

**CITY OF PARKLAND, FLORIDA
POLICE OFFICERS RETIREMENT PLAN**

A Pension Trust Fund of the City of Parkland

Financial Report for the Fiscal
Year Ended September 30, 2014

**CITY OF PARKLAND, FLORIDA
POLICE OFFICERS RETIREMENT PLAN**

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Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

2700 North Military Trail • Suite 350
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
City of Parkland Police Officers Retirement Plan
Parkland, Florida

We have audited the accompanying financial statements of the City of Parkland Police Officers Retirement Plan (the "Plan"), as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, as listed in the table of contents.

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 opinions on these financial statements based on our audit. We conducted our audit 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of September 30, 2014, and the changes in fiduciary net position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

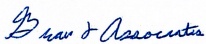
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2015, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.



March 11, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

FISCAL YEAR END SEPTEMBER 30, 2014 (UNAUDITED)

We are pleased to provide this overview and analysis of the financial activities of the Police Officers Retirement Plan (the "Plan") during the fiscal year ended September 30, 2014. This section presents management's discussion and analysis of key financial performance indicators in a narrative format.

FINANCIAL HIGHLIGHTS

- As of the fiscal year ended September 30, 2014, assets exceeded liabilities by \$2,064,701 (net position restricted for pensions) as compared to \$1,954,235 as of the fiscal year ended September 30, 2013. Net position restricted for pensions is used to meet future benefit payments.
- As of the fiscal year ended September 30, 2014, liabilities increased by \$628 (or 23.9%) due to an increase in professional service fees payable. As of the fiscal year ended September 30, 2013, liabilities increased by \$995 (or 61.1%) due to an increase in professional service fees payable.
- For the fiscal year ended September 30, 2014, employer contributions to the Plan contributed by the City decreased by \$67,413 (or 46.6%) based on the actuarial calculation. Actual employer contributions were \$77,179 and \$144,592 for 2014 and 2013, respectively. In the 2014 fiscal year, the Plan was able to use \$69,006 of the State funds received to meet the minimum required contribution.

For the fiscal year ended September 30, 2013, employer contributions to the Plan contributed by the City decreased by \$58,923 (or 29%) based on the actuarial calculation. Actual employer contributions were \$144,592 and \$203,515 for 2013 and 2012, respectively. In the 2013 fiscal year, the Plan was able to use \$69,006 of the State funds received to meet the minimum required contribution.

- For the fiscal year ended September 30, 2014, net investment income decreased by \$2,222 or (1.5%). Actual results were \$149,221 and \$151,443 in net appreciation in fair value of investments for 2014 and 2013, respectively. Investment expenses were \$0 and \$0 in 2014 and 2013, respectively.

For the fiscal year ended September 30, 2013, net investment income decreased by \$52,378 or (24.4%) which includes a one-time receipt of \$11,145 gain from settlement. Actual results were \$151,443 and \$214,966 in net appreciation in fair value of investments for 2013 and 2012, respectively. Investment expenses were \$0 and \$0 in 2013 and 2012, respectively.

- For the fiscal year ended September 30, 2014, retirement benefits increased by \$2,846 (or 2.0%) excluding \$164,771 Chapter 185 excess distributions. For the fiscal year ended September 30, 2013, retirement benefits increased by \$2,590 (or 1.9%) excluding \$147,198 Chapter 185 excess distributions.
- For the fiscal year ended September 30, 2014, administrative expenses increased by \$1,577 (or 4.1%). For the fiscal year ended September 30, 2013, administrative expenses increased by \$7,832 (or 25.8%).

PLAN HIGHLIGHTS

For the fiscal year ended September 30, 2014, the relative return of the portfolio was 7.64%. The net position of the Plan increased in 2014 to \$2,064,701. At the end of fiscal year 2013, the net position of the Plan was \$1,954,235.

For the fiscal year ended September 30, 2013, the relative return of the portfolio was 8.8%. The net position of the Plan increased in 2013 to \$1,954,235. At the end of fiscal year 2012, the net position of the Plan was \$1,758,565.

