

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

**TENTATIVE - FOR
DISCUSSION PURPOSES ONLY**

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

CONTENTS

Independent Auditors' Report	1-3
Management's Discussion and Analysis (Required Supplementary Information)	4-10
Combined Financial Statements	
Combined Statements of Fiduciary Net Position	11
Combined Statements of Changes in Fiduciary Net Position	12
Notes to Combined Financial Statements	13-31
Required Supplementary Information	
Schedule of Changes in the City Net Pension Liability and Related Ratios	32
Schedule of City Contributions	33
Schedule of Investment Returns	34
Supplementary Information	
Combining Statements of Fiduciary Net Position	35
Combining Statements of Changes in Fiduciary Net Position	36
Reporting Section	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	37-38

INDEPENDENT AUDITORS' REPORT

TENTATIVE - FOR
DISCUSSION PURPOSES ONLY

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and Executive Director
City of Fort Lauderdale Police and Firefighters' Retirement System

Report on the Financial Statements

We have audited the accompanying combined financial statements of the City of Fort Lauderdale Police and Firefighters' Retirement System and Supplemental Share Plan (the Plan), which comprise the combined statements of fiduciary net position as of September 30, 2016 and 2015, and the combined statements of changes in fiduciary net position for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the respective combined financial position of the Plan, as of September 30, 2016 and 2015, and the respective changes in financial position for the years then ended in accordance 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, schedule of changes in the city net pension liability and related ratios, schedule of city contributions, and schedule of investment returns on pages 4 through 10 and pages 32 to 34, respectively, be presented to supplement the combined financial statements. Such information, although not a part of the combined financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the combined 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 combined financial statements, and other knowledge we obtained during our audit of the combined 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements that collectively comprise the Plan's financial statements. The accompanying combining statements of fiduciary net position and the combining statements of changes in fiduciary net position (supplementary information) are presented for purposes of additional analysis and are not a required part of the combined financial statements.

The combining statements of fiduciary net position and combining statements of changes in fiduciary net position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves,

and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of fiduciary net position and combining statements of changes in fiduciary net position are fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March ___, 2017 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 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.

Fort Lauderdale, FL
March ___, 2017

TENTATIVE - FOR DISCUSSION PURPOSES ONLY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

DISCUSSION PURPOSES ONLY

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

Management's discussion and analysis of the City of Fort Lauderdale Police and Firefighters' Retirement System (System) and Supplemental Share Plan (Share Plan) for the Firefighters, combined financial performance provides an overview of the System's and Share Plan's financial activities for the years ended September 30, 2016, 2015 and 2014. Please read it in conjunction with the combined financial statements, notes to the combined financial statements and required supplementary information which follow this discussion.

FINANCIAL HIGHLIGHTS

- System and Share Plan assets exceeded its liabilities at the close of the years ended September 30, 2016, 2015 and 2014 by approximately \$814 million, \$775 million and \$789 million respectively (reported as net position restricted for pension benefits). Net position is held in trust to meet future benefit payments.
- Total return on investment for the System and Share Plan were 8.11%, 0.74% and 8.6%, respectively, for the years ended September 30, 2016, 2015 and 2014.
- The fiduciary net position as a percentage of the total pension liability in accordance with GASB Statement No. 67, Financial Reporting for Pension Plans (funded ratio), as of September 30, 2016 was 92.52%. This compares to the September 30, 2015 and 2014 ratio of 92.84% and 97.56%, respectively.
- Additions to the System and Share Plan's net position for the years ended September 30, 2016, 2015 and 2014 were approximately \$89.2 million, \$33.0 million and \$89.3 million, respectively, and is comprised of contributions of approximately \$25.6 million, \$27.0 million and \$26 million respectively, and net investment income of approximately \$63.7 million, \$6.0 million and \$63.3 million, respectively.
- Deductions to the System and Share Plan's net position for the years ended September 30, 2016, 2015 and 2014 were approximately \$49.5 million, \$47.3 million and \$44.8 million, respectively, and is comprised primarily of benefit payments of approximately \$48.7 million, \$46.5 million and \$44 million, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The System was established to administer a defined benefit pension plan for firefighters and police officers employed by the City of Fort Lauderdale, Florida (the City). The Share Plan was created to implement the provisions of Chapter 175, of the Florida Statutes. The System's and Share Plan's financial statements are comprised of a Combined Statements of Fiduciary Net Position, Combined Statements of Changes in Fiduciary Net Position, and Notes to Combined Financial Statements. Also included is certain required supplementary information. These combined financial statements report information about the System and Share Plan, as a whole, and about their combined financial condition that should help answer the question: Is the System and Share Plan, as a whole, better off or worse off as a result of this year's activities?

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These combined statements include all assets, liabilities using the economic resource's measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, all revenues and expenses are taken into account regardless of when cash is received or paid.

The Combined Statements of Fiduciary Net Position presents information on the assets and liabilities and the resulting net position restricted for pension benefits. This statement reflects the System's and Share Plan's investments, at fair value, along with cash and cash equivalents, receivables, other assets and liabilities.

The Combined Statements of Changes in Fiduciary Net Position presents information showing how the System's and Share Plan's net position restricted for pension benefits changed during the year. It reflects contributions by employees, the State, and the City, along with deductions for retirement benefits, refunds, and administrative expenses.

The notes to the combined financial statements provide additional information that is essential to a full understanding of the financial data provided in the combined financial statements.

The required supplementary information presents a schedule of changes in the city net pension liability and related ratios, a schedule of city contributions, and a schedule of investment returns of the System along with a discussion of changes in actuarial assumptions and methods.

COMBINED SUMMARY OF FIDUCIARY NET POSITION

The following Comparative Combined Summary of Fiduciary Net Position demonstrates the combined investment position of the System and Share Plan at September 30, 2016, 2015 and 2014:

	September 30, 2016	September 30, 2015	September 30, 2014
Cash	\$ 3,257	\$ 3,257	\$ 3,257
Receivables	9,879,300	4,050,138	9,380,003
Investments, at fair value	809,661,807	772,983,062	784,934,165
Prepaid assets	--	1,310	--
Total Assets	819,544,364	777,037,767	794,317,425
Liabilities	5,283,820	2,488,298	5,439,023
Net Position Restricted for Pension Benefits	<u>\$ 814,260,544</u>	<u>\$ 774,549,469</u>	<u>\$ 788,878,402</u>

COMBINED SUMMARY OF FIDUCIARY NET POSITION (CONTINUED)

The System's and Share Plan's total assets as of September 30, 2016 and September 30, 2015 were approximately \$814.2 million and \$774.5 million, respectively, and were mostly comprised of cash, investments, and receivables related to contributions and investments. For the year ended September 30, 2016, total assets increased approximately \$42.5 million or 5.5% from the prior year primarily due to positive investment returns. For the year ended September 30, 2015, total assets decreased approximately \$17.3 million or 2.2% from the prior year primarily due to low investment returns.

