

NORTH MIAMI POLICE PENSION PLAN
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

NORTH MIAMI POLICE PENSION PLAN
TABLE OF CONTENTS
SEPTEMBER 30, 2025

	<u>PAGES</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis (Required Supplementary Information – Unaudited)	4-9
Financial Statements:	
Statement of Fiduciary Net Position	10
Statement of Changes in Fiduciary Net Position	11
Notes to Financial Statements	12-21
Required Supplementary Information – Unaudited:	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	22
Schedule of City Contributions	23
Schedule of Investment Returns	24
Supplementary Information:	
Schedule of Administrative and Investment Expenses	25
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 <i>Government Auditing Standards</i>	26-27
Schedule of Findings and Responses	28

INDEPENDENT AUDITORS' REPORT



Accountants
Advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and Plan Administrator
North Miami Police Pension Plan
North Miami, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the North Miami Police Pension Plan (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 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 4-9 and 22-24 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 purposes 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)

NORTH MIAMI POLICE PENSION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

The discussion and analysis of the City of North Miami's North Miami Police Pension Plan ("NMPPP") provides an overview of the financial activities and funding conditions for the fiscal years ended September 30, 2025 and 2024.

Financial Highlights

The NMPPP net results from operations for fiscal year 2025 reflected the following financial activities:

- The net position experienced an increase of \$12,154,342 or 10.30% compared to the previous year's increase of \$17,390,616 or 17.30%. The decrease was primarily due to slower growth in the net increase in the fair value of investments.
- Employer contributions increased from \$4,994,768 in fiscal year 2024 to \$5,575,742 in fiscal year 2025. Plan member contributions saw a decline from \$904,866 to \$766,594. State contributions significantly increased from \$82,682 in 2024 to \$708,664 in 2025. This increase is due to the 748 plan absorbing the 592 plan, which redirected the state's required 592 plan contribution to the 748 plan.
- The Plan saw a significant decrease in investment income, with a net investment income of \$10,403,752 in fiscal year 2025 compared to \$18,569,952 in fiscal year 2024. This was primarily driven by a slower growth in the fair value of investments, which decreased from \$16,072,901 in 2024 to \$7,898,718 in 2025.
- Total benefits paid to plan members significantly increased from \$6,631,544 in 2024 to \$8,045,470 in 2025, reflecting both pension benefits and lump sum retirement payments.
- Administrative expenses decreased from \$530,108 in fiscal year 2024 to \$469,503 in fiscal year 2025 due to decreases in trustee training and decreasing vendor costs.

NORTH MIAMI POLICE PENSION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

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 NMPPP 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	
	2025	2024
Assets:		
Cash	\$ 60,819	\$ 121,184
Investments	129,279,447	117,731,397
Receivables	878,078	241,974
Other Assets	31,947	8,805
Total Assets	130,250,291	118,103,360
Liabilities	143,396	150,807
Net Position Restricted for Pension Benefits	\$ 130,106,895	\$ 117,952,553

NORTH MIAMI POLICE PENSION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

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	
	2025	2024
Additions		
Contributions	\$ 7,051,000	\$ 5,982,316
Investment income, net	10,403,752	18,569,952
Assets transferred to defined benefit pension plan	3,214,563	-
Total Additions	20,669,315	24,552,268
Deductions		
Benefits paid to plan members	8,045,470	6,631,544
Administrative expenses	469,503	530,108
Total Deductions	8,514,973	7,161,652
Change in Net Position	12,154,342	17,390,616
Net Position Restricted for Pension Benefits		
Beginning of year, as previously reported	117,952,553	100,561,937
End of year	\$ 130,106,895	\$ 117,952,553

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 has traditionally contributed the annual required contribution to the NMPPP as determined by the Plan's actuary. The funded ratio this year is 75.2% compared to 74.1%

Net Pension Liability

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

NORTH MIAMI POLICE PENSION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

Plan Membership

Change in Plan Membership

	September 30		
	2025	2024	Change
Inactive plan members and beneficiaries currently receiving benefits	76	73	3
Inactive plan members entitled but not yet receiving benefits	4	4	-
Active plan members	64	67	(3)
Total Membership	144	144	-

Asset Allocation

The following table compares the Plan's policy target asset allocation to actual allocation for September 30, 2025 and 2024.

