



**City of Hollywood Police Officers
Retirement System**

Financial Statements
Years Ended September 30, 2013 and 2012



Goldstein Schechter Koch
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

City of Hollywood Police Officers Retirement System
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Independent Auditors' Report

Board of Trustees
City of Hollywood Police Officers Retirement System
Hollywood, Florida

We have audited the accompanying financial statements of plan net position of the City of Hollywood Police Officers Retirement System (the "Fund") as of September 30, 2013 and 2012, and the related statements of changes in plan net position for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Fund management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United State 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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.



Independent Auditors' Report
(continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Hollywood Police Officers Retirement System as of September 30, 2013 and 2012, and changes in plan net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

United States 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 Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the Fund's basic financial statements. The accompanying supplemental schedules of investment expenses and administrative expenses (other supplementary schedules) 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. Such 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 taken as a whole.

Goldstein Schechter Koch, P.A.

Hollywood, Florida
January 31, 2014



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Management's Discussion and Analysis **(Required Supplementary Information - Unaudited)** **September 30, 2013 and 2012**

Our discussion and analysis of the City of Hollywood Police Officers Retirement System (the "Fund") financial performance provides an overview of the Fund's financial activities for the fiscal years ended September 30, 2013 and 2012. The Share Plan was created to implement the provisions of Chapter 185, Florida Statutes. Please read it in conjunction with the financial statements, which follow this discussion.

Financial Highlights

- The Fund's assets exceeded its liabilities at the close of fiscal years ended September 30, 2013 and 2012 by \$178,504,887 and \$173,635,358, respectively (reported as net position held in trust for pension benefits). Net position represents funds available to pay current and future benefit payments. The increases of \$4,869,529 and \$21,146,106, of the respective years have resulted primarily from the changes in the fair value of the Fund's investments due to volatile financial markets.
- The Fund's funded ratio, a comparison of the actuarial value of assets to the actuarial accrued pension liability, changed from 60.7% as of the October 1, 2010 to 56.4% as of the October 1, 2011 actuarial valuations and 54.7% as of the October 1, 2012 valuation.

- Receivables at September 30, 2013 decreased by \$382,398 (or 14.47%) primarily due to a decrease in the receivable for securities sold.

Receivables at September 30, 2012 increased by \$1,152,395 (or 77.32%) primarily due to an increase in State contributions receivable.

- For the fiscal year ended September 30, 2013, liabilities increased by \$4,901,381 (or 8.41%) primarily due to an increase in the Deferred Retirement Option Plan Payable.

For the fiscal year ended September 30, 2012, liabilities increased by \$7,490,167 (or 14.76%) primarily due to an increase in the Deferred Retirement Option Plan Payable and a decrease in prepaid City contributions for the fiscal year ended September 30, 2013 received in advance.

- For the fiscal year ended September 30, 2013, employer (City) contributions to the Fund increased \$505,658 (or 5.58%) based on the actuarial calculation. Actual employer contributions were \$9,573,932 and \$9,068,274 for 2013 and 2012, respectively.

For the fiscal year ended September 30, 2012, employer (City) contributions to the Fund decreased \$2,849,051 (or 23.91%) based on the actuarial calculation. Actual employer contributions were \$9,068,274 and \$11,917,325 for 2012 and 2011, respectively.

**Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
September 30, 2013 and 2012**

Financial Highlights - continued

- For the fiscal year ended September 30, 2013, state contributions to the Fund increased \$138,503 (or 12.46%). Actual state contributions were \$1,250,143 and \$1,111,640 for 2013 and 2012, respectively.

For the fiscal year ended September 30, 2012, state contributions to the Fund increased \$58,755 (or 5.6%). Actual state contributions were \$1,111,640 and \$1,052,885 for 2012 and 2011, respectively.

- For the fiscal year ended September 30, 2013, employee contributions including buybacks decreased by \$40,956 (or 3.00%). Actual employee contributions and buybacks were \$1,324,022 and \$0 and \$1,364,978 and \$11,744, for 2013 and 2012, respectively. Employee contributions have fluctuated from year to year, based on the number of active members and changes in the rate of employee contributions.

For the fiscal year ended September 30, 2012, employee contributions including buybacks decreased by \$329,821 (or 19.33%). Actual employee contributions and buybacks were \$1,364,978 and \$11,744 and \$1,592,450 and \$114,093, for 2012 and 2011, respectively. Employee contributions have fluctuated from year to year, based on the number of active members and changes in the rate of employee contributions.

- For the fiscal year ended September 30, 2013, net investment income decreased by \$12,702,354. Actual results were \$17,413,256 and \$29,172,204 of net appreciation in fair value of investments for 2013 and 2012, respectively, and \$6,220,770 and \$6,392,846 of income from interest and dividends for 2013 and 2012, respectively. Deferred Retirement Option Plan participants' earnings were \$4,391,584 and \$3,701,275 for 2013 and 2012, respectively. Investment expenses increased by \$81,291 or (8.32%).

For the fiscal year ended September 30, 2012, net investment income increased by \$31,846,197. Actual results were \$29,172,204 and (\$2,282,216) of net appreciation (depreciation) in fair value of investments for 2012 and 2011, respectively, and \$6,392,846 and \$5,781,480 of income from interest and dividends for 2012 and 2011, respectively. Deferred Retirement Option Plan participants' earnings were \$3,701,275 and \$3,434,750 for 2012 and 2011, respectively. Investment expenses decreased by \$46,936 or (4.58%).

- For the fiscal year ended September 30, 2013, benefit payments and participants' contributions refunded increased by \$4,078,290 (or 19.68%) primarily due to a distribution of a 13th check.