Total liabilities as of September 30, 2016 and September 30, 2015 were approximately \$5.2 million and \$2.5 million, respectively, and were mostly comprised of payables for securities purchased, and administrative expenses made by the City of Fort Lauderdale on behalf of the System and Share Plan. Total liabilities at September 30, 2016 increased by approximately \$2.8 million or 112% from 2015 due to the increase in unsettled trades by approximately \$1.4 million. Total liabilities at September 30, 2015 decreased by approximately \$3.0 million or 54.3% from 2014 due to the decrease in unsettled trades by approximately \$3.3 million.

The System and Share Plan's assets exceeded its liabilities at the close of years ended September 30, 2016 and 2015 by approximately \$814.2 million and \$774.5 million, respectively. For the year ended September 30, 2016, total net position restricted for pension benefits increased approximately \$39.7 million or 5.1% from 2015 primarily due to positive investment earnings. For the year ended September 30, 2015, total net position restricted for pension benefits decreased approximately \$14.3 million or 1.8% from 2014 primarily due to low investment earnings.

COMBINED SUMMARY OF CHANGES IN FIDUCIARY NET POSITION

The Combined Summary of Changes in Fiduciary Net Position, displays the effect of pension fund transactions that occurred during the period, where Additions - Deductions = Net Increase/Decrease in Net Position. The table below reflects a condensed comparative combined summary of the changes in net position and reflects the combined activities of the System and Share Plan for the years ended September 30, 2016, 2015, and 2014:

COMBINED SUMMARY OF CHANGES IN FIDUCIARY NET POSITION (CONTINUED)

	Year Ended September 30, 2016	Year Ended September 30, 2015	Year Ended September 30, 2014
Additions			
Contributions			
City	\$ 13,867,934	\$ 15,599,916	\$ 14,498,457
Employees	5,806,688	5,654,820	5,581,044
State	<u>5,860,782</u>	<u>5,799,229</u>	<u>5,875,363</u>
Total	25,535,404	27,053,965	25,954,864
Net Investment Income	<u>63,676,001</u>	<u>5,969,880</u>	<u>63,358,858</u>
Total Additions	<u>89,211,405</u>	<u>33,023,845</u>	<u>89,313,722</u>
Deductions			
Benefits paid	48,719,660	46,540,379	44,026,421
Refunds of contributions	129,524	120,051	111,134
Administrative expenses	<u>651,146</u>	<u>692,348</u>	<u>647,397</u>
Total Deductions	<u>49,500,330</u>	<u>47,352,778</u>	<u>44,784,952</u>
Net Increase (Decrease)	39,711,075	(14,328,933)	44,528,770
Net Position Restricted for Pension			
Benefits - Beginning of Year	<u>774,549,469</u>	<u>788,878,402</u>	<u>744,349,632</u>
Net Position Restricted for Pension			
Benefits - End of Year	<u>\$ 814,260,544</u>	<u>\$ 774,549,469</u>	<u>\$ 788,878,402</u>

REVENUES – ADDITIONS TO COMBINED FIDUCIARY NET POSITION

The following comparative combined summary demonstrates the additions to the System and Share Plan for the years ended September 30, 2016, 2015 and 2014 (in thousands):

	Year Ended September 30, 2016	Year Ended September 30, 2015	Increase (Decrease)	Total Percentage Change
City Contributions	\$ 13,868	\$ 15,600	\$ (1,732)	-11.1%
Employee Contributions	5,807	5,655	152	2.7%
State Contributions	5,861	5,799	62	1.1%
Net Investment Income	<u>63,676</u>	<u>5,970</u>	<u>57,706</u>	966.6%
Total Additions	<u>\$ 89,211</u>	<u>\$ 33,024</u>	<u>\$ 56,188</u>	170.1%

	Year Ended September 30, 2015	Year Ended September 30, 2014	Increase (Decrease)	Total Percentage Change
City Contributions	\$ 15,600	\$ 14,498	\$ 1,101	7.6%
Employee Contributions	5,655	5,581	74	1.3%
State Contributions	5,799	5,875	(76)	-1.3%
Net Investment Income	<u>5,970</u>	<u>63,359</u>	<u>(57,389)</u>	-90.6%
Total Additions	<u>\$ 89,314</u>	<u>\$ 90,875</u>	<u>\$ (56,290)</u>	-61.9%

The reserves needed to finance retirement benefits are accumulated through the collection of contributions from employees, the State, and the City and through earnings on investments. Contributions and net investment income, for the years ended September 30, 2016 and 2015 totaled approximately \$89.2 million and \$33.0 million, respectively. Total contributions and net investment income for the year ended September 30, 2016 increased by approximately \$4 million or 170.1% from the year ended September 30, 2015 as a result of better than expected market conditions. Total contributions and net investment income for the year ended September 30, 2015 decreased by approximately \$56.3 million or 61.9% from the year ended September 30, 2014 as a result of less than expected market conditions.

REVENUES – ADDITIONS TO COMBINED FIDUCIARY NET POSITION (CONTINUED)

Net investment income for the year ended September 30, 2016 increased from the year ended September 30, 2015 by approximately \$57.7 million while net investment income for the year ended September 30, 2015 decreased from the year ended September 30, 2014 by approximately \$57.4 million.

Total City contributions for the year ended September 30, 2016 decreased from the year ended September 30, 2015 by approximately \$1.7 million or 11.1%. Total City contributions for the year ended September 30, 2015 increased from the year ended September 30, 2014 by approximately \$1.1 million or 7.6%.

EXPENSES - DEDUCTIONS FROM COMBINED FIDUCIARY NET POSITION

The table below reflects a comparative combined summary of the deductions of the System and Share Plan for the years ended September 30, 2016, 2015 and 2014 (in thousands):

	Year Ended September 30, 2016	Year Ended September 30, 2015	Increase (Decrease)	Total Percentage Change
Pension Benefits Paid	\$ 48,720	\$ 46,540	\$ 2,179	4.7%
Refund of Contributions	130	120	9	7.9%
Administrative Expenses	651	692	(41)	-6.0%
Total Deductions	\$ 49,500	\$ 47,353	\$ 2,148	4.5%

	Year Ended September 30, 2015	Year Ended September 30, 2014	Increase (Decrease)	Total Percentage Change
Pension Benefits Paid	\$ 46,540	\$ 44,026	\$ 2,514	5.7%
Refund of Contributions	120	111	9	8.0%
Administrative Expenses	692	647	45	6.9%
Total Deductions	\$ 47,353	\$ 44,785	\$ 2,568	5.7%

The primary deductions of the System and Share Plan include the payment of pension benefits to members and beneficiaries, refund of contributions to former members, and distributions to retirees. Total expenses and deductions for the years ended September 30, 2016 and 2015 were approximately \$49.5 million and \$47.3 million, respectively, an increase of approximately 4.5% from 2015. Total expenses and deductions for the years ended September 30, 2015 and 2014 were approximately \$47.3 million and \$44.8 million, respectively, an increase of approximately 5.7% from 2014.