Assets allocation

	2025		2024	
	Target	Actual	Target	Actual
Equities	60.00%	63.40%	60.00%	62.60%
Fixed Income	21.00%	21.20%	21.00%	21.04%
Real Estate	19.00%	13.30%	19.00%	14.20%
Cash	0.00%	2.00%	0.00%	1.80%

Investment Activities

Investment income is vital to the NMPPP for current and future financial stability. Therefore, the trustees have a fiduciary responsibility to act prudently and discreetly 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.

NORTH MIAMI POLICE PENSION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

The board and its investment consultant review portfolio performance quarterly. 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 (7.00% actuarial rate of return), [b] to a universe of peers and [c] to a broad financial benchmark (for example, S&P 500).

- **Total Fund Return (FY 2025): 9.21% significantly outperforming its benchmark.**
- **Equities Return: 12.47%**, significantly lower than **29.60%** in 2024.
- **Fixed Income Return: 3.11%**, decreasing from **11.76%** in 2024.
- **Real Estate Return: 4.05%**, from **-9.96%** in 2024.

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

Summary of Investment Returns

	September 30,		Annualized	
	2025	2024	3 Yr. Return	5 Yr. Return
Equities				
Fund Return	12.47%	29.60%	19.84%	14.69%
Fund Policy	12.21%	29.79%	20.11%	14.24%
Fixed Income				
Fund Return	3.11%	11.76%	5.30%	0.79%
Fund Policy	3.73%	9.98%	5.12%	0.50%
Real Estate				
Fund Return	4.05%	-9.96%	-7.13%	2.83%
Fund Policy	4.04%	-7.26%	-5.36%	3.48%
Total Fund				
Fund Return	9.21%	18.35%	11.53%	9.91%
Fund Policy	9.02%	17.94%	11.94%	9.53%

The Plan uses the S&P 400, S&P 600, 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) for its fixed income policy. Real estate investments are measured against the National Council of Real Estate Investment Fiduciaries ("NCREIF") index. The overall fund performance of the Plan is compared to the return of a portfolio comprised of the following:

NORTH MIAMI POLICE PENSION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

Benchmarks per the Investment Policy

Bloomberg Intermediate US Gov't Credit Index	16.0%
Bloomberg US Aggregate Index	5.0%
S&P 600	12.0%
Russell 1000 Growth	12.0%
Russell 1000 Value	12.0%
S&P 400	12.0%
MSCI EAFE	12.0%
NCREIF ODC E	<u>19.0%</u>
	<u>100.0%</u>

Financial Analysis Summary

The North Miami Police Pension Plan (NMPPP) experienced financial growth in fiscal year 2025, primarily driven by investment returns. The Plan's net position increased by **\$12.15 million (10.30%)**, compared to **\$17.39 million (17.29%)** in the prior year. This increase was largely attributed to **investment gains** as well as an increase in **contributions**, as the fair value of investments increased by **\$7.89 million in 2025** and contributions added **\$7.05** million to the Plan.

Key Financial Highlights

- **Total contributions** increased significantly from **\$5.98 million to \$7.05 million**, with employer contributions increasing and plan member contributions decreasing marginally, but state contributions greatly increasing from \$82,682 to \$708,664, due to the 592 plan's absorption.
- **Investment income** decreased significantly from **\$18.57 million to \$10.40 million**, with equity investments leading to the change in investment income.
- **Benefit payments** increased by **\$1,413,926**, reflecting the change in plan policy allowing lump sum distributions to participants.
- **Administrative expenses** decreased by **\$60,605** due to decreases in trustee training and decreasing vendor costs.
- **Investment Performance**
- **Overall Return:** The Plan achieved an 9.21% return, modestly outperforming the benchmark.
- **Equities: 12.47% return**, considerably lower than **29.60% in 2024**.
- **Fixed Income: 3.11% return**, a sharp decline from **11.76% in 2024**.
- **Real Estate: 4.05% was a significant increase**, compared to **-9.96% in 2024**

Financial Position

- **Total Assets:** Increased by 10.29% to \$130.2 million
- **Net Position:** Strengthened to \$130.1 million, reinforcing the Plan's long-term sustainability
- **Liabilities:** Remained minimal and decreased to 143K, reflecting sound financial management.

