

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM

TABLE OF CONTENTS

SEPTEMBER 30, 2025

| | <u>PAGES</u> |
|---|--------------|
| Independent Auditors' Report | 1-3 |
| Management's Discussion and Analysis (Required Supplementary Information – Unaudited) | 4-6 |
| Financial Statements: | |
| Statement of Fiduciary Net Position | 7 |
| Statement of Changes in Fiduciary Net Position | 8 |
| Notes to Financial Statements | 9-18 |
| Required Supplementary Information – Unaudited: | |
| Schedule of Changes in the City's Net Pension Liability and Related Ratios | 19 |
| Schedule of City Contributions | 20 |
| Schedule of Investment Returns | 21 |
| Supplementary Information: | |
| Schedule of Administrative and Investment Expenses | 22 |
| Compliance Section: | |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 23-24 |
| Schedule of Findings and Responses | 25 |

INDEPENDENT AUDITORS' REPORT



Accountants
Advisors

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

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 the fiscal year ended September 30, 2025, and the related statement of changes in fiduciary net position for the fiscal year then ended, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan, as of September 30, 2025, and the change in fiduciary net position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

Report on Comparative Information

We have previously audited the Plan's 2024 financial statements, and our report dated March 14, 2025 expressed an unmodified opinion on those financial statements. In our opinion, the comparative information presented herein as of and for the fiscal year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional



Accountants

Advisors

omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the City's net pension liability and related ratios, the schedule of City contributions, and the schedule of investment returns on pages 4–6 and 19-21 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The accompanying schedule of administrative and investment expenses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of administrative and investment expenses is fairly stated, in all material respects, in relation to the basic 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 18, 2026, 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 grant agreements 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.

Caballero Fierman Llerena & Garcia, LLP

Miami, Florida
March 18, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended September 30, 2025

Overview

The discussion and analysis presents the highlights of financial activities and the financial position of the City of North Miami's Clair T. Singerman Employees' Retirement System ("CTSERS" or the "Plan"). This section provides an overview of the financial activities and funding condition of the Plan for the fiscal years ended September 30, 2025 and 2024. This information should be read in conjunction with the financial statements and the accompanying notes.

Financial Highlights

- The Plan's fiduciary net position increased to \$179,579,030, representing an increase of \$3,043,587 (1.72%) from fiscal year 2024.
- Although the Plan experienced growth during the year, the increase was significantly lower than the prior year's increase of \$21,349,182 primarily due to reduced growth in the fair value of investments.
- Employer contributions increased from \$1,359,913 in 2024 to \$1,453,168 in 2025. Employee contributions increased from \$668,626 to \$679,200.
- Net investment income totaled \$12,646,600 in 2025 compared to \$29,168,104 in 2024, reflecting more moderate market returns during the fiscal year.
- The Plan received \$750,000 in litigation settlement proceeds during fiscal year 2025 related to the resolution of claims involving the Plan's former auditor.
- Total benefits paid to retirees and beneficiaries increased to \$11,324,934 compared to \$9,246,305 in 2024, reflecting continued retirements and lump sum distributions.
- Administrative expenses increased to \$1,163,192 compared to \$607,882 in the prior year primarily due to legal expenses incurred during the year related to the litigation matter.

Statement of Fiduciary Net Position

The Statement of Fiduciary Net Position provides a snapshot of the Plan's financial position at fiscal year-end. It reports the assets available for future benefit payments and liabilities owed as of the reporting date. The difference between assets and liabilities represents the net position restricted for pension benefits.

| Category | September 30 | |
|--|----------------|----------------|
| | 2025 | 2024 |
| Cash | \$41,627 | \$114,591 |
| Investments | \$ 179,369,186 | \$ 176,281,658 |
| Receivables | 286,878 | 385,864 |
| Other Assets | 11,080 | 4,316 |
| Total Assets | 179,708,771 | 176,786,429 |
| Liabilities | 129,741 | 250,986 |
| Net Position Restricted for Pension Benefits | 179,579,030 | 176,535,443 |

