabilities assumed to be service incurred 20% assumed to be non-service incurred.

Withdrawal Rates:

<u>Age</u>	<u>Withdrawal Rates</u>	
	<u>Per 100 Employees</u>	
	<u>Male</u>	<u>Female</u>
20	5.30%	5.30%
25	5.00%	5.00%
30	4.40%	4.40%
35	3.30%	3.30%
40	2.30%	2.30%
45	1.40%	1.40%
50	0.70%	0.70%
55	0.30%	0.30%
60	0.20%	0.20%
65 & over	0.00%	0.00%

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

Withdrawal of Employee Contributions:

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

Changes from most recent actuarial valuation:

The assumed fund investment return was changed from 7.90% to 7.70%, compounded annual
The assumed future salary increases was changed from 6.00% per year to 5.75% per year.

Other Supplemental Schedules

Town of Davie Firefighters' Pension Plan
Other Supplemental Schedules of Investment Expenses and Administrative Expenses
For the Years Ended September 30, 2015 and 2014

	2015	2014
Schedule "1" - Schedule of Investment Expenses		
Financial management expenses: *		
New Amsterdam Partners, LLC	\$ 26,235	\$ 15,024
Garcia Hamilton and Associates	17,279	112,940
Wentworth Hauser and Violich	37,846	62,818
RhumbLine Institutional Index Management	32,318	18,747
American Core Realty Fund, LLC	80,000	60,073
Mass Mutual	170	-
US Real Estate	60,321	3,888
Total financial management expenses	254,169	273,490
Investment consultant fees:		
Southern Advisory Services, Inc.	58,567	53,123
Investment custodial fees		
Salem Trust Company	17,590	19,062
Total investment expenses	\$ 330,326	\$ 345,675

* Does not include Mutual Funds.

Schedule "2" - Schedule of Administrative Expenses		
Professional services:		
Audit	\$ 22,700	\$ 13,000
Actuarial	54,970	57,700
Administrator	19,200	19,200
Legal	33,413	25,290
Total professional services	130,283	115,190
Other:		
Conferences and education	8,832	7,060
Dues and subscription	600	660
Insurance	4,329	3,728
Total other	13,761	11,448
Total administrative expenses	\$ 144,044	\$ 126,638



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