

**CITY OF CORAL GABLES
RETIREMENT SYSTEM**

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
SEPTEMBER 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

Members of the Retirement Board
City of Coral Gables Retirement System
Coral Gables, Florida

Opinion

We have audited the accompanying financial statements of the City of Coral Gables Retirement System (the "Plan"), which comprise the statements of fiduciary net position as of September 30, 2023 and 2022, and the related statements of changes in fiduciary net position for the years 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 fiduciary net position of the City of Coral Gables Retirement System as of September 30, 2023 and 2022, and the related changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 within one year after the date that the financial statements are available to be issued.

Auditor's 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that "Management's Discussion and Analysis" and the "Required Supplementary Information" listed on 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 Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Plan. The accompanying supplementary schedules of investment and administrative expenses, as listed on the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
March 14, 2024



The City of Coral Gables

Retirement System

405 BILTMORE WAY
CORAL GABLES, FLORIDA 33134

Management's Discussion and Analysis Required Supplementary Information- Unaudited

- Our discussion and analysis of the City of Coral Gables Retirement System (the "Plan") financial performance provides an overview of the financial activities and funding conditions for the fiscal years ended September 30, 2023 and 2022. 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 review it in conjunction with the financial statements.

Financial Highlights

- The Plan's assets exceeded its liabilities at the close of the fiscal years ended September 30, 2023 and 2022 by \$440,055,275 and \$401,673,677, respectively (reported as net fiduciary position restricted for pensions). Net assets are held in trust to meet future benefit payments. The increase of \$38,381,598 and decrease of \$97,594,023, in net fiduciary position of the respective years has resulted primarily from the changes in the fair value of the Plan's investments due to volatile financial markets.
- For the fiscal year ended September 30, 2023, receivables decreased \$3,840,771 (or 66.78%) primarily due to an increase in the receivable for securities sold.
- For the fiscal year ended September 30, 2022, receivables increased \$4,778,398 (or 491.24%) primarily due to an increase in the receivable for securities sold.
- For the fiscal year ended September 30, 2023, liabilities increased by \$106,656 (or .29%) primarily as a result of the net change resulting from an increase in payable for securities purchased and a decrease in obligations under securities lending.
- For the fiscal year ended September 30, 2022, liabilities increased by \$103,244 (or .28%) primarily as a result of the net change resulting from an increase in payable for securities purchased and a decrease in obligations under securities lending.
- For fiscal year ended September 30, 2023, employer contributions (City) to the Plan increased by \$370,717 (or 1.25%) based on the actuarial valuation. Actual City contributions were \$30,028,072 and \$29,657,355 for 2023 and 2022, respectively.
- For fiscal year ended September 30, 2022, employer contributions (City) to the Plan increased by \$830,339 (or 2.87%) based on the actuarial valuation. Actual City contributions were \$29,657,355 and \$28,827,016 for 2022 and 2021, respectively.

Management's Discussion and Analysis
Required Supplementary Information - Unaudited

Financial Highlights (Continued)

- For the fiscal year ended September 30, 2023, employee contributions decreased by \$308,559 (or 5.97%). The actual employee contributions were \$4,856,197 and \$5,164,756 for 2023 and 2022, respectively.
- For the fiscal year ended September 30, 2022, employee contributions increased by \$273,653 (or 5.59%). The actual employee contributions were \$5,164,756 and \$4,891,103 for 2022 and 2021, respectively.
- For the fiscal year ended September 30, 2023, net investment income increased by \$126,711,652 (or 161.6%). The actual results for 2023 and 2022 were \$82,142,453 and \$43,687,754 of net appreciation and depreciation in fair market value of investments, respectively and \$7,033,121 and \$6,311,828 of income from interest and dividends and other (expense) income, for 2023 and 2022, respectively. Net income from security lending activities was \$67,036 and \$69,600 for 2023 and 2022, respectively. Investment expenses decreased by \$160,152 (or 6.3%) from 2022.
- For the fiscal year ended September 30, 2022, net investment income decreased by \$173,583,957 (or 182.22%). The actual results for 2022 and 2021 were \$82,142,453 and \$91,844,552 of net depreciation and appreciation in fair market value of investments, respectively and \$6,311,828 and \$5,934,432 of income from interest and dividends and other income, for 2022 and 2021, respectively. Net income from security lending activities was \$69,600 and \$63,026 for 2022 and 2021, respectively. Investment expenses decreased by \$16,267 (or .62%) from 2021.
- For the fiscal year ended September 30, 2023, benefit payments and refunds of contributions decreased by \$9,443,329 (or 17.21%) from 2022.
- For the fiscal year ended September 30, 2022, benefit payments and refunds of contributions increased by \$3,135,530 (or 5.97%) from 2021.
- For the fiscal year ended September 30, 2023, administrative expenses increased by \$36,635 (or 6.74%) from 2022 due primarily to an increase in professional and other administrative services.
- For the fiscal year ended September 30, 2022, administrative expenses increased by \$12,391 (or 2.33%) from 2021 due primarily to an increase in professional and other administrative services.

Plan Highlights

- For the fiscal year ended September 30, 2023, the relative return of the portfolio was 12.35%. Actual net returns from investments in 2023 were net investment income of \$48,386,005 compared to net investment loss of \$78,323,083 in 2022.
- For the fiscal year ended September 30, 2022, the relative return of the portfolio was -17.44%. Actual net returns from investments in 2022 were net investment loss of \$78,323,083 compared to net investment income of \$95,260,874 in 2021.

Management's Discussion and Analysis

Required Supplementary Information- Unaudited

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 information and other supplementary information, as described below.

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 Fiduciary 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 assets 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 (employees) and net investment income, which includes interest and dividends, investment expenses, and the net appreciation in the fair value of investments. The deductions include pension benefits paid, refunds of contributions, and administrative expenses.

The *Notes to 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-Unaudited included in this report as required by the Governmental Accounting Standards Board. These schedules consist of the Plan's actuarial methods and assumptions and provide data on 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 Information. This section is not required but management has chosen to include it. It includes combined *Schedules of Investment and Administrative Expenses*. The *Schedule of Investment Expenses* presents the expenses incurred in managing and monitoring the investments of the Plan and include financial management, consultant, and custodial fees. The *Schedule of Administrative Expenses* presents the expenses incurred in the administration of the Plan.

Management's Discussion and Analysis
Required Supplementary Information- Unaudited

Condensed Statements of Fiduciary Net Position

The following condensed comparative summary of the Statements of Fiduciary Net Position demonstrates the investment position of the Plan.

	2023	2022
Cash and cash equivalents	\$ 12,574,328	\$ 14,881,596
Receivables	1,910,350	5,751,121
Securities lending cash collateral - invested	36,521,993	34,744,462
Investments	426,241,924	383,383,162
Total assets	477,248,595	438,760,341
Liabilities	37,193,320	37,086,664
Net fiduciary position restricted for pensions	<u>\$ 440,055,275</u>	<u>\$ 401,673,677</u>

Condensed Statements of Changes in Fiduciary Net Position

The following condensed comparative summary of the Statements of Changes in Fiduciary Net Position reflects the activities of the Plan for the fiscal years ended September 30:

	2023	2022
ADDITIONS:		
Contributions:		
City	\$ 30,028,072	\$ 29,657,355
Share plan	145,830	145,830
Employees	4,856,197	5,164,756
Total contributions	35,030,099	34,967,941
Net investment income (loss)	48,386,005	(78,323,083)
Total additions (deletions)	83,416,104	(43,355,142)
DEDUCTIONS:		
Pension benefits paid	43,092,130	52,535,459
Refunds of contributions	1,362,393	1,160,074
Administrative expenses	579,983	543,348
Total deductions	45,034,506	54,238,881
Net increase (decrease)	38,381,598	(97,594,023)
Net fiduciary position restricted for pensions at beginning of year	401,673,677	499,267,700
Net fiduciary position restricted for pensions at the end of year	<u>\$ 440,055,275</u>	<u>\$ 401,673,677</u>

Management's Discussion and Analysis
(Required Supplementary Information)- Unaudited

Condensed Statements of Changes in Fiduciary Net Position (Continued)

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. Actual returns for the fiscal year ended 2023 increased from those of fiscal year ended 2022.

