CITY OF MIAMI SPRINGS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

CITY OF MIAMI SPRINGS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and Plan Administrator
City of Miami Springs Police and Firefighters' Retirement System

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the City of Miami Springs Police and Firefighters' Retirement System (the "Plan"), which comprise the statement of fiduciary net position as of September 30, 2023, and the related statement of changes in fiduciary net position for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective fiduciary financial position of Plan, as of September 30, 2023, and the respective changes 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 opinions.

Other Matter

We have previously audited the Plan's 2022 financial statements, and in our report dated May 4, 2023, 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, 2022, 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 auditor's report that includes our opinions. 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.

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- 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 and budgetary comparison information on pages 3 to 5 and 17 to 19 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2024, 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 Plan's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Miami, Florida
Caballero Fierman Llerena & Garcia, LLP
July 15, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the City of Miami Springs Police and Firefighters' Retirement System's ("Retirement System" or the "Plan") financial performance provides an overview of the financial activities and funding conditions for the fiscal year ended September 30, 2023.

Financial Highlights

The net results from operations for fiscal year 2023 reflected the following financial activities:

- The Plan's net position increased by $2,060,289 or 6.22% from the prior year.
- The statement of changes in fiduciary net position reflects the financial performance for the year. Employer contributions increased from $389,030 in fiscal year 2022 to $401,501 in fiscal year 2023. The actuary determines the contribution required by the employer each year.
- Employees contributed $321,111 during fiscal year 2023.
- The Plan experienced a net investment gain of $3,322,950 for fiscal year 2023, compared to a net investment loss of $6,504,131 for fiscal year 2022.
- Benefit payments decreased to $2,017,305 for fiscal year 2023 from $2,458,907 for the prior fiscal year.

Using the Annual Report

The financial statements which reflect the account balances and activities of the Retirement System are reported in the statement of fiduciary net position (see page 6) and the statement of changes in fiduciary net position (see page 7). These statements are presented on a full accrual basis and reflect all trust account balances and activities incurred. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements (see pages 8-16). In addition to the financial statements and accompanying notes, this report presents certain required supplementary information concerning the Plan's methods and assumptions used to determine City contributions, the City's net pension liability and the Plan's historical investment returns (see pages 17-19).

Statement of Fiduciary Net Position

The statement of the fiduciary net position provides a snapshot of account balances at the end of the fiscal year. The statement reports the assets available for future benefit payments and any liabilities owed as of the financial statement date. The resulting net position value, or assets minus liabilities minus deferred inflows of resources, is the value of net position held in trust for pension benefits. The funding for the Plan is based on long-term assumptions, realizing that the market will experience shorter term gains and losses in the meantime.

The summary of fiduciary net position is presented below:

	As of September 30,		Increase (Decrease)	
	2023	2022	Amount	Percent
Total assets	$ 35,222,471	$ 33,249,948	$ 1,972,523	5.93%
Total liabilities	47,218	134,984	(87,766)	-65.02%
Net position restricted for pension benefits	$ 35,175,253	$ 33,114,964	$ 2,060,289	6.22%

Overall assets increased by $1,972,523 as compared to prior year due to appreciation of fair value of investments. Total liabilities decreased to $47,218 as of September 30, 2023 as compared to $134,984 September 30, 2022 due to the timing of investments transactions.

Statement of Changes in Fiduciary Net Position

The statement of changes in fiduciary net position shows the effects of pension fund transactions that occurred during the fiscal year. The net increase or decrease in the fiduciary net position equals the additions minus the deductions.

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

	Fiscal Year Ended September 30,		Increase (Decrease)	
	2023	2022	Amount	Percent
Additions:				
Employer contributions	$ 401,501	$ 389,030	$ 12,471	3.21%
Plan member contributions	321,111	330,338	(9,227)	-2.79%
State of Florida	158,207	126,315	31,892	25.25%
Net investment income (expense)	3,322,950	(6,504,131)	9,827,081	-151.09%
Other income	(4,748)	1,774	(6,522)	100.00%
Total additions	4,199,021	(5,656,674)	9,855,695	-174.23%
Deductions:				
Pension benefits	2,017,305	2,458,907	(441,602)	-17.96%
Refund of member contributions	42,619	12,793	29,826	100.00%
Administrative expenses	78,808	85,134	(6,326)	-7.43%
Total deductions	2,138,732	2,556,834	(418,102)	-16.35%
Net Increase (decrease)	$ 2,060,289	$ (8,213,508)	$ 10,273,797	-125.08%

The investment activity for the portfolio of invested assets is a function of the underlying marketplace for the period measured and the asset allocation set forth in the Investment Policy for the Plan. The Retirement System experienced a positive return on investments for fiscal year 2023 and a negative return on investments for fiscal year 2022.