STATEMENT OF FIDUCIARY NET POSITION

The following condensed Statement of Fiduciary Net Position demonstrates the investment positions of the Plan at September 30:

	SEPTEMBER 30,	
	2014	2013
Cash and cash equivalents	\$ 2,197	\$ 2,364
Receivables	77,279	-
Investments	1,988,476	1,954,494
Total assets	2,067,952	1,956,858
Liabilities	3,251	2,623
Net position	\$ 2,064,701	\$ 1,954,235

The Statement of Changes in Fiduciary Net Position displays the effect of pension fund transactions that occurred during the period. The table below reflects a condensed summary of the changes in net positions and reflects the activities of the Plan.

	SEPTEMBER 30,	
	2014	2013
ADDITIONS:		
Contributions		
Employer	\$ 77,179	\$ 144,592
State	233,777	216,205
Total	310,956	360,797
Net investment income (loss)	149,221	162,588
Total additions	460,177	523,385
DEDUCTIONS:		
Benefits paid	309,895	289,476
Administrative expenses	39,816	38,239
Total deductions	349,711	327,715
Net increase	110,466	195,670
Net position restricted for pensions at beginning of year	1,954,235	1,758,565
Net position restricted for pension at end of year	\$ 2,064,701	\$ 1,954,235

USING THE AUDITED FINANCIAL STATEMENTS

The financial statements reflect the activities of the City of Parkland Police Officers Retirement Plan and are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These statements are presented on a full accrual basis, reflect all trust activities as incurred and are based on a snapshot in time of account balances of investments at fiscal year end.

CONTACTING THE PLAN'S FINANCIAL MANAGEMENT

The financial report is designed to provide citizens, taxpayers, fund participants and other interested parties with an overview of the Plan's finances and the prudent exercise of the Board's oversight. If you have any questions regarding this report or need additional financial information, please contact the City of Parkland Police Officers Retirement Plan, 6600 University Drive, Parkland, Florida 33067.

CITY OF PARKLAND POLICE OFFICERS RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2014

	Pension Plan	Share Plan	Total
ASSETS:			
Cash and cash equivalents	\$ -	\$ 2,197	\$ 2,197
Investments	1,988,476	-	1,988,476
Receivables:			
Due from City	77,279	-	77,279
TOTAL ASSETS	<u>\$2,065,755</u>	<u>\$ 2,197</u>	<u>2,067,952</u>
LIABILITIES:			
Accounts payable and accrued expenses	3,250	1	3,251
TOTAL LIABILITIES	<u>3,250</u>	<u>1</u>	<u>3,251</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$2,062,505</u>	<u>\$ 2,196</u>	<u>\$2,064,701</u>

See notes to the financial statements

**CITY OF PARKLAND POLICE OFFICERS RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	Pension Plan	Share Plan	Total
ADDITIONS:			
Contributions:			
Employer	\$ 77,179	\$ -	\$ 77,179
State	69,006	164,771	233,777
Total contributions	146,185	164,771	310,956
From investments activities:			
Net appreciation in fair value of investments	149,221	-	149,221
Net investment income	149,221	-	149,221
TOTAL ADDITIONS	295,406	164,771	460,177
DEDUCTIONS:			
Pension benefits remitted	145,124	-	145,124
Other distributions	-	164,771	164,771
Administrative expenses	39,787	29	39,816
TOTAL DEDUCTIONS	184,911	164,800	349,711
NET INCREASE (DECREASE)	110,495	(29)	110,466
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of fiscal year	1,952,010	2,225	1,954,235
End of fiscal year	\$ 2,062,505	\$ 2,196	\$ 2,064,701

See notes to the financial statements

**CITY OF PARKLAND POLICE OFFICERS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – THE REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Parkland Police Officers Retirement Plan (the “Plan”) administers one defined benefit pension plan and one share plan. Although the assets of the plans are combined for comparative information purposes presented in the Management’s Discussion and Analysis (“MD&A”), each plan’s assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

The financial statements presented are only for the City of Parkland Police Officers Retirement Plan (the “Plan”) of the City of Parkland, Florida (the “City”) and are not intended to present the basic financial statements of the City. The Plan is included in the City’s Comprehensive Annual Financial Report (“CAFR”), which is a separately issued document.

