CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM

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MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and Plan Administrator
Clair T. Singerman Employees' Retirement System

Report on the Financial Statements

We have audited the accompanying financial statements of the Clair T. Singerman Employees' Retirement System (the "Plan"), which comprise the statement of fiduciary net position as of September 30, 2021, and the related statement of changes in fiduciary net position for the fiscal year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

MARCUMGROUP
MEMBER

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Opinion

In our opinion, the 2021 financial statements referred to above present fairly, in all material respects, the financial position of the Plan, as of September 30, 2021, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Year Comparative Information
We have previously audited the Clair T. Singerman Employees' Retirement System's 2020 financial statements, and our report dated March 24, 2021, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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's net pension liability (asset) and related ratios, schedule of city contributions and schedule of investment returns on pages 3 to 7 and 24 to 26, respectively, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2022 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 solely 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 the effectiveness of the Plan's 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.

Marcum LLP

Miami, FL
March 25, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the City of North Miami's Clair T. Singerman Employees' Retirement System ("CTSERS" or the "Plan"), provides an overview of the financial activities and funding conditions for the fiscal years ended September 30, 2021 and 2020.

FINANCIAL HIGHLIGHTS

The CTSERS net results from operations for fiscal year 2021 reflected the following financial activities:

- An increase of $25,186,068 in net position (or 17.73%)
- The statement of changes in fiduciary net position reflects the financial performance that occurred during the year. Employer contributions for the year decreased from $4,126,483 in fiscal year 2020 to $3,629,941 in fiscal year 2021. The amounts of employer contributions vary from year to year and are actuarially determined while member contributions range from 6.00% to 8.00% of covered payroll.
- Due to actuarial requirements, employer contributions as a percentage of covered payroll decreased from 33.32% to 29.59%. This reflected a reduction in the amortization payment on the unfunded liabilities.
- The plan experienced an increase of $19,664,783 (or 173.90%) in net investment income.
- Benefit payments and administrative expenses increased $2,222,049 (or 27.78%) from fiscal year 2020 to fiscal year 2021. This is due to significant lump sum benefits taken in 2021.
- Effective February 1, 2016, the City joined the Florida Retirement System (FRS). New general employees hired after this date will be part of FRS. In addition, Plan benefits were reduced effective March 8, 2016 for active members not eligible for normal retirement as of this date.

STATEMENT OF FIDUCIARY NET POSITION

The statement of fiduciary net position provides a snapshot of account balances at fiscal year end. It reports the assets available for future payments to retirees and any current liabilities that are owed as of the financial statement date. The resulting net position value, or assets minus liabilities, represents the value of net position restricted for pension benefits. The CTSERS continues to be adequately funded. It is important to remember that retirement system funding is based on a long time horizon, and that temporary ups and downs in the market are to be expected.

The summary of fiduciary net position is presented below:

	September 30, 2021	September 30, 2020
Assets		
Cash	$ 993,512	$ 231,818
Investments	167,339,772	142,096,863
Receivables	141,867	263,688
Total Assets	168,475,151	142,592,369
Liabilities		
Liabilities	1,272,272	575,558
Net Position Restricted for Pension Benefits	$ 167,202,879	$ 142,016,811

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

The statement of changes in fiduciary net position displays the effects of pension fund transactions that occurred during the fiscal year where additions less deductions equal the net increase or decrease in fiduciary net position.

The summary of changes in fiduciary net position is presented below:

	Fiscal Year Ended September 30, 2021	Fiscal Year Ended September 30, 2020
Additions		
Contributions	$ 4,433,482	$ 4,962,845
Investment income, net	30,973,032	11,308,249
Total Additions	35,406,514	16,271,094
Deductions		
Benefits paid to plan members	9,783,459	7,635,597
Administrative expenses	436,987	362,800
Total Deductions	10,220,446	7,998,397
Change in Net Position	25,186,068	8,272,697
Net Position Restricted for Pension Benefits		
Beginning of year	142,016,811	133,744,114
End of year	$ 167,202,879	$ 142,016,811

FUNDING STATUS

Of primary concern to most pension plan participants is the amount of money available to pay benefits. A pension plan can become underfunded when the employer fails to make annual, actuarially required contributions to that plan. The City of North Miami, Florida (the City) has traditionally contributed the actuarially determined contribution to the Plan as provided by the Plan's actuary.