For the fiscal year ended September 30, 2012, benefit payments and participants' contributions refunded decreased by \$895,657 (or 4.14%) primarily due to no 13th check distribution.

- For the fiscal year ended September 30, 2013, administrative expenses increased \$87,394 from 2012 (or 15.25%) primarily due to an increase in fees for professional services.

For the fiscal year ended September 30, 2012, administrative expenses increased \$102,544 from 2011 (or 21.79%) primarily due to an increase in fees for professional services.

Management's Discussion and Analysis (Required Supplementary Information - Unaudited) September 30, 2013 and 2012

Plan Highlights

For the fiscal year ended September 30, 2013, the return of the portfolio, net of fees was 9.95% for the trailing year and ranked in the top 83rd percentile. Actual net investment income in 2013 was \$18,184,251 compared with a net investment income of \$30,886,605 in 2012.

For the fiscal year ended September 30, 2012, the return of the portfolio, net of fees was 17.16% for the trailing year and ranked in the top 64th percentile. Actual net investment income in 2012 was \$30,886,605 compared with a net investment loss of \$959,592 in 2011.

Overview of the Financial Statements

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

The Fund presents two types of required supplementary schedules, which provide historical trend information about the Fund's funding. The two types of schedules include a schedule of funding progress and a schedule of contributions by employer and other contributing entity.

The Fund 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 Fund's overall financial status.

Description of the Financial Statements

The *Statement of Plan Net Position* presents information that includes all of the Fund's assets and liabilities, with the balance representing the Net Position Held in Trust for Pension Benefits. It is a snapshot of the financial position of the Fund at that specific point in time and reflects the resources available to pay employees, retirees and beneficiaries at that point in time.

The *Statement of Changes in Plan Net Position* reports how the Fund's net assets changed during the fiscal year. The additions and deductions to net assets are summarized in this statement. The additions include contributions to the retirement plans from employer, state and employees and net investment income (loss), which include interest, dividends, investment expenses, and the net appreciation or depreciation in the fair value of investments. The deductions include benefit payments, refunds of member contributions, and administrative expenses.

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

There are also two *Required Supplementary Schedules* included in this report as required by the Governmental Accounting Standards Board. The *Schedule of Funding Progress* presents historical trend information about the actuarially determined funded status of the Fund from a long-term, ongoing plan perspective, and the progress made in accumulating sufficient assets to fund benefit payments as they become due. The *Schedule of Employer and Other Contributing Entity* presents historical trend information about the annual required contributions of employers and percentage of such contributions in relation to actuarially determined requirements for the years presented.

Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
September 30, 2013 and 2012

Description of the Financial Statements - continued

Additional information is presented as part of *Other Supplementary Schedules*. This section is not required but management has chosen to include it. It includes *Combining Statements of Net Position, and Combining Statements of Changes in Net Position, Schedules of Investment Expenses and Administrative Expenses*. The *Combining Statement of Net Position and Combining Statements of Changes in Net Position* reflects a reporting column for the assets, liabilities and the activities in the Share Plan. *Schedule of Investment Expenses* presents the expenses incurred in managing and monitoring the investments of the Fund and include financial management, consultant, and custodial fees. The *Schedule of Administrative Expenses* presents the expenses incurred in the administration of the Fund.

Statements of Plan Net Position

The table below reflects condensed comparative statements of plan net position of the Fund as of September 30:

	2013	2012	2011
Cash and cash equivalents	\$ 3,692,603	\$ 6,534,757	\$ 4,759,663
Receivables	2,260,452	2,642,850	1,490,455
Prepaid expenses	25,728	-	-
Investments	235,676,119	222,706,385	196,997,601
Total assets	241,654,902	231,883,992	203,247,719
Liabilities	63,150,015	58,248,634	50,758,467
Net position held in trust for pension benefits	\$ 178,504,887	\$ 173,635,358	\$ 152,489,252

Statements of Changes in Plan Net Position

The table below reflects a condensed comparative statement summarizing the changes in net position and reflects the activities of the Fund for the fiscal years ended September 30:

	2013	2012	2011
Additions:			
Contributions			
City	\$ 9,573,932	\$ 9,068,274	\$ 11,917,325
Employee	1,324,022	1,364,978	1,592,450
State	1,250,143	1,111,640	1,052,885
Buybacks	-	11,744	114,093
Total	12,148,097	11,556,636	14,676,753
Net investment income	18,184,251	30,886,605	(959,592)
Total additions	30,332,348	42,443,241	13,717,161
Deductions:			
Benefits paid	24,560,445	20,510,999	21,599,662
Participants' contributions refunded	241,759	212,915	19,909
Administrative expenses	660,615	573,221	470,677
Total deductions	25,462,819	21,297,135	22,090,248
Net increase (decrease)	4,869,529	21,146,106	(8,373,087)
Net position held in trust for pension benefits at beginning of year	173,635,358	152,489,252	160,862,339
Net position held in trust for pension benefits at end of year	\$ 178,504,887	\$ 173,635,358	\$ 152,489,252

**Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
September 30, 2013 and 2012**

Statements of Changes in Plan Net Position - continued

The Fund's investment activities, measured as of the end of any month, quarter or year, is a function of the underlying marketplace for the period measured and the investment policy's asset allocation. Actual returns for fiscal year 2013 decreased from fiscal year ended September 30, 2012 and increased from fiscal year 2011.

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

Asset Allocation

At the end of the fiscal year September 30, 2013, the domestic equity portion comprised 53.57% (\$128,227,152) of the total portfolio. The allocation to fixed income securities was 39.22% (\$93,881,331), while cash and cash equivalents comprised 1.54% (\$3,692,603). The portion allocated to international equity was 0.74% (\$1,776,113). The allocation to real estate was 4.93% (\$11,791,523).

