

**CITY OF MIRAMAR**  
**PENSION TRUST FOR GENERAL EMPLOYEES**  
**AUDITED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
AUDITED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
City of Miramar Pension Trust for General Employees  
Miramar, Florida

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the City of Miramar Pension Trust for General Employees (the "Plan") which comprise of the statements of fiduciary net position as of September 30, 2021 and 2020, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

## INDEPENDENT AUDITOR'S REPORT - Continued

The financial statements presented are only for the Plan which is also reported as a pension trust fund in the City of Miramar's annual comprehensive financial report. Accordingly, the accompanying financial statements are not intended to represent the financial position of the City of Miramar, Florida, as of September 30, 2021 and 2020, or its changes in financial position and cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the City of Miramar Pension Trust for General Employees as of September 30, 2021 and 2020, and the related changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 and Other 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 supplementary schedules of investment expenses and administrative expenses as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## INDEPENDENT AUDITOR'S REPORT - Continued

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2022, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." The signature is written in a cursive style and is positioned above the typed name.

Hollywood, Florida  
February 17, 2022

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Required Supplementary Information - Unaudited)  
SEPTEMBER 30, 2021 and 2020**

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Our discussion and analysis of the City of Miramar Pension Trust for General Employees (the "Plan") financial performance provides an overview of the Plan's financial activities for the fiscal year ended September 30, 2021 and 2020. Its purpose is to provide explanations and insights into the information presented in the financial statements, notes to the financial statements and required supplementary information. Please read it in conjunction with the Plan's financial statements, which follow this discussion.

**Financial Highlights**

- Plan assets exceeded its liabilities at the close of fiscal years ended September 30, 2021 and 2020 by \$151,855,422 and \$122,868,939, respectively, (reported as net position restricted for pensions). The Plan's net position is held in trust to meet future benefit payments. The increase of \$28,986,483 and \$10,796,467 in fiduciary net position of the respective years has resulted primarily from the change in the fair value of the Plan's investments due to volatile financial markets.

Plan assets exceeded its liabilities at the close of fiscal years ended September 30, 2021 and 2020 by \$122,868,939 and \$112,072,472, respectively, (reported as net position restricted for pensions). The Plan's net position is held in trust to meet future benefit payments. The increase of \$10,796,467 and \$6,832,809 in fiduciary net position of the respective years has resulted primarily from the change in the fair value of the Plan's investments due to volatile financial markets.

- Receivables at September 30, 2021 increased by \$16,411 or 10.4% due primarily to the increase in accrued investment income.

Receivables at September 30, 2020 increased by \$6,458 or 4.3% due primarily to the increase in accrued investment income.

- Prepaid benefit payment at September 30, 2021 increased by \$61,980 or 15.7% from 2020.

Prepaid benefit payment at September 30, 2020 increased by \$32,104 or 8.9% from 2019.

- For the fiscal year ended September 30, 2021, liabilities increased by \$109,673 or 72.0% due primarily to the increase in accrued expenses.

For the fiscal year ended September 30, 2020, liabilities increased \$55,052 or 56.6% due primarily to the increase in accounts payable.

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Required Supplementary Information - Unaudited)  
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- For the fiscal year ended September 30, 2021, employer (City) contributions to the Plan increased by \$267,386 or 5.1% based on the actuarial valuation. Actual employer contributions were \$5,487,932 and \$5,220,546 for 2021 and 2020, respectively.

For the fiscal year ended September 30, 2020, employer (City) contributions to the Plan increased by \$656,763 or 14.4% based on the actuarial valuation. Actual employer contributions were \$5,220,546 and \$4,563,783 for 2020 and 2019, respectively.

- For the fiscal year ended September 30, 2021, member contributions including buybacks increased by \$63,101 or 3.1%. Actual member contributions were \$1,918,537 and \$1,969,108 for 2021 and 2020, respectively, and buybacks were \$211,816 and \$98,144 for 2021 and 2020, respectively.

For the fiscal year ended September 30, 2020, member contributions including buybacks decreased by \$109,050 or 5.0%. Actual member contributions were \$1,969,108 and \$1,794,226 for 2020 and 2019, respectively, and buybacks were \$98,144 and \$382,076 for 2020 and 2019, respectively.

- For the fiscal year ended September 30, 2021, the Plan had net investment income of \$27,602,079 compared to a net investment income of \$8,596,465 in the fiscal year ended September 30, 2020. Actual results were \$25,451,394 in net appreciation in fair value of investment for 2021 and \$6,475,812 in net appreciation in fair value of investment for 2020, and \$2,715,752 and \$2,598,359 of income from interest and dividends for 2021 and 2020, respectively. Investment expenses increased by \$87,361 or 18.3% from 2020.

For the fiscal year ended September 30, 2020, the Plan had net investment income of \$8,596,465 compared to a net investment income of \$4,945,873 in the fiscal year ended September 30, 2019. Actual results were \$6,475,812 in net appreciation in fair value of investment for 2020 and \$2,996,954 in net appreciation in fair value of investment for 2019 and \$2,598,359 and \$2,380,209 of income from interest and dividends for 2020 and 2019, respectively. Investment expenses increased by \$46,416 or 10.8% from 2019.

- For the fiscal year ended September 30, 2021, benefit payments and refunds of contributions increased by \$1,110,753 or 22.4%.

For the fiscal year ended September 30, 2020, benefit payments and refunds of contributions increased by \$248,022 or 5.3%.

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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- For the fiscal year ended September 30, 2021, administrative expenses increased by \$25,073 or 17.5% from 2020 due primarily to a increase in actuarial fees and fiduciary insurance.