Basis of Accounting

These financial statements have been prepared on the accrual basis of accounting. Revenues are recorded at the time they are earned. Benefits paid directly to participants and refunds of contributions are recorded when paid. Administrative expenses are recorded when incurred.

Pension Plan Reporting

The plan’s fiduciary net position has been determined on the same basis used by the pension plan and is equal to the market value of assets calculated under the accrual basis of accounting.

Method Used to Value Cash and Investments

The Plan considers all short-term investments with an original term of less than three months to be cash equivalents. Securities are reported at fair value, the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Securities’ market values are provided by the Trust’s Custodian of each portfolio, utilizing an independent pricing service. Pricing services typically consider such factors as security prices, yields, maturities, call features, prepayment rates, ratings and other information as it relates in determining a specific security’s market price. Differences between cost and fair value are included in net appreciation (depreciation) in fair value of investments. Net realized gains and losses for securities which are sold and are also included in net appreciation (depreciation) in fair value of investments. Dividends and interest income are recognized as earned. Purchases and sales of investments are recorded on a trade-date basis.

Use of Estimates

The preparation of financial statements in conformity with 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.

Basis of Presentation

The accompanying financial statements are presented in accordance with Governmental Accounting Standards Board (“GASB”) Statement 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

NOTE 2 – PLAN DESCRIPTION

The Pension Plan is a single-employer defined benefit pension plan established by the City pursuant to City Ordinance Number 2004-09 (as amended) which became effective February 29, 2004.

Participants

All full-time police officer's employed by the City or as a Broward County Deputy Sheriff who elected membership at date of adoption of the Plan are eligible to participate in the Plan. The Plan is administered solely by a five-member Board of Trustees, two of whom shall be legal residents of the City and who shall be appointed by the City Commission. Two members of the board shall be retired police officers elected by a majority of the membership. The fifth member of the board shall be chosen by a majority of the other four trustees, and such person's name shall be submitted to the City Commission for appointment. The Board of Trustees' duties include, amongst other responsibilities, making recommendations regarding changes in the provisions of the Plan; however, any changes to the Plan must be approved by the City Commission.

Membership

The Plan's membership consists of:

Retirees and beneficiaries currently receiving benefits	4
Active plan members	-
Inactive employees entitled to but not receiving benefits	-
Total	<u>4</u>

Member Contributions

The required member contributions are 5% of compensation on a pick-up basis. Compensation is total remuneration for services rendered excluding payments for extra duty or special detail work performed on behalf of a second party and with overtime limited to 300 hours per year.

The State of Florida requires funding of pension contributions to be made based upon an actuarial valuation. The most recent actuarial valuation is dated October 1, 2013. Actual contributions in fiscal year 2014 were as follows: State of Florida \$233,777 and City \$77,179.

Retirement

Police officer's may retire with a normal retirement on the first day of the month coinciding with or next following the date on which the member has attained the age of 55 having completed 10 years of credited service, any age with at least 20 years of credited service, effective May 16, 2007, or the date on which the member has attained the age of 52 having completed 25 years of credited service. Pursuant to the City Ordinance Number 2011-01, effective June 15, 2011, the sole remaining member of the Plan shall be permitted to retire without any penalty for early retirement based on existing credited service as of June 15, 2011.

Benefits

Effective January 1, 2007, and on each January 1 thereafter, any member who has been receiving a retirement benefit for at least one year prior thereto shall receive a cost of living adjustment (COLA) equal to 2% of the member's retirement benefit. The COLA is reduced or eliminated to the extent the annual Chapter 185 contributions fall below \$69,006.

The monthly retirement benefit shall be an amount equal to 3% (2% prior to May 16, 2007) of final monthly compensation multiplied by the number of years of credited service. The Plan also provides early and delayed retirement as well as death and disability benefits with benefits dependent on salary, length of service or years of contributions, and age upon retirement, death or disability.