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

Asset Allocation

At the end of the fiscal year ended September 30, 2023, the domestic and international equity portion comprised 41.1% (\$174,965,901) and 15.1% (\$64,421,358), respectively, of the total portfolio. The allocation to domestic and international fixed income securities was 11.4% (\$48,469,643) and 0% (\$0), respectively, of the total portfolio. The portion of investments allocated to real estate was 9.2% (\$39,085,975) of the total portfolio. The remaining 23.2% (\$99,299,047) is allocated to alternative investments.

At the end of the fiscal year ended September 30, 2022, the domestic and international equity portion comprised 38.4% (\$147,169,266) and 13.3% (\$51,115,294), respectively, of the total portfolio. The allocation to domestic and international fixed income securities was 14.0% (\$53,829,452) and .7% (\$2,503,313), respectively, of the total portfolio. The portion of investments allocated to real estate was 12.3% (\$47,290,820) of the total portfolio. The remaining 21.3% (\$81,475,017) is allocated to alternative investments.

The target asset allocation was as follows at September 30:

September 30,	2023	2022
Domestic equity	40%	40%
International equity	20%	20%
Domestic fixed income	17.5%	17.5%
Real estate	10%	10%
Other assets	10%	10%
Opportunistic fixed income	2.5%	2.5%

Contacting the Plan's Financial Management

This financial report is designed to provide the Retirement Board (the "Board"), our membership, taxpayers, investors, and creditors with a general overview of the Plan finances and to demonstrate accountability for the money they receive. If you have any questions about this report or need additional financial information, contact the City of Coral Gables Retirement System, 405 Biltmore Way; Coral Gables, Florida 33134.

CITY OF CORAL GABLES RETIREMENT SYSTEM
STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 12,574,328	\$ 14,881,596
Receivables		
Accrued interest and dividends	350,676	324,596
Buyback receivable	26,483	50,609
Share plan contributions	520,066	426,507
Receivable for securities sold	538,983	4,846,181
Other receivables	474,142	103,228
TOTAL RECEIVABLES	1,910,350	5,751,121
Securities lending cash collateral - invested	36,521,993	34,744,462
Investments, at fair value		
U.S. Government and agency	38,406,061	42,062,674
Global fixed income	-	2,503,313
Corporate bonds	10,063,582	11,766,778
Common stocks	174,965,901	147,169,266
International equity	64,421,358	51,115,294
Real estate	39,085,975	47,290,820
Alternative investments	99,299,047	81,475,017
TOTAL INVESTMENTS	426,241,924	383,383,162
TOTAL ASSETS	477,248,595	438,760,341
LIABILITIES		
Accounts payable and accrued expenses	239,686	166,878
Payable for securities purchased	431,641	2,175,324
Obligations under securities lending	36,521,993	34,744,462
TOTAL LIABILITIES	37,193,320	37,086,664
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$ 440,055,275	\$ 401,673,677

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

CITY OF CORAL GABLES RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
ADDITIONS:		
Contributions:		
City contributions	\$ 30,028,072	\$ 29,657,355
Share plan contributions	145,830	145,830
Total City and share plan contributions	30,173,902	29,803,185
Employee contributions	4,856,197	5,164,756
Total contributions	35,030,099	34,967,941
Investment income:		
Net increase (decrease) in fair value of investments	43,687,754	(82,142,453)
Interest and dividends	7,038,793	6,311,659
Other (expense) income	(5,672)	169
Total investment income (loss)	50,720,875	(75,830,625)
Less: investment expenses	(2,401,906)	(2,562,058)
Total investment income (loss) before securities lending activity	48,318,969	(78,392,683)
Securities lending activities:		
Security lending income	95,840	99,371
Security lending fees and rebates	(28,804)	(29,771)
Net income from security lending activities	67,036	69,600
Total net investment income (loss)	48,386,005	(78,323,083)
Total additions (deletions)	83,416,104	(43,355,142)
DEDUCTIONS:		
Pension benefits paid	43,092,130	52,535,459
Refunds of contributions	1,362,393	1,160,074
Administrative expenses	579,983	543,348
Total deductions	45,034,506	54,238,881
Net increase (decrease) in fiduciary net position	38,381,598	(97,594,023)
Net position restricted for pension benefits:		
Beginning of year	401,673,677	499,267,700
End of year	\$ 440,055,275	\$ 401,673,677

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

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – PLAN DESCRIPTION

Plan Description

The City of Coral Gables Retirement System (the "Plan") is a single employer defined benefit pension plan, covering substantially all regular full time general, police, and fire department employees of the City of Coral Gables, Florida (the "City") that have met the conditions of eligibility.

The Plan's governing board consists of 13 members, as follows:

- One is elected by the participating police officers
- One is elected by the participating firefighters
- One is elected by the participating employees, other than police officers and firefighters
- One is elected by all current fulltime participating employees
- Five are legal residents of the City who are not participants and are appointed by the City Commission
- The City Finance Director
- The City Labor Relations and Risk Management Director
- Two are recommended by the City Manager and approved by the City Commission

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

Plan Membership

Plan membership consisted of the following as of October 1:

<i>October 1,</i>	2022	2021
Retirees and beneficiaries currently receiving benefits, including DROP, and terminated employees entitled to benefits, but not yet receiving them	993	995
Current employees:		
Vested	238	255
Non-vested	340	344
Total current employees	578	599
Total	1,571	1,594

Pension Benefits

Normal Retirement Date

Participants, other than firefighters and police officers, with more than 10 years of credit service at September 30, 2010 may retire and receive normal retirement benefits upon reaching the earliest of (a) age 52 and 10 years of credited service, (b) age 65 or (c) when the participant's age plus years of credited service equals or exceeds 70 (Rule of 70). Participants, other than firefighters and police officers, with less than 10 years of credited service at September 30, 2010 may retire and receive normal benefits upon reaching the earliest of (a) age 62 and 10 years of credited service, (b) age 65 and 6 years of service or (c) when the participant's age plus years of credited service equals or exceeds 80 (Rule of 80).

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – PLAN DESCRIPTION (CONTINUED)

Pension Benefits (Continued)

Normal Retirement Date (Continued)

Police officers with more than 10 years of credited service at September 30, 2012 may retire and receive normal retirement benefits upon reaching the earliest of (a) age 52 and 10 years of credited service, (b) age 65 or (c) when the participant's age plus years of credited service equals or exceeds 70 (Rule of 70). Police officers with less than 10 years of credited service at September 30, 2012, may retire and receive normal retirement benefits upon reaching the earliest of (a) age 55 and 10 years of credited service or (b) 25 years of credited service, regardless of age.

Firefighters with more than 10 years of credited service at September 30, 2013 may retire and receive normal retirement benefits upon reaching the earliest of (a) age 52 and 10 years of credited service, (b) age 65 or (c) when the participant's age plus years of credited service equals or exceeds 70 (Rule of 70). Effective October 1, 2020, firefighters with less than 10 years of credited service at September 30, 2013, may retire and receive normal retirement benefits upon (a) reaching 25 years of credited service regardless of age or (b) when your age plus full years of credited service equal 76 (Rule of 76).