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

Statement of Changes in Fiduciary Net Position

| Category | September 30 | |
|-------------------------|------------------|-------------------|
| | 2025 | 2024 |
| Contributions | \$ 2,135,113 | \$ 2,035,265 |
| Net Investment Income | 12,646,600 | 29,168,104 |
| Litigation Settlement | 750,000 | - |
| Total Additions | 15,531,713 | 31,203,369 |
| Benefits Paid | 11,324,934 | 9,246,305 |
| Administrative Expenses | 1,163,192 | 607,882 |
| Total Deductions | 12,488,126 | 9,854,187 |
| Change in Net Position | <u>3,043,587</u> | <u>21,349,182</u> |

Funding Status

The City of North Miami has historically contributed the actuarially determined contribution as recommended by the Plan's actuary. As of September 30, 2025, the Plan's fiduciary net position represented 103.8% of the total pension liability compared to 101.4% in fiscal year 2024, indicating that the Plan remains well funded.

Net Pension Asset

As of September 30, 2025 the total pension liability was \$155,214,580 and the Plan fiduciary net position was \$179,579,030, resulting in a net pension asset of \$24,364,450.

Plan Membership

| Category | 2025 | 2024 | Change |
|---------------------------------------|------------|------------|------------|
| Retirees & Beneficiaries | 215 | 216 | (1) |
| Inactive Members Entitled to Benefits | 12 | 9 | 3 |
| Active Members | 120 | 130 | (10) |
| Total Membership | <u>347</u> | <u>355</u> | <u>(8)</u> |

Asset Allocation

| Asset Class | Target | 2025 Actual | 2024 Actual |
|--------------|--------|-------------|-------------|
| Equities | 60.00% | 61.60% | 61.80% |
| Fixed Income | 24.00% | 22.50% | 22.60% |
| Real Estate | 16.00% | 13.40% | 13.20% |
| Cash | 0.00% | 2.50% | 2.30% |

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

Investment Activities

Investment income plays a critical role in maintaining the long-term stability of the Plan. The Board of Trustees reviews portfolio performance quarterly with its investment consultant and compares results against the actuarial assumed rate of return, peer investment funds, and applicable financial benchmarks.

During fiscal year 2025 the Plan achieved the following investment performance:

- Total Fund Time-Weighted Return: 7.91%
- Money-Weighted Return (net of investment expenses): 6.88%
- Equities Return: 10.77%
- Fixed Income Return: 3.00%
- Real Estate Return: 4.13%

The total fund return was slightly below the policy benchmark for the year.

Financial Analysis Summary

The Clair T. Singerman Employees' Retirement System maintained a stable financial position during fiscal year 2025. Net position increased by \$3.0 million (1.72%), driven primarily by investment income and contributions. Although investment gains were lower than the prior year, the Plan remains well funded with assets exceeding its actuarial liabilities. The Plan's prudent investment strategy and continued actuarial funding help ensure its ability to meet future pension obligations.

Contact Information

For additional information regarding this report please contact:

Plan Administrator
Clair T. Singerman Employees' Retirement System
12000 Biscayne Blvd., Suite 508
North Miami, Florida 33181
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FINANCIAL STATEMENTS

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025
(WITH COMPARATIVE INFORMATION AS OF SEPTEMBER 30, 2024)

| | 2025 | 2024 |
|--|----------------|----------------|
| <u>ASSETS</u> | | |
| Cash | \$ 41,627 | \$ 114,591 |
| Investments: | | |
| Money market funds | 4,372,891 | 3,955,047 |
| U.S. treasuries | 8,358,930 | 7,735,232 |
| U.S. agencies | 10,519,860 | 10,460,714 |
| Corporate bonds | 1,318,238 | 1,691,874 |
| Common stock | 52,885,776 | 43,221,818 |
| Equity mutual fund | 23,168,274 | 21,097,934 |
| Real state funds | 24,065,527 | 23,347,426 |
| Bond index fund | 20,139,079 | 20,033,438 |
| Equity securities index funds | 34,540,611 | 44,738,175 |
| Total investments | 179,369,186 | 176,281,658 |
| Receivables: | | |
| Plan member contributions | 12,880 | - |
| City of North Miami Police share plan | - | 57,451 |
| Due from brokers | 116,452 | 157,632 |
| Due from participants | 514 | 13,589 |
| Accrued interest | 133,927 | 119,075 |
| Accrued dividends | 23,105 | 38,117 |
| Total receivables | 286,878 | 385,864 |
| Other assets | 11,080 | 4,316 |
| Total assets | 179,708,771 | 176,786,429 |
| <u>LIABILITIES</u> | | |
| Accounts payable and accrued liabilities | 18,807 | 53,654 |
| Due to brokers | 104,181 | 190,579 |
| Benefits payable | 6,753 | 6,753 |
| Total liabilities | 129,741 | 250,986 |
| <u>NET POSITION</u> | | |
| Net position restricted for pension benefits | \$ 179,579,030 | \$ 176,535,443 |