NET PENSION LIABILITY

With the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 67, a measure of the accounting liability of the City is referred to as the Net Pension Liability and is measured as of the Plan's fiscal year end and is presented in Note 4 and the required supplementary information section.

PLAN MEMBERSHIP

Change in Plan Membership

	September 30, 2021	September 30, 2020	Change
Inactive plan members and beneficiaries currently receiving benefits	223	229	(6)
Inactive plan members entitled but not yet receiving benefits	5	3	2
Active plan members	159	185	(26)
Total Membership	387	417	(30)

ASSET ALLOCATION

The following table compares the Plan's policy target asset allocation to actual allocation for September 30, 2021 and 2020.

	2021		2020	
	Target	Actual	Target	Actual
Equities	60.0%	61.1%	60.0%	60.8%
Fixed Income	24.0%	22.2%	24.0%	22.4%
Real Estate	16.0%	14.9%	16.0%	15.5%
Cash	0.0%	1.8%	0.0%	1.3%

INVESTMENT ACTIVITIES

Investment income is vital to the CTSERS for current and future financial stability. Therefore, the trustees have a fiduciary responsibility to act prudently and discretely when making Plan investment decisions. To assist the board of trustees in this area, the board employs the services of an investment consultant to periodically review and update the investment policy.

Portfolio performance is reviewed quarterly by the board and its investment consultant. Performance is evaluated by individual money managers and by the asset class that each manager holds. Each performance is compared [a] to an internal benchmark (6.75% actuarial rate of return), [b] to a universe of peers and [c] to a broad financial benchmark (for example, S&P 500).

Overall performance results, gross of fees, for the Plan can be viewed in the table below:

Summary of Investment Returns

	September 30,		Annualized	
	2021	2020	3 Yr. Return	5 Yr. Return
Equities				
Fund Return	32.56%	10.67%	14.67%	16.26%
Fund Policy	36.07%	5.60%	12.51%	14.10%
Fixed Income				
Fund Return	(0.91)%	6.38%	4.69%	2.72%
Fund Policy	(0.76)%	7.18%	5.29%	2.92%
Real Estate				
Fund Return	13.69%	3.03%	8.01%	8.68%
Fund Policy	15.74%	1.73%	7.72%	7.96%
Total Fund				
Fund Return	22.29%	8.59%	11.74%	11.84%
Fund Policy	23.42%	6.06%	10.75%	10.73%

The Plan uses the Russell, S&P 500 and the MSCI Europe Australasia Far East (“EAFE”) indices as its equities policy. The Barclays Capital Government Credit Index (“BCGC”) and the Barclays Capital Intermediate Government Credit Index (“BCIGC”) form its fixed income policy. Real estate investments are measured against the National Council of Real Estate Investment Fiduciary (“NCREIF”) index. The overall fund performance of the Plan is compared to the return of a portfolio comprised of the following:

Benchmarks per the Investment Policy

Barclays Aggregate Bond Index	12.0%
Barclays Capital Intermediate Government Credit	12.0%
Russell 1000 Value	12.0%
Russell 1000 Growth	12.0%
Standard & Poor's 500	12.0%
Russell 2000	12.0%
National Council of Real Estate Investment Fiduciaries	16.0%
MSCI Europe Australasia Far East	12.0%
	100.0%

The effects of COVID-19 and inflation notwithstanding, the CTSERS experienced another positive year (22.28%), but fell short of its benchmark by 113 basis points (bp). This reflected a 1,900 bp underperformance by the small cap equities portfolio (Kayne Anderson Rudrick), particularly offset by the large cap value portfolio (Newton Investment Management, formerly known as the Mellon Company). Newton's 1,319 bp benchmark outperformance helped mitigate a slight underperformance in the Real Estate portfolio and flat fixed income performance.