At the end of the fiscal year September 30, 2012, the domestic equity portion comprised 51.03% (\$116,987,549) of the total portfolio. The allocation to fixed income securities was 45.15% (\$103,495,991), while cash and cash equivalents comprised 2.85% (\$6,534,757). The portion allocated to international equity was 0.97% (\$2,222,845).

The target asset allocation was as follows as of September 30:

	2013	2012
Domestic equity	50%	50%
Fixed income	39%	46%
Cash	4%	4%
Real estate	7%	0%
International equity	0%	0%
Other	0%	0%

Contacting the Fund's Financial Management

This financial report is designed to provide the Retirement Board, our membership, taxpayers, investors, and creditors with a general overview of the Fund finances and to demonstrate accountability for the money they receive. If you have any questions about this report or need additional financial information, contact the City of Hollywood Police Officers Retirement System, 4205 Hollywood Boulevard, Suite 4, Hollywood, FL 33021.

City of Hollywood Police Officers Retirement System

Statements of Plan Net Position

September 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	\$ 3,692,603	\$ 6,534,757
Receivables:		
State contributions receivable	1,250,143	1,111,640
Accrued interest and dividends	990,382	1,158,986
Receivable for securities sold	19,927	372,224
Total receivables	2,260,452	2,642,850
Prepaid expenses	25,728	-
Investments, at fair value:		
Domestic equity securities	109,006,587	100,591,685
International equity securities	1,776,113	2,222,845
Corporate bonds	74,084,430	81,256,430
U.S. government securities	17,455,150	19,865,061
Foreign bonds	2,341,751	2,374,500
Domestic equity funds	19,220,565	16,395,864
Real estate	11,791,523	-
Total investments	235,676,119	222,706,385
Total assets	241,654,902	231,883,992
Liabilities		
Accounts payable	215,507	134,041
Benefits payable	1,777,279	1,350,018
Prepaid City contributions	2,250,144	2,559,000
Deferred retirement option plan payable	58,754,098	53,765,888
Payable for securities purchased	152,987	439,687
Total liabilities	63,150,015	58,248,634
Net position held in trust for pension benefits	\$ 178,504,887	\$ 173,635,358
(a schedule of funding progress is presented on Page 22)		

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

City of Hollywood Police Officers Retirement System

Statements of Changes in Plan Net Position

For the Years Ended September 20, 2013 and 2012

	2013	2012
Additions		
Contributions:		
City	\$ 9,573,932	\$ 9,068,274
Employee	1,324,022	1,364,978
State	1,250,143	1,111,640
Buybacks	-	11,744
Total contributions	12,148,097	11,556,636
Investment income:		
Net appreciation in fair value of investments	17,413,526	29,172,204
Interest and dividends	6,220,770	6,392,846
Total investment income	23,634,296	35,565,050
Less: Investment expenses	1,058,461	977,170
Deferred retirement option plan participants' earnings	4,391,584	3,701,275
Net investment income	18,184,251	30,886,605
Total additions	30,332,348	42,443,241
Deductions		
Benefits paid	24,560,445	20,510,999
Participants' contributions refunded	241,759	212,915
Administrative expenses	660,615	573,221
Total deductions	25,462,819	21,297,135
Net increase	4,869,529	21,146,106
Net position held in trust for pension benefits:		
Beginning of year	173,635,358	152,489,252
End of year	\$ 178,504,887	\$ 173,635,358

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

City of Hollywood Police Officers Retirement System

Notes to Financial Statements

September 30, 2013 and 2012

Note 1 - Description of the Fund

Organization

The City of Hollywood Police Officers Retirement System (the "Fund") is a single employer defined benefit pension plan, covering substantially all police officers of the City of Hollywood, (the "Employer") that have met the conditions of eligibility. Since the Fund is sponsored by the City, the Fund is included as a pension trust fund in the City's comprehensive financial report as part of the City's financial entity.

The following is a brief description of the Fund presented for general information purposes only. Participants should refer to the plan agreement for more complete information.

Plan Membership

Employee membership data was as follows as of October 1:

	2012	2011
Active plan participants	214	224
Retired members, beneficiaries and deferred vested members	368	362
Total participants	582	586

Pension Benefits

Normal Retirement:

Members with 10 or more years of creditable service as of September 30, 2011 who has attained age 50 or has completed 22 years of creditable service may retire and are eligible for normal retirement benefit. A member has vested benefits after 10 years of continuous service.

For members hired prior to October 1, 2011 with less than 10 years of creditable service as of September 30, 2011 and members hired after September 30, 2011, normal retirement shall be the attainment of age 55 with 10 or more years of creditable service or age 52 with 25 years of creditable service.

For members who are eligible for normal retirement as of September 30, 2011 the monthly benefit amount is equal to 3% of the member's average monthly earnings multiplied by years and completed months of continuous service up to 20 years plus 4% of the members average monthly earnings multiplied by years and completed months of continuous service after 20 years with a maximum of 80% of average monthly earnings. Upon completion of 22 years of continuous service, a member will receive a monthly benefit of 80% of average monthly earnings. The normal form of benefit payment is life annuity with ten-years certain.

For members who are vested but not eligible for normal retirement as of September 30, 2011 the monthly benefit amount is equal to 3.3% of average final compensation multiplied by years of service earned up to September 30, 2011 (the frozen accrued benefit as of October 1, 2011 based on the benefit structure in place as of September 30, 2011 prior to July 17, 2013) plus 3% (2% prior to July 17, 2013) of average monthly earnings multiplied by years and completed months of service earned after September 30, 2011. If a member retires before age 62 and additional benefit of 0.5% of average monthly earnings will be paid on or after October 1, 2011 up to age 62.