Overall pension benefits decreased in 2023 as compared to 2022 due to an decrease in nonrecurring deferred retirement option plan (DROP) distributions which occurred during fiscal year 2022. Upon termination of employment, participants in the DROP have the option of receiving the balance of their account either in a lump-sum distribution or in any other form of payment selected by the participant after approval by the Board of Trustees.

A local ordinance of the City of Miami Springs determines the eligibility and amounts for members of the plan to receive benefits. The total for the benefit payments increases or decreases as the number of members and beneficiaries eligible to receive benefits changes each year.

Funding Progress

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 Retirement System determined by the Plans' actuary. See page 19 for a summary of City contributions to the plan.

Net Pension Liability

The fiduciary net position as a percentage of the total pension liability in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*, as of September 30, 2023 and 2022 was 98.81% and 91.82%, respectively. The notes to the financial statements provide a summary of significant assumptions and other inputs used to calculate the total pension liability, including those about inflation, salary changes, and inputs to the discount rate, as well as certain information about mortality assumptions.

Plan Membership

The following table reflects the Plan membership as of the end of the fiscal years noted below:

Changes in Plan Membership

	September 30, 2023	September 30, 2022	Change
Inactive plan members and beneficiaries currently receiving benefits	48	48	-
Inactive plan members entitled but not yet receiving benefits	1	1	-
Active participants	41	40	1
Total membership	90	89	1

Investment Activities

Investment income is vital to the Retirement System's current and future financial stability. Therefore, the trustees have a fiduciary responsibility to act prudently and discretely when making investment decisions. To assist the Board of Trustees in this endeavor, the Board employs the services of an investment consultant to periodically review and update the investment policy. The Investment Policy Statement was last amended in August 2023, although the Board reviews the Policy Statement quarterly.

The Board and its consultant also review the investment performance of the assets quarterly. Performance is evaluated for each individual investment manager according to the style and asset class for that manager. The performance for each manager portfolio is compared to an internal benchmark established by the Investment Policy, a universe of peers, and a broad financial benchmark (for example, S&P500). Performance for the overall portfolio, on the other hand, is evaluated in comparison to established benchmarks and performance for similar plans. The aggregate investment portfolio includes domestic and foreign equities, fixed income securities, and a core real estate fund.

Contacting the Plan's Financial Management

The financial report is designed to provide citizens, taxpayers, Plan participants and the marketplace's credit analysis with an overview of the plan's finances and prudent exercise of the Board's oversight. If you have any questions regarding this report or need additional financial information, please contact the Board of Trustees, c/o Pension Resource Center LLC, 4360 Northlake Boulevard, Suite 206, Palm Beach Gardens, FL 33410.

BASIC FINANCIAL STATEMENTS

CITY OF MIAMI SPRINGS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023
(WITH COMPARATIVE INFORMATION AS OF SEPTEMBER 30, 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 399,899	$ 1,314,644
Investments:		
Equity securities	21,961,682	19,268,162
Corporate bonds	2,498,823	3,043,000
Certificates of deposit	242,419	-
U.S. government agencies	704,174	235,740
Mortgage pools	1,984,202	1,581,177
Foreign bonds	136,358	209,383
Municipal obligations	453,803	415,094
Collateralized mortgage obligations	3,727,811	3,369,546
Real estate fund	3,022,302	3,703,723
Total investments	34,731,574	31,825,825
Receivables:		
Accrued interest and dividends	50,927	52,208
Other receivable	40,071	50,000
Total receivables	90,998	102,208
Other assets:		
Prepaid expenses	-	7,271
Total assets	35,222,471	33,249,948
LIABILITIES		
Accounts payable	47,218	33,590
Due to broker	-	101,394
Total liabilities	47,218	134,984
Net position restricted for pension benefits	$ 35,175,253	$ 33,114,964

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

CITY OF MIAMI SPRINGS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE INFORMATION FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2022)