FINANCIAL ANALYSIS SUMMARY

The CTSERS investment activities, for the fiscal year ended September 30, 2021, are a function of the underlying market, money manager performance and the investment policy's asset allocation model. The effects of COVID-19 notwithstanding, market gains continued this year as evidenced by a 30.00% rise in the Standard & Poor's 500 Index (S&P500). Although the Plan return (22.28%) met its actuarial assumed rate of return (6.75%), it failed to meet its benchmark (23.42%).

CONTACTING THE PLAN'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Board of Trustees, Plan participants and the marketplace's credit analysts with an overview of the Plan's finances and the prudent exercise of the Board's oversight. If you have any questions regarding this report or need additional financial information, please contact the Plan Administrator at 305-853-9393 or at the following address; 12000 Biscayne Blvd., Suite 508, North Miami, Florida 33181.

FINANCIAL STATEMENTS

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2021
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2020)

	2021	2020
Assets		
Cash	$ 993,512	$ 231,818
Investments		
Money market funds	5,771,308	3,179,202
U.S. Treasuries	7,529,110	706,991
U.S. Agencies	5,611,687	6,398,327
Corporate bonds	3,160,714	8,030,178
Bond index fund	19,012,750	15,899,974
Common stock	39,368,008	31,723,398
Equity mutual fund	21,594,162	17,908,145
Real estate funds	24,732,058	21,941,681
Equity securities index funds	40,559,975	36,308,967
Total Investments	167,339,772	142,096,863
Receivables		
Plan member contributions	13,701	8,842
CNM Police Share Plan	42,972	40,393
Due from brokers	24,872	141,194
Accrued interest	41,558	50,021
Accrued dividends	18,764	23,238
Total Receivables	141,867	263,688
Total Assets	168,475,151	142,592,369
Liabilities		
Accounts payable and accrued liabilities	6,369	22,735
Due to broker	947,137	516,245
Benefits payable	318,766	36,578
Total Liabilities	1,272,272	575,558
Net Position Restricted for Pension Benefits	$ 167,202,879	$ 142,016,811

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

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020)

	2021	2020
Additions		
Contributions		
Plan members	$ 800,962	$ 833,994
Employer	3,623,990	4,018,087
County contribution	5,951	108,396
State contribution	2,579	2,368
Total Contributions	4,433,482	4,962,845
Investment Income		
Net appreciation in fair value of investments	30,330,363	10,585,134
Interest	277,427	353,113
Dividends	864,455	883,426
	31,472,245	11,821,673
Less: investment expenses	(499,213)	(513,424)
Net Investment Income	30,973,032	11,308,249
Total Additions	35,406,514	16,271,094
Deductions		
Benefits Paid to Plan Members		
Normal retirement	8,030,404	7,439,647
Disability retirement	131,496	131,496
Death benefits	5,529	5,529
Lump sum retirement	1,515,061	36,578
Refund of member contributions	100,969	22,347
Total Benefits Paid to Plan Members	9,783,459	7,635,597
Administrative expenses	436,987	362,800
Total Deductions	10,220,446	7,998,397
Change in Net Position	25,186,068	8,272,697
Net Position Restricted for Pension Benefits		
Beginning	142,016,811	133,744,114
Ending	$ 167,202,879	$ 142,016,811

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements of the Clair T. Singerman Employees' Retirement System (the "Plan") are prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body establishing governmental accounting and financial reporting principles. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest and dividends are recorded as earned.

METHOD USED TO VALUE INVESTMENTS

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 average cost. 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. A financial consultant monitors the investment managers.

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

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires the Plan to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

COMPARATIVE INFORMATION

The financial statements include certain prior year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Plan's financial statements for the fiscal year ended September 30, 2020, from which the summarized comparative information was derived.