City of Hollywood Police Officers Retirement System

Notes to Financial Statements

September 30, 2013 and 2012

Note 1 - Description of the Fund - continued

Pension Benefits - continued

For members who are not vested and are not eligible for normal retirement as of September 30, 2011 the monthly benefit amount is equal to 3.0% of average final compensation multiplied by years of service earned up to September 30, 2011 (the frozen accrued benefit as of October 1, 2011 based on the benefit structure in place as of September 30, 2011 prior to July 17, 2013) plus 3% (2% prior to July 17, 2013) of average monthly earnings multiplied by years and completed months of service earned after September 30, 2011. If a member retires before age 62 an additional benefit of 0.5% of average monthly earnings will be paid on or after October 1, 2011 up to age 62.

The average monthly earnings prior to October 1, 2011 are computed based on the earnings of the three highest paid years of employment prior to retirement or termination. Effective October 1, 2011 the average monthly earnings are computed based on the earnings of the three highest paid years of employment prior to retirement or termination.

Disability:

Any member who becomes totally and permanently disabled in the line of duty and who must have applied for social security disability benefits as well as workers' compensation benefits if applicable, will receive a benefit equal to the greater of his or her accrued benefit on date of disability based on the applicable benefit rate or 50% of earnings at the time of determination of disability.

Members with at least five years of continuous service who sustain a non-service connected disability and who must have applied for Social Security disability benefits as well as workers' compensation benefits if applicable may receive a benefit equal to 2-1/2% of their average monthly earnings multiplied by years of service.

No member with at least five years of continuous service shall receive less than 25% of his average monthly earnings in effect at the time of determination of disability. Upon attainment of age 50, the benefit will be recomputed as a normal retirement benefit with consideration for service granted for the period of time that the member was receiving a disability retirement payment.

Death Benefits:

A service-incurred death benefit will be paid to the surviving spouse at the rate of 50% of the member's monthly earnings at the time of death. A non-service-incurred death benefit will be paid to the surviving spouse at the rate of 25% of the member's monthly earnings at the time of death. Death benefits are payable to the surviving spouse until death or remarriage. Upon the death or remarriage of the spouse, the death benefits are payable to the member's dependent children until the youngest child reaches the age of 18.

Cost-of-Living Adjustment:

A retiree whose benefit commences on or after April 1, 1987 and any beneficiary of such retiree will receive a 2% annual increase in benefit payments commencing three years after the retiree's benefit payments have begun. For participants who enter the DROP on or after October 1, 2006, cost-of-living adjustments do not occur while the member participates in the DROP. Adjustments commence the later of the date the participant leaves the DROP and three years after entry into the DROP. There shall be no annual cost-of-living adjustment effective October 1, 2011.

City of Hollywood Police Officers Retirement System

Notes to Financial Statements

September 30, 2013 and 2012

Note 1 - Description of the Fund - continued

Supplemental Distribution:

If the actual investment return of the Fund exceeds the assumed actuarial return for the fiscal year, then a supplemental pension distribution (up to 2%) shall be made to the eligible recipients in the form of an optional 13th check. Effective October 1, 2011 there will be no supplemental check payable to retirees and surviving spouses and other beneficiaries who reached normal retirement or entered the DROP after September 30, 2011.

Deferred Retirement Option Plan

A Fund member may enter into the police officers' Deferred Retirement Option Plan (DROP) upon the attainment of normal retirement age. The DROP is administered by the Police Officers' Retirement System Board of Trustees. Once a Fund member enters the DROP, their monthly retirement benefit is frozen, and their monthly benefit is paid into their DROP account.

A member hired on or before September 30, 2009 who elects to enter the DROP plan has the option to receive a rate of return on his or her DROP account that is equal to the assumed rate of investment return on fund assets. For members hired on or after October 1, 2009, his or her DROP account shall earn interest at the rate of six percent (6%) per year. In the event the Plan earnings exceed six percent (6%) per year, the earnings in excess of six percent (6%) up to and including twelve percent (12%) per year shall offset the City's cost of maintaining the DROP program. Earnings in excess of twelve percent (12%) per year shall be equally divided between the DROP participant and the City.

Upon termination of employment, but not more than eight years after entry into the DROP, or that period of participation in the DROP that would result in a total of 30 years of employment with the City, 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 DROP may now receive eligible rollover contributions from eligible governmental 457(b) plans. These rollover contributions remain in a variable-rate account as described above and do not qualify for the fixed rate option. During the years ended September 30, 2013 and 2012, the DROP received rollover contributions of approximately \$25,000 and \$45,000, respectively.

Share Plan

Effective June 30, 2002, the Hollywood Police Officers' Share Plan (Share Plan), a defined contribution plan, was created to implement the provisions of Chapter 185, Florida Statutes, and to provide means whereby police officers of the City of Hollywood, Florida may receive benefits from the funds provided for that purpose by Chapter 185, Florida Statutes. 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. The Board of Trustees shall provide for all assets of the Share Plan to be held in trust solely for the use of paying the benefits provided and the expenses of the Share Plan.

The City shall pay to the Share Plan each year an amount equal to the amount it receives from the State under the provisions of Chapter 185, Florida Statutes, as amended. As of each Valuation Date, the amounts received since the preceding Valuation Date shall be allocated among the Participants' Accounts.