	2023	2022
Additions:		
Contributions:		
City	$ 401,501	$ 389,030
Plan members	321,111	330,338
State of Florida	158,207	126,315
Total contributions	880,819	845,683
Investment income:		
Net appreciation (depreciation) in fair value of investments	2,694,237	(7,100,489)
Dividends and interest income	805,858	780,153
Total investment income	3,500,095	(6,320,336)
Less: investment expenses	177,145	183,795
Net investment income	3,322,950	(6,504,131)
Other income (expense)	(4,748)	1,774
Total additions	4,199,021	(5,656,674)
Deductions:		
Pension benefits	2,017,305	2,458,907
Refund of member contributions	42,619	12,793
Administrative expenses	78,808	85,134
Total deductions	2,138,732	2,556,834
Net increase	2,060,289	(8,213,508)
Net position restricted for pension benefits		
Beginning of year	33,114,964	41,328,472
End of year	$ 35,175,253	$ 33,114,964

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the City of Miami Springs Police and Firefighters' Retirement System (the Plan) are prepared on the accrual basis of accounting. Plan member (employees) 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.

Method Used to Value Investments and Investment Income Recognition

Investments are reported at fair value with the exception of money market funds which are at amortized cost. 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. Net appreciation in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. Purchases and sales of securities are recorded on the trade-date basis. Interest and dividends are recorded as earned on the accrual basis. For more detail regarding the methods used to measure the fair value of investments refer to the fair value hierarchy in Note 3.

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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator 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 summarized 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, 2022, from which the summarized information was derived.

NOTE 2 - PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

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

General

The City of Miami Springs (the City) is the administrator of a single-employer defined benefit pension plan established to provide pension benefits for its police officers and firefighters. The latest available actuarial valuation is as of October 1, 2022 (beginning of year valuation date); however, the required employer contribution for the fiscal year ended September 30, 2023 is based on the October 1, 2021 actuarial valuation.

The Plan is administered by a five member Board of Trustees comprised of two members appointed by the City Commission, two members elected by/from the Firefighter members, and one member elected by/from the Police members. Changes to established provisions require a majority vote of the Board. The Plan's Board of Trustees also administers the City of Miami Springs General Employees' Retirement System.

NOTE 2 - PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

General (Continued)

Membership in the Plan as of October 1, 2022 was as follows:

Inactive plan members and beneficiaries currently receiving benefits	48
Inactive plan members entitled but not yet receiving benefits	1
Active participants	41
Total membership	90

Pension Benefits

All full time police officers are eligible to participate in the Plan. Employees hired before October 12, 2014 attaining age 55 who have completed 10 or more years of service or 20 years of service regardless of age are entitled to benefits of 3.50% of their average monthly earnings for up to twenty years and 3.0% of the average monthly earnings for each year thereafter. The maximum benefit is 85% of their average monthly earnings. The average monthly earnings are determined by the three consecutive years that produce the highest average.

For members hired on or after October 12, 2014 attaining age 55 who have completed 10 or more years of service or age 52 who have completed 25 years of service are entitled to benefits of 2.5% of their average monthly earnings per year of credited service. The maximum benefit is 70% of average monthly earnings. The minimum benefit is 2.0% per year of service. For benefits earned on or after October 12, 2014, the average of earnings are determined by the five consecutive years that produce the highest average.

The Plan also provides for disability and death benefits. Active employees who become disabled receive 66.7% of their earnings less workmen's compensation and Social Security, if the disability is service related. Disability benefits are paid until the earlier of death or recovery from disability. If an active employee dies, his or her spouse receives 25% of the employees' earnings until the spouse either dies or remarries. Each unmarried child receives $7^1/_2$% of the employee's earnings until age 18 (or 22 if a fulltime student). The maximum family benefit is 30% of the employee's earnings.

Participants immediately vest 100% in their contributions and related interest. There is no vesting on City contributions until participants have attained 5 years of credited service.

The Plan provides post-retirement benefits to retirees that include life insurance up to age 70. Upon retiring, retirees have the option to receive health benefits and higher limits of life insurance at their expense.

Vesting

Members who terminate employment with fewer than 5 years of credited service receive refunds of their own contributions with interest. Those who terminate with 5 or more years may either receive their accrued pension benefit beginning at the date which would have been their normal retirement date had they remained in full-time employment or a refund of their own contributions with interest.