NOTE 2 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

PLAN DESCRIPTION

The City of North Miami, Florida (the "City" or the "Employer") is the administrator of a single-employer defined benefit pension plan established to provide pension benefits for its employees. The Plan is administered by a seven member Board of Trustees comprised of one firefighter elected from firefighter members, one police officer elected from police members, two ex-officio members occupying positions specifically designated by Ordinance, and three elected general employee members.

The Clair T. Singerman Employees' Retirement System was established by the City's Ordinance 691 effective January 1, 1968. The Plan is considered part of the City's financial reporting entity and is included in the City's financial statements as a pension trust fund. All full-time employees are eligible except for sworn police personnel hired after 1976. The latest actuarial valuation is as of October 1, 2020 (beginning of year valuation date); however, the required employer contribution for the fiscal year ended September 30, 2021 is based on the October 1, 2019 actuarial valuation. Benefit and contribution provisions are established by City ordinance and may be amended only by the Board of Trustees, subject to approval of the City Council.

Membership in the Plan as of October 1, 2020 was as follows:

Inactive plan members and beneficiaries currently receiving benefits	229
Inactive plan members entitled but not yet receiving benefits	3
Active plan members	185
Total Members	417

Effective February 1, 2016, new employees hired by the City join the Florida Retirement System (FRS). Existing members to the Plan had the option to remain in the Plan or to choose to participate in the FRS. These members had the option of keeping their accrued benefits in the Plan or receiving refunds of member contributions.

NOTE 2 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

PENSION BENEFITS

General Plan members and police personnel not included in the police bargaining unit become partially vested (25%) after 5 years of credited service, increasing 15% annually, with full vesting after 10 years of credited service. All other police personnel become fully vested after 14 years.

Normal retirement is for:

- Plan members who retire at the earlier of age 55 and 20 years of service or age 62 and 10 years for general members.
- Plan members who retire at age 50 and 20 years of service for police and firefighters.

Early retirement is available after completion of 14 years of service for all Plan members. General members may also be eligible at age 55 after 10 years of service.

A member may elect to receive in a lump sum at retirement an amount, which is the actuarial equivalent of the benefits otherwise payable under the Plan.

Normal retirement benefits are based on 2.5% of average final compensation multiplied by the years of services through June 30, 1969 plus 3% of average final compensation for years of service up to March 8, 2016. However, for any year prior to October 1, 1968 during which a member contributed less than 7% of compensation, the benefit percentage for each year varies per the Ordinance.

For credited service earned after March 8, 2016, the benefits will accrue at the rate specified in the following table, based on the member's credited service and Normal Retirement eligibility as of March 8, 2016:

As of March 8, 2016	Benefit Multiplier for Accruals March 8, 2016
Members Eligible for Normal Retirement	3.0%
Members with 15 or more years of service	3.0%
Members with 10 – 15 years of service	2.5%
Members with less than 10 years of service	2.0%

A terminating member with less than five years creditable service shall receive his/her contribution plus accrued interest accumulated since initial employment. Partially vested members shall receive the greater of member contributions plus accrued interest or the sum of member contributions prior to October 1, 1982 and his/her vested benefits.

NOTE 2 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

CONTRIBUTIONS AND FUNDING POLICY

Prior to November 10, 2015, Plan members contributed 7% of their compensation. Effective as of November 10, 2015, the employee contribution rate is as follows:

Member Class	Contribution Rate
Members eligible for normal retirement	7.0%
Members with 15 or more years of service	8.0%
Members with 10-15 years of service	7.0%
Members with less than 10 years of service	6.0%

Interest is credited annually on Members' accumulated contributions through the prior year-end. The interest rate, determined by the Board of Trustees, was 0.00% in 2021. Employer contributions for the fiscal year ended September 30, 2021 was 29.59% of covered payroll. The total employer contribution on the statement of changes in fiduciary net position is $3,629,941 for 2021.

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. The actuarial cost method used for determining the contribution requirements for the Plan is the Entry Age Normal.

Contributions required on an actuarial basis to provide benefits for former City firemen who had elected to remain in the Plan upon their transfer to the Miami-Dade County Fire Department on October 1, 1969, are made by Miami-Dade County and the State of Florida - Bureau of Municipal Police and Firefighters' Retirement Fund pursuant to Chapter 175, Florida Statutes.