For the fiscal year ended September 30, 2020, administrative expenses decreased by \$10,623 or 6.9% from 2019 due primarily to a decrease actuarial fees and auditing fees.

### **Plan Highlights**

For the fiscal year ended September 30, 2021, the total return of the portfolio was 22.89% for the year. Actual net returns from investments were net investment income of \$27,602,079 in 2021 compared with net income from investments of \$8,596,465 in 2020.

For the fiscal year ended September 30, 2020, the total return of the portfolio was 7.62% for the year. Actual net returns from investments were net investment income of \$8,596,465 in 2020 compared with net income from investments of \$4,945,873 in 2019.

### **Overview of the Financial Statements**

The basic financial statements include the statements of fiduciary net position and statements of changes in fiduciary net position and notes to the financial statements. The Plan also includes, in this report, additional information to supplement the financial statements.

The Plan presents required supplementary schedules, which provide historical trend information about the Plan.

The Plan prepares its financial statements on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America. These statements provide information about the Plan's overall financial status.

### ***Description of the Financial Statements***

The *Statement of Fiduciary Net Position* presents information that includes all of the Plan's assets and liabilities, with the balance representing the net position restricted for pensions. It is a snapshot of the financial position of the Plan at that specific point in time and reflects the resources available to pay members, retirees and beneficiaries at that point in time.

The *Statement of Changes in Fiduciary Net Position* reports how the Plan's net position changed during the fiscal year. The additions and deductions to net position are summarized in this statement. The additions include contributions to the retirement plan from employers (City) and members and net investment income (loss), which includes interest, dividends, investment expenses, and the net appreciation or depreciation in the fair value of investments. The deductions include benefit payments, refunds of member contributions, and administrative expenses.



**CITY OF MIRAMAR  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The *Notes to the Financial Statements* are presented to provide the information necessary for a full understanding of the financial statements. They include additional information not readily evident in the statements themselves such as a description of the Plan, contributions, significant accounting policies, funding policy, and investment risk disclosure.

There is also *Required Supplementary Information* included in this report as required by the Governmental Accounting Standards Board. The *Schedules* consist of plan's actuarial methods and assumptions and provide data of changes in the city's net pension liability, the city's contributions, and the Plan's investment returns.

Additional information is presented as part of *Supplementary Schedules*. This section is not required, but management has chosen to include it. It includes *Schedules of Investment Expenses* and *Administrative Expenses*. The *Schedule of Investment Expenses* presents the expenses incurred in managing and monitoring the investments of the Plan and includes financial management, consultant, and custodial fees. The *Schedule of Administrative Expenses* presents the expenses incurred in the administration of the Plan.

*Condensed Statements of Fiduciary Net Position*

The table below reflects condensed comparative statements of fiduciary net position as of:

September 30,	2021	2020
Cash and cash equivalents	\$ 1,402,361	\$ 1,487,298
Receivables	174,259	157,848
Prepaid expense	455,785	393,805
Investments	150,085,085	120,982,381
Total assets	152,117,490	123,021,332
Liabilities	262,068	152,393
Net position restricted for pensions	\$ 151,855,422	\$ 122,868,939

**CITY OF MIRAMAR  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Required Supplementary Information - Unaudited)  
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*Condensed Statements of Changes in Fiduciary Net Position*

The table below reflects condensed comparative statements of changes in fiduciary net position which reflect the activities of the Plan for the fiscal years ended:

September 30,	2021	2020
<b>Contributions:</b>		
City	\$ 5,487,932	\$ 5,220,546
Members	2,130,353	2,067,252
<b>Total</b>	<b>7,618,285</b>	<b>7,287,798</b>
Net investment income	27,602,079	8,596,465
Other income	1,050	11,309
<b>Total additions</b>	<b>35,221,414</b>	<b>15,895,572</b>
<b>Deductions:</b>		
Benefits paid directly to retirees	4,593,541	4,522,770
Benefits paid from DROP	968,502	322,335
Refunds of contributions	104,217	110,402
Administrative expenses	168,671	143,598
<b>Total deductions</b>	<b>6,234,931</b>	<b>5,099,105</b>
<b>Net increase</b>	<b>28,986,483</b>	<b>10,796,467</b>
Net position restricted for pensions at beginning of year	122,868,939	112,072,472
<b>Net position restricted for pensions at end of year</b>	<b>\$ 151,855,422</b>	<b>\$ 122,868,939</b>

The Plan's investment activity, measured as of the end of any month, quarter or year, is a function of the underlying marketplace for the period measured and the investment policy's asset allocation.

The benefit payments are a function of changing payments to retirees, their beneficiary (if the retiree is deceased) and new retirements during the period.

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(Required Supplementary Information - Unaudited)  
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**Asset Allocation**

At September 30, 2021, the domestic equity portion comprised 64% (\$94,330,586) of the total portfolio. The allocation to fixed income securities was 25% (\$36,554,847), while cash and short-term investments comprised 1% (\$1,402,361). The real estate portion of the portfolio comprised 10% (\$14,436,538). The DROP mutual fund of \$4,763,113 which is managed outside the Plan is not included in the allocation.

At September 30, 2020, the domestic equity portion comprised 66% (\$77,698,923) of the total portfolio. The allocation to fixed income securities was 23% (\$26,942,919), while cash and short-term investments comprised 1% (\$1,487,298). The real estate portion of the portfolio comprised 10% (\$12,314,405). The DROP mutual fund of \$4,026,134 which is managed outside the Plan is not included in the allocation.