Benefit Payment

For credited service through and including September 30, 2013 and 2012, the monthly amount of normal retirement income payable to firefighters and police officers, respectively, shall equal 3% of the average final compensation multiplied by the total years of credited service as of such date, not to exceed 75% of the average financial compensation. For credited service after September 30, 2013 and 2012, the monthly amount of normal retirement income payable to firefighters and police officers, respectively, shall equal 3% of the average final compensation multiplied by the first 10 years of credited service, and 2.5% of average final compensation multiplied by the total years of credited service in excess of the first 10 years of credited service, with the combined normal retirement income not to exceed 75 % of average final compensation.

Effective September 30, 2013, the term “average financial compensation” for firefighters means:

- For participants who retire between October 1, 2012 and September 30, 2013, the greater of (a) the highest three-year average total earnings as of the date of retirement or (b) the highest four-year average total earnings;
- For participants who retire between October 1, 2013 and September 30, 2014, the greater of (a) the highest four-year average total earnings as of the date of retirement or (b) the highest five-year average total earnings;
- For participants who retire on or after October 1, 2014, the highest five-year average earnings;

Effective September 30, 2012, the term “average financial compensation” for police officers means:

- For participants who retire before October 1, 2012, the highest three-year average total earnings.
- For participants who retire between October 1, 2012 and September 30, 2013, the greater of (a) the highest three-year average total earnings as of the date of retirement or (b) the highest four-year average total earnings;
- For participants who retire between October 1, 2013 and September 30, 2014, the greater of (a) the highest four-year average total earnings as of the date of retirement or (b) the highest five-year average total earnings;
- For participants who retire on or after October 1, 2014, the highest five-year average earnings;

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – PLAN DESCRIPTION (CONTINUED)

Pension Benefits (Continued)

Benefit Payment (Continued)

Effective September 30, 2013 and 2012, retirement benefits for firefighters and police officers, respectively, shall be based on pensionable earnings and not total earnings. For both firefighters and police officers, pensionable earnings exclude certain compensation, such as unused annual leave, unused sick leave, special assignment pay, all overtime payments, and tuition reimbursement, amongst others.

Effective February 28, 2017, the monthly normal retirement benefit was changed to provide police officers an enhanced benefit for the 25th year of credited service. 10%, as opposed to 2.5% of average financial compensation, may be applied to the 25th year of credited service, such that the total normal retirement income does not exceed 75% of average final compensation.

Effective September 30, 2010, the monthly amount of normal retirement income payable for general and excluded employees who retire after that date shall equal the greater of the participant's five-year or three-year average earnings as of the date of retirement (or separation from employment) as of September 29, 2010, multiplied by total years of credited service and by a percentage, as applicable below:

General:

- (a) elected: 3% multiplier
- (b) other general: 2.25% multiplier

Excludable:

- (a) managerial employees: 3% multiplier for first 10 years; 2.25% thereafter;
- (b) professional/supervisory employees: 2.5% multiplier for first 10 years; 2.25% thereafter;
- (c) confidential employees: 2.25% multiplier
- (d) appointed officials: 3% multiplier

Effective March 13, 2018, the maximum retirement benefit in the normal annuity form for general and excluded employees with less than 10 years of credited service on March 13, 2018 shall not exceed the lesser of \$50,000 annually or 75% of final average compensation. For participants with 10 or more years of service on March 13, 2018, the maximum retirement benefit in the normal annuity form shall not exceed \$67,500 annually or 75% of final average compensation. In no event, shall a participant's benefit be less than the accrued benefit on March 13, 2018.

Notwithstanding the foregoing, the normal retirement income payable to participants, other than police officers and firefighters, who as of September 30, 2010 attained the normal retirement date in effect on September 29, 2010, shall be based on the highest three-year average.

As to all participants, with the exception of members of the bargaining units represented by the Fraternal Order of Police, Lodge No.7, and the International Association of Firefighters, Local 1210, who retire after completing 40 years or more of service on or after December 31, 1993, the benefit will be calculated using 80% of the highest two-year average annual earnings.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – PLAN DESCRIPTION (CONTINUED)

Pension Benefits (Continued)

Benefit Payment (Continued)

For bargaining unit members who are not eligible for normal retirement as of February 28, 2017 and whose accrued annual pension benefit as of February 28, 2017 does not exceed \$95,000 per year, the total pension benefit will be the lesser of 75% of average financial compensation or \$95,000. Effective September 30, 2020, the cap changes to the lesser of 75% of average financial compensation or \$96,900. Effective October 1, 2022, the cap changes to the lesser of 75% of average financial compensation or \$98,838.

Effective March 13, 2018, for participants in the bargaining unit represented by Teamsters Local Union 769, the maximum retirement benefit in the normal annuity form shall not exceed the lesser of: \$50,000 annually or 75% of final average compensation for participants with less than 10 years of credited service on March 13, 2018; and \$67,500 annually or 75% of the final average compensation for participants with 10 or more years of credited service on March 13, 2018; provided in no event shall a participant's benefit be less than the accrued benefit on March 13, 2018.

Early retirement, disability, death and other benefits are also provided. For police officers and firefighters not eligible for normal retirement at September 30, 2012 and September 30, 2013, respectively, early retirement is eliminated.

Deferred Retirement Option Plan

Members who continue employment with the City and meet the earliest Deferred Retirement Option Plan (the "DROP") eligibility date may freeze their accrued benefit and enter the DROP. Maximum participation in the DROP shall be 5 years for general and police members and 8 years for firefighter members for members entering the drop prior to February 28, 2017. Effective February 28, 2017, the maximum participation in the DROP shall be 7 years for police members entering the DROP on or after February 28, 2017. Effective September 30, 2020, the maximum participation in the DROP shall be 5 years for police members entering the DROP on or after September 30, 2020. Effective July 13, 2021, the maximum participation in the DROP shall be 8 years for police members participating and entering the DROP on or after July 13, 2021.

For members electing participation in the DROP, an individual DROP account shall be created. Payment shall be made by the Plan into the member's DROP account in an amount equal to the regular monthly retirement benefit, which the participant would have received had the participant separated from service and commenced receipt of pension benefits.

DROP payments contributed to a member's DROP account earn interest at a rate equal to actual rate of return on the Plan's portfolio from a minimum of 3% to a maximum of the assumption rate of return per year, compounded annually.

Upon termination of employment, the balance in the member's DROP account, including interest, is payable to them and they also begin to receive their monthly retirement benefit. The value of the DROP accounts at September 30, 2023 and 2022 was \$23,886,749 and \$19,925,083, respectively.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – PLAN DESCRIPTION (CONTINUED)

Deferred Retirement Option Plan (Continued)

A participant, other than a firefighter or police officer, who enters the DROP on or after October 1, 2010, must submit a written election to participate in the DROP at least 30 days prior the DROP entry date. Such participant may delay entry into the DROP for up to 3 years past the earliest DROP eligibility date. If entry is delayed beyond 3 years, the participant must reduce the maximum DROP period by one month for each month of delayed DROP entry.

For firefighter and police officer participants, the election to enter the DROP must be made no later than six months after the later occurrence of events which constitute a DROP eligibility date. Police officers, however, can defer entry into the DROP for any length of time beyond their initial DROP eligibility date.

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

September 30,	2023	2022
Beginning balance	\$ 19,925,083	\$ 25,210,048
Additions	5,363,341	5,561,089
Distributions	(2,270,472)	(12,428,122)
Interest	868,797	1,582,068
Ending balance	<u>\$ 23,886,749</u>	<u>\$ 19,925,083</u>

Cost of Living Adjustment (“COLA”)

Effective January 1 of each year, participants who were receiving benefits for the full preceding year will receive a cost of living increase based on a formula as defined in the ordinance, if the market value rate of return is greater than or equal to 10%. Effective February 10, 2015, cost of living adjustments may be granted only if the Plan remains in a net positive experience position, determined on a cumulative basis from July 1, 1994.

