

City of Coral Springs Firefighters' Retirement Plan

Financial Report
September 30, 2021

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RSM US LLP

Independent Auditor's Report

To the Board of Trustees
City of Coral Springs Firefighters' Retirement Plan
Coral Springs, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Coral Springs Firefighters' Retirement Plan (the Plan), which are comprised of the statement of fiduciary net position as of September 30, 2021, the statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 entity'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 entity'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of September 30, 2021, and the changes in its fiduciary net position for the year 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 schedule of contributions from employer and other contributors, schedule of investment returns, and schedule of changes in the employer's net pension liability and related ratios 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, which 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Plan. The accompanying other supplemental schedule of administrative expenses is presented for purposes of additional analysis and is 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

RSM US LLP

Fort Lauderdale, Florida
April 18, 2022

**City of Coral Springs
Firefighters' Retirement Plan**

**Statement of Fiduciary Net Position
September 30, 2021**

Assets

Cash and cash equivalents	\$ 4,110,657
Pending trade – receivable	230,196
Accrued investment income	76,570
	<u>4,417,423</u>

Investments:

Common stocks	39,959,009
Government securities	22,742,530
Corporate bonds and other debt securities	3,944,867
Real-estate commingled funds	19,018,631
Multi-asset mutual funds	7,636,030
Common stock mutual funds	66,979,020
Total investments	<u>160,280,087</u>

Total assets 164,697,510

Liabilities

Pending trades – payable	1,485,073
Accounts payable	174,655
Total liabilities	<u>1,659,728</u>

Net position restricted for pension benefits:

Net position restricted – DROP benefits and excess contributions	8,350,071
Net position restricted for pension benefits	<u>154,687,711</u>

Total net position restricted for pension benefits \$ 163,037,782

See notes to financial statements.

**City of Coral Springs
Firefighters' Retirement Plan**

**Statement of Changes in Fiduciary Net Position
Fiscal Year Ended September 30, 2021**

Additions:	
Contributions:	
Employer	\$ 2,430,022
Employee	1,354,859
State – Chapter 175	1,727,622
Employer – DROP contributions	1,442,939
Total contributions	<u>6,955,442</u>
Investment income:	
Net appreciation in fair value of investments	24,011,784
Interest and dividend income	3,845,307
Total investment income	<u>27,857,091</u>
Less investment expenses	(547,967)
Net investment income	<u>27,309,124</u>
Other income	1,638
Total additions	<u>34,266,204</u>
Deductions:	
Benefit payments	3,173,161
Refund of contributions	28,731
Administrative expenses	233,125
Total deductions	<u>3,435,017</u>
Increase in net position	30,831,187
Net position restricted for pension benefits:	
Beginning of year	<u>132,206,595</u>
End of year	<u><u>\$ 163,037,782</u></u>

See notes to financial statements.

City of Coral Springs Firefighters' Retirement Plan

Notes to Financial Statements

Note 1. Description of Plan

The following description of the City of Coral Springs Firefighters' Retirement Plan (the Plan) provides only general information. Participants should refer to the City of Coral Springs' (the City) ordinance for more complete information.

General: The Plan is a single-employer defined benefit plan, established by the City effective December 31, 2002, pursuant to City Ordinance Number 2003-101 (as amended). The Plan is also governed by certain provisions of the Florida Statutes Chapters 112 and 175. Since the Plan is sponsored by the City, the Plan is included as a fiduciary fund in the City's annual comprehensive financial report as part of the City's financial reporting entity.

Management of the Plan is vested in the Board, which consists of five members—two trustees shall be members elected by the firefighter participants of the Plan. Two trustees shall be residents of the City who are designated by the City manager and approved by the City commission. The fifth member of the Board shall be chosen by a majority of the other four members of the Board and appointed by the City commission as a ministerial act.

Plan participation: Plan participation consisted of the following at September 30, 2021:

Inactive plan participants or beneficiaries currently receiving benefits	33
Inactive plan participants entitled to but not yet receiving benefits	2
Active plan participants	172
Total	<u>207</u>

Eligibility: Covering all firefighters of the City employed on a full-time basis. Volunteer firefighters of the City shall not be eligible for participation in the Plan. The Fire Chief shall have an option to participate in the Plan.

Benefits: The Plan provides normal retirement, early retirement, delayed retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of the City ordinance.

Normal retirement: Any member who has attained the earlier of age 55 with 10 years of credited service, or age 52 with 20 years of credited service, or age 56 with at least 3 years of credited service (only with respect to those individuals who were participants of the Plan as of December 31, 2002), or 25 years of credited service, regardless of age, may retire with a normal retirement benefit.

Upon retirement, a member will receive a monthly benefit of the "applicable percentage" of Final Monthly Compensation" multiplied by credited service earned prior to December 31, 2002 plus 3.50% of Final Monthly Compensation multiplied by credited service earned on and after December 31, 2002. The "applicable percentage" is either 2.25%, 3.25% or 3.50% depending on whether the member has transferred the required amount into the Plan. The maximum monthly benefit is limited to 87.5% of average monthly earnings. Average monthly earnings used to determine the pension benefit is the highest 3 consecutive years out of the 10 years prior to retirement date.