The target asset allocation was as follows:

September 30,	2020	2019
Domestic equities	60%	60%
Fixed income	27%	27%
Real estate	13%	13%
Cash and cash equivalents	0%	0%

**Contacting the Plan's Financial Management**

This financial analysis is designed to provide the Board of Trustees, plan participants and the marketplace 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 you need additional financial information, please contact the administrator of the City of Miramar Pension Trust for General Employees, Benefits USA, Inc., 3810 Inverrary Blvd., Suite 303, Lauderhill, Florida 33319.

## **Financial Statements**

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
STATEMENTS OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,402,361	\$ 1,487,298
Receivables		
Accounts receivables and accrued investment income	174,259	157,848
Total receivables	174,259	157,848
Prepaid benefit payments	455,785	393,805
Investments, at fair value:		
US treasuries	2,320,582	2,136,129
US agencies securities	669,862	526,048
Mortgage backed securities	13,478,631	11,214,930
Corporate bonds	20,085,773	12,681,937
Assets-backed securities	-	383,875
Mutual funds - DROP	4,763,113	4,026,134
Domestic equity funds	94,330,586	77,698,923
Alternative investment	14,436,538	12,314,405
Total investments, at fair value	150,085,085	120,982,381
Total assets	152,117,490	123,021,332
<b>Liabilities</b>		
Accounts payable and accrued expenses	262,068	152,393
Total liabilities	262,068	152,393
<b>Net position restricted for pensions</b>	<b>\$ 151,855,422</b>	<b>\$ 122,868,939</b>

See Accompanying Notes to the Financial Statements.

**CITY OF MIRAMAR**  
**PENSION TRUST FOR GENERAL EMPLOYEES**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Additions</b>		
Contributions:		
Employer	\$ 5,487,932	\$ 5,220,546
Employee	2,130,353	2,067,252
Total contributions	<u>7,618,285</u>	<u>7,287,798</u>
Investment income		
Net appreciation in fair value of investments	25,451,394	6,475,812
Interest and dividend income	2,715,752	2,598,359
Total investment income	<u>28,167,146</u>	<u>9,074,171</u>
Less: investment expenses	<u>565,067</u>	<u>477,706</u>
Net investment income	<u>27,602,079</u>	<u>8,596,465</u>
Other income	<u>1,050</u>	<u>11,309</u>
Total additions	<u>35,221,414</u>	<u>15,895,572</u>
<b>Deductions</b>		
Benefits paid directly to retirees	4,993,541	4,522,770
Benefits paid from DROP	968,502	322,335
Refund of contributions	104,217	110,402
Administrative expenses	168,671	143,598
Total deductions	<u>6,234,931</u>	<u>5,099,105</u>
Net increase	28,986,483	10,796,467
<b>Net position restricted for pensions</b>		
Beginning of year	<u>122,868,939</u>	<u>112,072,472</u>
End of year	<u>\$ 151,855,422</u>	<u>\$ 122,868,939</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 and 2020**

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**NOTE 1 – DESCRIPTION OF THE PLAN**

**Organization**

The City of Miramar Pension Trust for General Employees (the "Plan") is a single employer defined benefit plan established under the Code of Ordinances for the City, Chapter 15, Article V, and was most recently amended under Ordinance No. 15-11 passed and adopted on March 4, 2015. The Plan is also governed by certain provisions of Chapter 112, Florida Statutes. Since the Plan is sponsored by the City of Miramar (the "City"), the Plan is included as a pension trust fund in the City's comprehensive annual financial report as part of the City's financial reporting entity.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan agreement for more detailed and comprehensive information.

The Plan is administered by a board of five trustees comprised of the City Manager, the Mayor, two regularly employed general employees and a fifth trustee who shall be a resident of the City appointed by the other four trustees.

**Participants**

Participants are general employees of the City of Miramar, Florida.

**Plan Membership**

As of October 1, membership in the Plan consisted of:

	<b>2020</b>	<b>2019</b>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	285	267
Current employees:		
Vested	188	198
Non-vested	206	201
Total participants	679	666

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1 – DESCRIPTION OF THE PLAN - continued**

**Eligibility**

All full-time general employees are eligible for membership on their dates of employment. Ordinance 15-11, passed and effective March 4, 2015, stipulates that general employees' participation in the City's 401(a) plan shall be placed into this Plan, and grandfathered employees shall have 30 days to make an irrevocable one-time election to remain in the 401(a) plan. Current dual members may remain as such, but future members of this Plan that get promoted to a management position will cease accruing time in this Plan, cease contributing to this Plan and become a member of the Miramar Management Retirement Plan. Time already accrued in this Plan will be retained and used as the basis for a future benefit so long as the participant does not request and take a refund of the earlier contributions.

For employees hired after November 20, 2001, normal retirement is at the earlier of attainment of age 65 and 7 completed years of credited service, or 20 years of credited service regardless of age. If the employee was hired after November 20, 2001, has at least seven years of credited service, and separated from service with the employer, the employee may elect to begin receiving normal retirement benefits on the date when the employee would have completed 20 years of credited service, provided that the employee has also reached age 55.

**Pension Benefits**

Ordinance No. 19-09 increased the benefit multiplier for employees retiring after October 1, 2018 to 3.25% for the first 20 years of service and 3% thereafter, capped at 100% of Average Monthly Earnings (AME). This formula is applied both to past and future service. Additionally, the members contribution rate for all members increased from 7.36% to 9.50% AME is the average earnings during the three highest years of credited service. Early retirement, delayed retirement, death and other benefits are also provided. Participants should refer to the plan document for more detailed and comprehensive information.