NOTE 2 – PLAN DESCRIPTION (Continued)

Share Plan

On June 15, 2011, the City Commission of the City created a trust fund to be known as the City of Parkland Police Officer's Share Plan (the "Share Plan") pursuant to Florida Statutes ("F.S.") §185.35(1)(b). The purpose of this share plan is to place additional premium tax revenues pursuant to F.S. §185.08 and §185.35 and earnings generated there from into a separate trust fund to pay extra benefits to police officers of the City who are participants in the Plan. Additional premium tax revenues means revenues received after October 1, 2006 by the City pursuant to F.S. §185.10 that exceed \$69,006 per annum. The Share Plan has been approved by a majority of participants and is in addition to any other benefits under the Plan. The Share Plan shall not affect any other benefits that now or hereafter exist. The City is not required to levy any additional taxes on its residents or to make any contributions to the Share Plan.

Since the Plan has heretofore received additional premium tax revenues that were paid to and collected by the State in calendar year 2007, additional premium tax revenues received prior to the implementation of the Share Plan are allocated equally to each participant. After that, additional premium tax revenues are allocated equally to each participant under the provisions of F.S. §185.10. All costs, expenses and fees of administering the Share Plan shall be paid from the assets of the Share Plan as the Board shall determine. Any allocation to a participant is net of the participant's share of the plan's cost, expenses and fees of administering the Share Plan.

Every individual who is a participant as of the effective date shall remain a participant until death. A participant shall receive a distribution of benefits from this Share Plan upon the participant's commencement of retirement or disability benefits under the retirement plan and as of each valuation date thereafter. The required distributions begin after the later of April 1st following: (i) the calendar year in which the participant attains age 70½, or (ii) the calendar year in which the participant terminates employment with the City.

NOTE 3 – INVESTMENTS

The Plan is authorized to invest in repurchase agreements; direct obligations of the United States Treasury including bills, notes, bonds and various forms of Treasury zero-coupon securities; authorized investments purchased by or through the State Board of Administration or the Office of the State Treasurer; commercial paper issued in the United States by any corporation; banker's acceptances issued within the U.S.; nonnegotiable Certificates of Deposit issued by Florida Qualified Public Depositories as identified by the State Treasurer's office and/or negotiable certificates of deposit issued in U.S. dollars by institutions; obligations of the agencies or instrumentalities of the federal government; money market mutual master trust funds; mortgage obligations guaranteed by the United States government and sponsored agencies or instrumentalities; corporate fixed income securities issued by any corporation in the United States; asset-backed securities issued in the United States; securities of state, municipal and county governments or their public agencies; commingled governmental investment trusts, no-load investment master trust funds, or no-load mutual master trust funds in which all securities held by the trusts or master trust funds are authorized investments; guaranteed investment contracts with insurance companies; investment agreements with other financial institutions; equity assets, including common stock, preferred stock and interest bearing obligations having an option to convert into common stock; Florida Municipal Investment Trust (FMIT) Portfolios; and any other investment permitted by law.

The Plan's investments were held as follows at September 30, 2014:

	Fair Value	Credit Risk	Maturities
Local Government Investment Pool:			
Florida Municipal Pension Trust Fund (FMPTF)	\$ 1,988,476	See below	See below
Total Investments	<u>\$ 1,988,476</u>		

NOTE 3 – INVESTMENTS (Continued)

The Florida Municipal Investment Trust (Municipal Trust) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the directions and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Municipal Trust is not a registrant with the Securities and Exchange Commission (SEC); however the board has adopted operating procedures consistent with the requirements for a “2a-7 like” pool.