EXPENSES - DEDUCTIONS FROM COMBINED FIDUCIARY NET POSITION (CONTINUED)

The payment of pension benefits to retirees increased for the years ended September 30, 2016 from 2015 by approximately \$2.2 million or approximately 4.7%. The payment of pension benefits to retirees increased for the years ended September 30, 2015 from 2014 by approximately \$2.6 million or approximately 5.7%.

RETIREMENT SYSTEM AS A WHOLE

With the exception of the year ended 2011, the System's and Share Plan's combined net position have experienced increases over the last 7 years. Management believes, and actuarial studies concur, that the System is in a financial position to meet its obligations. We believe the current financial position will continue to improve due to a prudent investment program, cost controls, strategic planning, and the City's continued funding of the required contributions at 100%.

CONTACTING THE SYSTEM'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Retirement Board of Trustees, our members, taxpayers, investors, and creditors with a general overview of the System's and Share Plan's finances and to demonstrate the System's and Share Plan's accountability for the money they receive. If you have any questions about this report or need additional financial information, contact the Executive Director, City of Fort Lauderdale Police and Firefighters' Retirement System, 888 South Andrews Avenue, #202, Fort Lauderdale, FL 33316.

TENTATIVE FOR DISCUSSION PURPOSES ONLY

COMBINED FINANCIAL STATEMENTS

TENTATIVE - FOR DISCUSSION PURPOSES ONLY

**CITY OF FORT LAUDERDALE POLICE & FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

COMBINED STATEMENTS OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2016 AND 2015

	2016	2015
Assets		
Cash	\$ 3,257	\$ 3,257
Investments, at fair value		
Money market (at amortized cost)	16,380,057	23,381,396
U.S. Treasury securities	59,279,747	67,374,398
U.S. Government agency obligations	5,692,406	750,865
Corporate bonds and other fixed income	140,079,793	134,275,993
Index funds and other	155,983,301	148,509,587
Fund of funds	37,490,893	43,826,015
Common stock	116,508,169	112,151,050
Commingled funds	158,793,079	147,692,176
Real estate	110,760,032	95,021,582
Venture capital and partnerships	8,694,330	--
Total Investments	809,661,807	772,983,062
Receivables		
Unsettled trades	7,358,653	1,106,085
Accrued dividends and interest	2,354,260	2,404,785
State contribution	166,387	297,469
Employee contributions	--	241,799
Total Receivables	9,879,300	4,050,138
Prepaid assets	--	1,310
Total Assets	819,544,364	777,037,767
Liabilities		
Unsettled trades	3,020,842	1,575,643
Accounts payable and accrued liabilities	352,489	381,834
Due to the City of Fort Lauderdale	1,910,489	530,821
Total Liabilities	5,283,820	2,488,298
Net Position Restricted for Pension Benefits	\$ 814,260,544	\$ 774,549,469

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

**CITY OF FORT LAUDERDALE POLICE & FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

COMBINED STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
Additions		
Contributions		
City	\$ 13,867,934	\$ 15,599,916
Employees	5,806,688	5,654,820
State	<u>5,860,782</u>	<u>5,799,229</u>
Total Contributions	<u>25,535,404</u>	<u>27,053,965</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	47,348,768	(11,463,997)
Interest	7,397,209	7,334,286
Dividends	5,976,845	7,445,332
Real estate income	5,391,787	4,636,310
Other income	<u>2,758</u>	<u>60,763</u>
	66,117,367	8,012,694
Less: investment expenses	<u>2,441,366</u>	<u>2,042,814</u>
Net Investment Income	<u>63,676,001</u>	<u>5,969,880</u>
Total Additions	<u>89,211,405</u>	<u>33,023,845</u>
Deductions		
Benefits Paid		
Retirement	43,896,931	41,427,913
Disability	1,076,737	1,058,463
Death	<u>3,745,992</u>	<u>4,054,003</u>
Total Benefits Paid	48,719,660	46,540,379
Refund of contributions	129,524	120,051
Administrative expenses	<u>651,146</u>	<u>692,348</u>
Total Deductions	<u>49,500,330</u>	<u>47,352,778</u>
Net Increase (Decrease) in Net Position	39,711,075	(14,328,933)
Net Position Restricted for Pension Benefits		
Beginning of year	<u>774,549,469</u>	<u>788,878,402</u>
End of year	<u>\$ 814,260,544</u>	<u>\$ 774,549,469</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS

TENTATIVE - FOR DISCUSSION PURPOSES ONLY

CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

PLAN DESCRIPTION

The following brief description of the City of Fort Lauderdale Police and Firefighters' Retirement System (the System or the Plan) is provided for general information purposes only. Participants should refer to the applicable laws and the summary plan description for more complete information.

The System is a single employer defined benefit pension plan established by the City of Fort Lauderdale, Florida (the City) pursuant to the provisions and requirements of Ordinance No. C-72-94. Participation is mandatory for all state certified police officers and firefighters employed by the City of Fort Lauderdale, Florida. Since the System is sponsored by the City, the System is included as a pension trust fund in the City's comprehensive annual financial annual report as part of the City's financial reporting entity. The Plan may also receive funding under Chapter 175 for firefighters and Chapter 185 for police officers.

Effective October 1, 2005 the City of Fort Lauderdale Firefighter' Supplemental Share Plan (Share Plan), a defined contribution plan, was created to implement the provisions of Chapter 175, Florida Statutes, and to provide a means whereby firefighters of the City of Fort Lauderdale may receive benefits from funds provided for that purpose by Chapter 175, Florida Statutes. The Share Plan is in addition to any other benefits and nothing herein shall 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.