A member may retire earlier than the normal retirement date at age 55 with 7 years of credited service. The benefit paid will be computed in the same manner as for the normal retirement benefit described above except that it will be reduced by the percentages listed below each year by which the early retirement date precedes the participant's normal retirement date.



**CITY OF MIRAMAR**  
**PENSION TRUST FOR GENERAL EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 1 – DESCRIPTION OF THE PLAN - continued**

<b>Number of Years Early</b>	<b>Percentage Reduction</b>
1	6%
2	12
3	18
4	24
5	30
6	36
7	42
8	48
9	54
10	60

Beneficiaries of members that die prior to commencement of benefits are eligible for a death benefit. For those members that were eligible for early or normal retirement, the benefit paid is the same as if the member retired on the date of death. For those members not eligible for early or normal retirement but after completing 7 years of credited service, the benefit is computed as if the member survived until the early retirement date. Beneficiaries of a member that dies in the line of duty prior to completing 7 years of service would receive a refund of the member's accumulated contributions with interest.

**Buybacks**

Former members of the Plan may purchase prior full-time City service in the Plan. Members purchasing prior City service shall be required to pay the full actuarial impact to the Plan of purchased service. The contribution by the member of the actuarially determined cost of the buyback may be made in one lump sum payment or by payroll deductions in installments for a period of time which shall not exceed five years with interest.

**Enhanced Service Credit**

Members of the Plan may purchase up to 5 years of enhanced service credit, based on the calculations performed by the Plan's actuary. Members purchasing enhanced service credit shall be required to pay the full actuarial cost.

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1 – DESCRIPTION OF THE PLAN - continued**

**Deferred Retirement Option Plan**

Members who continue employment with the City and pass their normal retirement date may freeze their accrued benefit and enter the Deferred Retirement Option Plan (the "DROP").

Members are eligible to enter the DROP at the earliest date of eligibility for normal retirement. An irrevocable resignation is required which takes place not more than 60 months after commencement of DROP participation. A member may participate in the DROP only once and after commencement, the employee shall not have the right to be a contributing member of the Plan or be eligible for disability benefits from the Plan. Participation in the DROP is limited to 5 years.

In addition, the DROP was funded with a sick leave balance transfer and a 401(a) account transfer. The City is also currently funding the DROP with benefits due from an Excess Benefit Plan created by the City to provide benefits that would be provided, but for the limitations imposed by Section 415 of the Internal Revenue Code. The Excess Benefit Plan funds amounted to \$88,553 and \$89,102 as of September 30, 2021 and 2020, respectively, and are included in employer contribution in the Statement of Changes in Fiduciary Net Position. The Excess Benefit Plan funds currently earn interest at the 7% fixed rate as described above. The Excess Benefit Plan is being administered by the Board of Trustees of the Plan.

At the end of the specific period of DROP participation, or other termination of the DROP, the member shall receive a sum equal to accumulated DROP payments, adjusted for any applicable investment earnings or losses and any applicable fees.

DROP account balances of general employees are self-directed by members participating in the DROP, using the self-directed mutual fund options available under the DROP program.

A summary of the changes in the DROP balance is as follows as of September 30:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 4,026,134	\$ 3,126,099
Additions	1,461,077	1,082,730
Distributions	(969,379)	(322,335)
Investment income	245,284	139,640
Ending balance	<u>\$ 4,763,113</u>	<u>\$ 4,026,134</u>

**CITY OF MIRAMAR**  
**PENSION TRUST FOR GENERAL EMPLOYEES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 1 – DESCRIPTION OF THE PLAN - continued**

**Funding Requirements**

All participants are required to contribute 9.5% of earnings which is defined as basic rate of pay, excluding overtime, bonuses, commissions, payments for unused leave and any other extraordinary compensation.

Pursuant to Florida law, the City of Miramar is ultimately responsible for the actuarial soundness of the Plan. Therefore, each year, the City must contribute an amount determined by the Trustees in conjunction with the Plan's actuary to be sufficient, along with the employee's contribution, to fund the defined benefits under the Plan.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Plan's financial statements are prepared using the accrual basis of accounting. Employee (Member) contributions are recognized as revenues in the period in which the contributions are due. Employer (City) contributions are recognized as revenues when due pursuant to actuarial valuations. State contributions are recognized as revenue in the period in which they are approved by the State. Interest and other income are recorded as earned and dividend income is recorded as of the ex-dividend date.

**Cash and Cash Equivalents**

The Plan considers all highly liquid investments with an original maturity of three months or less when purchased, to be cash equivalents.

**Investments**

Investments are recorded at fair value in the statements of fiduciary net position. Fair value is 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 diversity of the investment types in which the Plan has entered into requires a range of techniques to determine fair value. Refer to Note 4 to the financial statements for more detail regarding the methods used to measure the fair value of investments.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statements of changes in fiduciary net position along with gains (losses) realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recognized as earned and dividend income is recorded as of the ex-dividend date. Realized gain and losses on the sale of investments are based on average cost and identification method.

**CITY OF MIRAMAR**  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Given the inherent nature of investments, it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of fiduciary net position.

**Use of Estimates**

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

**Risk and Uncertainties**

Contributions to the Plan and the actuarial information included in the required supplementary information (RSI) are reported based on certain assumptions pertaining to the interest rates, inflation rates and member compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

**Subsequent Events**

Management has evaluated subsequent events through February 17, 2022, the date which the financial statements were available for issue.