On June 12, 2013, the plaintiffs filed a putative class action lawsuit against the City of Coral Gables seeking a cost of living adjustment (“COLA”) to their retirement benefits effective January 1, 2013. On September 18, 2017, the two plaintiffs, on behalf of themselves and all Class Members, and the City of Coral Gables executed a Class Action Settlement Agreement. On February 26, 2018, final judgement in the lawsuit was approved by the court.

The terms of the settlement agreement entitled the Class Members to receive a permanent COLA of 2.975%, retroactive to January 1, 2013 and/or a permanent COLA of 0.25%, retroactive to January 1, 2014, depending on the date on which the Class Member began receiving retirement benefits. Class members who began receiving retirement benefits on or before January 1, 2012 will be entitled to both the 2.975% COLA and the 0.25% COLA. Class members who begin receiving retirement benefits after January 1, 2012 but on or before January 1, 2013 will only be entitled to the 0.25% COLA.

Termination

If a member terminates employment before retirement, their contributions are returned to them. The Plan also provides a special provision for vested benefits for employees who terminate after 10 years of service.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – PLAN DESCRIPTION (CONTINUED)

Member Contribution

Effective December 8, 2015, it is not mandatory for any new employee other than a police officer or firefighter to participate in the Plan. Such employee shall have the option of participation in the Plan or a defined contribution plan. The employee must exercise the option within thirty days following their date of hire.

Prior to September 30, 2013, police officer and firefighter participants are required to contribute 5% of their total earnings to the Plan. Effective September 30, 2013, firefighters are required to contribute 8% of pensionable earnings to the Plan. Effective September 30, 2014, all police officer and firefighter participants are required to contribute 10% of their pensionable earnings to the Plan.

Effective September 30, 2010, all participants in the Teamsters Local Union 769 Bargaining Unit are required to contribute 10% of total earnings to the Plan. Effective October 1, 2017, it is not mandatory for a non-bargaining unit police officer or firefighter hired from outside the City on or after September 26, 2017 to participate in the Plan. Such employee shall have the option of participating in the Plan or in another retirement plan and must exercise that option within 30 days following their date of hire.

Effective October 1, 2011 general employees who were members of Local Union 769 and management employees shall have their contribution percentage increased based on increases in City contribution requirements since the October 1, 2009 actuarial provisions. For the fiscal year ended September 30, 2012, Union 769 employees' contribution was determined to be 14.27% and management employees 13.79%. Effective October 1, 2013, the contribution rate for management and union employees were 15.00% and 17.00%, respectively, of compensation. Effective October 1, 2014, Union 769 employees are required to contribute 15.00% of total earnings and excluded employees shall contribute in accordance with the cost-sharing provisions with the City.

For General excluded employees, effective October 1, 2014 through March 18, 2018, excluded employees shall contribute in accordance with the cost-sharing provisions of the City Ordinance. Effective March 19, 2018, excluded employees shall contribute at a rate equal to 0.5% less than the percent of compensation determined in accordance with the cost-sharing provisions of the City Ordinance, but in no event less than 10% of compensation. Effective the first pay period after October 1, 2018, excluded employees shall contribute at a rate equal to 1.0% less than the percent of compensation determined in accordance with the cost-sharing provisions of the City Ordinance, but in no event less than 10% of compensation. Effective the first pay period after October 1, 2020, excluded employees shall contribute at a rate equal to 1.5% less than the percent of compensation determined in accordance with the cost-sharing provisions of the City Ordinance, but in no event less than 10% of compensation.

The City entered into a collective bargaining agreement with the Teamsters, Local Union 769, for a four-year term (October 1, 2017 through September 30, 2021). The collective bargaining agreement contains certain changes to the Plan provisions for General employees that have been approved in March 2018, as described below.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – PLAN DESCRIPTION (CONTINUED)

Member Contribution (Continued)

Effective October 1, 2016, participants in the bargaining unit represented by Teamsters Local Union 769 shall contribute in accordance with the cost-sharing provisions of the City Ordinance, subject to a maximum cap of 15% of compensation through March 18, 2018; 14.5% of compensation from March 19, 2018, through the last full pay period before October 1, 2018; 14% of compensation from the first pay period after October 1, 2018 through the last full pay period before October 1, 2019; and 13.5% of compensation from the first pay period after October 1, 2019 through the last full pay period before September 30, 2022. Effective October 1, 2022 the maximum cap is 13% of compensation through the last full pay period before September 30, 2024.

Funding Requirements

The City is required to pay into the Plan such amount as necessary to maintain the actuarial soundness of the Plan and to provide the Plan with assets sufficient to meet the benefits to be paid to the employees. The City's contribution is reduced by the following:

(a) For police officers and firefighters:

- Pursuant to Florida Statutes, Chapters 175 and 185, contributions from the State of Florida Department of Insurance consist of an excise tax imposed by the City upon certain casualty insurance companies on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance policies covering property within the City. The allowable portion of the State (Share Plan) contribution is used to reduce the City's contribution when received.

(b) For general employees who are members of Local Union 769 and excluded employees (effective October 1, 2011:

- Employee contribution percentages for each fiscal year beginning October 1, 2011 and subsequent fiscal years shall be increased based on the increases in City contribution requirements since the October 1, 2009 Actuarial Valuation.
- City contribution percentages shall be decreased by the amount of the employees' contribution increases.
- The City's October 1, 2009 contribution requirements, as adjusted for the September 27, 2010 Actuarial Impact Statement, will be further adjusted for the impacts of any changes in Actuarial Assumptions and/or methods subsequent to October 1, 2009.

Effective October 1, 2017, it is not mandatory for a non-bargaining unit police officer or firefighter hired from outside the City on or after September 26, 2017 to participate in the Plan. Such employee shall have the option of participating in the Plan or in another retirement plan and must exercise that option within 30 days following their date of hire.

Investments

The Plan has contracts with investment managers who supervise and direct the investment of equity and fixed income securities. In addition, the Plan utilizes an investment consultant who monitors the investing activity. The investments owned are held by CGRS, a custodian in the name of the Plan. The Plan provides for investment in U.S. Government securities, money market funds, bonds, notes, common stock, international equity securities, real estate and alternative investments.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which the contributions are due. City contributions are recognized as revenue when due pursuant to the actuarial valuation. Share Plan contributions are recognized as revenue in the period in which they are approved by the State. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. 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. Included in cash and cash equivalents is cash-in-transit held by a third party of \$4,906,328, at September 30, 2023. This third party processes payments on behalf of the City of Coral Gables and the retirement plan.

Investments

Investments are recorded at fair value in the Statement 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.

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

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

Income Tax Status

The Plan is exempt from Federal income taxes under the Internal Revenue Code and, therefore, has recorded no income tax liabilities or expense.

Risks 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 employee 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 settling assumptions, that the effect of such changes could be material to the financial statements.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events through March 14, 2024, the date which the financial statements were available to be issued.

NOTE 3 - FUNDING REQUIREMENTS AND CONTRIBUTIONS

Actual Contributions

The actual City contributions, for active employees and the Share Plan contributions for the years ended September 30, 2023 and 2022 amounted to \$30,173,902 and \$29,803,185, respectively, and were determined by the October 1, 2020 and 2019 actuarial valuations, respectively. For the fiscal years ended September 30, 2023 and 2022, the actual amounts of covered payroll were approximately \$44,988,000 and \$44,238,000, respectively.