The allocation shall be based on the proportion the total number of months of Credit accrued by each Participant in the immediately preceding Share Plan Year bears to the total months of Credit of all Participants in that Share Plan Year with no credit given on account of a Participant's seniority, rank or compensation. Forfeitures are allocated in the same manner described above.

City of Hollywood Police Officers Retirement System

Notes to Financial Statements

September 30, 2013 and 2012

Note 1 - Description of the Fund - continued

Share Plan - continued

The Board shall ascertain the value of the assets of the Share Plan as of each Valuation Date and shall allocate to the account of each Participant their share of the increase or decrease in the fair market value of the Share Plan's assets net of administrative expenses. The Participant's share of the increase or decrease of the Share Plan assets shall bear the same ratio to the total amount of the increase or decrease in the Share Plan as the value of the portion of the Participant's Account invested in the Share Plan bears to the total value of the Share Plan.

A Participant shall receive a benefit from the Share Plan upon his termination of employment, disability, retirement or death in accordance with the Share Plan agreement. However, no Participant shall receive a benefit from the Share Plan in excess of the amount credited to their Account.

Commencing June 7, 2006, the state funds received by the City pursuant to Florida Statutes Chapter 185 subsequent to the funds normally received during fiscal year ended September 30, 2006, shall not be divided into individual "share" accounts but shall be used exclusively to fund plan benefits, including "minimum benefits" and "extra benefits" as provided in Chapter 185.

Funding Requirements

Member Contributions:

Each police officer makes contributions to the Fund during the first 27 years of continuous service at the rate of 8.0% (9.25% prior to May 1, 2013) of their earnings. After completion of 27 years of continuous service, members shall contribute only 0.5% of their earnings. If a police officer's service is terminated for reasons other than death or retirement, their accumulated contributions are returned to them with 3% interest, compounded annually.

City Contributions:

The City of Hollywood pays into the Fund such amount as is determined actuarially to provide for benefits under the Fund not met by member contributions. Commencing June 7, 2006, this amount is reduced by any allowable Chapter 185 State contributions.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which the contributions are due. Employer (City) contributions are recognized as revenues when due pursuant to actuarial valuations. State contributions are recognized as revenue in the period in which they are approved by the State. Benefits and refunds are recognized when due and payable in accordance with the terms of the Fund. Interest and other income are recorded as earned, and dividend income is recorded as of the ex-dividend date.

City of Hollywood Police Officers Retirement System

Notes to Financial Statements

September 30, 2013 and 2012

Note 2 - Summary of Significant Accounting Policies - continued

Cash and Cash Equivalents

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

Investments

The Fund's investments are reported at fair value in the Statement of Plan Net Position. 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 diversity of the investment types in which the Fund has entered into requires a range of techniques to determine fair value. The overall valuation processes and information sources by major investment classification are as follows:

- **Equity investments:** These include domestic and international common stocks and domestic 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, 2013 and 2012. 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.
- **Debt securities:** Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, domestic corporate bonds and foreign corporate and government bonds. 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.
- **Real Estate:** Real estate investments are investments where no readily ascertainable market value exists. To value these investments, management, in consultation with the general partner and investment advisors, determines the fair values for the individual investments based upon the partnership's or limited liability company's most recent available financial information adjusted for cash flow activities through September 30, 2013 and 2012. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

Unrealized gains and losses are presented as net appreciation in fair value of investments on the statement of changes in plan net position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

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 plan net position.

City of Hollywood Police Officers Retirement System

Notes to Financial Statements

September 30, 2013 and 2012

Note 2 - Summary of Significant Accounting Policies - continued

Income Tax Status

The Fund is tax-exempt under the Internal Revenue Code, and, therefore, has recorded no income tax liability or expense.

Reclassifications

Certain reclassifications have been made to the prior year amounts to conform to the current year presentation. These reclassifications had no effect on previously reported net position and increase in net position.

Subsequent Events

Management has evaluated subsequent events through January 31, 2014, the date which the financial statements were available for issue.

Use of Estimates

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

Risks and Uncertainties

Contributions to the Fund 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 and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in settling assumptions, that the effect of such changes could be material to the financial statements.

Recently Adopted Accounting Pronouncements

The Plan adopted Governmental Accounting Standards Board (“GASB”) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB Statement No. 63). The adoption of this Statement resulted in a change in the presentation of the Statement of Plan Net Assets to what is now referred to as the Statement of Plan Net Position and the term “net assets” is changed to “net position” throughout the financial statements.

Note 3 – Funded Status and Funding Progress

The funded status of the Fund as of October 1, 2012, the most recent actuarial valuation date, is as follows (dollar amounts in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
10/1/2012	\$ 166,024	\$ 303,651	\$ 137,626	54.7%	\$ 13,708	1004.0%

City of Hollywood Police Officers Retirement System

Notes to Financial Statements

September 30, 2013 and 2012

Note 3 – Funded Status and Funding Progress –continued

Valuation date	October 1, 2012
Actuarial cost method	Entry age, normal
Amortization method	Level percent closed
Remaining amortization period	20 to 30 years
Asset valuation method	5 year smoothed market
Actuarial assumptions:	
Investment rate of return*	8.00%
Projected salary increases*	5.03% to 10.67%
Cost of living adjustments (beginning three years after retirement)	2.00% for benefits accrued prior to 10/1/11
*Included inflation at	3.50%

Note 4 - Funding Requirements and Contributions

Actual Contributions

The actual City contribution for active employees and State contributions for the years ended September 30, 2013 and 2012 were \$10,824,075 and \$10,179,914, respectively, and the actual amount of covered payroll was approximately \$15,046,000 and \$14,757,000 for fiscal years ended September 30, 2013 and 2012, respectively.