**NOTE 3 – CONTRIBUTIONS**

**Actual Contributions**

The actual City contribution for active members for the years ended September 30, 2021 and 2020 amounted to \$5,487,932 and \$5,220,546, respectively, and the actual amount of covered payroll was approximately \$20,083,064 and \$20,519,929, respectively. Employee contributions were \$2,130,353 and \$2,067,252, including buybacks of \$211,816 and \$98,144 for the years ended September 30, 2021 and 2020, respectively.

**Actuarially Determined Contributions**

The contributions required from the City for the fiscal years ended September 30, 2021 and 2020, were actuarially determined using valuation dates of October 1, 2019 and 2018. The actuarially determined contributions were \$5,487,932 and \$5,220,546 for the fiscal year ended September 30, 2021 and 2020, respectively. The actuarially computed annual covered payroll used in the October 1, 2019 and 2018 valuations were \$20,519,929 and \$18,912,658, respectively.

**CITY OF MIRAMAR  
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**NOTE 4 – DEPOSIT AND INVESTMENT RISK DISCLOSURES**

Deposits are carried at cost and are included in cash and cash equivalents in the statement of Fiduciary Net Position. Cash and cash equivalents include money market which are reported at cost or amortized cost, which approximates fair value.

**Investment Authorization**

The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board as preserving the purchasing power of the Plan's assets and earns an above average real rate of return (after inflation) over the long-term while minimizing, to a reasonable extent, the short-term volatility of results. The Trustees are authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically included, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account.

**Investment Authorization**

Investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 65% (at market) of the Plan's total asset value with no more than 5% at cost of an investment manager's equity portfolio invested in the shares of a single corporate issuer. Investments in stocks of foreign companies shall be limited to 25% of the value of the portfolio at the time of purchase.

Master limited partnerships, traded on a recognized exchange are not to exceed 5% of the portfolio.

**Types of Investments**

The following was the Board's adopted asset allocation policy as of:

September 30,	2021	2020
Domestic equities	60%	60%
Fixed income	27%	27%
Real estate	13%	13%
Cash and cash equivalents	0%	0%

**Rate of Return**

For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 22.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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**NOTE 4 – DEPOSIT AND INVESTMENT RISK DISCLOSURES - continued**

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with anyone issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following tables that show the distribution of the Plan's investments by maturity at September 30:

<b>2021</b>					
<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (in years)</b>			
		<b>Less than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>More than 10</b>
U.S. treasuries	\$ 2,320,582	\$ -	\$ 325,888	\$ 562,969	\$ 1,431,725
U.S. agencies	669,862	-	-	669,862	-
Mortgage backed securities	13,478,631	-	1,235,913	4,098,219	8,144,499
Corporate bonds	20,085,773	-	4,788,606	12,442,169	2,854,998
Asset backed securities	-	-	-	-	-
<b>Total</b>	<b>\$ 36,554,848</b>	<b>\$ -</b>	<b>\$ 6,350,407</b>	<b>\$ 17,773,219</b>	<b>\$ 12,431,222</b>

  

<b>2020</b>					
<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (in years)</b>			
		<b>Less than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>More than 10</b>
U.S. treasuries	\$ 2,136,129	\$ -	\$ 336,653	\$ 397,719	\$ 1,401,757
U.S. agencies	526,048	-	252,554	273,494	-
Mortgage backed securities	11,214,930	-	1,711,238	2,496,340	7,007,352
Corporate bonds	12,681,937	-	3,505,842	6,350,673	2,825,422
Asset backed securities	383,875	-	383,875	-	-
<b>Total</b>	<b>\$ 26,942,919</b>	<b>\$ -</b>	<b>\$ 6,190,162</b>	<b>\$ 9,518,226</b>	<b>\$ 11,234,531</b>

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

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**NOTE 4 – DEPOSIT AND INVESTMENT RISK DISCLOSURES - continued**

The following table discloses credit ratings by investment type, at September 30, as applicable:

	2021		2020	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 16,469,075	45.0%	\$ 13,877,107	51.51%
AAA	-	0.00%	634,929	2.36%
AA+	315,585	0.86%	325,788	1.21%
AA	347,697	0.95%	661,523	2.45%
AA-	799,825	2.19%	393,129	1.46%
A+	1,191,438	3.26%	1,543,300	5.73%
A	1,897,795	5.19%	889,535	3.30%
A-	4,038,415	11.05%	3,313,693	12.30%
BBB+	4,512,724	12.35%	2,617,910	9.71%
BBB	5,445,920	14.90%	1,924,073	7.14%
BBB-	662,358	1.81%	425,077	1.58%
Not-rated	874,016	2.39%	336,855	1.25%
Total credit risk debt security	20,085,773	55.0%	13,065,812	48.49%
Total	\$ 36,554,848	100.00%	\$ 26,942,919	100.00%

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

**Custodial Credit Risk**

Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk for investments 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 in the possession of an outside party.

Custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Plan, and are held either by the counterparty or the counterparty's trust department or agent, but not in the Plan's name.

Consistent with the Plan's investment policy, substantially all the investments are held by the Plan's custodial bank and registered in the Plan's name. All of the Plan's deposits are insured and/or collateralized by a financial institution separate from the Plan's depository financial institution.