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

NORTH MIAMI POLICE PENSION PLAN
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025
(WITH COMPARATIVE INFORMATION AS OF SEPTEMBER 30, 2024)

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Cash	\$ 60,819	\$ 121,184
Investments:		
Money market funds	2,494,774	2,049,775
U.S. treasuries	7,536,498	6,576,539
U.S. agencies	9,238,892	9,508,407
Corporate bonds	932,385	1,640,267
Common stock	32,303,838	29,411,851
Equity mutual fund	18,967,722	15,518,257
Real state funds	17,250,652	16,746,998
Bond index fund	9,771,683	7,501,956
Equity securities index funds	30,783,003	28,777,347
Total investments	<u>129,279,447</u>	<u>117,731,397</u>
Receivables:		
Due from broker	87,493	103,553
Plan member contributions	14,196	16,519
Accrued interest	104,251	96,701
Accrued dividends	14,159	25,201
Due from 592 Plan	31,997	-
Due from State	625,982	-
Total receivables	<u>878,078</u>	<u>241,974</u>
Other assets	<u>31,947</u>	<u>8,805</u>
Total assets	<u>130,250,291</u>	<u>118,103,360</u>
	<u>LIABILITIES</u>	
Due to brokers	78,254	124,138
Payables	65,142	26,669
Total liabilities	<u>143,396</u>	<u>150,807</u>
	<u>NET POSITION</u>	
Net position restricted for pension benefits	<u>\$ 130,106,895</u>	<u>\$ 117,952,553</u>

The accompanying notes are an integral part of these financial statements

NORTH MIAMI POLICE PENSION PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
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>
ADDITIONS:		
Contributions:		
Employer	\$ 5,575,742	\$ 4,994,768
Plan members	766,594	904,866
State contributions	708,664	82,682
Total contributions	<u>7,051,000</u>	<u>5,982,316</u>
Investment income:		
Net increase in fair value of investments	7,898,718	16,072,901
Interest	982,389	901,085
Dividends	1,850,769	1,917,695
	<u>10,731,876</u>	<u>18,891,681</u>
Less investment expenses	(328,124)	(321,729)
Net investment income	<u>10,403,752</u>	<u>18,569,952</u>
Other additions:		
Assets transferred to defined benefit pension plan	<u>3,214,563</u>	-
Total additions	<u>20,669,315</u>	<u>24,552,268</u>
DEDUCTIONS:		
Benefits paid to plan members		
Pension benefits	7,054,415	6,631,544
Lump sum retirement	991,055	-
Total benefits paid to plan members	<u>8,045,470</u>	<u>6,631,544</u>
Administrative expenses	<u>469,503</u>	<u>530,108</u>
Total deductions	<u>8,514,973</u>	<u>7,161,652</u>
Change in net position	12,154,342	17,390,616
Net position restricted for pension benefits:		
Beginning of year	117,952,553	100,561,937
End of year	<u>\$ 130,106,895</u>	<u>\$ 117,952,553</u>

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

NORTH MIAMI POLICE PENSION PLAN
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the North Miami Police Pension Plan (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. 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.

Uses 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, 2024, from which the summarized comparative information was derived.

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 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 three members occupying positions specifically designated by Ordinance and four elected police members.

NORTH MIAMI POLICE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

Plan Description (Continued)

Effective January 1, 1977, the City established a retirement system by Ordinance 748 for all employees hired on or after that date and for all employees under the City's then existing retirement system, the Clair T. Singerman Employees' Retirement System ("691 plan"), who elected to join the new Plan. Effective April 3, 1994, all general employees were transferred to the 691 plan. In effect, this Plan's membership is now restricted to sworn police personnel hired on or after January 1, 1977. This Plan provides retirement benefits as well as death and disability benefits. Since the Plan is a single-employer public employees' retirement system sponsored by the City, 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. The latest available actuarial valuation is as of October 1, 2024 (beginning of year valuation date); however, employer contribution requirements for the fiscal year ended September 30, 2025 were based on the October 1, 2023 valuation. Benefit and contribution provisions are established by City Ordinance and may be amended only by City Council.

Plan Membership

The membership in the Plan as of October 1, 2024 (the date of the latest actuarial valuation):

Inactive Plan members and beneficiaries currently receiving benefits	76
Inactive Plan members entitled but not yet receiving benefits	4
Active Plan members	64
Total membership	144

Effective December 1, 2016, the Plan was closed to new members. New police officers hired by the City will 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

Plan members become partially vested (25%) after 5 years credited service, increasing 15% annually, with full vesting after 10 years of credited service.