All assets of the Plan are invested with the Florida Municipal Pension Trust Fund (FMPTF). The FMPTF was established in 1993 under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds. All Plan assets with the FMPTF are included in the trust’s Master Trust Fund and are administered by the Florida League of Cities, Inc. The Master Trust Agreement provides that the Master Trustees have the exclusive authority and discretion to manage and control the assets of the Master Trust Fund according to the provisions of the FMPTF Investment Policy, amended and restated as of October 1, 2013. The fund is stated at fair value and investments earnings are allocated to the participants in the fund based on their equity in this pooled investment account as provided by the FMPTF. Parkland Police Share Plan assets were invested in error and subsequently liquidated to cash thereby accounting for the negative cash balance below.

FMPTF’s target asset allocation for the Plan is as follows:

Investment Category	Target Allocation
Core bonds	20%
Multi-sector	30%
US large cap equity	35%
US small cap equity	7.5%
Non-US equity	7.5%
Total or weighted arithmetic average	100%

The annual money-weighted rate of return for the 2014 fiscal year was approximately 7%. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

The Plan is invested in the 50/50 Allocation portfolio with the following balances:

	Fair Value	Credit Risk	Modified Duration	Weighted Average Maturities
Cash (90 Day Treasury Bill)	\$ (141,182) *	Not rated	Not applicable	Not available
Broad Market High Quality Bond Fund	429,511 *	AA/V4 Fitch	4.77 years	6.47 years
Core Plus Fixed Income Fund	660,174 *	Not rated	2.91 years	6.52 years
High Quality Growth Portfolio	117,320 *	Not rated	Not available	Not available
Large Cap Diversified Value Portfolio	133,228 *	Not rated	Not available	Not available
Russell 1000 Enhanced Index Portfolio	491,154 *	Not rated	Not available	Not available
Diversified Small Cap Equity Portfolio	163,055 *	Not rated	Not available	Not available
International Equity Portfolio	135,216 *	Not rated	Not available	Not available
	<u>\$ 1,988,476</u>			

* Investment represents 5% or more of the total assets of the portfolio.

NOTE 3 – INVESTMENTS (Continued)

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The investment policy of the Plan contains limits on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages.

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. The investment policy of the Plan limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates by requiring a modified duration no greater than 7 years.

NOTE 4 – NET PENSION LIABILITY

Net pension liability as of September 30, 2014 is calculated as follows:

Total pension liability (TPL)	\$ 2,029,433
Less fiduciary net position (FNP)	(2,062,405)
Net pension liability (NPL)	<u>\$ (32,972)</u>

Plan's fiduciary net position as a percentage of total pension liability	101.62%
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The significant assumption and other inputs used to measure the total pension liability are as follows:

Actuarial valuation date	October 1, 2013
Discount rate:	7.75% per year (3.59% per year is attributable to long-term inflation); this rate was used to discount all future benefit payments.
Cost-of-living increases:	2% per year
Mortality basis:	Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) Section 430; future generational improvements in mortality have not been reflected.
Non-investment expenses:	\$25,000 per year
Future contributions:	Contributions from the employer are assumed to be made as legally required; employer contributions are assumed to equal \$142,606 for the 2014 fiscal year.
Changes:	The actuarial assumptions did not change from the prior measurement date since GASB 67 is first effective for this measurement period.

Determination of the long-term expected rate of return on Plan assets is as follows:

Investment Category	Target Allocation	Expected Long-Term Real Return
Core bonds	20%	2.29% per year
Multi-sector	30%	2.78% per year
US large cap equity	35%	5.68% per year
US small cap equity	7.5%	6.24% per year
Non-US equity	7.5%	5.44% per year
Total or weighted arithmetic average	100%	4.16% per year

NOTE 4 – NET PENSION LIABILITY (Continued)

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability calculated using a single discount rate of 7.75%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher.

Discount Rate Minus 1%	7.75% Discount Rate	Discount Rate Plus 1%
\$ 189,683	\$ (32,972)	\$ (219,984)

NOTE 5 – TAX STATUS

The Plan obtained a determination letter on January 3, 2013, in which the Internal Revenue Service stated that the Plan was in compliance with the applicable requirements of the Internal Revenue Code, conditioned upon the adoption of certain proposed modifications. On December 4, 2013, resolution 2013-25 was adopted thereby incorporating the changes required by the Internal Revenue Service. Accordingly, the Plan's administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, the Plan's administrator believes the Plan was qualified and the related trust was tax exempt as of September 30, 2014.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 11, 2015, the date at which the financial statements were available for issue.