**Investment Valuation**

GASB 72 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the specific characteristics

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**NOTE 4 – DEPOSIT AND INVESTMENT RISK DISCLOSURES - continued**

**Investment Valuation - continued**

of the investment. Fair value represents 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. Investments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices, generally, will have a higher degree of market price observability and lesser degree of judgment used in measuring fair value. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 -** Investments traded in an active market with available quoted prices for identical assets as of the reporting date.
- Level 2 -** Investments not traded on an active market, but for which observable market inputs are available for an asset, either directly or indirectly, as of the reporting date.
- Level 3 -** Investments not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

The Plan has established a framework to consistently measure the fair value of the Plan's assets and liabilities in accordance with applicable accounting, legal, and regulatory guidance. This framework has been provided by establishing valuation policy and procedures that will provide reasonable assurance that assets and liabilities are carried at fair value. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Plan's assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the investment.



**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
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**NOTE 4 – DEPOSIT AND INVESTMENT RISK DISCLOSURES – continued**

**Investment Valuation – continued**

The following table summarizes the valuation of the Plan's investments in accordance with the above-mentioned fair value hierarchy levels as of September 30, 2021.

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)
<b>Debt securities:</b>				
US treasuries	\$ 2,320,582	\$ -	\$ 2,320,582	\$ -
US agencies	669,862	-	669,862	-
Mortgage backed securities	13,478,631	-	13,478,631	-
Corporate bonds	20,085,773	-	20,085,773	-
Asset back securities	-	-	-	-
Total debt securities	36,554,848	-	36,554,848	-
Domestic equities	36,989,079	36,989,079	-	-
Total investments by fair value level	73,543,927	\$ 36,989,079	\$ 36,554,848	\$ -
<b>Investments measured at the net asset value (NAV)</b>				
Commingled SMidCap equity investment trust	57,341,507			
Private equity real estate	14,436,538			
DROP Mutual Funds – vantage mutual funds	4,763,113			
Total investments measured at the net asset value (NAV)	76,541,158			
Total investments	\$ 150,085,085			

**CITY OF MIRAMAR**  
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**NOTE 4 – DEPOSIT AND INVESTMENT RISK DISCLOSURES – continued**

**Investment Valuation - continued**

The following table summarizes the valuation of the Plan's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2020.

<u>Investments by fair value level</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Debt securities:</b>				
US treasuries	\$ 2,136,129	\$ -	\$ 2,136,129	\$ -
US agencies	526,048	-	526,048	-
Mortgage backed securities	11,214,930	-	11,214,930	-
Corporate bonds	12,681,937	-	12,681,937	-
Asset back securities	383,875	-	383,875	-
Total debt securities	<u>26,942,919</u>	<u>-</u>	<u>26,942,919</u>	<u>-</u>
Domestic equities	38,113,368	38,113,368	-	-
Total investments by fair value level	<u>65,056,287</u>	<u>\$ 38,113,368</u>	<u>\$ 26,942,919</u>	<u>\$ -</u>
<b>Investments measured at the net asset value (NAV)</b>				
Commingled SMidCap equity investment trust	39,585,555			
Private equity real estate	12,314,405			
DROP Mutual Funds – vantage mutual funds	<u>4,026,134</u>			
Total investments measured at the net asset value (NAV)	<u>55,926,094</u>			
Total investments	<u>\$ 120,982,381</u>			

- **Debt securities:** Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies and corporate bonds. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.

**CITY OF MIRAMAR  
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**NOTE 4 – DEPOSIT AND INVESTMENT RISK DISCLOSURES – continued**

**Investment Valuation – continued**

- **Equity securities:** These include common stocks and international equity fund. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2021 and 2020. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

**2021**

**Investments Measured at the NAV**

		<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Commingled SMidCap equity investment trust (1)	\$ 57,341,507	\$ -	Daily	Same day
DROP mutual funds – vantage mutual funds (2)	4,068,682	-	Daily	Same day
DROP pension plan fixed return fund (3)	694,431	-	Daily	Same day
Private equity real estate (4)	<u>14,436,538</u>	<u>-</u>	Daily	Same day
Total investments measured at the NAV	<u>\$ 76,541,158</u>	<u>\$ -</u>		

**2020**

**Investments Measured at the NAV**

		<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Commingled SMidCap equity investment trust (1)	\$ 39,585,555	\$ -	Daily	Same day
DROP mutual funds – vantage mutual funds (2)	3,375,610	-	Daily	Same day
DROP pension plan fixed return fund (3)	650,524	-	Daily	Same day
Private equity real estate (4)	<u>12,314,405</u>	<u>-</u>	Daily	Same day
Total investments measured at the NAV	<u>\$ 55,926,094</u>	<u>\$ -</u>		

**CITY OF MIRAMAR  
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**NOTE 4 – DEPOSIT AND INVESTMENT RISK DISCLOSURES – continued**

**Investment Valuation – continued**

- (1) Commingled SMidCap equity investment trust consists of one commingled investment vehicle which invests primarily in publicly traded domestic common stocks or similar equity securities of high quality, financially secure companies listed on principal exchange. The funds are valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.
- (2) DROP mutual funds consist of three commingled investment vehicles which invest primarily in publicly traded global equity securities. The funds are valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.
- (3) DROP pension plan fixed return funds consist of one commingled investment vehicle which invests in primarily pension plan fixed return fund.
- (4) The real estate fund invests primarily in United States commercial real estate. The fair value of the investment in the fund is valued at the net asset value of outstanding units held at the end of the period based upon the fair value of the underlying investments. Real estate funds are valued using their respective net asset value ("NAV") as of September 30, 2021 and 2020. The most significant input into the NAV of such funds is the fair value of the investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors.