Normal retirement is the earlier of age 55 and 10 years of service or age 50 and 20 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.

Early retirement is available at age 50 and 10 years of service. For certain members hired on or before December 31, 2006, early retirement is also available after 20 years of service regardless of age.

Normal retirement benefits are based on 1% of average final compensation (AFC) multiplied by the years of service up to July 1, 1979, plus 3% of average final compensation for the years of service from June 30, 1979 to June 30, 1997; and 3.5% of AFC for the years of service on or after July 1, 1997. Additionally, accumulated Plan member contributions up to September 30, 1982, are payable to the member in a lump sum upon termination or retirement.

Terminated members with less than five years creditable service receive their contribution plus accrued interest accumulated since initial employment. Partially vested members receive the greater of member contributions plus accrued interest or the sum of member contributions prior to October 1, 1982, plus their vested benefits.

NORTH MIAMI POLICE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

Contributions and Funding Policy

Employees contribute 9.51% of their base salaries or wages based on the Plan's investment performance. Interest is credited annually on members' accumulated contributions at a rate of interest determined at the discretion of the Board of Trustees. The interest rate was 0.00% for 2025. Employer and state contributions for the fiscal year ended September 30, 2025 was 80.22% of covered payroll.

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 of the Plan is the Entry Age Normal.

Pursuant to Chapter 185, Florida Statutes, and the collective bargaining agreement of October 1, 2021, insurance premium tax monies received are shared between the City and the North Miami Special Police Officers' Fund (the "Fund" or "Plan") (Ordinance 592) (a Share Plan). The net insurance premium tax received during the fiscal year was \$708,664.

As established by Ordinance 1535, which was passed and adopted during its second hearing on September 9, 2025, the ordinance provides for the consolidation of the Police Share Plan into the Police Pension Plan and assigns the administration of the Share Plan to the Board of Trustees of the Police Pension Plan.

Share Plan

The North Miami Special Police Officers' Fund Share Plan was created to implement the provisions of Chapter 185, Florida Statutes, and to provide a means whereby police officers of the City may receive benefits from the funds provided for that purpose by Chapter 185, Florida Statutes. These benefits are in addition to benefits provided by the City's retirement system. Effective December 1, 2016, the City joined the Florida Retirement System ("FRS") and closed this Fund to new members.

The additional premium tax revenue, as defined by Chapter 185, Florida Statutes, received each year is deposited into the Fund. A Share account is established for each active participant with permanent status. State Chapter 185 funds net of costs, expenses, and fees are credited to each participant's Share account based on the number of months worked in a year of duty performed by the participants in the calendar year preceding the date in which the funds were received. Forfeitures of non-vested terminated participants are allocated to current participants and current year retirees in the same manner as the allocation of Chapter 185 funds. Participants' retirement benefits are distributed in accordance with the applicable City ordinance.

The decision to merge the plans was reached in July 2025 and was formally approved and adopted after its second hearing on September 9, 2025. The Share Plan previously reported on a December 31 fiscal year; in connection with the merger, its fiscal year-end was changed to September 30, 2025, to align with the Police Pension Plan. Accordingly, the information presented for the Share Plan in the summary of changes reflects only the nine-month period from January 1, 2025 through September 30, 2025, rather than a full twelve-month fiscal year. The Pension Plan expects to fully absorb and integrate the Share Plan by the end of the fiscal year ending September 30, 2026.

The summary of the changes in the Share Plan balance as of September 30, 2025 is as follows:

	Beginning Balance	\$ 4,479,151
	Contributions	-
	Net Investment Income	234,103
	Deductions	(936,980)
	Assets transferred to defined benefit pension plan	<u>(3,214,563)</u>
	Ending Balance	<u>\$ 561,711</u>

NORTH MIAMI POLICE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2 – PLAN DESCRIPTION (CONTINUED)

Contributions and Funding Policy (Continued)

Investment income and deductions presented in the Share Plan summary are based on the Share Plan's own activity and are not combined with the Pension Plan's corresponding line items, as the majority of such activity occurred prior to the formal approval of the merger on September 9, 2025. See note #6 for additional details regarding the merger of Plan 592 into Plan 748.

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 an insured cash balance of approximately \$60,819 with one financial institution.