City and State contributions consisted of the following at September 30:

2013		
	Amount	Percent of Actual Annual Covered Payroll
City contributions	\$ 9,573,932	63.6%
State contributions	1,250,143	8.3
Total	\$ 10,824,075	71.9%
2012		
	Amount	Percent of Actual Annual Covered Payroll
City contributions	\$ 9,068,274	61.5%
State contributions	1,111,640	7.5
Total	\$ 10,179,914	69.0%

For the fiscal years ended September 30, 2013 and 2012 employee contributions were \$1,324,022 and \$1,364,978, respectively and buybacks were \$11,744 for the fiscal year 2012. There were no buybacks for the fiscal year ended 2013

City of Hollywood Police Officers Retirement System

Notes to Financial Statements

September 30, 2013 and 2012

Note 4 - Funding Requirements and Contributions - continued

Actuarially Determined Contributions

The Fund contributions required from the City of Hollywood and the State of Florida for the fiscal years September 30, 2013 and 2012 were actuarially determined by the October 1, 2011 and 2010 valuation reports to be \$11,391,857 and \$10,179,814, respectively. The actuarially computed annual covered payroll amounted to approximately \$15,231,000 and \$15,289,000, respectively.

Funding requirements for valuations prior to October 1, 2010 disclosed a specific dollar amount (“fixed dollar contributions method”) for the minimum required employer contributions which was based on the actuarially projected payroll. For the year ended September 30, 2011, at the request of the Division of Retirement, the City was required to contribute an amount based on the actuarially determined percentage of actual pensionable payroll (“percentage of payroll method”). The actuarially determined percentage was 75.2% for the fiscal year ended September 30, 2011. As a result, the City contribution was based on the actual pensionable wages of approximately \$17,216,000 amounted to \$11,917,325.

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 contribution) that best fits the funding requirements of the Plan. For the year ended September 30, 2013, the Plan selected to use the fixed dollar contribution amount.

The required City contribution covers the following:

	2013		2012	
	Amount	Percent of Actuarially Computed Covered Payroll	Amount	Percent of Actuarially Computed Covered Payroll
Normal cost				
(excluding expenses)	\$ 1,871,523	12.3%	\$ 1,802,606	11.8%
Expenses	400,000	2.6	400,000	2.6
Payment to amortize unfunded liability	9,120,334	59.9	7,977,208	52.2
Total required	\$ 11,391,857	74.8%	\$ 10,179,814	66.6%

Note 5 – 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 plan net position. Cash and cash equivalents include short-term investment funds at September 30, 2013 and 2012.

Investment Authorization

The investment policy is determined by the Board of Trustees. The policy has been identified by the Board to conduct the operations of the Fund in a manner so that the assets will provide the pension and other benefits provided under applicable laws, including City ordinances, preserving principal while maximizing the rate of return. The Trustees are authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, commercial paper, bonds, debentures, and other corporate obligations, and stocks, preferred or common.

City of Hollywood Police Officers Retirement System

Notes to Financial Statements

September 30, 2013 and 2012

Note 5 – Deposits and Investment Risk Disclosures - continued

Investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 65% (at market) of the Fund's total asset value with no more than 5% of an investment manager's equity portfolio invested in the shares of a single corporate issuer. Investments in stocks or bonds of foreign companies shall be limited to 25% of the value of the portfolio, at market value (exclusive of the State of Israel). No more than 8% of the equity securities are to be invested in small or mid-cap stocks.

The fixed income portfolio shall be comprised of securities rated in the highest three (3) categories of quality by Moody's, Standard & Poors or Fitch's Manual rating services with no more than 5% of an investment manager's total fixed income portfolio invested in the securities of any single corporate issuer.

Types of Investments

Florida statutes and Fund investment policy authorize the Trustees to invest funds in various investments. The current target allocation of these investments at market is as follows:

Authorized investments	Target % of portfolio
Domestic equity	50%
Fixed income	39%
Cash	4%
Real estate	7%
International equity	0%

Investments

The table below shows the Plan's investments by type as of September 30:

	2013	2012
Equity securities, domestic:		
Common stock	\$ 109,006,587	\$ 100,591,685
Equity securities, international:		
Common stocks	1,776,113	1,294,255
International equity fund	-	928,590
	1,776,113	2,222,845
Domestic equity funds	19,220,565	16,395,864
Real estate	11,791,523	-
Domestic debt securities:		
U.S. treasuries	4,536,890	4,394,189
U.S. agencies	12,918,260	15,470,872
Corporate bonds	74,084,430	81,256,430
	124,327,781	119,740,199
Foreign bonds:		
State of Israel	1,250,001	1,250,000
Corporate bonds	1,091,750	1,124,500
	2,341,751	2,374,500
Total	\$ 235,676,119	\$ 222,706,385

City of Hollywood Police Officers Retirement System

Notes to Financial Statements

September 30, 2013 and 2012

Note 5 – Deposits and Investment Risk Disclosures - continued

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 Fund diversifies their 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 Fund's investments to market interest rate fluctuations are provided by the following tables that show the distribution of the Fund's investments by maturity at September 30:

2013					
Investment Maturities (in years)					
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 4,536,890	\$ -	\$ 3,192,765	\$ 1,344,125	\$ -
U.S. agencies	12,918,260	1,295,841	3,289,247	6,064,291	2,268,881
Corporate bonds and notes	74,084,430	4,632,285	40,146,099	29,306,046	-
Foreign bonds	2,341,751	500,001	750,000	1,091,750	-
	\$ 93,881,331	\$ 6,428,127	\$ 47,378,111	\$ 37,806,212	\$ 2,268,881

2012					
Investment Maturities (in years)					
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 4,394,189	\$ 1,094,989	\$ 3,299,200	\$ -	\$ -
U.S. agencies	15,470,872	2,562,095	4,557,117	4,660,658	3,691,002
Corporate bonds and notes	81,256,430	6,372,860	30,759,334	44,124,236	-
Foreign bonds	2,374,500	1,250,000	1,124,500	-	-
	\$ 103,495,991	\$ 11,279,944	\$ 39,740,151	\$ 48,784,894	\$ 3,691,002

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 Fund's investment policy utilizes portfolio diversification in order to control this risk.