**NOTE 5 – NET PENSION LIABILITY OF THE CITY**

The components of the net pension liability of the City as of September 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 151,291,939	\$ 142,841,975
Plan fiduciary net position	151,855,422	122,868,939
City's net pension (asset) / liability	<u>\$ (563,483)</u>	<u>\$ 19,973,036</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>100.37%</u>	<u>86.02%</u>

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 – NET PENSION LIABILITY OF THE CITY - continued**

**Actuarial Assumptions**

Valuation Date: October 1, 2020  
Measurement Date: September 30, 2021

**Methods and Assumptions Used to Determine Net Pension Liability:**

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	5.0% - 7.5%, including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) in their July 1, 2019 actuarial valuation (with mortality improvements projected 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 from the October 1, 2020 Actuarial Valuation Report.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 and 2020 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Long-term Expected Real Rate of Return\*

<u>Asset Class</u>	<u>2021</u>	<u>2020</u>
Domestic equities	7.5%	7.5%
International equities	8.5%	8.5%
Fixed income	2.5%	2.5%
Real estate	4.5%	4.5%
Cash	0.0%	0.0%

\*Real rates of return are net of the long-term inflation assumption of 2.5% for 2021 and 2020.

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**NOTE 5 – NET PENSION LIABILITY OF THE CITY - continued**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.0% for 2021 and 2020\*. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The sensitivity of the net pension liability to changes in the discount rate was measured as follows. The net pension liability of the City was calculated using the discount rate of 7.0% for 2021 and 2020. It was also calculated using a discount rate that was 1-percentage-point lower (6% percent) and 1-percentage point higher (8% percent) and the different computations were compared.

	<b>1% Decrease (6%)</b>	<b>City Net Pension (Asset) / Liability Discount Rate (7%)</b>	<b>1% Increase (8%)</b>
September 30, 2021	\$ 15,816,434	\$ (563,483)	\$ (15,164,622)
September 30, 2020	\$ 35,595,063	\$ 19,973,036	\$ 5,663,450

## **Required Supplementary Information**

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN THE CITY'S NET PENSION LIABILITY (UNAUDITED)  
LAST TEN FISCAL YEARS\***

<b>Year's Ended September 30,</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total pension liability:</b>								
Service Cost	\$ 4,540,217	\$ 4,694,202	\$ 3,768,682	\$ 3,769,297	\$ 3,518,217	\$ 3,032,270	\$ 3,077,703	\$ 2,802,948
Interest	10,104,434	9,406,467	8,324,458	7,797,926	6,980,442	6,788,829		6,096,343
Benefit changes	-	-	8,486,542	-	-	(702,521)	-	-
Difference	(128,427)	3,884,890	(1,216,442)	730,141	3,597,097	(2,192,133)	(2,192,133)	(94,738)
Assumption Changes	-	(2,349,724)	-	-	1,867,865	-	-	-
Benefit payments	(5,962,043)	(4,845,105)	(4,629,174)	(4,723,444)	(4,183,986)	(4,942,919)	(3,366,671)	(2,782,930)
Refunds	(104,217)	(110,402)	(78,311)	(118,803)	(46,475)	(176,740)	(124,124)	(86,573)
Net change in total pension liability	8,449,964	10,680,328	14,655,755	7,455,117	11,733,160	1,806,786	4,853,365	5,935,050
Total pension liability – beginning	<u>142,841,975</u>	<u>132,161,647</u>	<u>117,505,892</u>	<u>110,050,775</u>	<u>98,317,615</u>	<u>96,510,829</u>	<u>91,657,464</u>	<u>85,722,414</u>
Total pension liability – ending	151,291,939	142,841,975	132,161,647	117,505,892	110,050,775	98,317,615	96,510,829	91,657,464
<b>Plan fiduciary net position:</b>								
Contributions – employer	5,487,932	5,220,546	4,563,783	4,379,929	3,792,128	3,767,869	3,745,727	3,594,261
Contributions – member	2,130,353	2,067,252	2,176,302	1,749,136	1,812,841	1,966,498	1,213,840	1,192,804
Net investment income	27,603,129	8,607,773	4,954,431	10,247,911	9,374,839	7,507,462	1,233,954	7,245,995
Benefit payments	(5,962,043)	(4,845,105)	(4,629,174)	(4,723,444)	(4,183,986)	(4,942,919)	(3,366,671)	(2,782,930)
Refund of contributions	(104,217)	(110,402)	(78,311)	(118,803)	(46,475)	(176,740)	(124,124)	(86,573)
Administrative expenses	(168,671)	(143,598)	(154,221)	(151,103)	(144,690)	(181,082)	(159,433)	(125,266)
Net change in plan fiduciary net position	28,986,483	10,796,466	6,832,810	11,383,626	10,604,657	7,941,088	2,543,293	9,038,291
Plan fiduciary net position – beginning	<u>122,868,939</u>	<u>112,072,472</u>	<u>105,239,663</u>	<u>93,856,037</u>	<u>83,251,380</u>	<u>75,310,292</u>	<u>72,766,999</u>	<u>63,728,708</u>
Plan fiduciary net position – ending	<u>151,855,422</u>	<u>122,868,939</u>	<u>112,072,473</u>	<u>105,239,663</u>	<u>93,856,037</u>	<u>83,251,380</u>	<u>75,310,292</u>	<u>72,766,999</u>
City's net pension (asset)/ liability	<u>\$ (563,483)</u>	<u>\$ 19,973,036</u>	<u>\$</u>	<u>\$ 12,266,229</u>	<u>\$ 16,194,738</u>	<u>\$ 15,066,235</u>	<u>\$ 21,200,537</u>	<u>\$ 18,890,465</u>
Plan fiduciary net position as a percentage of total pension liability	<u>100.37%</u>	<u>86.02%</u>		<u>89.56%</u>	<u>85.28%</u>	<u>84.68%</u>	<u>78.03%</u>	<u>79.39%</u>
Covered employee payroll**	<u>\$ 20,083,064</u>	<u>\$ 20,519,929</u>	<u>\$ 18,912,658</u>	<u>\$ 19,188,218</u>	<u>\$ 18,367,256</u>	<u>\$ 15,909,213</u>	<u>\$ 15,938,891</u>	<u>\$ 14,484,382</u>
Net pension (asset) liability as a percentage of covered employee payroll	<u>(2.81)%</u>	<u>97.33%</u>	<u>106.22%</u>	<u>63.93%</u>	<u>88.17%</u>	<u>94.70%</u>	<u>133.01%</u>	<u>127.26%</u>