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

Neither state law nor Plan investment policy limits maturity terms on fixed income holdings. As of September 30, 2025, the Plan had the following fixed income investments in its portfolio:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1 year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
U.S. Treasuries	7,536,498	\$ -	\$ 6,362,918	\$ 1,173,580	\$ -
U.S. Agencies	9,238,892	-	-	-	9,238,892
Corporate Bonds	932,385	-	538,726	393,659	-
Total Fair Value	\$ 17,707,775	\$ -	\$ 6,901,644	\$ 1,567,239	\$ 9,238,892

NORTH MIAMI POLICE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 3 – DEPOSITS AND 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, 2025, the annual money-weighted rate of return on pension plan investments, net of investment expense was 8.53%. 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 and the Plan's investment policy limits investments in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and, in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Plan's investment policy 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 tables disclose credit ratings of the fixed income securities, at September 30, 2025, as applicable:

	Fair Value	Percentage of Portfolio
Moody rating of credit risk debt securities		
*AGY	\$ 9,238,892	52%
A2	306,535	2%
A3	232,190	1%
Aa1	7,536,498	43%
Aa2	393,660	2%
Total fixed income	<u>\$ 17,707,775</u>	<u>100%</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

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.

NORTH MIAMI POLICE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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 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.

The Plan has investments in alternative assets consisting of real estate funds and collective investment trust funds 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.

NORTH MIAMI POLICE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

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 fair value of collective investment trusts are determined by the 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.

The following is a summary of the fair value hierarchy of the fair value of investments 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	\$ 7,536,498	\$ 7,536,498	\$ -	\$ -
U.S agencies	9,238,892	-	9,238,892	-
Corporate bonds	932,385	-	932,385	-
Total debt securities	17,707,775	7,536,498	10,171,277	-
Equity securities				
Common stock	32,303,838	32,303,838	-	-
Equity mutual fund	18,967,722	18,967,722	-	-
Total equity securities	51,271,560	51,271,560	-	-
Total investments by fair value level	\$ 68,979,335	\$ 58,808,058	\$ 10,171,277	\$ -
Investments measured at Net Asset Value (NAV)				
Real estate funds	17,250,652			
Collective investment trust funds:				
Bond index fund	9,771,683			
Equity securities index funds	30,783,003			
Total investments measured at NAV	57,805,338			
Money market funds (exempt)	2,494,774			
Total	\$ 129,279,447			

NORTH MIAMI POLICE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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.

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible	Redemption Notice Period (Days)
Real estate funds	\$ 17,250,652	\$ -	Quarterly	10
Collective investment trust funds:				
Bond index fund	9,771,683	-	Quarterly	90
Equity securities index funds	30,783,003	-	Daily	1
Total investments measured at NAV	\$ 57,805,338			

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 real estate fund held by the plan 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 are designed to match the returns of their respective benchmark index. The objective of two of the funds is to match the returns of the S&P Small-Cap 600 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. Each are valued at the net asset value held at the end of the period based upon the fair value of the underlying investments. These funds are open for withdrawal daily and provide 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, 2025:

Total pension liability	\$ 162,953,975
Plan fiduciary net position	<u>130,106,895</u>
Net pension liability	<u>\$ 32,847,080</u>
 Plan fiduciary net position as a percentage of total pension liability	 79.84%

NORTH MIAMI POLICE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Significant Actuarial Assumptions

The total pension 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	3.50% - 9.00% depending on service
Investment rate of return	7.00%
Retirement age	Experience-based table of rates are specific to the type of eligibility condition.
Mortality table	The mortality tables are the PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Female Table (preretirement), 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 of 6.0% 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, 2025 are summarized in the following table:

Asset Group	Long Term Expected Real Rate of Return	Long Term Expected Real Rate of Return
Domestic Equity	48.00%	7.50%
International Equity	12.00%	8.50%
Domestic Bonds	21.00%	2.50%
International Bonds	0.00%	3.50%
Real Estate	19.00%	4.50%
Alternative Assets	0.00%	6.24%

Discount Rate

A single discount rate of 7.00% 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 7.00%. 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 (7.00%) was applied to all periods of projected benefit payments to determine the total pension liability.