The accompanying notes are an integral part of these financial statements

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2025
(WITH COMPARATIVE INFORMATION FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024)

| | 2025 | 2024 |
|---|----------------|----------------|
| ADDITIONS: | | |
| Contributions: | | |
| Plan members | \$ 679,200 | \$ 668,626 |
| Employer | 1,453,168 | 1,359,913 |
| State contributions | 2,745 | 6,726 |
| Total contributions | 2,135,113 | 2,035,265 |
| Investment income: | | |
| Net increase in fair value of investments | 9,127,278 | 25,772,582 |
| Interest | 1,519,258 | 1,323,315 |
| Dividends | 2,517,794 | 2,649,592 |
| | 13,164,330 | 29,745,489 |
| Less investment expenses | (517,730) | (577,385) |
| Net investment income | 12,646,600 | 29,168,104 |
| Other Additions: | | |
| Litigation settlement proceeds | 750,000 | - |
| Total additions | 15,531,713 | 31,203,369 |
| DEDUCTIONS: | | |
| Benefits paid to plan members | | |
| Pension benefits | 8,221,841 | 8,048,387 |
| Lump sum retirement | 3,103,093 | 1,197,918 |
| Total benefits paid to plan members | 11,324,934 | 9,246,305 |
| Administrative expenses | 1,163,192 | 607,882 |
| Total deductions | 12,488,126 | 9,854,187 |
| Change in net position | 3,043,587 | 21,349,182 |
| Net position restricted for pension benefits: | | |
| Beginning of year | 176,535,443 | 155,186,261 |
| End of year | \$ 179,579,030 | \$ 176,535,443 |

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. Use of Estimates

The preparation of 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 amounts of assets, liabilities, disclosure of contingent liabilities, revenues, and expenses reported in the financial statements and accompanying notes. Although those estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

C. Cash and Cash Equivalents

The Plan's cash and cash equivalents are short-term investments with original maturities of three months or less from the date of acquisition.

D. Method Used to Value Investments

Investments are reported at fair value except for money market funds which are reported at amortized cost. Net appreciation/(depreciation) in fair value includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of average cost. Purchases and sales of investments are recorded on a 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 details regarding those methods used to measure fair value of investments refer to the fair value hierarchy in Note 3.

E. Administrative Expenses

Administrative expenses incurred by the Plan are paid with plan assets.

F. 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Plan's financial statements for the fiscal year ended September 30, 2024, from which the information was derived.

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2 – PLAN DESCRIPTION

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, 2024 (beginning of year valuation date); however, the required employer contribution for the fiscal year ended September 30, 2025 is based on the October 1, 2023 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.

Plan Membership

The membership in the Plan as of October 1, 2024 was as follows:

| | |
|---|-----|
| Inactive plan members | |
| Beneficiaries currently receiving benefits | 215 |
| Entitled to benefits but not yet receiving them | 12 |
| Active participants | 120 |
| Total membership | 347 |

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.

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.

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

Pension Benefits (Continued)

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 | Benefits 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.

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 2025. Employer contributions for the fiscal year ended September 30, 2025 was 14.51% of covered payroll. The total employer contribution on the statement of changes in fiduciary net position is \$1,453,168 for 2025.

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.