Funding Policy

The Plan is funded by contributions received from the State of Florida under the provisions of Chapter 185 of the Florida Statutes, by member contributions, City contributions and by investment earnings.

The regular member contribution for both bargaining unit employees and non-bargaining unit managerial employees in that capacity after September 27, 1993 rate is 9% of earnings. If the combined City and member contributions required for a year are less than 14% of covered payroll, the difference under 14% shall be rounded to the nearest 0.1% of budgeted payroll. The resulting difference shall be divided in two, with Plan members reducing their contribution rates by half the difference, and the City reducing its contribution by the remaining half.

NOTE 2 - PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

Funding Policy (Continued)

for that fiscal year. However, if the combined City and member contributions for any one fiscal year exceed 18% of the budgeted payroll for police officers, the excess rate over 18% will be divided by two with Plan members paying half of the excess and the City paying the other half for that fiscal year. The City is required to ensure that the actuarially determined requirement is met.

For the fiscal year ended September 30, 2023, the employees' contribution rate was 8.7% of compensation.

Employer contribution requirements for the fiscal year ended September 30, 2023 were based on the October 1, 2021 actuarial valuation. For the fiscal year ended September 30, 2023, the City's contribution rate as a percentage of annual covered payroll was 14.42%.

NOTE 3 - 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. Domestic commercial real estate property holdings.

The Board of Trustees has developed certain investment guidelines and has retained an investment manager. The investment manager is expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation within the Board's guidelines. The investment manager is compensated based on a percentage of the portfolio's market value.

The Plan's asset management structure established by the investment policy is as follows:

Type	Target
Domestic Equity	50%
International Equity	12%
Real Estate	7.5%
Fixed Income	30.5%
Cash	0%

The Plan maintains a Master Custodian Agreement, whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's agent.

NOTE 3 - INVESTMENTS (CONTINUED)

Maturity Risk

Neither state law nor Plan investment policy limit maturity term on fixed income holdings. As of September 30, 2023, the Plan had the following investments and maturities of fixed income instruments:

		Investment Maturities (In Years)			
Investment	Fair Value	Less Than 1	1-5	6-10	More Than 10
Corporate bonds	2,498,823	238,376	1,780,955	412,523	66,969
Certificates of deposit	242,419	124,488	117,931	-	-
U.S. government agencies	704,174	-	236,162	468,012	-
Mortgage pools	1,984,202	24,147	670,018	516,756	773,281
Collateralized mortgage obligations	3,727,811	-	838,723	416,337	2,472,751
Municipal obligations	453,803	-	196,691	39,324	217,788
Foreign bonds notes & debentures	136,358	-	136,358	-	-
Total	$ 9,747,590	$ 387,011	$ 3,976,838	$ 1,852,952	$ 3,530,789

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, 2023, the annual-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.99%. 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 or Moody's Baa. The Plan's corporate bonds and agency bonds were all rated "BBB" or better under Standard & Poor's ratings and at least "A" under Moody's ratings.

NOTE 3 - INVESTMENTS (CONTINUED)

		2023	
		Fair Value	Percentange of Portfolio
U.S. government guaranteed*	$	4,664,909	47.86%
Quality rating of credit risk debt securities			
AAA		719,820	7.38%
AA+		808,282	8.29%
AA		147,081	1.51%
AA-		282,133	2.89%
A+		405,314	4.16%
A		595,937	6.11%
A-		528,219	5.42%
BBB+		495,185	5.08%
BBB		757,725	7.77%
BBB-		342,985	3.52%
Total credit risk debt securities		5,082,681	52.14%
Total fixed income securities	$	9,747,590	100.00%

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

Concentration of Credit Risk

The Plan's investment policy stipulates that not more than 5% of the fiduciary net position 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, 2023, the value of each position held by the Plan portfolio comprised less than 5% of the fiduciary net position and less than 5% of the value of the outstanding capital stock of the respective company.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the master custodian, the Plan will not be able to recover the value of its investments that are in the possession of the outside party. All of the Plan's investments are in the name of the Plan.

Risk and Uncertainties

The Plan has investments in a combination of stocks, bonds, government securities, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of fiduciary net position and the statement of changes in fiduciary net position. The Plan, through its investment consultant, monitors the Plan's investments and the risks associated therewith on a regular basis, which the Plan believes minimizes these risks.