City, Share Plan and Employee contributions consisted of the following:

	2023	
	Amount	Percent of Actual Annual Covered Member Payroll
City	\$ 30,028,072	67.88%
Share plan	145,830	0.33%
Employee	4,856,197	10.98%
Total	<u>\$ 35,030,099</u>	<u>79.19%</u>

	2022	
	Amount	Percent of Actual Annual Covered Member Payroll
City	\$ 29,657,355	67.04%
Share plan	145,830	0.33%
Employee	5,164,756	11.67%
Total	<u>\$ 34,967,941</u>	<u>79.04%</u>

Actuarially Determined Contributions

The contributions required from the City of Coral Gables and the State for the fiscal years ended September 30, 2023 and 2022, were actuarially determined by the October 1, 2021 and 2020 valuations to be \$22,535,142 and \$23,032,324, respectively. The actuarially computed annual covered payroll amounted to approximately \$45,886,000 and \$45,284,000, respectively.

Funding requirements based on valuations prior to October 1, 2009, disclosed a specific dollar amount for the minimum required employer contribution which was based on the actuarially projected payroll. For the year ended September 30, 2011, at the request of the Division of Retirement, the City was required to contribute an amount based on the actuarially determined percentage of actual pensionable payroll ("percentage of payroll method").

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3 - FUNDING REQUIREMENTS AND CONTRIBUTIONS (CONTINUED)

Actuarially Determined Contributions (Continued)

Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain a contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. For the years ended September 30, 2023 and 2022, the Plan determined to use the "fixed dollar contribution amount".

The required City contributions cover the following for the fiscal years ended September 30:

2023		Percentage of Actuarially Computed Annual Covered Payroll
	Amount	
Normal cost plus interest	\$ 5,527,472	12.21%
Amortization of unfunded liability	17,007,670	37.55%
Total required from City	<u>\$ 22,535,142</u>	<u>49.76%</u>

2022		Percentage of Actuarially Computed Annual Covered Payroll
	Amount	
Normal cost plus interest	\$ 4,878,388	10.63%
Amortization of unfunded liability	18,153,936	39.57%
Total required from City	<u>\$ 23,032,324</u>	<u>50.20%</u>

NOTE 4 – DEPOSITS AND INVESTMENT RISK DISCLOSURES

Cash and Cash Equivalents

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 demand accounts, cash-in-transit held by a third party, and short-term investment funds (STIF). The allowable STIF investments are the custodial short-term (money market) commingled fund, commercial paper and U.S. governmental obligations. Cash and cash equivalents at September 30 consists of the following:

September 30,	2023	2022
Deposits	\$ 496,197	\$ 847,220
Money market fund	7,171,803	9,564,639
Cash-in-transit	<u>4,906,328</u>	<u>4,469,737</u>
Total	<u>\$ 12,574,328</u>	<u>\$ 14,881,596</u>

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – DEPOSITS AND INVESTMENT RISK DISCLOSURES (CONTINUED)

Investment Authorization

The Plan's investment policy is determined by the Retirement Board ("Board"). The policy has been identified by the Board to conduct the operations of the Plan in a manner so that the assets will provide for the pension and other benefits provided under applicable laws, including City ordinances, preserving principal while maximizing the rate of return.

The Board is authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common.

Investments in all equity securities shall be limited to fully and easily negotiable equity securities and shall not exceed 70% of the market value of the total fund assets. No more than 10% (at market value) of the portfolio may be invested in the shares of a single corporate issuer. Investments in securities (equity or fixed income) issued by foreign corporations are limited to no more than 25% of fund assets. Investments in shares of public companies that have been publicly traded for less than a year are limited to no more than 15% of the market value of the total Plan assets. Convertible securities are not to exceed 10% of the market value of the total Plan assets. Equity funds may be managed through the purchase of open-ended, no-load mutual funds or commingled funds. The Board implicitly accepts the policy of a mutual fund or commingled fund when it makes a direct investment.

The fixed income portfolio shall comply with the following: the average credit quality of the bond Plan assets portfolio shall be "A" or higher. The duration of the total Plan assets should be less than 135% of the duration of the market index. Investments in all corporate fixed income securities shall be limited to securities issued 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. Yankee bonds and non U.S. dollar denominated bonds may not exceed 10% of the entire fixed income portfolio. No more than 10% at market of total Plan assets shall be invested in the securities of any single corporate issuer. Securities rated below "BBB" shall not exceed 15% of the market value of the total Plan assets.

Investments in Collateralized Mortgage Obligations (CMOS) shall be limited to 25% of the market value of total Plan Assets and shall be restricted to issues backed by the full faith of the U.S. Government, an agency thereof, or are rated AAA by a major rating service and PAC (Planned amortization class), NAC (non-accelerated securities) or VADM (very accurately defined maturity) securities.

There is no limit imposed on investments in fixed income securities issued directly by the United States Government or any agency or instrumentality thereof. Fixed income funds may be managed through the purchase of open-ended, no-load mutual funds or commingled funds. Fixed income funds purchased by investment advisors are expected to adhere to the guidelines herein. The Board implicitly accepts the policy of a mutual fund or commingled fund when it makes a direct investment.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – DEPOSITS AND INVESTMENT RISK DISCLOSURES (CONTINUED)

Investment Authorization (Continued)

Investments in real estate shall not exceed 15% at market valuation of the total Plan assets. All real estate investments shall be made through participation in diversified commingled funds of real properties. These funds shall be broadly diversified as to property type and location. Experienced and professional real property investment managers shall manage all real estate investments.

The Plan may invest up to 15% of the total market value of the portfolio in limited partnerships and/or private equity structures in order to diversify the Plan's portfolio and/or to enhance the Plan's return opportunities. It is understood that these types of investments may have limited liquidity and/or "lock-up" periods with no liquidity. It is also recognized that these types of investments may have higher fees and demonstrate highly variable returns over short periods of time. The Board shall consider special criteria including, but not limited to, the following in evaluation of any investments in this category: tenure, expertise and track record of management team; diversification potential of the alternative investment relative to other Plan investments; risk control provisions of the alternative investment; liquidity provisions of the alternative investment; use of leverage or other means of return enhancement by the alternative investment; fees and potential conflicts of interest associated with the alternative investment.

Florida statutes and Plan investment policy authorize the trustees to invest funds in various investments.

In accordance with the provisions of Florida Senate Bill 1462, no more than 25% of the Plan's total assets can be invested in foreign securities.

In accordance with the Protecting Florida's Investment Act (Fla. Stat. 215.473), the Board is prohibited from directly investing in any companies, identified by the State Board of Administration (SBA) on its website each quarter, as a scrutinized company.

The current target asset allocation range of these investments at market is as follows:

<u>Authorized investments</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic equities	35%	45%
International equities	15%	25%
Domestic fixed income	10%	30%
International fixed income	0%	10%
Real estate	5%	15%
Alternative	0%	15%

Rate of Return

For the years ended September 30, 2023 and 2022, the annual money-weighted rate of return on pension plan investments, net of pension investment expense, was 12.35% and (17.44%) respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – DEPOSITS 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 any one 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 table that shows the distribution of the Plan's investments by maturity at September 30, 2023 and 2022:

2023					
Investment Maturities					
(in years)					
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Money market fund	\$ 7,177,667	\$ -	\$ 7,177,667	\$ -	\$ -
U.S. government and agency	38,406,062	6,860,184	6,080,353	25,465,525	-
Corporate bonds	9,456,411	-	4,439,238	4,903,781	113,392
Global fixed income	-	-	-	-	-
Other fixed income	607,170	-	-	-	607,170
	<u>\$ 55,647,310</u>	<u>\$ 6,860,184</u>	<u>\$ 17,697,258</u>	<u>\$ 30,369,306</u>	<u>\$ 720,562</u>

2022					
Investment Maturities					
(in years)					
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Money market fund	\$ 9,564,505	\$ -	\$ 9,564,505	\$ -	\$ -
U.S. government and agency	42,062,674	-	9,162,550	15,433,270	17,466,854
Corporate bonds	10,947,851	-	4,297,540	6,538,912	111,399
Global fixed income	2,503,313	-	-	-	2,503,313
Other fixed income	818,927	-	-	-	818,927
	<u>\$ 65,897,270</u>	<u>\$ -</u>	<u>\$ 23,024,595</u>	<u>\$ 21,972,182</u>	<u>\$ 20,900,493</u>

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – DEPOSITS AND INVESTMENT RISK DISCLOSURES (CONTINUED)

Credit Risk

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.