City of Hollywood Police Officers Retirement System

Notes to Financial Statements

September 30, 2013 and 2012

Note 5 – Deposits and Investment Risk Disclosures - continued

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

	2013		2012	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 17,455,150	18.59	\$ 19,865,061	19.19%
Quality rating of credit risk debt securities:				
AAA	2,003,764	2.13	1,163,640	1.12
AA+	1,890,174	2.01	4,899,976	4.73
AA	2,278,436	2.43	3,580,190	3.46
AA-	5,307,122	5.65	5,715,609	5.52
A+	13,197,271	14.06	17,156,512	16.58
A	28,338,932	30.19	23,381,130	22.59
A-	15,505,291	16.52	18,005,881	17.40
BBB+	5,945,465	6.33	7,719,144	7.46
BBB	1,959,726	2.09	2,008,848	1.95
Total credit risk debt securities	76,426,181	81.41	83,630,930	80.81
Total fixed income securities	\$ 93,881,331	100.00%	\$ 103,495,991	100.00%

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

Concentration of Credit Risk

The investment policy of the Fund contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of plan net position at September 30, 2013 and 2012.

Custodial Credit Risk

Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments 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 Fund and are held either by the counterparty's trust department or agent but not in the Fund's name.

Consistent with the Fund's investment policy, the investments are held by the Fund's custodial bank and registered in the Fund's name. All of the Fund's deposits are insured and or collateralized by a financial institution separate from the Fund's depository financial institution.

City of Hollywood Police Officers Retirement System

Notes to Financial Statements

September 30, 2013 and 2012

Note 6 – Commitments

The Fund is obligated for payments under an operating lease for office space that will expire on August 31, 2016. Rent expense was \$24,525 and \$24,360 for years ended September 30, 2013 and 2012, respectively.

The following is a schedule of the aggregate future minimum rental payments under this lease:

For the year ending September 30,

2014	\$	24,525
2015		24,525
2016		23,381
	\$	<u>72,431</u>

Required Supplementary Information

City of Hollywood Police Officers Retirement System

Required Supplementary Information

Schedule of Funding Progress and Schedule of Contributions by Employer and Other Contributing Entity (Unaudited)

September 30, 2013

**Schedule "1" - Schedule of Funding Progress
(dollar amounts in thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Liability (AAL)	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
10/01/07	\$ 167,269	\$ 274,340	\$ 107,070	61.0%	\$ 17,444	613.8%
10/01/08	165,750	284,620	118,870	58.2	18,460	643.9
10/01/09	161,780	302,547	140,767	53.5	18,445	763.2
10/01/10	172,262	283,729	111,467	60.7	15,289	729.0
10/01/11	163,376	289,627	126,251	56.4	15,231	828.9
10/01/12	166,024	303,651	137,626	54.7	13,708	1004.0

Schedule "2" - Schedule of Contributions by Employer and Other Contributing Entity

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2008	10,678,622	100%
2009	11,332,169	100
2010	11,427,524	100
2011	12,970,210	100
2012	10,179,814	100
2013	11,391,857	100

Other Supplementary Schedules

City of Hollywood Police Officers Retirement System

Schedule 1 - Combining Statements of Plan Net Position

September 30, 2013

	2013		
	Fund	Share Plan	Total
Assets			
Cash and cash equivalents	\$ 3,692,603	\$ -	\$ 3,692,603
Receivables:			
State contributions receivable	1,250,143	-	1,250,143
Accrued interest and dividends	990,382	-	990,382
Receivable for securities sold	19,927	-	19,927
Total receivables	2,260,452	-	2,260,452
Prepaid expenses	25,728	-	25,728
Investments, at fair value:			
Common stock	110,782,700	-	110,782,700
Corporate bonds and notes	75,176,180	-	75,176,180
U.S. government securities	17,455,150	-	17,455,150
State of Israel bonds	1,250,001	-	1,250,001
Domestic equity funds	19,220,565	-	19,220,565
Real estate	11,791,523	-	11,791,523
Share Plan investments	(3,548,927)	3,548,927	-
Total investments	232,127,192	3,548,927	235,676,119
Total assets	238,105,975	3,548,927	241,654,902
Liabilities			
Accounts payable	215,507	-	215,507
Benefits payable	1,777,279	-	1,777,279
Prepaid City contributions	2,250,144	-	2,250,144
Deferred retirement option plan payable	58,754,098	-	58,754,098
Payable for securities purchased	152,987	-	152,987
Total liabilities	63,150,015	-	63,150,015
Net position held in trust for pension benefits	\$ 174,955,960	\$ 3,548,927	\$ 178,504,887