Additional Premium Tax Revenues to each respective participants account is based upon his or her accrued Credited Service during the relevant period. The additional Premium Tax Revenues that were paid by the State in calendar years 1998 through 2004, exclusive of amounts necessary to meet State minimum standards under Chapter 175, Florida Statutes, shall be the initial allocation of Additional Premium Tax Revenues to each participant's share account. The participants pro rata shares of the initial allocation of Additional Premium Tax Revenues was based on each participants accrued service for each of the seven (7) years from calendar year 1998 through and including calendar year 2004.

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

For allocations after the initial allocation, the Board shall allocate to each participants account each year the Additional Premium Tax Revenues it receives under the provisions of Chapter 175, Florida Statutes, based on his or her accrued credit service during the relevant period. Forfeitures are allocated in the same manner as described above.

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 of the Share Plan assets and 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 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.

As of October 1, 2015 (date of latest actuarial valuation) and October 1, 2014, membership in the System consisted of:

	<u>October 1,</u>	
	2015	2014
Inactive plan members or beneficiaries currently receiving benefits	1,030	1,003
Inactive plan members entitled to but not yet receiving benefits	15	19
Active plan members	<u>776</u>	<u>798</u>
Total Membership	<u><u>1,821</u></u>	<u><u>1,820</u></u>

CONTRIBUTIONS AND FUNDING POLICY OF THE SYSTEM

For all members hired before April 18, 2010, the member's contribution rate is equal to 8.25% of their salary. For all members hired after April 18, 2010, the member's contribution rate is equal to 8.5% of their salary.

CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

CONTRIBUTIONS AND FUNDING POLICY OF THE SYSTEM (CONTINUED)

Each member's actual contributions are individually accumulated. If a member terminates their employment before they become eligible to receive benefits, the accumulated contributions will be returned to the member plus interest at 3% per year, however, Ordinance No. C-14-17 and C-15-28 eliminated interest on refunds for police officers who separated employment with the City on or after December 3, 2013 and firefighters who separated on or after October 1, 2014. The City is required to contribute the remaining amounts necessary to fund the Plan, based on an amount determined by the Plan's actuary as of October 1 each year.

The Plan's funding policy provides for actuarially determined periodic employer contributions sufficient to pay the benefits provided by the Plan when they become due.

In October 2012, the City Commission approved borrowings in the form of pension obligation bonds to cover a majority of the Plan's unfunded pension liability and approximately \$173.5 million was contributed to the Plan by the City which improved the funded status of the Plan and reduced future amortization requirements.

PENSION BENEFITS OF THE SYSTEM

Normal Retirement

Any member who has completed 20 years of creditable service or has attained 55 years of age and completed 10 or more years of creditable service may retire on a normal retirement benefit. A member has vested benefits after 10 years of creditable service in accordance with qualifications under the Plan.

Police and Firefighters hired on or before April 1, 2014

Members will receive a monthly pension benefit equal to 3.38% of the Average Monthly Earnings, defined as the highest two years preceding retirement, for all years of service to a maximum accrual of 81% of Final Average Monthly Earnings.

A certain group of police officers with 25 or more years of service on October 1, 2000 are subject to a maximum of 91.26% and a certain group of firefighters with 25 or more years of service on October 1, 2002 are subject to a maximum of 91.26%.

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

PENSION BENEFITS OF THE SYSTEM (CONTINUED)

Normal Retirement (continued)

Firefighters

Firefighters who were employed before December 11, 1993 will receive an additional 2.0% bonus at retirement.

Certain firefighters hired prior to December 11, 1993 may have elected to remain in the old plan. Members that have made this election will receive a monthly pension benefit of 3.0% of Final Average Monthly Earnings multiplied by the years of service up to 20, plus 2.0% of Final Average Monthly Earnings multiplied by years of service beyond 20 years to a maximum accrual of 100%.

Police hired after April 1, 2014 and Firefighters hired after October 1, 2014

Members will receive a monthly pension benefit equal to 3.0% of the Average Monthly Earnings, defined as the highest five years preceding retirement, for all years of service to a maximum accrual of 75% of Final Average Monthly Earnings.

Early retirement, disability, death and other benefits are also provided.

Deferred Retirement Option Program

Members who continue employment with the City past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the Deferred Retirement Option Program (DROP). Maximum participation in the DROP shall be 96 months based on years of service. Once a member has reached the maximum benefit accrual, the maximum DROP participation will be reduced for each month the member delays entry to the Plan.

For members electing participation in the DROP, an individual DROP account shall be created. Payment shall be made by the System into the employee's DROP account in an amount equal to the regular monthly retirement benefit which the participant would have received had the participant separated from service and commenced receipt of pension benefits plus interest based on the actuarially assumed rate of return for the Plan. Effective in 2010, the interest rate earned was modified to be 6% for the first 5 years and a variable rate of return between 3% to 6% for years 6 through 8 based on the actual returns of the Plan. If a member leaves their DROP account with the Plan they will receive the Plan return less an administrative fee. Upon termination of employment, a member may receive distribution from the DROP account in the following manner or maintain a balance in their account until they reach the age of 70 ½:

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

PENSION BENEFITS OF THE SYSTEM (CONTINUED)

Deferred Retirement Option Program (continued)

- Lump sum distribution or
- Roll over of the balance to another qualified retirement plan

A DROP participant shall not be entitled to receive an ordinary or service disability retirement and in the event of death of a DROP participant, there shall be no accidental death benefit for pension purposes. DROP participation does not affect any other death or disability benefits provided to a member under federal law, state law, City ordinance, or any rights or benefits under any applicable collective bargaining agreement.

The DROP of the System also consists of a Benefit Actuarially Calculated DROP (BACDROP). A member may elect to BACDROP to a date not to exceed 36 months after the member's termination of employment with the City. A member who elects a DROP retirement is not eligible to participate in the BACDROP.

Effective as of April 2010, DROP may not extend employment beyond 32 years.

The value of the DROP account including earnings as of September 30, 2016 and September 30, 2015 was \$26,980,078 and \$23,996,281, respectively. There were 117 and 102 participants in DROP as of September 30, 2016 and 2015, respectively. These amounts are included in the total investment balance presented on the combined Statements of Fiduciary Net Position.

Monthly benefits paid under the System shall be adjusted, on July 1 of any year, to reflect the increase, if any, in the cost of living. A benefit shall be adjusted if it is being paid as of such adjustment date and was being paid as of July 1 of the preceding year. The benefit paid to any beneficiary of a deceased member shall be adjusted if either the benefit paid to the beneficiary or to the deceased member was paid effective as of July 1 of the preceding year.

The COLA increases may be granted only if the System remains in a net positive experience position, determined by the actuary on a cumulative basis.