REQUIRED SUPPLEMENTARY SCHEDULES

CITY OF PARKLAND POLICE OFFICERS RETIREMENT PLAN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY - UNAUDITED

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Beginning balance - October 1, 2013	\$ 2,020,913	\$ (1,952,986)	\$ 67,927
Service cost	-	-	-
Expected interest growth	151,195	(149,884)	1,311
Unexpected investment income	-	1,739	1,739
Demographic experience	-	-	-
Employer contributions	-	(146,185)	(146,185)
Employee contributions	-	-	-
Benefit payments and refunds	(142,675)	145,124	2,449
Administrative expenses	-	39,787	39,787
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Ending balance - September 30, 2014	<u>\$ 2,029,433</u>	<u>\$ (2,062,405)</u>	<u>\$ (32,972)</u>

SCHEDULE OF FUNDING PROGRESS - UNAUDITED

Measurement Date	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability (NPL)	Funded % (FNP as % TPL)	Covered Employee Payroll	NPL as a % of Covered Payroll
October 1, 2005	\$ 1,240,738	\$ 476,860	\$ 763,878	38.43%	\$ 73,152	1044.23%
October 1, 2006	1,282,293	565,801	716,492	44.12%	78,950	907.53%
October 1, 2007	2,067,335	868,031	1,199,304	41.99%	77,766	1542.20%
October 1, 2008	2,150,299	896,556	1,253,743	41.69%	78,508	1596.96%
October 1, 2009	1,988,764	1,078,605	910,159	54.23%	78,552	1158.67%
October 1, 2010	2,050,642	1,346,172	704,470	65.65%	85,816	820.91%
October 1, 2011	2,159,194	1,416,392	742,802	65.60%	-	Not available
October 1, 2012	2,155,927	1,756,197	399,730	81.46%	-	Not available
September 30, 2013	2,020,913	1,952,986	67,927	96.64%	-	Not available
September 30, 2014	2,029,433	2,062,405	(32,972)	101.62%	-	Not available

CITY OF PARKLAND POLICE OFFICERS RETIREMENT PLAN

SCHEDULE OF ACTUARIALY DETERMINED CONTRIBUTIONS - UNAUDITED

Fiscal Year End	(1) Actuarially Determined Contribution (ADC)	(2) Contributions Recognized by the Plan	(3) Difference Between (1) and (2)	Covered Employee Payroll	Column (2) as a Percentage of Covered Payroll
September 30, 2005	\$ 188,972	\$ 188,972	\$ -	\$ 298,882	63.23%
September 30, 2006	129,686	129,686	-	73,152	177.28%
September 30, 2007	329,089	329,089	-	78,950	416.83%
September 30, 2008	234,183	234,183	-	77,766	301.14%
September 30, 2009	250,145	250,145	-	78,508	318.62%
September 30, 2010	274,732	274,732	-	78,552	349.75%
September 30, 2011	163,382	163,382	-	85,816	190.39%
September 30, 2012	290,659	290,659	-	-	Not available
September 30, 2013	213,598	213,598	-	-	Not available
September 30, 2014	146,185	146,185	-	-	Not available

The methods and assumptions used to determine contributions rates are as follows:

Valuation date	October 1, 2013
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	10 years
Asset valuation method	Market Value
Actuarial assumptions:	
Net investment rate of return *	7%
Projected salary increases	0%
* Includes inflation percentage of 3%	
Cost-of-living adjustments	2%

ANNUAL MONEY-WEIGHTED RATE OF RETURN ON PLAN INVESTMENTS - UNAUDITED

Fiscal Year End	Money Weighted Rate of Return
September 30, 2014	7%



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of the
City of Parkland Police Officers Retirement Plan
Parkland, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Parkland Police Officers Retirement Plan (the "Plan") as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our opinion thereon dated March 11, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deane & Associates

March 11, 2015