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

Contributions and Funding Policy (Continued)

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 on remaining sworn police personnel that was included in this Plan prior to 1976. The excess of insurance premium tax monies amounted to \$2,745 for the fiscal year ended September 30, 2025 and is reported as State contributions; the balance to be received as of September 30, 2025 was \$0. 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, 2025, 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, 2025, the Plan had the following fixed income investments in its portfolio:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|------------------|----------------------|----------------------------------|---------------------|---------------------|-----------------------|
| | | Less than 1 year | 1-5 Years | 6-10 Years | More than 10 Years |
| U.S. Treasuries | \$ 8,358,930 | \$ - | \$ 5,715,389 | \$ 2,643,541 | \$ - |
| U.S. agencies | 10,519,860 | - | - | - | 10,519,860 |
| Corporate bonds | 1,318,238 | - | 254,681 | 1,063,557 | - |
| Total Fair Value | <u>\$ 20,197,028</u> | <u>\$ -</u> | <u>\$ 5,970,070</u> | <u>\$ 3,707,098</u> | <u>\$ 10,519,860</u> |

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

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.

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Rate of Return

For the fiscal year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of investment expense was 6.88%. 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.

The following table disclose credit ratings of the fixed income securities, at September 30, 2025, as applicable:

| Moody rating of credit risk debt securities | Fair Value | Percentage of Portfolio |
|---|----------------------|-------------------------|
| *AGY | 10,519,860 | 52% |
| A1 | 231,259 | 1% |
| A2 | 177,988 | 1% |
| A3 | 469,319 | 2% |
| Aa1 | 8,358,930 | 41% |
| Aa2 | 439,672 | 2% |
| Total fixed income | \$ 20,197,028 | 100% |

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

Concentration of Credit Risk

The 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, 2025, 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 failure of a 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 custodian arrangements with financial institutions to accept securities on a delivery vs 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 custodian bank or a third party custodian institution.

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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 within 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 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.

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 determine 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.

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Hierarchy (continued)

The Plan has the following recurring fair value measurements as of September 30, 2025:

| Investments by fair value level | Fair Value | Fair Value Measurements Using: | | |
|---------------------------------------|-------------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Debt securities | | | | |
| U.S. treasuries | \$ 8,358,930 | \$ 8,358,930 | \$ - | \$ - |
| U.S. agencies | 10,519,860 | - | 10,519,860 | - |
| Corporate bonds | 1,318,238 | - | 1,318,238 | - |
| Total debt securities | 20,197,028 | 8,358,930 | 11,838,098 | - |
| Equity securities | | | | |
| Common stock | 52,885,776 | 52,885,776 | - | - |
| Equity mutual fund | 23,168,274 | 23,168,274 | - | - |
| Total equity securities | 76,054,050 | 76,054,050 | - | - |
| Total investments by fair value level | \$ 96,251,078 | \$ 84,412,980 | \$ 11,838,098 | \$ - |

Investments measured at

Net Asset Value (NAV)

| | |
|------------------------------------|----------------|
| Real estate funds | 24,065,527 |
| Collective investment trust funds: | |
| Bond index fund | 20,139,079 |
| Equity securities index funds | 34,540,611 |
| Total investments measured at NAV | 78,745,217 |
| Money market funds (exempt) | 4,372,891 |
| Total | \$ 179,369,186 |

Investments measured at the NAV

| | Fair Value | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period (Days) |
|--|----------------------|-------------------------|--|---------------------------------------|
| Real estate funds | \$ 24,065,527 | \$ 7,650,000 | Quarterly | 10 |
| Collective investment trust funds: | | | | |
| Bond index fund | 20,139,079 | - | Quarterly | 90 |
| Equity securities index funds | 34,540,611 | - | Daily | 1 |
| Total investments measured at NAV | \$ 78,745,217 | | | |

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.

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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 provide for redemptions with 1 day notice.

NOTE 4 – NET PENSION (ASSET) LIABILITY

The components of the net pension (asset) liability of the City at September 30, 2025:

| | |
|---|------------------------|
| Total pension liability | \$ 155,214,580 |
| Plan fiduciary net position | 179,579,030 |
| Net pension (asset) liability | <u>\$ (24,364,450)</u> |
| | |
| Plan fiduciary net position as a percentage of total pension liability | 115.70% |

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 4 – NET PENSION (ASSET) LIABILITY (CONTINUED)

Significant Actuarial Assumptions

The total pension (asset) liability was determined by an actuarial valuation as of October 1, 2024 and rolled forward to September 30, 2025, using the following actuarial assumptions:

| | |
|---------------------------|------------------------------------|
| Inflation | 2.50% |
| Salary increases | 3.00% - 6.00% depending on service |
| Investment rate of return | 6.75% |
| Mortality | |

The mortality table for General Employees is the PUB-2010 Headcount Weighted Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Headcount Weighted Below Median Retiree Female Table (post-retirement). These tables use ages set back one year for males and future improvements in mortality 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 (FRS) in their actuarial valuation as of July 1, 2023.