NOTE 3 - INVESTMENTS (CONTINUED)

Foreign Currency Risk

The Plan may have exposure to foreign currencies by making direct investments in non-U.S. currencies or in securities denominated in non-U.S. currencies, purchasing or selling forward currency exchange contracts in non-U.S. currencies, non-U.S. currency futures contracts and swaps for cross currency investments. Foreign currencies will fluctuate, and may decline, in value relative to the U.S. dollar and other currencies and thereby affect the Funds' investments in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies.

Fair Value Hierarchy

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 are based on quoted (unadjusted) prices in active markets for identical assets or liabilities that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.

- *Level 2*
  Investments' fair values are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; interest rates and yield curves observable at commonly quoted intervals; implied volatilities; credit spreads, and market-corroborated inputs.

- *Level 3*
  Investments' fair values are based upon unobservable inputs and contain the assumptions of the party fair valuing the asset or liability. Unobservable inputs should only be used when relevant Level 1 and Level 2 inputs are unavailable. Governments may use their own data to develop unobservable inputs if there is no information available without undue cost and effort.

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

- Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes U.S. government agencies, common stock, foreign stock, and mutual fund equities.

- Debt securities classified in Level 2 of the fair value hierarchy 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 mortgage pools, municipal bonds, collateralized mortgage obligations, corporate bonds, and common stock.

- The Plan invests in a core real estate fund which holds a variety of investment vehicles that do not have readily available market quotations. This investment is measured at net asset value based on its proportionate share of the value of the investments as determined by the fund manager and is valued according to methodologies which include pricing models, property valuations (appraisals), discounted cash flow models, and similar techniques.

NOTE 3 - INVESTMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

The following is a summary of the fair value hierarchy of investments as of September 30, 2023:

		Fair Value Measurements Using		
	9/30/2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities:				
U.S. government agencies	$ 704,174	$ -	$ 704,174	$ -
Certificates of deposit	242,419	-	242,419	-
Mortgage pools	1,984,202	-	1,984,202	-
Municipal bonds	453,803	-	453,803	-
Foreign bonds notes & debentures	136,358	-	136,358	-
Collateralized mortgage obligations	3,727,811	-	3,727,811	-
Corporate bonds	2,498,823	-	2,498,823	-
Total debt securities	9,747,590	-	9,747,590	-
Equity securities:				
Common stock	13,864,628	13,864,628	-	-
Foreign stock	824,658	824,658	-	-
Mutual fund equities	7,272,396	7,272,396	-	-
Total equity securities	21,961,682	21,961,682	-	-
Total investments at fair value	31,709,272	$ 21,961,682	$ 9,747,590	$ -
Investment measured at Net Asset Value (NAV)*				
Core real estate fund	3,022,302			
Total investments	$ 34,731,574			

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

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
Investment Measured at NAV				
Core Real Estate Fund*	$ 1,680,000	$ -	Quarterly	10 business days

* *Core real estate fund*. This fund is an open-end diversified core commingled real estate fund that invests primarily in core stable institutional offices, retail, industrial, and multi-family residential properties.

NOTE 4 - DEFERRED RETIREMENT OPTION PROGRAM

On February 9, 1998, the Plan adopted a Deferred Retirement Option Program (DROP) for participants who are eligible to receive normal retirement and have either obtained age 55 with ten years of continuous service, or have completed 20 years of service. Eligible members may apply to participate by applying to the Board. Plan members with at least 20 years of service but less than 27 years of service at the date of entry into the DROP may participate in the DROP for a maximum of 5 years. Plan members with 27 or more years of service but less than 35 years of service at the date of entry into the DROP may participate in the DROP for a maximum of 3 years. Plan members with 35 or more years of service at the date of entry into the DROP may participate in the DROP for a maximum of 2 years. Upon a member's election to participate in the DROP, that member shall cease to be a member of the Plan and shall be precluded from any additional benefits under the Plan; accordingly, that member shall be considered retired. Monthly retirement benefits that would have been payable had the member retired and elected to receive monthly pension payments will be paid into the DROP and credited to the retired member. Payments into the DROP are made monthly for the period the retired member participates in the DROP, up to a maximum of 60 months. Payments into the DROP will earn the same return as earned by the remainder of the Plan assets.