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

COST OF LIVING ADJUSTMENTS (COLA) (CONTINUED)

On July 15, 2008, the COLA provision of the Plan expired for future COLA benefits for members that retired after July 2008.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The combined financial statements are prepared using the accrual basis of accounting. Member contributions are recognized as revenues in the period in which the contributions are due. Contributions from the City of Fort Lauderdale, as calculated by the System's actuary, are recognized as revenue when due and when the City has made a formal commitment to provide the contributions. Interest and dividend income are recorded as earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the System and Share Plan.

PRINCIPLES OF COMBINATION

The combined financial statements include the accounts of the City of Fort Lauderdale Firefighters' Share Plan (see Note 1), a plan affiliated by virtue of a common Board of Trustees. All interfund balances and transactions have been eliminated in the combined financial statements.

RECLASSIFICATIONS

Certain amounts in the prior year financial statements, primarily related to the investment categories on the statement of fiduciary net position, have been reclassified to conform with the presentation in the current year financial statements.

METHOD USED TO VALUE INVESTMENTS AND INVESTMENT INCOME RECOGNITION

Investments are reported at fair value except for money market funds which are reported at amortized cost. Net appreciation or depreciation in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost.

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***METHOD USED TO VALUE INVESTMENTS AND INVESTMENT INCOME RECOGNITION
(CONTINUED)***

Purchases and sales of securities are recorded on the trade-date basis. Dividends are recorded on the ex-dividend date. Within certain limitations as specified in the Plan, the investment policy is determined by the Board of Trustees and is implemented by the Plan's investment managers. The investment managers are monitored by an investment advisor.

For more detail regarding the methods used to measure the fair value of investments refer to the fair value hierarchy in Note 3.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the combined statements of fiduciary net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Plan has no items that qualify for reporting in this category.

In addition to liabilities, the combined statements of fiduciary net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Plan has no items that qualify for reporting in this category.

USE OF ESTIMATES

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

IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS

GASB Statement No. 72, Fair Value Measurement and Application

This statement addresses accounting and financial reporting issues related to fair value measurements of assets and liabilities. The Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of GASB 72 results in increased disclosures related to the fair value measurement of investments.

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS

GASB Statement No. 82, Payroll Related Measures

This statement addresses the presentation of payroll-related measures in RSI, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The adoption of this statement resulted in a change in classification of member contributions and changes in amounts reported for covered payroll in the RSI schedules to include only payroll on which contributions to a pension plan are based.

NOTE 3 - INVESTMENTS

The System and Share Plan investment policy is determined by the Board of Trustees. The investment of funds shall be in a manner that is consistent with the applicable sections of the City Code as well as State and Federal laws within the allocation percentages as follows:

Investment allocation for the year ended September 30, 2016 in accordance with policy in effect since May 2016:

Asset Class	Target Allocation	Minimum	Maximum	Actual
Domestic Equity				
Large cap equity	17.5%	10%	30%	21%
Mid/Small cap equity	12.5%	5%	20%	13%
International Equity	15%	10%	20%	13%
Alternative Investments				
Global Infrastructure	5%	2.5%	7.5%	6%
Real Estate	12.5%	7.5%	17.5%	14%
Multi-Strategy	7.5%	2.5%	12.5%	6%
Fixed Income (Including Cash)	30%	25%	35%	27%

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 3 – INVESTMENTS (CONTINUED)

Investment allocation for the year ended September 30, 2015 in accordance with policy in effect since March 2015:

Asset Class	Target Allocation	Minimum	Maximum	Actual
Domestic Equity				
Large cap equity	17.5%	10%	30%	22%
Mid/Small cap equity	12.5%	5%	20%	12%
International Equity	15%	10%	20%	13%
Alternative Investments				
Global Infrastructure	5%	2.5%	7.5%	6%
Real Estate	12.5%	7.5%	17.5%	12%
Multi-Strategy	7.5%	2.5%	12.5%	6%
Fixed Income (Including Cash)	30%	25%	35%	29%

RATE OF RETURN

For the years ended September 30, 2016 and 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.11% and 0.74%, respectively. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

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 System and Share Plan 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.

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 3 – INVESTMENTS (CONTINUED)

INTEREST RATE RISK (CONTINUED)

Information about the sensitivity of the fair values of the System's and Share Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the System's and Share Plan's investments by maturity:

Investment Type	September 30, 2016				
	Fair Value	Investment Maturities (in years)			
		Less Than 1	1 to 5	6-10	More Than 10
U.S. Treasuries	\$ 59,279,747	\$ --	\$ 14,549,625	\$ 44,730,122	\$ --
U.S. Agencies	5,692,406	266	87,071	48,547	5,556,522
Corporate Bonds and Other Fixed Income	<u>140,079,793</u>	<u>14,252,366</u>	<u>103,288,950</u>	<u>15,517,570</u>	<u>7,020,907</u>
Total Fixed Income Securities	\$ 205,051,946	\$ 14,252,632	\$ 117,925,646	\$ 60,296,239	\$ 12,577,429

Investment Type	September 30, 2015				
	Fair Value	Investment Maturities (in years)			
		Less Than 1	1 to 5	6-10	More Than 10
U.S. Treasuries	\$ 67,374,398	\$ 4,349,601	\$ 29,111,711	\$ 33,913,086	\$ --
U.S. Agencies	750,865	--	174,672	81,950	494,243
Corporate Bonds and Other Fixed Income	<u>134,275,993</u>	<u>4,317,546</u>	<u>103,845,696</u>	<u>19,707,805</u>	<u>6,404,946</u>
Total Fixed Income Securities	\$ 202,401,256	\$ 8,667,147	\$ 133,132,079	\$ 53,702,841	\$ 6,899,189

CREDIT RISK

State law and the Plan's investment policy limits investments in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Plan's investment policy requires that investments in fixed income type securities to be rated in the fifth major rating category by all recognized rating services. The overall portfolio quality of the active bond portfolios shall be maintained at A or higher. At September 30, 2016 and 2015, all of the Plan's investments met this requirement.

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 3 – INVESTMENTS (CONTINUED)

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. No more than 5% of the portfolio may be invested in the shares of a single corporate issuer at cost. Investments in stocks of foreign companies shall be limited to 20% of the value of the portfolio. The Plan utilizes limitations on securities of a single issuer to manage this risk.

As of September 30, 2016 and 2015, none of the Plan's investments were held with any single issuer that represents 5% or more of the Plan's investments.

CUSTODIAL CREDIT RISK

This is the risk that in the event of the failure of the counterparty, the System and Share Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the System's and Share Plan's investment policy, the investments are held by Systems and Share Plan's custodial bank and registered in the System's and Share Plan's name.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of September 30, 2016 and 2015, the Plan has no exposure to foreign currency risk as all investments are denominated in U.S. dollars.

RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the combined statement of fiduciary net position. The Plan, through its investment advisor, monitors the Plan's investment and the risks associated therewith on a regular basis, which the Plan believes minimizes these risks.

CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 3 – INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY

Fair value is defined as 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 Plan categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 - Investments' fair values based on prices quoted in active markets for identical assets

Level 2 - Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Investments' fair values based upon unobservable inputs.

The following is a description of the fair value techniques for the Plan's investments. Level 1 and 2 prices are obtained from various pricing sources by the Plan's custodian bank:

Short-term investments, which consist of money market funds, are reported at amortized cost.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock and American depository receipts, and mutual fund equities.

Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasury bonds and notes, inflation-indexed bonds, U.S. federal agencies, mortgage backed and collateralized securities, municipal bonds, mutual bond funds and corporate obligations, including asset backed, foreign bonds and notes.

The Plan has investments in alternative asset classes including hedge funds, private equity and real estate funds which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 3 – INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2016:

	9/30/2016	Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt securities:				
U.S. Treasury Securities	\$ 59,279,747	\$ --	\$ 59,279,747	\$ --
U.S. Government agency obligations	5,692,406	--	5,692,406	--
Corporate obligations	140,079,793	--	140,079,793	--
Total Debt Securities	<u>205,051,946</u>	<u>--</u>	<u>205,051,946</u>	<u>--</u>
Index Funds and Other	<u>155,983,301</u>	<u>155,983,301</u>	<u>--</u>	<u>--</u>
Equity securities:				
Common stock	114,346,928	114,346,928	--	--
ADR's	2,161,241	2,161,241	--	--
Total Equity Securities	<u>116,508,169</u>	<u>116,508,169</u>	<u>--</u>	<u>--</u>
Total Investments by Fair Value	<u>477,543,416</u>	<u>\$ 272,491,470</u>	<u>\$ 205,051,946</u>	<u>\$ --</u>
Investments Measured at the Net Asset Value (NAV)*				
Equity index fund	158,793,079			
Real estate fund	110,760,032			
Hedge fund of funds	37,490,893			
Private equity fund	8,694,330			
Total investments measured at NAV	<u>315,738,334</u>			
Money market funds (exempt)	16,380,057			
Total Investments	<u>\$ 809,661,807</u>			

* As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the combined statement of fiduciary net position.

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 3 – INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Commingled equity fund ¹	\$ 158,793,079	\$ --	Twice monthly	3
Real estate fund ²	110,760,032	13,541,100	Quarterly	10 - 90
Hedge fund of funds ³	37,490,893	17,565,130	Quarterly	90
Private equity fund ⁴	<u>8,694,330</u>	4,670,354	N/A	N/A
Total Investments Measured at NAV	<u>\$ 315,738,334</u>			

- 1 *Commingled equity funds* – Consists of two equity index collective trusts considered commingled in nature which are designed to match the return of their respective benchmark index. Each are valued at the net asset value held at the end of the period based upon the fair value of the underlying investments. These funds are typically open for withdrawal twice monthly with limited notice.
- 2 *Real estate fund* – Consists of three open end real estate partnerships. Two of the funds primarily invest in stable institutional quality office, retail, industrial, hotel and multi-family residential properties that are substantially leased and have minimal deferred maintenance. The other fund is comprised of real estate investments owned through partnership interests, mortgages and other loans on income producing real estate. The partnerships provide for quarterly liquidity with notice periods ranging from 10 to 90 days. The most recently added real estate investment fund has an unfunded capital commitment of approximately \$13,541,000 as of September 30, 2016.
- 3 *Hedge fund of funds* – The plan invests in two hedge fund of funds partnership vehicles. The objectives of these funds are to seek above-average rates of return and long-term capital growth through an investment in a master fund of funds with a diversified portfolio of private investment entities and separately managed accounts. These funds provide for quarterly liquidity with a 90 day notice period. One of the funds is a finite life vehicle with no redemption provisions and an undrawn capital commitment of approximately \$17,565,000 as of September 30, 2016.

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 3 – INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

- 4 *Private equity fund* - The plan invests in three private equity partnership vehicles. The private equity funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average will occur over a period of 5 to 10 years. The funds have an aggregate unfunded commitment of approximately \$4,670,000 as of September 30, 2016.

NOTE 4 – TAX STATUS

The Internal Revenue Service has determined and informed the Trustees by a letter dated January 16, 2015 that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC).

NOTE 5 – NET PENSION LIABILITY OF THE CITY

The components of the net pension liability of the City at September 30, 2016 and 2015:

	2016	2015
Total pension liability	\$ 880,055,327	\$ 834,313,286
Plan fiduciary net position	<u>(814,260,544)</u>	<u>(774,549,469)</u>
Net pension liability	<u>\$ 65,794,783</u>	<u>\$ 59,763,817</u>
 Plan Fiduciary Net Position as a Percent of the Total Pension Liability	 <u>92.52%</u>	 <u>92.84%</u>

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 5 – NET PENSION LIABILITY OF THE CITY (CONTINUED)

SIGNIFICANT ACTUARIAL ASSUMPTIONS

The total pension liability as of September 30, 2016 was determined by an actuarial valuation as of October 1, 2015 updated to September 30, 2016 using the following actuarial assumptions applied to the measurement period:

Inflation	2.30%
Salary increases	0.50% - 3.00%
Investment rate of return	7.50%
Mortality Rates:	
Healthy	RP2000 Generational, Scale BB
Disabled	RP2000 Disabled, no projection scale

The total pension liability as of September 30, 2015 was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015, using the following actuarial assumptions applied to the measurement period:

Inflation	2.75%
Salary increases	0.50% - 3.00%
Investment rate of return	7.50%
Mortality Rates:	
Healthy	RP-2000 table projected by Scale AA to 2012
Disabled	RP-2000 disabled table projected by Scale AA to 2012

The actuarial assumptions used in the September 30, 2016 and 2015 valuations were based on the results of an actuarial experience study dated July 10, 2015 for the period from January 1, 2008 to September 30, 2014.