The mortality tables for Police and Fire members are the PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2023 Actuarial Valuation of the Florida Retirement System (FRS).

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 5.94%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of September 30, 2025 are summarized in the following table:

| <u>Asset Group</u> | <u>Target Allocation</u> | <u>Long Term Expected Real Rate of Return</u> |
|----------------------|--------------------------|---|
| 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% | 6.24% |

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 4 – NET PENSION (ASSET) LIABILITY (CONTINUED)

Discount Rate

A single discount rate of 6.75% was used to measure the total pension (asset) 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 the total 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 (asset) liability.

Sensitivity of the Net Pension (Asset) Liability of the City to Changes in the Discount Rate

Below is a table providing the sensitivity of the net pension (asset) liability of the City to changes in the discount rate. In particular, the table presents the Plan's net pension (asset) liability calculated using a discount rate of 6.75%, as well as what the Plan's net pension (asset) liability 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:

| <u>1% Decrease</u> | <u>Discount Rate</u> | <u>1% Increase</u> |
|--------------------|----------------------|--------------------|
| 5.75% | 6.75% | 7.75% |
| \$ (6,450,944) | \$ (24,364,450) | \$ (39,461,300) |

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 – LITIGATION SETTLEMENT

In 2024, the Plan initiated litigation against its former auditor alleging professional negligence. In 2025, the litigation was settled prior to trial for \$750,000. The settlement amount has been recognized in the financial statements for the year ended September 30, 2025. Management believes that the \$750,000 settlement, recorded as a gain to the Plan, fully and finally resolves all claims related to this matter and that there is no remaining exposure to loss in connection with this litigation. No additional disclosures are considered necessary.

NOTE 7 – SUBSEQUENT EVENT

On December 3, 2025, the Board of Trustees of the Plan entered into a settlement agreement resolving a civil action against a former Plan administrator and participant, relating to the misappropriation of Plan assets. Under the terms of the agreement, the Plan received a cash payment of \$387,293 in February 2026 and the former Plan administrator's entire pension benefit under the Plan, with an actuarial present value of approximately \$1,014,430, was forfeited. The settlement resulted in the dismissal of the civil action with prejudice. These amounts will increase the Plan's net assets available for benefits and reduce the Plan's benefit obligations in the subsequent plan year. Under the settlement, the Plan also retains the right to pursue recovery of any additional assets, if discovered in the future, that were acquired with misappropriated Plan funds; any such recoveries, if realized, will be recognized in the period in which they become realizable.