Pursuant to Chapter 185, Florida Statutes, a portion of all insurance premium tax monies received in excess of $147,586 (the 1997 threshold) are utilized by this Plan for the purchase of additional benefits for the one remaining sworn police personnel that was included in this Plan prior to 1976. The excess of insurance premium tax monies amounted to $2,579 for the fiscal year ended September 30, 2021 and is reported as other contributions; the balance to be received as of September 30, 2021 was $42,972. The funds were received by the City of North Miami’s Police Share Plan, and are held there for the exclusive benefit of active police officers in the Clair T. Singerman Employees’ Retirement System. All other insurance premium tax monies are split between the City and the City of North Miami’s Police Share Plan.

NOTE 3 – DEPOSITS AND INVESTMENTS

DEPOSITS

Deposits, which include cash on hand, are covered by federal deposit insurance. At September 30, 2021, the Plan had no uninsured cash balances.

INVESTMENTS

All investments made or held by the Plan shall be limited to the following as per the Plan's investment policy:

1. Time, savings and money market deposit accounts of a national bank, a state bank or a savings and loan association insured by the Federal Deposit Insurance Corporation provided the amount deposited does not exceed the insured amount.
2. Obligations issued by the U.S. government or an agency or instrumentality of the U.S. government, including mortgage-related securities.
3. Domestic and international equities.
4. Fixed income investments defined as preferred issues and fixed income securities.
5. Money market funds, defined as fixed income securities having a maturity of less than one year.
6. Bonds issued by the State of Israel.
7. Commingled stock, bond or money market funds whose investments are restricted to securities meeting the criteria in items 1 through 6 above.
8. Domestic commercial real estate property holdings.

Maturity Risk

Neither state law, nor Plan investment policy limit maturity terms on fixed income holdings. As of September 30, 2021, the Plan had the following fixed income investments in its portfolio:

		Investment Maturities (In Years)			
Investment	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. Treasuries	$ 7,529,110	$ 634,985	$ 4,393,491	$ 2,500,634	$ --
U.S. Agencies	5,611,687	239,970	--	--	5,371,717
Corporate Bonds	3,160,714	1,413,257	332,268	1,415,189	--
Bond Index fund	19,012,750	--	--	--	19,012,750
Total Investments	$ 35,314,261	$ 2,288,212	$ 4,725,759	$ 3,915,823	$ 24,384,467

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of investment expense was 22.82%. 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.

Credit Risk

State law 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 limits fixed income investments to a rating no lower than Standard & Poor's BBB to Moody's Baa.

The Plan's corporate bonds and agency bonds were all rated "A" or better under Standard & Poor's ratings and at least "A" under Moody's ratings.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

The following tables disclose credit ratings of the fixed income securities, at September 30, 2021, as applicable:

Moody Credit Rating	Corporate Bonds	U.S. Agencies	U.S. Treasuries	Bond Index fund	Total
AGY	$ --	$ 5,611,687	$ --	$ --	$ 5,611,687
A1	1,159,540	--	--	--	1,159,540
A2	496,136	--	--	--	496,136
A3	943,830	--	--	--	943,830
Aaa	--	--	7,529,110	--	7,529,110
Not Rated	561,208	--	--	19,012,750	19,573,958
Total	$ 3,160,714	$ 5,611,687	$ 7,529,110	$ 19,012,750	$ 35,314,261

Concentration of Credit Risk

The Plan's investment policy stipulates that not more than 5% of Plan assets can be invested in the common stock of any one issuing company nor can the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of any company. As of September 30, 2021, the value of each position held by the Plan portfolio comprised less than 5% of fiduciary net position and less than 5% of the value of the outstanding capital stock of the respective company.

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are held by the counterparty. The Plan has third party custodial arrangements with financial institutions to accept securities on a delivery versus payment basis for direct purchase agreements. All securities purchased by the Plan are designated as an asset of the Plan in the Plan’s name and are held in safekeeping by the Plan’s custodial bank or a third party custodial institution.