Upon termination of employment, participants in the DROP have the option of receiving the balance of their account either in a lump-sum distribution or in any other form of payment selected by the participant, approved by the Board and conforming to applicable laws.

At September 30, 2023, there were three (3) members enrolled in the DROP and the fair value of the DROP investments was $811,605. This amount is included in investments in the accompanying statement of fiduciary net position.

NOTE 5 - NET PENSION LIABILITY OF THE CITY

The components of the net pension liability as of October 1, 2022 and rolled forward to September 30, 2023, were as follows:

Total pension liability	$37,496,742
Plan fiduciary net position	(35,175,253)
Net pension liability	$ 2,321,489
Plan fiduciary net position as a percentage of the total pension liability	93.81%

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2022, rolled forward to September 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.25% - 9.50% depending on service, including inflation
Investment rate of return	7.0%
Retirement Age	Experience - based table of rates that are specific to the type of eligibility condition
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables for Special Risk Class members as used by the Florida Retirement System (FRS) in their July 1, 2021 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

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

Long-term Expected Rate of Return

The long-term expected rate of return of each pension plan asset class is based upon the historical average or mean returns. This historical data reveals a tendency for the returns of various asset classes to fall within a range, but the expected returns are based upon the average returns during these past periods. In order to determine the real rates of return, it is necessary to subtract the expected inflation rate from the nominal investment return. The long-term expected rate of return for the pension plan was calculated by weighing the expected future rates of return of each asset class by the corresponding target allocation percentages. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Fixed Income	2.50%
International Fixed Income	3.50%
Real Estate	4.50%
Alternative Assets	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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the Plan's net pension liability, if it were calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Net pension liability	$ 6,275,357	$ 2,321,489	$ (996,042)

NOTE 6 - TAX STATUS

The Plan has a favorable determination letter that expired January 31, 2019. Management has reviewed the plan document and has not identified any changes that would jeopardize the tax status of the Plan.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MIAMI SPRINGS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

Fiscal year ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	$ 747,006	$ 652,014	$ 570,158	$ 528,793	$ 546,751	$ 590,707	$ 590,908	$ 517,936	$ 516,880	$ 606,975
Interest	2,504,824	2,399,844	2,384,297	2,312,255	2,293,156	2,299,169	2,262,208	2,265,414	2,257,652	2,216,416
Changes of benefit terms	-	1,200,474	187,216	-	-	-	-	-	-	(614,240)
Differences between expected and actual experience	211,371	(584,887)	381,175	308,668	(132,350)	110,907	(56,808)	(103,859)	(155,933)	54,518
Changes of assumptions	-	-	(1,021,829)	-	-	1,341,696	(11,268)	-	-	-
Benefit payments	(2,017,305)	(2,458,907)	(2,239,659)	(2,048,394)	(2,519,654)	(1,751,725)	(2,740,461)	(2,737,349)	(2,031,499)	(1,319,688)
Refunds	(42,619)	(12,793)	-	(30,757)	(110,657)	-	(103,048)	(9,940)	(122,349)	(47,832)
Other (adjustments to excess state contribution reserve)	27,304	3,098	(5,092)	(2,510)	(62,026)	(3,717)	5,585	189	(65,584)	(101,254)
Net change in total pension liability	1,430,581	1,198,843	256,266	1,068,055	15,220	2,587,037	(52,884)	(67,609)	399,167	794,895
Total pension liability - beginning	36,066,161	34,867,318	34,611,052	33,542,997	33,527,777	30,940,740	30,993,624	31,061,233	30,662,066	29,867,171
Total pension liability - ending (a)	$ 37,496,742	$ 36,066,161	$ 34,867,318	$ 34,611,052	$ 33,542,997	$ 33,527,777	$ 30,940,740	$ 30,993,624	$ 31,061,233	$ 30,662,066
Plan fiduciary net position:										
Contributions - Employer (from city)	$ 401,501	$ 389,030	$ 464,544	$ 505,798	$ 528,264	$ 623,984	$ 678,763	$ 703,169	$ 631,120	$ 633,156
Contribution - Employer (from state)	158,207	126,315	128,127	124,360	130,143	122,822	120,798	120,954	115,213	112,118
Contributions - non-employer contributing entity	-	-	-	-	-	-	-	-	-	-
Contributions - member	321,111	330,338	299,853	311,426	357,453	338,943	381,489	353,736	309,304	336,297
Net investment income	3,318,202	(6,502,357)	7,155,332	3,660,490	1,809,760	3,464,364	3,331,989	2,753,012	1,252,928	2,968,350
Benefit payments	(2,017,305)	(2,458,907)	(2,239,659)	(2,048,394)	(2,519,654)	(1,751,725)	(2,740,461)	(2,737,349)	(2,031,499)	(1,319,688)
Refunds	(42,619)	(12,793)	-	(30,757)	(110,657)	-	(103,048)	(9,940)	(122,349)	(47,832)
Administrative expense	(78,808)	(85,134)	(84,538)	(77,460)	(83,877)	(83,463)	(76,677)	(114,442)	(108,988)	(110,599)
Net change in plan fiduciary net position	2,060,289	(8,213,508)	5,723,659	2,445,463	111,432	2,714,925	1,592,853	1,069,140	45,729	2,571,802
Plan fiduciary net position - beginning	33,114,964	41,328,472	35,604,813	33,159,350	33,047,918	30,332,993	28,740,140	27,671,000	27,625,271	25,053,469
Plan fiduciary net position - ending (b)	$ 35,175,253	$ 33,114,964	$ 41,328,472	$ 35,604,813	$ 33,159,350	$ 33,047,918	$ 30,332,993	$ 28,740,140	$ 27,671,000	$ 27,625,271
Net pension liability (asset) - ending (a) - (b)	$ 2,321,489	$ 2,951,197	$ (6,461,154)	$ (993,761)	$ 383,647	$ 479,859	$ 607,747	$ 2,253,484	$ 3,390,233	$ 3,036,795
Plan fiduciary net position as a percentage of the total pension liability	93.81%	91.82%	118.53%	102.87%	98.86%	98.57%	98.04%	92.73%	89.09%	90.10%
Covered payroll	$ 3,690,931	$ 3,477,240	$ 3,156,347	$ 2,965,962	$ 2,859,624	$ 2,711,544	$ 2,543,260	$ 2,358,240	$ 1,995,510	$ 2,111,573
Net pension liability as a percentage of covered-payroll	62.90%	84.87%	-204.70%	-33.51%	13.42%	17.70%	23.90%	95.56%	169.89%	143.82%