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 5 – NET PENSION LIABILITY OF THE CITY (CONTINUED)

LONG-TERM EXPECTED RATE OF RETURN

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016 and 2015 are summarized in the following table:

Asset Class	2016		2015	
	Target Allocation		Long-Term Expected Real Rate of Return	
Domestic equity	30.0%	30.0%	7.10%	6.90%
International equity	15.0%	15.0%	7.40%	7.10%
Domestic bonds	30.0%	30.0%	2.10%	2.00%
Real estate	12.5%	12.5%	4.50%	4.80%
Other	12.5%	12.5%	4.20%	4.20%
Total	100.0%	100.0%		

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.50% for both years ended September 30, 2016 and 2015. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 5 – NET PENSION LIABILITY OF THE CITY (CONTINUED)

DISCOUNT RATE (CONTINUED)

The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	Net Pension Liability		
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
September 30, 2016	\$ 162,101,714	\$ 65,794,783	\$ (14,048,370)
September 30, 2015	\$ 147,657,945	\$ 59,763,817	\$ (13,860,424)

NOTE 6 - DUE TO THE CITY OF FORT LAUDERDALE

The System and Share Plan uses the City of Fort Lauderdale as a paying agent for the payment of all the investment, benefit and administrative expenses. The System and Share Plan reimburses the City on an ongoing basis. The amounts due to the City as of September 30, 2016 and 2015 were \$1,910,489 and \$530,821, respectively.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

OPERATING LEASE

The System and Share Plan are obligated under an operating lease for office space, which expires on February 28, 2018. The following is a schedule of the aggregate future minimum rental payments under this lease:

For the Year Ending September 30,	Amount
2017	\$ 53,000
2018	22,000
Total	\$ 75,000

**CITY OF FORT LAUDERDALE POLICE AND FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 7 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

CONTINGENCIES

The System and Share Plan are exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of legal counsel and management, the resolution of these matters will not have a material adverse effect on the financial condition of the Plan.

TENTATIVE - FOR DISCUSSION PURPOSES ONLY

REQUIRED SUPPLEMENTARY INFORMATION

TENTATIVE - FOR DISCUSSION PURPOSES ONLY

**CITY OF FORT LAUDERDALE
POLICE & FIREFIGHTERS' RETIREMENT SYSTEM**

REQUIRED SUPPLEMENTARY INFORMATION

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

	2016	2015	2014
Total Pension Liability			
Service cost	\$ 19,199,538	\$ 18,531,300	\$ 18,025,712
Interest	62,181,617	60,367,031	57,797,227
Change in excess state money	--	--	(1,223,158)
Share plan allocation	1,732,185	1,826,197	2,561,814
Changes of benefit terms	--	1,097,988	--
Differences between expected and actual experience	(5,100,657)	(7,319,054)	--
Changes of assumptions	16,504,779	(2,194,981)	--
Contributions - buy back	73,763	43,865	--
Contributions - transfer from general plan	--	26,692	--
Benefit payments, including refunds of member contributions	(48,849,184)	(46,660,430)	(44,137,555)
Net Change in Total Pension Liability	45,742,041	25,718,608	33,024,040
Total Pension Liability - Beginning	834,313,286	808,594,678	775,570,638
Total Pension Liability - Ending (a)	880,055,327	834,313,286	808,594,678
Plan Fiduciary Net Position			
Contributions - employer (city)	13,867,934	15,599,916	14,498,457
Contributions - member (state)	5,806,688	5,654,820	5,581,044
Contributions - nonemployer contributing member	5,860,782	5,799,229	5,875,363
Net investment income	63,676,001	5,969,880	59,358,824
Benefit payments, including refunds of member contributions	(48,849,184)	(46,660,430)	(44,137,555)
Administrative expenses	(651,146)	(692,348)	(647,397)
Other	--	--	4,000,034
Net Change in Plan Fiduciary Net Position	39,711,075	(14,328,933)	44,528,770
Plan Fiduciary Net Position - Beginning	774,549,469	788,878,402	744,349,632
Plan Fiduciary Net Position - Ending (b)	\$ 814,260,544	\$ 774,549,469	\$ 788,878,402
Net Pension Liability - Ending (a) - (b)	\$ 65,794,783	\$ 59,763,817	\$ 19,716,276
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.52%	92.84%	97.56%
Covered-Employee Payroll *	\$ 77,210,849	N/A	N/A
Net Pension Liability as Percentage of Covered-Employee Payroll	85.21%	N/A	N/A

* The covered employee payroll numbers shown are in compliance with GASB 82.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a fully 10-year trend is compiled, the plan will present information for those years for which information is available.

**CITY OF FORT LAUDERDALE
POLICE & FIREFIGHTERS' RETIREMENT SYSTEM**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll*</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2016	\$ 17,665,942	\$ 17,996,531	\$(330,589)	\$ 77,210,849	23.31%
2015	\$ 18,913,469	\$ 18,913,469	\$ --	N/A	N/A
2014	\$ 19,012,474	\$ 19,012,474	\$ --	N/A	N/A
2013	\$ 14,208,593	\$ 14,208,593	\$ --	N/A	N/A

Notes to Schedule:

Valuation date: October 1, 2014

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal actuarial cost method. An interest load to the assumed City contribution date is utilized for determination of the Total Required Contribution. Additionally, beginning with the pension fund's plan year ended September 30, 2015, a full year salary load based on the current 4.6% assumption is utilized under the projection funding method, as mandated by the Division of Retirement.
Amortization method	Level percentage of pay, closed
Remaining amortization period	20 years
Actuarial value of assets	The actuarial value of assets is calculated by recognizing 20% of the difference between the market value of assets and the expected actuarial value of assets.
Cost-of-living adjustments	None
Inflation	2.75%
Salary increases	0.50% - 3.00%
Investment rate of return	7.50% per year, compounded annually, net of investment related expenses
Marital status	All employed members and all retired members are assumed to be married. Females are assumed to be 3 years younger than males.
Mortality rates	RP-2000 Table projected by Scale AA to 2012
Disabled mortality rates	RP-2000 Disabled Table projected by Scale AA to 2012

* The covered employee payroll numbers shown are in compliance with GASB 82.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a fully 10-year trend is compiled, the plan will present information for those years for which information is available.

**CITY OF FORT LAUDERDALE
POLICE & FIREFIGHTERS' RETIREMENT SYSTEM**

SCHEDULE OF INVESTMENT RETURNS

	2016	2015	2014
Annual Money-Weighted Rate of Return, net of Investment Expense	8.11%	0.74%	8.60%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a fully 10-year trend is compiled, the plan will present information for those years for which information is available.