The following table discloses credit ratings by investment type, at September 30, 2023 and 2022, as applicable:

	2023	
	Fair Value	Percentage of Portfolio
U.S. government guaranteed *	\$ 35,348,018	63.52%
Quality rating of credit risk debt securities		
AAA	158,469	0.28%
AA+	-	0.00%
AA	-	0.00%
AA-	134,486	0.24%
A+	8,901	0.02%
A	1,152,493	2.07%
A-	3,757,832	6.75%
BBB+	2,897,991	5.21%
BBB	1,387,719	2.49%
BBB-	116,989	0.21%
Not rated	10,684,412	19.21%
Total credit risk debt securities	20,299,292	36.48%
Total	\$ 55,647,310	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.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – DEPOSITS AND INVESTMENT RISK DISCLOSURES (CONTINUED)

Credit Risk (Continued)

	2022	
	Fair Value	Percentage of Portfolio
U.S. government guaranteed *	\$ 37,094,241	56.31%
Quality rating of credit risk debt securities		
AAA	160,657	0.24%
AA+	-	0.00%
AA	-	0.00%
AA-	133,533	0.20%
A+	454,275	0.69%
A	839,170	1.27%
A-	4,613,916	7.00%
BBB+	3,796,261	5.76%
BBB	1,013,467	1.54%
BBB-	79,229	0.12%
Not rated	17,694,521	26.87%
Total credit risk debt securities	28,785,029	43.69%
Total	\$ 65,879,270	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 investment policy of the Plan limits investments in equities and fixed income securities to no more than 10% and 10% of an investment manager's portfolio, respectively, in any one issue. There were no individual investments that represent more than 10% of an investment manager's portfolio as of September 30, 2023 and 2022.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – DEPOSITS AND INVESTMENT RISK DISCLOSURES (CONTINUED)

Custodial Credit Risk

Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Plan's deposits are covered by depository insurance or are collateralized by securities held with a financial institution in the Plan's name.

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, the investments are held by Plan's custodial banks and registered in the Plan's name. All of the Plan's investments are insured and or collateralized by a financial institution separate from the Plan's depository financial institution.

Securities Lending Transactions

The Plan is authorized by state statutes and the Board's policies to lend its investment securities. The lending is managed by the Plan's custodial bank. The Plan lends equity and fixed income securities for varying terms and receives a fee based on the loaned securities' value. During a loan, the Plan continues to receive dividends and interest as the owner of the loaned securities. All loans can be terminated on demand by either the Plan or the borrowers, although the average term of loans is approximately forty days. The custodial bank and its affiliates are prohibited from borrowing the system's securities.

The agent lends the Plan's U.S. government and agency securities and domestic corporate fixed-income and equity securities for securities or cash collateral of at least 102% and international securities of at least 105% of the securities plus any accrued interest. The securities lending contracts do not allow the Plan to pledge or sell any collateral securities unless the borrower defaults. Cash collateral is invested in the agent's collateral investment pool, whose share values are based on the amortized cost of the pool's investments. At September 30, 2023 and 2022, the pool had weighted average terms to maturity of forty-five days and forty-six days, respectively.

The relationship between the maturities of the investment pool and the Plan's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Plan cannot determine. There are policy restrictions by the custodial bank that limits the amount of securities that can be lent at one time or to one borrower.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – DEPOSITS AND INVESTMENT RISK DISCLOSURES (CONTINUED)

Securities Lending Transactions (Continued)

The following represents the balances relating to securities lending transactions at September 30:

	2023	
Securities Lent:	Market Value of Securities on Loan for Cash	Fair Value of Cash Collateral Invested
U.S. government and agency obligations	\$ 3,905,801	\$ 8,157,515
Domestic corporate stocks	23,677,711	24,370,394
Domestic corporate bonds	8,008,594	3,994,084
Total securities lent	<u>\$ 35,592,106</u>	<u>\$ 36,521,993</u>

	2022	
Securities Lent:	Market Value of Securities on Loan for Cash	Fair Value of Cash Collateral Invested
U.S. government and agency obligations	\$ 19,222,455	\$ 19,649,046
Domestic corporate stocks	9,181,029	9,489,797
Domestic corporate bonds	5,480,891	5,605,619
Total securities lent	<u>\$ 33,884,375</u>	<u>\$ 34,744,462</u>

The contract with the Plan's custodian requires the custodian to indemnify the Plan if the borrower fails to return the securities, due to the insolvency of a borrower, and the custodian has failed to live up to its contractual responsibilities relating to the lending of those securities. At year-end, the Plan has no credit risk exposure to borrowers because the amounts of collateral held by the Plan exceed the amounts the borrowers owe the Plan. There are no significant violations of legal or contractual provisions, no borrowers or lending agent default losses, and no recoveries of prior period losses during the year. There are no income distributions owing on securities lent.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – DEPOSITS AND INVESTMENT RISK DISCLOSURES (CONTINUED)

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 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 CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – DEPOSITS 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:

2023	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)
Investments by fair value level	9/30/2023			
Equity securities:				
Domestic equities	\$ 174,965,901	\$ 174,965,901	\$ -	\$ -
International equities	25,899,365	25,899,365	-	-
Total equity securities	200,865,266	200,865,266	-	-
Debt securities:				
Government and agency	35,349,620	-	35,349,620	-
Fixed income fund	3,056,442	-	-	3,056,442
Corporate bonds	10,063,581	-	10,063,581	-
Total debt securities	48,469,643	-	45,413,201	3,056,442
Alternative Investments:				
Real estate	39,085,975	-	-	39,085,975
Venture capital	20,304,913	-	-	20,304,913
Total alternative investments	59,390,888	-	-	59,390,888
Total investments by fair value level	308,725,797	\$ 200,865,266	\$ 45,413,201	\$ 62,447,330
Investments measured at the net asset value ("NAV")				
Commingled international equity fund	38,521,993			
Hedge funds	78,994,134			
Total investments measured at the NAV	117,516,127			
Total investments measured at fair value	\$ 426,241,924			

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – DEPOSITS AND INVESTMENT RISK DISCLOSURES (CONTINUED)

Investment Valuation (Continued)

2022	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)
Investments by fair value level	9/30/2022			
Equity securities:				
Domestic equities	\$ 147,169,266	\$ 147,169,266	\$ -	
International equities	18,526,958	18,526,958	-	
Total equity securities	165,696,224	165,696,224	-	-
Debt securities:				
Government and agency	37,096,174	-	37,096,174	-
Fixed income fund	4,966,500	-	-	4,966,500
Corporate bonds	11,766,778	-	11,766,778	-
Total debt securities	53,829,452	-	48,862,952	4,966,500
Alternative Investments:				
Real estate	47,290,820	-	-	47,290,820
Venture capital	10,954,241	-	-	10,954,241
Total alternative investments	58,245,061	-	-	58,245,061
Total investments by fair value level	277,770,737	\$ 165,696,224	\$ 48,862,952	\$ 63,211,561
Investments measured at the net asset value ("NAV")				
Commingled international equity fund	32,588,336			
Commingled global fixed income	2,503,313			
Hedge funds	70,520,776			
Total investments measured at the NAV	105,612,425			
Total investments measured at fair value	\$ 383,383,162			