REQUIRED SUPPLEMENTARY INFORMATION

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total pension liability: | | | | | | | | | | |
| Service cost | \$ 1,475,489 | \$ 1,526,033 | \$ 1,506,091 | \$ 1,672,374 | \$ 1,896,893 | \$ 1,908,045 | \$ 1,812,287 | \$ 1,759,663 | \$ 1,959,651 | \$ 2,659,600 |
| Interest | 10,156,053 | 9,964,038 | 9,770,953 | 9,818,622 | 9,685,488 | 9,617,391 | 9,216,810 | 8,939,070 | 8,775,025 | 9,099,037 |
| Benefit changes | - | - | - | - | - | - | - | - | - | (6,839,780) |
| Difference between actual & expected experience | 258,211 | 1,678,849 | 211,323 | (3,717,602) | (205,083) | 2,635,026 | 3,067,379 | 1,551,666 | 2,228,073 | (1,266,151) |
| Assumption changes | - | - | - | - | - | (2,353,306) | 1,601,838 | 1,522,923 | 4,504,616 | - |
| Benefit payments | (11,324,934) | (9,246,305) | (8,049,268) | (8,394,689) | (9,682,490) | (7,613,250) | (8,363,533) | (7,487,572) | (7,225,538) | (7,034,144) |
| Refunds | - | - | - | (187,849) | (100,969) | (22,347) | (26,378) | (136,942) | (98,051) | (190,942) |
| Other: Increase in State Contribution Reserve | 2,745 | 11,900 | - | 2,579 | 2,579 | 2,368 | 2,595 | 1,901 | 1,657 | 1,423 |
| Net change in total pension liability | 567,564 | 3,934,515 | 3,439,099 | (806,565) | 1,596,418 | 4,173,927 | 7,310,998 | 6,150,709 | 10,145,433 | (3,570,957) |
| Total pension liability - beginning | 154,647,016 | 150,712,501 | 147,273,402 | 148,079,967 | 146,483,549 | 142,309,622 | 134,998,624 | 128,847,915 | 118,702,482 | 122,273,439 |
| Total pension liability - ending (a) | <u>\$ 155,214,580</u> | <u>\$ 154,647,016</u> | <u>\$ 150,712,501</u> | <u>\$ 147,273,402</u> | <u>\$ 148,079,967</u> | <u>\$ 146,483,549</u> | <u>\$ 142,309,622</u> | <u>\$ 134,998,624</u> | <u>\$ 128,847,915</u> | <u>\$ 118,702,482</u> |
| Plan fiduciary net position: | | | | | | | | | | |
| Contributions - employer (from City) | \$ 1,453,168 | \$ 1,359,913 | \$ 1,426,719 | \$ 3,358,941 | \$ 3,623,990 | \$ 4,018,087 | \$ 5,537,669 | \$ 5,135,715 | \$ 4,924,792 | \$ 5,900,606 |
| Contributions - employer (from State/Share Plan) | 2,745 | 11,900 | - | 2,579 | 2,579 | 2,368 | 2,595 | 1,901 | 1,657 | 1,423 |
| Contributions - non-employer contributing entity | - | - | - | - | 5,951 | 108,396 | 194,266 | 195,277 | 103,860 | 92,782 |
| Contributions - member | 679,200 | 668,626 | 684,452 | 698,719 | 800,962 | 833,994 | 824,981 | 813,650 | 788,484 | 920,667 |
| Net investment income | 12,646,600 | 29,168,104 | 13,712,630 | (14,244,480) | 30,973,032 | 11,308,249 | 6,279,184 | 12,802,737 | 12,071,492 | 11,084,389 |
| Benefit payments | (11,324,934) | (9,246,305) | (8,049,268) | (8,394,689) | (9,682,490) | (7,613,250) | (8,363,533) | (7,487,572) | (7,225,538) | (7,034,144) |
| Refunds | - | - | - | (187,849) | (100,969) | (22,347) | (26,378) | (136,942) | (98,051) | (190,942) |
| Administrative expenses | (1,163,192) | (607,882) | (596,896) | (432,650) | (436,987) | (362,800) | (344,954) | (333,039) | (262,418) | (250,675) |
| Other | 750,000 | - | - | - | - | - | - | - | - | - |
| Net change in plan fiduciary net position | 3,043,587 | 21,354,356 | 7,177,637 | (19,199,429) | 25,186,068 | 8,272,697 | 4,103,830 | 10,991,727 | 10,304,278 | 10,524,106 |
| Plan fiduciary net position - beginning | 176,535,443 | 155,181,087 | 148,003,450 | 167,202,879 | 142,016,811 | 133,744,114 | 129,640,284 | 118,648,557 | 108,344,279 | 97,820,173 |
| Plan fiduciary net position - ending (b) | <u>\$ 179,579,030</u> | <u>\$ 176,535,443</u> | <u>\$ 155,181,087</u> | <u>\$ 148,003,450</u> | <u>\$ 167,202,879</u> | <u>\$ 142,016,811</u> | <u>\$ 133,744,114</u> | <u>\$ 129,640,284</u> | <u>\$ 118,648,557</u> | <u>\$ 108,344,279</u> |
| Net pension (asset) liability - ending (a) - (b) | \$ (24,364,450) | \$ (21,888,427) | \$ (4,468,586) | \$ (730,048) | \$ (19,122,912) | \$ 4,466,738 | \$ 8,565,508 | \$ 5,358,340 | \$ 10,199,358 | \$ 10,358,203 |
| Plan fiduciary net position as a percentage of total pension liability | 115.70% | 114.15% | 102.96% | 100.50% | 112.91% | 96.95% | 93.98% | 96.03% | 92.08% | 91.27% |
| Covered payroll* | \$ 9,513,306 | \$ 10,012,772.00 | \$ 9,795,714 | \$ 10,840,943 | \$ 12,267,117 | \$ 12,384,844 | \$ 11,992,650 | \$ 11,989,341 | \$ 11,834,735 | \$ 11,618,974 |
| Net pension liability as a percentage of covered payroll | -256.11% | -218.61% | -45.62% | -6.73% | -155.89% | 36.07% | 71.42% | 44.69% | 86.18% | 89.15% |