Note: Covered Payroll was calculated based on actual member contributions for the fiscal year divided by the employee contribution rate.

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

CITY OF MIAMI SPRINGS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS

REQUIRED SUPPLEMENTARY INFORMATION

Fiscal Year Ending September 30,	Actuarilly Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2014	$ 650,366	$ 682,583	$ (32,217)	$ 2,111,573	32.33%
2015	712,370	680,547	31,823 *	1,995,510	34.10%
2016	752,596	752,596	-	2,358,240	31.91%
2017	728,190	728,190	-	2,543,260	28.63%
2018	750,523	750,523	-	2,711,544	27.68%
2019	720,433	720,433	-	2,859,624	25.19%
2020	632,668	632,668	-	2,965,962	21.33%
2021	597,763	597,763	-	3,156,347	18.94%
2022	512,247	512,247	-	3,477,240	14.73%
2023	532,404	532,404	-	3,690,931	14.42%

*A prepaid contribution of $32,217 was established as of September 30, 2014 resulting from the employer contribution overpayment received during fiscal year 2014. This prepaid contribution was utilized during fiscal year 2015 to cover a portion of the actuarially determined contribution for the year.

Notes to Schedule of Contributions

Valuation date: October 1, 2021

Note: Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which the 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	0 years (single equivalent period)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	3.25% to 9.50% depending on service, including inflation
Investment rate of return	7.00%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables for Special Risk Class members as used by the Florida Retirement System (FRS) in their July 1, 2020 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Other Information:

Notes	See Discussion of Valuation Results in the October 1, 2021 Actuarial Valuation Report dated May 4, 2022.

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

CITY OF MIAMI SPRINGS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	9.99%	-16.28%	20.15%	10.94%	5.37%	11.21%	11.51%	9.64%	4.71%	11.81%

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

COMPLIANCE SECTION

CFLG 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
City of Miami Springs Police and Firefighters' Retirement System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Miami Springs Police and Firefighters' Retirement System (the Plan), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated July 15, 2024.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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
July15, 2024

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