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 such changes could materially affect the amounts reported in the 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.

NOTE 3 – DEPOSITS AND 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 in 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:

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, mutual fund equities and U.S. Treasury bonds and notes.

Debt securities classified as Level 2 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. This includes U.S. federal agencies, mortgage backed and collateralized securities, municipal bonds, and corporate obligations, including asset backed, bonds and notes.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The Plan has investments in alternative assets consisting of real estate funds and an equity securities index fund which hold a variety of investment vehicles that do not have readily available market quotations. The alternative 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.

Real estate partnerships provide quarterly valuations to the pension trust fund management. Individual properties are valued by the investment management at least annually and are adjusted as frequently as quarterly if material market or operational changes have occurred. Properties are generally externally appraised every one to five years, depending on the investment. Annual audits of partnerships include a review of compliance with each partnership's valuation policies.

The Plan also invests in collective investment trusts which determines fair value by obtaining fair values of the underlying holdings using reputable pricing sources and computing an overall net asset value per share. The holdings within each fund are publicly traded securities. The funds have daily openings and contributions and withdrawals can be made on a daily basis.

NOTE 3 – DEPOSITS AND 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, 2021:

		Fair Value Measurements Using		
	9/30/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt securities				
U.S. Treasuries	$ 7,529,110	$ 7,529,110	$ --	$ --
U.S. Agencies	5,611,687	--	5,611,687	--
Corporate bonds	3,160,714	--	3,160,714	--
Total Debt Securities	16,301,511	7,529,110	8,772,401	--
Equity Securities				
Common stock	39,368,008	39,368,008	--	--
Equity mutual fund	21,594,162	21,594,162	--	--
Total Equity Securities	60,962,170	60,962,170	--	--
Total Investments by Fair Value Level	77,263,681	$68,491,280	$ 8,772,401	$ --
Investments Measured at Net Asset Value (NAV)				
Real estate funds	24,732,058			
Collective investment trust funds:				
Bond index fund	19,012,750			
Equity securities index funds	40,559,975			
Total investments measured at NAV	84,304,783			
Money market funds (exempt)	5,771,308			
Total Investments	$ 167,339,772			

NOTE 3 – DEPOSITS AND 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 (Days)
Real estate funds [1]	$ 24,732,058	$ --	Daily	10 - 90
Collective investment trust funds:				
Bond index fund [2]	19,012,750	--	Daily	1
Equity securities index funds [2]	40,559,975	--	Daily	1
Total Investments Measured at NAV	$ 84,304,783			

[1] *Real estate funds* – Consists of two real estate partnerships. One of the funds is an open-end diversified core real estate commingled fund whose primary objective is to provide returns that are attractive to other asset classes with stable income and the potential for market appreciation. The fund invests primarily in core institutional quality industrial, multi family, office, and retail properties located throughout the United States, and is diversified by product type, geographic region, and economic exposure in order to mitigate investment risk. Requests for redemption in this fund may be made at any time with 10 days' notice. The other fund invests directly and indirectly in real estate using vehicles such as joint ventures, partnerships and other participation interests with real estate owners, developers and others. The fund seeks a diversified portfolio consisting of yield-driven real estate value added investments consisting of multi-family, industrial, retail, residential and mixed-use properties. The fund provides for redemptions with 90 days' notice.

[2] *Collective investment trust funds* – Consists of three index funds considered commingled in nature which is designed to match the return of its respective benchmark index. The objective of two of the funds is to match the returns of the Russell 1000 Growth Index and S&P MidCap 400 Index through investments in substantially all the stocks contained in those indexes respectively. The objective of the third fund is to match the return of the Bloomberg Barclays Aggregate U.S. Bond Index through investment in substantially all the bonds contained in that index. The fund is 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 open for withdrawal daily and provides for redemptions with 1 day notice.