City of Coral Springs Firefighters' Retirement Plan

Notes to Financial Statements

Note 1. Description of Plan (Continued)

Early retirement: A participant who has attained age 50 and completed 10 continuous years of credited service may retire with an early retirement benefit.

Upon early retirement, a participant will receive either a monthly benefit based upon the accrued pension benefit reduced by 2% for each year by which the member's early retirement age precedes age 55.

Deferred retirement option plan (DROP): The Plan provides for a DROP. A member shall become eligible for participation in the DROP on the first day of the month coincident with or following the attainment of normal retirement age.

Upon entry into the DROP, an amount equal to the participant's monthly retirement benefit plus any cost-of-living adjustments granted to retirees shall be transferred to an account designated by the participant for investment. Participants may direct their DROP money to any of the investment options available. The election to participate in the DROP is irrevocable and allows participants to continue employment with the City for up to five years.

There is no guaranteed rate of investment return on DROP deposits.

Disability retirement: Any member who becomes totally and permanently disabled as certified by medical examination may retire on a non-service incurred disability retirement benefit after ten years of credited service. Such a member may retire on a service incurred disability retirement benefit if disabled as a result of the performance of duty, without regard to the credited service at the time of disability.

The monthly non-service incurred disability retirement benefit is the greater of the accrued pension benefit or 30% of Final Monthly Compensation. The monthly service incurred disability retirement benefit is the greater of the accrued pension benefit or 52.5% of Final Monthly Compensation.

Death benefit: Upon the death of any member with at least 10 years of credited service prior to retirement, his or her beneficiary will receive a 10-year certain annuity determined as if the member had retired on the day before his death and elected a 10-year certain and life annuity. In lieu of this 10-year certain annuity, the member's surviving spouse or minor children will collectively receive 50% of the member's Final Monthly Compensation, if greater, payable for life (or until age 18 in the case of a minor child). In any event, the member's beneficiary will receive an amount that is at least equal to the member's accumulated contributions.

Funding: All participants are required to contribute 8.75% of earnings on a pick-up basis and each participant's actual contributions are individually accumulated. If a participant terminates employment before becoming eligible to receive benefits, the accumulated contributions will be returned to the participant.

Pursuant to Florida law, the City is ultimately responsible for making sure the Plan remains actuarially sound. Therefore, each year, the City must contribute an amount determined by the Board in conjunction with their actuary to be sufficient, along with the employee's contribution and the State contribution, to fund the benefits under the Plan. The employer's contribution will vary from year to year.

Pursuant to Chapter 175, Florida Statutes, the City imposes a 1.85% tax on fire insurance premiums paid to insure real or personal property within the City. The proceeds of this tax are contributed to the Plan as part of the City's contribution.

City of Coral Springs Firefighters' Retirement Plan

Notes to Financial Statements

Note 1. Description of Plan (Continued)

Participants that have earned at least 10 years of credited service may purchase up to two years of prior military service or, if he or she has earned at least 10 years of credited service as of January 1, 2009, up to two additional years of prior military or firefighter service by paying the full actuarial cost thereof, provided that he or she will not receive credit for such service under another state or local government plan. The maximum amount of service that is permitted to be purchased is four years in total.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are recorded at fair value or amortized cost.

Use of estimates: The preparation of financial statements in conformity with GAAP, requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue/additions and expenses/deductions during the reported period. Actual results could differ from those estimates.

Investment valuation and income recognition: Investments are reported at fair value. 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.

Common stock mutual funds and multi-asset mutual funds are valued based on the underlying fair value of the investments (mutual funds, stocks, debt obligations, etc.) held by the funds.

Real-estate commingled funds fair value is established by using the net asset value (NAV) per share of each investment fund, as provided by the investment fund manager. The Plan is permitted to establish the fair value of an investment in a nongovernmental entity that does not have a readily determinable fair value by using the NAV per share (or its equivalent), such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. This method of determining fair value is permitted if the NAV per share (or its equivalent) of the investment is calculated as of the Plan's measurement date.

Money market funds are measured at amortized cost. The Plan is allowed to report money market investments at amortized cost if the investment has a remaining maturity at time of purchase of one year or less and the fair value of those investments are not significantly affected by the impairment of the credit standing of the issuer or by other factors.

Purchase and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net (depreciation) appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

City of Coral Springs Firefighters' Retirement Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Net position restricted for future benefits: Net position restricted for future benefits are comprised of accumulated DROP and excess State Chapter 175 contributions. Florida State Statute Chapter 175 establishes minimum benefits and standards for all municipal fire pension plans. The statutes govern the allocation of insurance premium excise taxes that are levied to provide a partial funding source for these plans. In accordance with the provisions of the firefighters' collective bargaining agreement, excess insurance premium excise taxes will be used to fund the firefighters' Share Plan (the Share Plan), a defined contribution component of the Plan. The balance in the Share Plan at September 30, 2021, is \$3,854,405. The Plan also has net position restricted for future benefits in the amount of \$4,495,666, resulting from DROP benefit payments that are held by the Plan for specific DROP participants.