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual Money-Weighted Rate of Return, Net of Investment Expense | 6.88% | 18.86% | 9.56% | -8.70% | 22.28% | 8.02% | 4.79% | 11.04% | 12.53% | 10.61% |

SUPPLEMENTARY INFORMATION

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE INFORMATION FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024)

| | <u>2025</u> | <u>2024</u> |
|---------------------------------------|---------------------|-------------------|
| Administrative expenses: | | |
| Bookeeping, secretarial and telephone | 224,681 | 174,036 |
| Audit and legal services | 677,110 | 188,143 |
| Actuarial services | 65,251 | 71,810 |
| Office lease | 32,888 | 36,863 |
| Performance monitoring | 40,822 | 39,633 |
| Bond insurance | 46,882 | 30,579 |
| Training | 53,732 | 55,391 |
| Office expenses | 21,826 | 11,427 |
| Total administrative expenses | <u>\$ 1,163,192</u> | <u>\$ 607,882</u> |
| Investment expenses: | | |
| Management fees | 409,319 | 459,995 |
| Custodial fees | 108,411 | 117,390 |
| Total investment management fees | <u>\$ 517,730</u> | <u>\$ 577,385</u> |

COMPLIANCE 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
North Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Clair T. Singerman Employees' Retirement System (the Plan), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements and have issued our report thereon dated March 18, 2026.

Report on 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. We identified a deficiency in internal control, described in the accompanying schedule to findings and responses as item 2025-01 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Miami, Florida
March 18, 2026

CLAIR T. SINGERMAN EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2025

SCHEDULE OF FINDINGS AND RESPONSES

I. Current Year Audit Findings

Significant Deficiency

2025-01 Bank Reconciliations

Condition:

During our planning procedures for the fiscal year ended September 30, 2025, we reviewed the bank reconciliations for the months of January 2025, May 2025 and July 2025 for the Plan's operating account. We noted the January bank reconciliation was not prepared on a timely basis and did not include evidence of review or approval, such as a reviewer's sign-off or date indicating when the review was performed. The May bank reconciliation also did not include evidence of review or approval, and the July bank reconciliation was not approved on a timely basis.

Criteria:

Best practices dictate that bank reconciliations be prepared and reviewed within 30 days from period end with the appropriate sign off as evidence of the completeness, accuracy, and timeliness of the reconciliation. Properly reviewed bank reconciliations reduce the risk of errors, fraud, or possible misappropriations of assets.

Cause:

Insufficient controls in place to ensure timely preparation or review of monthly bank reconciliations.

Effect:

Untimely preparation and approval of reconciliations, as well as lack of documented review, increase the risk that errors or irregularities in cash transactions and balances may not be detected and corrected promptly. This also limits the Plan's ability to demonstrate that key controls over cash are operating effectively.

Recommendation:

We recommend that management implement controls to ensure that the preparation and review of bank reconciliations are properly documented and performed on a timely basis. This should include a standard method of documenting the review, such as a dated signature or initials of the reviewer on each reconciliation.

Views of Responsible Officials and Planned Corrective Action:

Management has implemented a formal monthly bank and investment reconciliation policy to further strengthen internal controls and clearly define responsibilities. The policy adheres to best practices by ensuring that bank reconciliations are prepared and reviewed within a thirty (30)-day timeframe.