NOTE 4 – NET PENSION LIABILITY OF THE CITY

The components of the net pension liability of the City at September 30, 2021:

Total pension liability	$ 148,079,967
Plan fiduciary net position	(167,202,879)
Net Pension Liability (Asset)	$ (19,122,912)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	112.91%

SIGNIFICANT ACTUARIAL ASSUMPTIONS

The total pension liability was determined by an actuarial valuation as of October 1, 2020 and rolled forward to September 30, 2021, using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.00% - 6.00% depending on service
Investment rate of return	6.75%
Mortality table	PUB-2010 Headcount Weighted Below Median which use ages set back one year for future improvements projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System in their actuarial valuation as of July 1, 2019.

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, 2021 are summarized in the following table:

NOTE 4 – NET PENSION LIABILITY OF THE CITY (CONTINUED)

LONG-TERM EXPECTED RATE OF RETURN (CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	48.00%	7.50%
International equity	12.00%	8.50%
Domestic bonds	24.00%	2.50%
International bonds	0.00%	3.50%
Real Estate	16.00%	4.50%
Alternative assets	0.00%	5.94%

DISCOUNT RATE

A single discount rate of 6.75% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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 (6.75%) was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE NET PENSION LIABILITY (ASSET) OF THE CITY TO CHANGES IN THE DISCOUNT RATE

Below is a table providing the sensitivity of the net pension liability of the City to changes in the discount rate. In particular, the table presents the Plan's net pension liability (asset) calculated using a discount rate of 6.75%, as well as what the Plan’s net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the discount rate:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ (1,117,578)	$ (19,122,912)	$ (34,127,663)

NOTE 5 – TAX STATUS

The Internal Revenue Service has determined and informed the Plan by a letter dated September 24, 2014, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code. Management believes that the Plan is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

NOTE 6 – ADMINISTRATIVE EXPENSES

The City provides the Plan with certain services without receiving compensation, which includes services of certain administrative personnel.

Administrative costs paid by the Plan consisted of the following:

	Fiscal Years Ended September 30,	
	2021	2020
Bookkeeping, Secretarial and Telephone	$ 202,982	$ 163,968
Audit and Legal Services	61,209	53,000
Actuarial Services	55,364	39,534
Office lease	45,365	13,203
Performance Monitoring	32,520	51,183
Bond Insurance	19,467	19,679
Training	7,887	16,124
Office expenses	7,535	616
Bank fees	4,658	5,493
Total Administrative Costs	$ 436,987	$ 362,800