NORTH MIAMI POLICE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Sensitivity of the Net Pension Liability 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 calculated using a discount rate of 7.00%, as well as what the Plan's net pension 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>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
6.00%	7.00%	8.00%
\$ 54,077,189	\$ 32,847,080	\$ 15,375,871

NOTE 5 – TAX STATUS

The Internal Revenue Service has determined and informed the Plan by a letter dated September 26, 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 – PENSION PLAN MERGER

Towards the end of the fiscal year ended September 30, 2025, the 748 Pension Plan was merged with the 592 Pension Plan, with the 748 Pension Plan designated as the surviving plan. As part of the merger, the investment assets of the 592 Plan were evaluated and, where appropriate, liquidated and reinvested. Certain investments of the 592 Plan were sold and reinvested in an exchange-traded fund (ETF) prior to transfer, and then transferred in cash to Northern Trust, the trustee for the 748 Plan, to be diversified in accordance with the 748 Plan's investment allocation. The 748 Plan intends to maintain records sufficient to track and allocate the transferred amounts for accounting and allocation purposes, as needed, to ensure the transferred funds continue to satisfy benefit obligations attributable to the former 592 members. As of September 30, 2025, plan assets of the 592 Plan totaling \$3,214,563 had been transferred into the 748 Pension Plan. The remaining net position of the Share Plan is \$561,711, which represents amounts that are expected to be fully transferred to and recognized within the Pension Plan by the end of the fiscal year ending September 30, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

NORTH MIAMI POLICE PENSION PLAN
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	\$ 2,512,684	\$ 2,569,368	\$ 2,565,332	\$ 2,575,874	\$ 2,728,817	\$ 2,745,074	\$ 2,884,226	\$ 2,874,281	\$ 2,736,585	\$ 2,688,621
Interest	10,274,084	9,611,608	9,259,494	8,821,801	8,368,131	8,192,391	7,986,311	7,175,820	7,112,421	6,699,774
Difference between actual & expected experience	2,260,915	4,678,142	(235,691)	1,335,775	1,753,351	1,490,024	(2,846,387)	5,426,628	(586,971)	(722,729)
Assumption changes	7,669,094	-	-	1,640,630	1,560,253	(2,593,823)	1,471,145	1,422,393	2,910,987	1,055,450
Benefit payments	(8,045,470)	(6,631,544)	(6,494,396)	(6,149,803)	(6,225,983)	(5,351,111)	(4,686,763)	(4,550,105)	(4,280,161)	(2,859,026)
Refunds	-	-	-	(27,341)	(58,715)	-	(71,573)	(18,657)	(32,663)	(160,092)
Net change in total pension liability	14,671,307	10,227,574	5,094,739	8,196,936	8,125,854	4,482,555	4,736,959	12,330,360	7,860,198	6,701,998
Total pension liability - beginning	148,282,668	138,055,094	132,960,355	124,763,419	116,637,565	112,155,010	107,418,051	95,087,691	87,227,493	80,525,495
Total pension liability - ending (a)	\$ 162,953,975	\$ 148,282,668	\$ 138,055,094	\$ 132,960,355	\$ 124,763,419	\$ 116,637,565	\$ 112,155,010	\$ 107,418,051	\$ 95,087,691	\$ 87,227,493
Plan fiduciary net position:										
Contributions - employer	\$ 5,575,742	\$ 4,994,768	\$ 5,020,198	\$ 5,035,642	\$ 4,545,250	\$ 4,682,955	\$ 4,724,031	\$ 3,884,945	\$ 3,744,407	\$ 3,558,223
Contributions - employer (from State/Share Plan)	708,664	82,682	82,682	82,682	186,255	197,038	184,085	82,682	82,682	576,823
Contributions - member	766,594	904,866	930,523	962,068	845,591	875,237	907,850	932,232	1,153,440	1,014,411
Net investment income	10,403,752	18,569,952	6,962,387	(10,063,022)	21,777,391	3,509,502	420,126	8,694,199	6,933,826	5,759,158
Benefit payments	(8,045,470)	(6,631,544)	(6,494,396)	(6,149,803)	(6,225,983)	(5,351,111)	(4,686,763)	(4,550,105)	(4,280,161)	(2,859,026)
Refunds	-	-	-	(27,341)	(58,715)	-	(71,573)	(18,657)	(32,663)	(160,092)
Administrative expenses	(469,503)	(530,108)	(434,757)	(382,499)	(280,229)	(270,755)	(253,291)	(227,839)	(159,823)	(136,260)
Other	3,214,563	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	12,154,342	17,390,616	6,066,637	(10,542,273)	20,789,560	3,642,866	1,224,465	8,797,457	7,441,708	7,753,237
Plan fiduciary net position - beginning	117,952,553	100,561,937	94,495,300	105,037,573	84,248,013	80,605,147	79,380,682	70,583,225	63,141,517	55,388,280
Plan fiduciary net position - ending (b)	\$ 130,106,895	\$ 117,952,553	\$ 100,561,937	\$ 94,495,300	\$ 105,037,573	\$ 84,248,013	\$ 80,605,147	\$ 79,380,682	\$ 70,583,225	\$ 63,141,517
Net pension liability - ending (a) - (b)	\$ 32,847,080	\$ 30,330,115	\$ 37,493,157	\$ 38,465,055	\$ 19,725,846	\$ 32,389,552	\$ 31,549,863	\$ 28,037,369	\$ 24,504,466	\$ 24,085,976
Plan fiduciary net position as a percentage of total pension liability	79.84%	79.55%	72.84%	71.07%	84.19%	72.23%	71.87%	73.90%	74.23%	72.39%
Covered payroll*	\$ 7,834,102	\$ 7,959,950	\$ 8,214,176	\$ 8,887,506	\$ 8,936,209	\$ 9,667,188	\$ 9,962,588	\$ 9,058,510	\$ 9,185,954	\$ 8,901,956
Net pension liability as a percentage of covered payroll	419.28%	381.03%	456.44%	432.80%	220.74%	335.05%	316.68%	309.51%	266.76%	270.57%