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – DEPOSITS AND INVESTMENT RISK DISCLOSURES (CONTINUED)

Investment Valuation (Continued)

The overall valuation processes and information sources by major investment classification are as follows:

- **Equity securities:** These include common stock, domestic and international equity funds. 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, 2023 and 2022. 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.
- **Debt securities:** Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations, and securitized residential and commercial mortgages. 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.
- **Alternative investments:** These investments include real estate equity and venture capital investments where no readily ascertainable market value exists. To value these investments, management, in consultation with the general partner and investment advisors, determines the fair values for the individual investments based upon the partnership's or limited liability company's most recent available financial information adjusted for cash flow activities through September 30, 2023 and 2022. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

The Plan's valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, 2023 and 2022 are as follows:

	2023			
	Investments Measured at the NAV			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled international equity fund (1)	\$ 38,521,993	\$ -	Daily	Same day
Hedge funds (3)	78,994,134	-	Daily	Quarterly
Total investments measured at the NAV	<u>\$ 117,516,127</u>	<u>\$ -</u>		

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – DEPOSITS AND INVESTMENT RISK DISCLOSURES (CONTINUED)

Investment Valuation (Continued)

	2022			
	Investments Measured at the NAV			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled international equity fund (1)	\$ 32,588,336	\$ -	Daily	Same day
Commingled global fixed income fund (2)	2,503,313	-	Daily	Same day
Hedge funds (3)	70,520,776	-	Daily	Quarterly
Total investments measured at the NAV	<u>\$ 105,612,425</u>	<u>\$ -</u>		

- (1) Commingled international equity fund consists of two commingled investment vehicles which invests primarily in publicly traded global equity securities. The fund is 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) Commingled global fixed income fund consists of one commingled investment vehicle which primarily invests in global equity and fixed income securities. The fund is 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) Hedge fund- This type invests in three funds that are invested in both risk parity strategies and global macro hedge fund strategies. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

NOTE 5 – NET PENSION LIABILITY OF THE CITY

The components of the net pension liability of the City at September 30, 2023 and 2022 were as follows:

<u>September 30,</u>	<u>2023</u>	<u>2022</u>
Total pension liability	\$ 623,700,705	\$ 612,208,668
Plan fiduciary net position	(440,055,275)	(401,673,676)
City net pension liability	<u>\$ 183,645,430</u>	<u>\$ 210,534,992</u>
Plan fiduciary net position as a percentage of total pension liability	70.56%	65.61%

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

Actuarial Assumptions

The total pension liability at September 30, 2023 was determined using an actuarial valuation as of October 1, 2022, with update procedures used to roll forward the total pension liability to September 30, 2023. These actuarial valuations used the following actuarial assumptions:

Inflation	2.15%
Projected salary increases	2.60% - 9.90%, depending on service and group, including inflation
Investment rate of return	7.20%

Mortality rates calculated with the RP-2000 Combined Healthy Participant Mortality Table for active members and RP-2000 Healthy Annuitant Mortality Table for nondisabled inactive members, with mortality improvements 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% white-collar adjustment/50% blue collar adjustment for General Employees; and a 10% white-collar adjustment/90% blue collar adjustment for Police Officers and Firefighters. These are the same mortality rates used in the July 1, 2018 actuarial valuation of the Florida Retirement System (FRS), as required under Florida Statutes Chapter 112.63.

The actuarial assumptions used in the October 1, 2022 valuation were based on the results of an actuarial experience study for the five-year period ending September 30, 2019.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*.

ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of the valuation dates of October 1, 2022 and October 1, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Long-Term Expected Real Rate of Return *	
Asset Class	
Domestic equities	7.50%
International equities	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real Estate	4.50%
Alternative assets	6.24%

* Real rate of return adjusted for annual inflation rates of 2.15% for 2023 and 2022, respectively.

CITY OF CORAL GABLES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

Discount Rate

A single discount rate of 7.20% and 7.25% was used to measure the total pension liability for 2023 and 2022, respectively. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and 7.25% for 2023 and 2022, respectively. The projection of cash flows used to determine this single discount rate assumed that plan employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.20% and 7.25% for 2023 and 2022, respectively) 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 following presents the net pension liability of the City calculated using the discount rate of 7.20% and 7.25% for 2023 and 2022, respectively, as well as what the employer net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	City Net Pension Liability		
	1% Decrease	Discount	1% Increase
	(6.20%)	Rate (7.20%)	(8.20%)
September 30, 2023	\$ 244,885,491	\$ 183,645,430	\$ 131,882,337

	City Net Pension Liability		
	1% Decrease	Discount	1% Increase
	(6.25%)	Rate (7.25%)	(8.25%)
September 30, 2022	\$ 270,910,789	\$ 210,534,992	\$ 159,501,974