REQUIRED SUPPLEMENTARY INFORMATION

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

September 30,	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	$ 1,896,893	$ 1,908,045	$ 1,812,287	$ 1,759,663	$ 1,959,651	$ 2,659,600	$ 2,438,790	$ 2,250,457
Interest	9,685,488	9,617,391	9,216,810	8,939,070	8,775,025	9,099,037	8,937,243	8,638,765
Benefit changes	--	--	--	--	--	(6,839,780)	--	--
Difference between actual and expected experience	(205,083)	2,635,026	3,067,379	1,551,666	2,228,073	(1,266,151)	(2,263,638)	--
Assumption changes	--	(2,353,306)	1,601,838	1,522,923	4,504,616	--	--	--
Benefit payments	(9,682,490)	(7,613,250)	(8,363,533)	(7,487,572)	(7,225,538)	(7,034,144)	(6,863,520)	(6,939,695)
Refunds	(100,969)	(22,347)	(26,378)	(136,942)	(98,051)	(190,942)	(265,792)	(185,090)
Other (increase in State Contribution Reserve)	2,579	2,368	2,595	1,901	1,657	1,423	1,253	1,253
Net Change in Total Pension Liability	1,596,418	4,173,927	7,310,998	6,150,709	10,145,433	(3,570,957)	1,984,336	3,765,690
Total Pension Liability - Beginning	146,483,549	142,309,622	134,998,624	128,847,915	118,702,482	122,273,439	120,289,103	116,523,413
Total Pension Liability - Ending (a)	$ 148,079,967	$ 146,483,549	$ 142,309,622	$ 134,998,624	$ 128,847,915	$ 118,702,482	$ 122,273,439	$ 120,289,103
Plan Fiduciary Net Position								
Contributions - employer	$ 3,623,990	$ 4,018,087	$ 5,537,669	$ 5,135,715	$ 4,924,792	$ 5,900,606	$ 5,452,219	$ 4,024,959
Contributions - employer (from State/Share Plan)	2,579	2,368	2,595	1,901	1,657	1,423	1,253	1,253
Contributions - non-employer contributing entity	5,951	108,396	194,266	195,277	103,860	92,782	145,792	171,222
Contributions - member	800,962	833,994	824,981	813,650	788,484	920,667	853,456	789,599
Net investment income	30,973,032	11,308,249	6,279,184	12,802,737	12,071,492	11,084,389	548,641	9,493,224
Benefit payments	(9,682,490)	(7,613,250)	(8,363,533)	(7,487,572)	(7,225,538)	(7,034,144)	(6,863,520)	(6,939,695)
Refunds	(100,969)	(22,347)	(26,378)	(136,942)	(98,051)	(190,942)	(265,792)	(185,090)
Administrative expense	(436,987)	(362,800)	(344,954)	(333,039)	(262,418)	(250,676)	(235,209)	(284,291)
Net Change in Plan Fiduciary Net Position	25,186,068	8,272,697	4,103,830	10,991,727	10,304,278	10,524,105	(363,160)	7,071,181
Plan Fiduciary Net Position - Beginning	142,016,811	133,744,114	129,640,284	118,648,557	108,344,279	97,820,174	98,183,334	91,112,153
Plan Fiduciary Net Position - Ending (b)	$ 167,202,879	$ 142,016,811	$ 133,744,114	$ 129,640,284	$ 118,648,557	$ 108,344,279	$ 97,820,174	$ 98,183,334
Net Pension Liability (Asset) - Ending (a) - (b)	$ (19,122,912)	$ 4,466,738	$ 8,565,508	$ 5,358,340	$ 10,199,358	$ 10,358,203	$ 24,453,265	$ 22,105,769
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	112.91%	96.95%	93.98%	96.03%	92.08%	91.27%	80.00%	81.62%
Covered Payroll	$ 12,267,117	$ 12,384,844	$ 11,992,650	$ 11,989,341	$ 11,834,735	$ 11,618,974	$ 12,192,229	$ 11,279,986
Net Pension Liability as a Percentage of Covered Payroll	-155.89%	36.07%	71.42%	44.69%	86.18%	89.15%	200.56%	195.97%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	$ 3,629,523	$ 3,629,941	$ (418)	$ 12,267,117	29.59%
2020	4,126,483	4,126,483	--	12,384,844	33.32%
2019	5,731,935	5,731,935	--	11,992,650	47.80%
2018	5,330,992	5,330,992	--	11,989,341	44.46%
2017	5,028,652	5,028,652	--	11,834,735	42.49%
2016	5,993,388	5,993,388	--	11,618,974	51.58%
2015	5,598,011	5,598,011	--	12,192,229	45.91%
2014	4,196,181	4,196,181	--	11,279,986	37.20%

Notes to Schedule of Contributions

Valuation Date:	October 1, 2019
Notes	Actuarially determined contributions are calculated as of October 1, which is 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
Amortization Method	General: Level Dollar, Closed Police and Fire: Level Dollar, Closed
Remaining Amortization Period	15 years
Asset Valuation Method	Recognition of 20% of difference between market value of assets and expected actuarial value of assets
Inflation	2.50%
Salary Increases	3.00% to 6.00% based on service
Investment Rate of Return	6.75%
Retirement Age	Experience-based tables of rates
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale BB

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS

September 30,	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	22.28%	8.02%	4.83%	11.04%	12.53%	10.61%	0.78%	9.47%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

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 *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees and Plan Administrator
Clair T. Singerman Employees' 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 financial statements of the Clair T. Singerman Employees' Retirement System (the "Plan"), as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2022.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Miami, FL
March 25, 2022