*Estimated covered payroll

NORTH MIAMI POLICE PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS

Fiscal Year Ending <u>September 30,</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll</u>	Actual Contribution as a % of <u>Covered Payroll</u>
2025	\$ 5,658,424	\$ 6,284,406	\$ (625,982)	\$ 7,834,102	80.22%
2024	5,077,450	5,077,450	-	8,015,847	63.34%
2023	5,102,880	5,102,880	-	7,959,950	64.11%
2022	5,118,324	5,118,324	-	8,214,176	62.31%
2021	4,731,505	4,731,505	-	8,887,506	53.24%
2020	4,879,993	4,879,993	-	8,936,209	54.61%
2019	4,908,116	4,908,116	-	9,667,188	50.77%
2018	3,967,627	3,967,627	-	9,962,588	39.83%
2017	3,827,089	3,827,089	-	9,058,510	42.25%
2016	3,640,905	4,135,046	(494,141)	9,185,954	45.01%

Notes to Schedule of City Contributions

Valuation Date:
Notes

October 1, 2023
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	Level Dollar, Closed
Remaining Amortization Period	20 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	3.50% to 9.00% depending on service
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The mortality tables 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, 2022 Actuarial Valuation of the Florida Retirement System (FRS).

NORTH MIAMI POLICE PENSION PLAN
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	8.53%	17.81%	7.35%	-8.98%	25.96%	4.94%	0.54%	12.26%	13.20%	8.07%

SUPPLEMENTARY INFORMATION

NORTH MIAMI POLICE PENSION PLAN
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:		
Bookkeeping, secretarial, and telephone	\$ 192,135	\$ 174,339
Audit and legal services	52,748	50,875
Training	46,804	76,939
Actuarial services	51,632	96,466
Office expenses	30,739	24,547
Performing monitoring	27,215	51,142
Office lease expense	38,656	31,439
Bond insurance	23,834	24,331
Conference, Convention, Meeting	5,740	-
Bank fees	-	30
Total administrative expenses	<u>\$ 469,503</u>	<u>\$ 530,108</u>
Investment expenses:		
Investment management fees	\$ 255,359	\$ 249,790
Custodial fees	<u>72,765</u>	<u>71,939</u>
Total investment management fees	<u>\$ 328,124</u>	<u>\$ 321,729</u>

COMPLIANCE SECTION



Accountants
Advisors

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
North Miami Police Pension Plan
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 North Miami Police Pension Plan (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 of 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

NORTH MIAMI POLICE PENSION PLAN
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 Plan's operating account for the months of December 2024, June 2025, and August 2025. We noted that the December 2024 bank reconciliation was not prepared and approved on a timely basis. In addition, the June 2025 bank reconciliation did not include evidence of review or approval, such as a reviewer's sign-off or date indicating when the review was performed.

Criteria:

Best practices indicate 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 acknowledges the recommendation regarding the review timing of the monthly bank reconciliations. To further strengthen internal controls and clarify responsibilities, management has implemented a formal Monthly Bank and Investment Reconciliation Policy.