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

CITY OF CORAL GABLES RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 8,004,044	\$ 7,893,821	\$ 7,257,463	\$ 7,128,279	\$ 6,666,376	\$ 6,203,806	\$ 5,733,127	\$ 5,758,174	\$ 5,665,063	\$ 6,066,834
Interest	43,353,945	43,453,151	44,414,130	44,182,458	43,940,121	43,295,229	42,056,963	41,971,722	40,961,329	40,360,719
Benefit changes	-	-	(29,902)	-	461,420	15,359,754	1,018,772	-	-	7,175
Differences between expected and actual experience	1,792,856	195,398	736,475	1,365,571	3,854,666	(3,085,670)	1,421,593	54,306	6,273,657	-
Changes of assumptions	2,795,714	8,203,136	(1,948,628)	2,693,639	2,644,957	5,080,632	12,563,730	-	4,037,512	-
Benefit payments	(43,092,129)	(52,535,459)	(49,899,182)	(46,075,511)	(54,941,086)	(47,007,332)	(46,396,280)	(45,697,331)	(41,290,270)	(34,523,344)
Refunds	(1,362,393)	(1,160,074)	(660,821)	(525,780)	(581,573)	(637,548)	(533,309)	(691,627)	(307,461)	(445,210)
Net change in total pension liability	11,492,037	6,049,973	(130,465)	8,768,656	2,044,881	19,208,871	15,864,596	1,395,244	15,339,830	11,466,174
Total pension liability - beginning	612,208,668	606,158,695	606,289,160	597,520,504	595,475,623	576,266,752	560,402,156	559,006,912	543,667,082	532,200,908
Total pension liability - ending	623,700,705	612,208,668	606,158,695	606,289,160	597,520,504	595,475,623	576,266,752	560,402,156	559,006,912	543,667,082
Plan fiduciary net position										
Contributions - City	30,028,072	29,657,355	28,827,016	28,253,347	27,566,259	26,437,994	26,219,139	27,778,394	24,151,856	25,554,746
Contributions - Share Plan	145,830	145,830	145,830	145,830	145,830	145,830	145,830	145,830	145,830	145,830
Contributions - Employee	4,856,197	5,164,756	4,891,103	4,920,196	4,970,732	5,000,505	4,600,399	4,393,660	4,703,714	4,095,928
Net investment income	48,386,007	(78,323,086)	95,413,125	43,592,685	14,869,600	40,945,125	49,719,894	26,707,410	6,287,952	30,421,080
Benefit payments	(43,092,129)	(52,535,459)	(49,899,182)	(46,075,511)	(54,941,086)	(47,007,332)	(46,396,280)	(45,697,331)	(41,295,632)	(34,523,344)
Refunds	(1,362,393)	(1,160,074)	(660,821)	(525,780)	(581,573)	(637,548)	(533,309)	(691,627)	(307,461)	(445,210)
Administrative expenses	(579,985)	(543,347)	(683,207)	(571,308)	(489,845)	(472,543)	(402,793)	(352,193)	(431,707)	(334,272)
Net change in plan fiduciary net position	38,381,599	(97,594,025)	78,033,864	29,739,459	(8,460,083)	24,412,031	33,352,880	12,284,143	(6,745,448)	24,914,758
Plan fiduciary net position - beginning	401,673,676	499,267,701	421,233,837	391,494,378	399,954,461	375,542,430	342,189,550	329,905,407	336,650,855	311,736,097
Plan fiduciary net position - ending	\$ 440,055,275	\$ 401,673,676	\$ 499,267,701	\$ 421,233,837	\$ 391,494,378	\$ 399,954,461	\$ 375,542,430	\$ 342,189,550	\$ 329,905,407	\$ 336,650,855
City's net pension liability	\$ 183,645,430	\$ 210,534,992	\$ 106,890,994	\$ 185,055,323	\$ 206,026,126	\$ 195,521,162	\$ 200,724,322	\$ 218,212,606	\$ 229,101,505	\$ 207,016,227
Total pension liability	\$ 623,700,705	\$ 612,208,668	\$ 606,158,695	\$ 606,289,160	\$ 597,520,504	\$ 595,475,623	\$ 576,266,752	\$ 560,402,156	\$ 559,006,912	\$ 543,667,082
Plan fiduciary net position	(440,055,275)	(401,673,676)	(499,267,701)	(421,233,837)	(391,494,378)	(399,954,461)	(375,542,430)	(342,189,550)	(329,905,407)	(336,650,855)
City's net pension liability	\$ 183,645,430	\$ 210,534,992	\$ 106,890,994	\$ 185,055,323	\$ 206,026,126	\$ 195,521,162	\$ 200,724,322	\$ 218,212,606	\$ 229,101,505	\$ 207,016,227
Plan fiduciary net position as a percentage of the total pension liability	70.56%	65.61%	82.37%	69.48%	65.52%	67.17%	65.17%	61.06%	59.02%	61.92%
Covered - actuarially computed employee payroll	\$ 44,988,374	\$ 44,238,275	\$ 44,231,011	\$ 44,323,277	\$ 43,411,406	\$ 43,147,050	\$ 43,191,753	\$ 37,305,296	\$ 36,758,806	\$ 35,930,894
City's net pension liability as a percentage of covered - employee payroll	408.21%	475.91%	241.67%	417.51%	474.59%	453.15%	464.73%	584.94%	623.26%	576.15%
For the years ended September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	12.35%	-17.44%	23.14%	10.72%	4.16%	10.55%	14.82%	8.57%	1.84%	9.16%

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

**CITY OF CORAL GABLES RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CONTRIBUTIONS BY EMPLOYER
LAST TEN FISCAL YEARS**

<u>FY Ending September 30,</u>	<u>Actuarial Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Actual Contribution as a % of Employee Payroll</u>
2014	\$ 25,678,422	\$ 25,700,576	\$ (22,154)	\$ 35,930,894	71.53%
2015	\$ 24,288,466	\$ 24,297,686	\$ (9,220)	\$ 36,758,806	66.10%
2016	\$ 23,838,224	\$ 27,924,224	\$ (4,086,000)	\$ 37,305,296	74.85%
2017	\$ 23,082,353	\$ 26,364,969	\$ (3,282,616)	\$ 43,191,753	61.04%
2018	\$ 23,290,490	\$ 26,583,824	\$ (3,293,334)	\$ 43,147,050	61.61%
2019	\$ 25,240,192	\$ 27,712,089	\$ (2,471,897)	\$ 43,411,406	63.84%
2020	\$ 24,427,468	\$ 28,399,177	\$ (3,971,709)	\$ 44,323,277	64.07%
2021	\$ 23,945,558	\$ 28,972,846	\$ (5,027,288)	\$ 44,231,011	65.50%
2022	\$ 23,041,155	\$ 29,803,185	\$ (6,762,030)	\$ 44,238,275	67.37%
2023	\$ 22,543,805	\$ 30,173,902	\$ (7,630,097)	\$ 44,988,374	67.07%

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

CITY OF CORAL GABLES RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF INVESTMENT RETURNS (LOSSES)
LAST TEN FISCAL YEARS

<u>For the years ended September 30,</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	12.35%	-17.44%	23.14%	10.72%	4.16%	10.55%	14.82%	8.57%	1.84%	9.16%

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

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

**CITY OF CORAL GABLES RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
LAST FISCAL YEAR**

Method and assumptions used in calculations of the Plan's actuarially determined contributions.

Valuation Date: October 1, 2021
Actuarially determined contribution rates 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 Net Pension Liability:

Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	25 years (longest remaining period); 14 years (single equivalent period)
Asset Valuation Method	5 year smoothed market; 20% corridor
Inflation	2.15%
Salary Increases	2.60% to 9.90% depending on service and group, including inflation
Investment Rate of Return	7.25%
Experience Studies	The most recent experience study was completed April 5, 2021. This experience study examined experience during the five-year period ending September 30, 2019. Based on the results of this experience study, certain assumptions were revised effective with the October 1, 2020 actuarial valuation.
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 as used by the Florida Retirement System (FRS) in their July 1, 2020 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	Effective as of the October 1, 2021, the assumed investment rate of return lowered from 7.40% to 7.25%. See the October 1, 2021 Actuarial Valuation Report dated May 5, 2022 for further details.

See accompanying independent auditor's report.

SUPPLEMENTARY INFORMATION

CITY OF CORAL GABLES RETIREMENT SYSTEM
SCHEDULES OF INVESTMENT AND ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

For the years ended September 30,	2023	2022
Schedule "1"		
Schedule of Investment Expenses		
Financial management expenses		
Alternative	\$ 644,845	\$ 727,455
Eagle Capital	289,766	320,777
Global Equity	203,084	304,097
Winslow Capital	159,097	264,948
Wells Capital	254,523	258,965
Brandywine Dynamic, LLC	225,762	237,405
GHA Fixed Income	64,126	95,788
Richmond Capital	53,022	44,183
NTGI S&P 500	25,622	23,906
TOTAL FINANCIAL MANAGEMENT EXPENSES	<u>1,919,847</u>	<u>2,277,524</u>
Investment consultants fees		
AndCo Consulting	211,000	152,250
Investment custodial fees		
Northern Trust	271,059	132,284
Security lending fees	28,804	29,771
TOTAL INVESTMENT EXPENSES	<u>\$ 2,430,710</u>	<u>\$ 2,591,829</u>
Schedule "2"		
Schedule of Administrative Expenses		
Personnel Services		
Fringe benefits	\$ 59,115	\$ 58,702
Salaries and payroll taxes	126,302	117,591
TOTAL PERSONNEL SERVICES	<u>185,417</u>	<u>176,293</u>
Professional services		
Actuarial	72,511	77,234
Audit	30,250	28,814
Legal	61,584	64,976
Benefits administration	158,014	78,310
Payroll processing	34,651	34,872
Consulting	-	18,900
TOTAL PROFESSIONAL SERVICES	<u>357,010</u>	<u>303,106</u>
Other		
Dues and subscriptions	2,280	5,646
Insurance	4,777	5,370
Printing and office expense	131	239
Rental	16,137	34,361
Staff travel and member education expense	11,962	15,442
Bank charges and fees	2,269	2,891
TOTAL OTHER	<u>37,556</u>	<u>63,949</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>\$ 579,983</u>	<u>\$ 543,348</u>

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