\* *Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

\*\* Estimated Payroll

See accompanying independent auditor's report and notes to the required supplementary information.



**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CONTRIBUTIONS BY EMPLOYER (UNAUDITED)  
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined employer contribution	\$ 5,487,932	\$ 5,220,546	\$ 4,563,783	\$ 4,379,929	\$ 3,792,128
Actual employer contribution	<u>5,487,932</u>	<u>5,220,546</u>	<u>4,563,783</u>	<u>4,379,929</u>	<u>3,792,128</u>
Actual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll*	<u>\$ 20,083,064</u>	<u>\$ 20,519,929</u>	<u>\$ 18,912,658</u>	<u>\$ 19,188,218</u>	<u>\$ 18,367,256</u>
Actual contributions as a percentage of covered-employee payroll	<u>27.33%</u>	<u>25.44%</u>	<u>24.13%</u>	<u>22.83%</u>	<u>20.65%</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined employer contribution	\$ 3,761,259	\$ 3,745,727	\$ 3,594,261	\$ 3,632,157	\$ 3,804,517
Actual employer contribution	<u>3,767,869</u>	<u>3,745,727</u>	<u>3,594,261</u>	<u>3,632,157</u>	<u>3,804,517</u>
Actual contribution deficiency (excess)	<u>\$ (6,610)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll*	<u>\$ 15,909,213</u>	<u>\$ 15,938,891</u>	<u>\$ 14,844,382</u>	<u>\$ 15,013,902</u>	<u>\$ 14,859,096</u>
Actual contributions as a percentage of covered-employee payroll	<u>23.68%</u>	<u>23.50%</u>	<u>24.21%</u>	<u>24.19%</u>	<u>25.60%</u>

\* Estimated payroll

See accompanying independent auditor's report and notes to the required supplementary information.

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
SCHEDULE OF INVESTMENT RETURNS  
LAST TEN FISCAL YEARS**

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Annual money-weighted rate of return, net of investment expense:

<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>
22.89%	7.62%	4.61%	10.88%	11.25%
<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>
10.27%	1.78%	11.11%	9.27%	15.87%

See accompanying independent auditor's report and notes to the required supplementary information.

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
LAST TEN FISCAL YEARS**

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Valuation Date: October 1, 2019  
Notes Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry-Age-Normal
Amortization method	Level Percent, closed
Remaining amortization period	20 years
Asset valuation method	The difference between the expected actuarial value of assets and actual market value of assets is recognized over 5 years.
Inflation	2.50%
Salary increases	5.0%-7.5%, including inflation
Investment rate of return	7%
Retirement age	Experienced-based table of rates
Mortality	The healthy post-retirement mortality table is the RP-2000 Mortality Table for annuitants with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2016 FRS actuarial valuation.

Other Information:

Notes See Discussion of Valuation Results from October 1, 2019 Actuarial Valuation Report.

## **Supplementary Information**

**CITY OF MIRAMAR  
PENSION TRUST FOR GENERAL EMPLOYEES  
SUPPLEMENTARY SCHEDULES OF INVESTMENT EXPENSES AND  
ADMINISTRATIVE EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 and 2020**

<b>Investment Expense Description</b>	<b>2021</b>	<b>2020</b>
Financial management expenses:		
American Core Realty Fund	\$ 49,983	\$ 47,668
Eagle Asset	92,915	71,861
US Real Estate Investment Fund, LLC	49,357	90,980
Rhumbline S&P 500 Pooled Index Fund	20,876	18,174
Westwood Trust	141,970	109,743
Channing Capital	127,386	70,128
Total financial management expenses	482,487	408,554
Investment consultant fees		
AndCo Consulting	24,984	24,452
Investment custodial fees		
Rhumbline	15,627	7,228
Fiduciary Trust International	41,969	37,472
Total investment expense	\$ 565,067	\$ 477,706
<b>Administrative Expense Description</b>	<b>2021</b>	<b>2020</b>
Actuarial	\$ 70,844	\$ 50,523
Legal	25,053	25,645
Administrative fees	36,876	37,156
Auditing	16,000	16,000
Meetings and conventions	8,054	8,422
Insurance	11,224	5,232
Dues and subscriptions	620	620
Total administrative expense	\$ 168,671	\$ 143,598

## **Compliance Report**

**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***

Board of Trustees  
City of Miramar Pension Trust for General Employees  
Miramar, 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 City of Miramar Pension Trust for General Employees (the "Plan"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated February 17, 2022.

**Internal Control over Financial Reporting**

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

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

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

## **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." The signature is written in a cursive style and is positioned above a light blue rectangular background.

Hollywood, Florida  
February 17, 2022