City of Hollywood Police Officers Retirement System

Schedule 1 - Combining Statements of Plan Net Position

September 30, 2012

	2012		
	Fund	Share Plan	Total
Assets			
Cash and cash equivalents	\$ 6,534,757	\$ -	\$ 6,534,757
Receivables:			
Receivable for securities sold	372,224	-	372,224
Total receivables	2,642,850	-	2,642,850
Investments, at fair value:			
Common stock	102,814,530	-	102,814,530
Corporate bonds and notes	82,380,930	-	82,380,930
U.S. government securities	19,865,061	-	19,865,061
State of Israel bonds	1,250,001	-	1,250,001
Domestic equity funds	16,395,863	-	16,395,863
Share Plan investments	(3,866,030)	3,866,030	-
Total investments	218,840,355	3,866,030	222,706,385
Total assets	228,017,962	3,866,030	231,883,992
Liabilities			
Accounts payable	134,041	-	134,041
Benefits payable	1,350,018	-	1,350,018
Prepaid City contributions	2,559,000	-	2,559,000
Deferred retirement option plan payable	53,765,888	-	53,765,888
Payable for securities purchased	439,687	-	439,687
Total liabilities	58,248,634	-	58,248,634
Net position held in trust for pension benefits	\$ 169,769,328	\$ 3,866,030	\$ 173,635,358

City of Hollywood Police Officers Retirement System
Schedule 3 - Combining Statements of Changes in Plan Net Position
For the Year Ended September 30, 2013

	2013		
	Fund	Share Plan	Total
Additions			
Contributions			
City	\$ 9,573,932	\$ -	\$ 9,573,932
Employee	1,324,022	-	1,324,022
State	1,250,143	-	1,250,143
Total contributions	12,148,097	-	12,148,097
Investment income:			
Net appreciation in fair value of investments	17,413,526	-	17,413,526
Interest and dividends	6,220,770	-	6,220,770
Total investment income	23,634,296	-	23,634,296
Less: Investment expenses	(1,058,461)	-	(1,058,461)
Deferred retirement option plan participants' earnings	(4,391,584)	-	(4,391,584)
Allocation of share plan participants' earnings	(322,019)	322,019	-
Net investment income	17,862,232	322,019	18,184,251
Total additions	30,010,329	322,019	30,332,348
Deductions			
Benefits paid	23,921,323	639,122	24,560,445
Participants' contributions refunded	241,759	-	241,759
Administrative expenses	660,615	-	660,615
Total deductions	24,823,697	639,122	25,462,819
Net increase (decrease)	5,186,632	(317,103)	4,869,529
Net position held in trust for pension benefits			
Beginning of year	169,769,328	3,866,030	173,635,358
End of year	\$ 174,955,960	\$ 3,548,927	\$ 178,504,887

City of Hollywood Police Officers Retirement System
Schedule 3 - Combining Statements of Changes in Plan Net Position
For the Year Ended September 30, 2012

	2012		
	Fund	Share Plan	Total
Additions			
Contributions			
City	\$ 9,068,274	\$ -	\$ 9,068,274
Employee	1,364,978	-	1,364,978
State	1,111,640	-	1,111,640
Buybacks	11,744	-	11,744
Total contributions	11,556,636	-	11,556,636
Investment income:			
Net appreciation in fair value of investments	29,172,204		29,172,204
Interest and dividends	6,392,846		6,392,846
Total investment income	35,565,050	-	35,565,050
Less: Investment expenses	(977,170)	-	(977,170)
Deferred retirement option plan participants' earning	(3,701,275)	-	(3,701,275)
Allocation of share plan participants' earnings	(619,153)	619,153	-
Net investment income	30,267,452	619,153	30,886,605
Total additions	41,824,088	619,153	42,443,241
Deductions			
Benefits paid	19,792,556	718,443	20,510,999
Participants' contributions refunded	212,915	-	212,915
Administrative expenses	573,221	-	573,221
Total deductions	20,578,692	718,443	21,297,135
Net increase (decrease)	21,245,396	(99,290)	21,146,106
Net position held in trust for pension benefits			
Beginning of year	148,523,932	3,965,320	152,489,252
End of year	\$ 169,769,328	\$ 3,866,030	\$ 173,635,358

City of Hollywood Police Officers Retirement System
Other Supplementary Schedules of Investment Expenses and Administrative Expenses
For the Years Ended September 30, 2013 and 2012

	2013	2012
Schedule "5"		
Schedule of Investment Expenses		
Financial management expenses		
Buckhead Capital	\$ 75,788	\$ 67,769
Garcia Hamilton & Associates LP	156,493	140,557
Eagle Asset Management, Inc.	115,474	110,731
Inverness Counsel, Inc.	549,265	547,129
RhumbLine Advisers	15,882	11,681
American Realty Advisors	10,935	-
Intercontinental Real Estate Corporation	29,384	-
Total financial management expenses	953,221	877,867
Investment consultant fees		
Thistle Asset Consulting	41,380	41,756
Investment custodial fees		
Fiduciary Trust International of the South	63,860	57,547
Total investment expenses	\$ 1,058,461	\$ 977,170
Schedule "6"		
Schedule of Administrative Expenses		
Personnel services		
Salaries and payroll taxes	\$ 177,717	\$ 178,295
Fringe benefits	32,934	33,581
Total personnel services	210,651	211,876
Professional services		
Actuarial	165,714	62,059
Accounting and Audit	22,400	19,438
Legal	121,560	192,694
Total professional services	309,674	274,191
Other		
Computer expense	31,350	3,103
Dues & subscriptions	1,755	1,680
Equipment rental	3,421	2,936
Insurance	21,935	25,525
Medical fees	6,180	9,219
Office expense	42,905	6,653
Rent	24,525	24,360
Staff travel and member education expense	8,065	9,322
Telephone	154	4,356
Total other	140,290	87,154
Total administrative expenses	\$ 660,615	\$ 573,221



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