TENTATIVE - FOR DISCUSSION PURPOSES ONLY

SUPPLEMENTARY INFORMATION

TENTATIVE - FOR DISCUSSION PURPOSES ONLY

**CITY OF FORT LAUDERDALE POLICE & FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

COMBINING STATEMENTS OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2016 AND 2015

	2016			2015		
	System	Share Plan	Total	System	Share Plan	Total
Assets						
Cash	\$ 3,257	\$ --	\$ 3,257	\$ 3,257	\$ --	\$ 3,257
Investments, at Fair Value						
Money market (at amortized cost)	16,380,057	--	16,380,057	23,381,396	--	23,381,396
U.S. Treasury securities	59,279,747	--	59,279,747	67,374,398	--	67,374,398
U.S. Government agency obligations	5,692,406	--	5,692,406	750,865	--	750,865
Corporate bonds and other fixed income	140,079,793	--	140,079,793	134,275,993	--	134,275,993
Index funds and other	155,983,301	--	155,983,301	148,509,587	--	148,509,587
Fund of funds	37,490,893	--	37,490,893	43,826,015	--	43,826,015
Common stock	116,508,169	--	116,508,169	112,151,050	--	112,151,050
Commingled funds	158,793,079	--	158,793,079	147,692,176	--	147,692,176
Real estate	110,760,032	--	110,760,032	95,021,582	--	95,021,582
Venture capital and partnerships	8,694,330	--	8,694,330	--	--	--
Total Investments	809,661,807	--	809,661,807	772,983,062	--	772,983,062
Receivables						
Unsettled trades	7,358,653	--	7,358,653	1,106,085	--	1,106,085
Accrued dividends and interest	2,354,260	--	2,354,260	2,404,785	--	2,404,785
State contribution	166,387	--	166,387	297,469	--	297,469
Employee contributions	--	--	--	241,799	--	241,799
Due to/from retirement system	(30,846,543)	30,846,543	--	(28,695,507)	28,695,507	--
Total Receivables	(20,967,243)	30,846,543	9,879,300	(24,645,369)	28,695,507	4,050,138
Prepaid Assets	--	--	--	1,310	--	1,310
Total Assets	788,697,821	30,846,543	819,544,364	748,342,260	28,695,507	777,037,767
Liabilities						
Unsettled trades	3,020,842	--	3,020,842	1,575,643	--	1,575,643
Accounts payable and accrued liabilities	352,489	--	352,489	381,834	--	381,834
Due to the City of Fort Lauderdale	1,910,489	--	1,910,489	530,821	--	530,821
Total Liabilities	5,283,820	--	5,283,820	2,488,298	--	2,488,298
Net Position Restricted for Pension Benefits	\$ 783,414,001	\$ 30,846,543	\$ 814,260,544	\$ 745,853,962	\$ 28,695,507	\$ 774,549,469

**CITY OF FORT LAUDERDALE POLICE & FIREFIGHTERS'
RETIREMENT SYSTEM AND SUPPLEMENTAL SHARE PLAN**

COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016			2015		
	System	Share Plan	Total	System	Share Plan	Total
Additions						
Contributions						
Employer	\$ 13,867,934	\$ --	\$ 13,867,934	\$ 15,599,916	\$ --	\$ 15,599,916
Plan members	5,806,688	--	5,806,688	5,654,820	--	5,654,820
State	4,128,596	1,732,186	5,860,782	3,973,033	1,826,196	5,799,229
Total Contributions	<u>23,803,218</u>	<u>1,732,186</u>	<u>25,535,404</u>	<u>25,227,769</u>	<u>1,826,196</u>	<u>27,053,965</u>
Investment Income						
Net appreciation (depreciation) in fair value of investments	45,113,112	2,235,656	47,348,768	(11,692,784)	228,787	(11,463,997)
Interest	7,397,209	--	7,397,209	7,334,286	--	7,334,286
Dividends	5,976,845	--	5,976,845	7,445,332	--	7,445,332
Real estate income	5,391,787	--	5,391,787	4,636,310	--	4,636,310
Other income	2,758	--	2,758	60,763	--	60,763
	<u>63,881,711</u>	<u>2,235,656</u>	<u>66,117,367</u>	<u>7,783,907</u>	<u>228,787</u>	<u>8,012,694</u>
Less: investment expenses	2,441,366	--	2,441,366	2,042,814	--	2,042,814
Net Investment Income	<u>61,440,345</u>	<u>2,235,656</u>	<u>63,676,001</u>	<u>5,741,093</u>	<u>228,787</u>	<u>5,969,880</u>
Total Additions	<u>85,243,563</u>	<u>3,967,842</u>	<u>89,211,405</u>	<u>30,968,862</u>	<u>2,054,983</u>	<u>33,023,845</u>
Deductions						
Benefits Paid						
Retirement	42,122,627	1,774,304	43,896,931	40,292,514	1,135,399	41,427,913
Disability	1,076,737	--	1,076,737	965,867	92,596	1,058,463
Death	3,745,992	--	3,745,992	3,955,616	98,387	4,054,003
Total Benefits Paid	<u>46,945,356</u>	<u>1,774,304</u>	<u>48,719,660</u>	<u>45,213,997</u>	<u>1,326,382</u>	<u>46,540,379</u>
Refund of contributions	129,524	--	129,524	120,051	--	120,051
Administrative expenses	608,644	42,502	651,146	651,542	40,806	692,348
Total Deductions	<u>47,683,524</u>	<u>1,816,806</u>	<u>49,500,330</u>	<u>45,985,590</u>	<u>1,367,188</u>	<u>47,352,778</u>
Net Increase (Decrease) in Net Position	<u>37,560,039</u>	<u>2,151,036</u>	<u>39,711,075</u>	<u>(15,016,728)</u>	<u>687,795</u>	<u>(14,328,933)</u>
Net Position Restricted for Pension Benefits						
Beginning of year	<u>745,853,962</u>	<u>28,695,507</u>	<u>774,549,469</u>	<u>760,870,690</u>	<u>28,007,712</u>	<u>788,878,402</u>
End of year	<u>\$ 783,414,001</u>	<u>\$ 30,846,543</u>	<u>\$ 814,260,544</u>	<u>\$ 745,853,962</u>	<u>\$ 28,695,507</u>	<u>\$ 774,549,469</u>

REPORTING SECTION

TENTATIVE - FOR DISCUSSION PURPOSES ONLY

**INDEPENDENT AUDITORS' 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 and Executive Director
City of Fort Lauderdale Police and Firefighters' Retirement System

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 combined financial statements of the City of Fort Lauderdale Police and Firefighters' Retirement System and Supplemental Share Plan (the Plan) which comprise the statement of fiduciary net position as of September 30, 2016 and the statement of changes of fiduciary net position for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated **March __, 2017**.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined 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 opinion on the combined 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 Plan'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 combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, 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 result of that testing, and not to provide an opinion on the effectiveness of the Plan'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 Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fort Lauderdale, FL

March , 2017

TENTATIVE FOR DISCUSSION PURPOSES ONLY