Income taxes: The Plan is exempt from federal income taxes under the Internal Revenue Code and, accordingly, no provision for federal income taxes has been made.

Risks and uncertainties: The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of fiduciary net position available for benefits.

Plan contributions are made and the actuarial present value of projected benefit payments (total pension liability) are reported based on certain assumptions pertaining to investment and discount rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Payment of benefits: Benefits payments to participant are recognized upon distribution.

Actuarial present value of projected benefit payments: The actuarial present value of projected benefit payments also known as the total pension liability, are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated Plan benefits include benefits expected to be paid to: (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation and years of credited service. Benefits payable under all circumstances – retirement, death, disability and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from Plan assets are excluded from accumulated Plan benefits.

The total pension liability is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The total pension liability, less the amount of the Plan's fiduciary net position at year-end is reported as the net pension liability or asset. See Note 4 for actuarial assumptions used for valuation of the net pension liability or asset as year-end.

City of Coral Springs Firefighters' Retirement Plan

Notes to Financial Statements

Note 3. Investments

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The investment policy statement was last amended on November 24, 2015.

The Board's adopted asset allocation policy as of September 30, 2021, follows:

Type of Investment	Target Allocation
Fixed income	5-30%
Domestic equity	40-60%
International equity	5-25%
Real estate	0-30%
Global macro allocation	0-15%

Interest rate risk: The Plan's investment policy does not use limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Plan's investments in debt securities had maturities as follows:

Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Corporate Bonds	\$ 2,005,994	\$ -	\$ 744,091	\$ 1,261,903	\$ -
U.S. Government Securities	22,742,530	2,364,911	5,102,687	2,401,984	12,872,948
Money Market Funds	4,110,657	4,110,657	-	-	-
Bond Mutual Funds	1,938,873	-	1,513,883	424,990	-
Totals	<u>\$ 30,798,054</u>	<u>\$ 6,475,568</u>	<u>\$ 7,360,661</u>	<u>\$ 4,088,877</u>	<u>\$ 12,872,948</u>

Credit risk: The Plan limits corporate fixed income securities to investment grade or higher as reported by a major credit rating service and limits money market funds to a rating of "A1" or higher by Standard & Poor's or "P1" by Moody's. At September 30, 2021, the portfolio met the credit rating limitations of the investment policy:

S&P Rating	Fair Value
AAAm	\$ 4,110,657
A-	246,696
BBB+	1,759,298
Unrated Government Securities	22,742,530
Unrated Bond Mutual Funds	1,938,873
Total	<u>\$ 30,798,054</u>

City of Coral Springs Firefighters' Retirement Plan

Notes to Financial Statements

Note 3. Investments (Continued)

The Plan categorizes its investments according to the fair value hierarchy established by Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted market prices for similar assets or liabilities in active markets; Level 3 inputs are significant unobservable inputs used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations where there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment.

At September 30, 2021, the Plan's investments were categorized as follows:

Investments	Total	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Debt Securities:				
U.S. Government Obligations	\$ 22,742,530	\$ -	\$ 22,742,530	\$ -
Corporate Bonds	2,005,994	-	2,005,994	-
Bond Mutual Funds	1,938,873	1,938,873	-	-
Equity Securities:				
Common Stock	39,959,009	39,959,009	-	-
Common Stock Mutual Funds	66,979,020	2,556,794	64,422,226	-
Multi-Asset Mutual Funds	7,636,030	-	7,636,030	-
Total investments by fair value level	141,261,456	\$ 44,454,676	\$ 96,806,780	\$ -
Other Investments:				
Measured at net asset value:				
Real-Estate Commingled Funds				
American Core Realty Fund	12,383,061			
JPMorgan Special Situations Fund	6,635,570			
	<u>19,018,631</u>			
Measured at amortized costs:				
Money Market Funds	4,110,657			
Total investments	<u>\$ 164,390,744</u>			

City of Coral Springs Firefighters' Retirement Plan

Notes to Financial Statements

Note 3. Investments (Continued)

The American Core Realty Fund is a real-estate fund whose purpose is to actively manage a core portfolio of primarily equity real estate investments located in the United States. The fund is a diversified open-end commingled fund invested in high-quality core office, industrial, retail and multi-family properties nationwide emphasizing strong income and the potential for long-term appreciation. The fund targets major metropolitan markets that are innovation hubs, have a concentration of globally competitive industries, and highly educated populations. Requests for redemptions of units in the fund may be made at any time, with 10 business day's notification by submitting a redemption notice form signed by a representative of the Plan, and are effective at the end of the calendar quarter in which the request is received.

JPMorgan Special Situations Fund is a real-estate fund whose purpose is to actively manage a core and value-added portfolio of primarily equity real-estate investments located in the United States. The fund targets real estate investments that seek to provide a moderate level of current income and high residual property appreciation. The fund's investment portfolio spans major markets and property types and includes a balanced mix of stabilized properties and value-added properties with appreciation potential. Requests for redemptions of units in the fund may be made at any time, with 60 business day's notification by submitting a redemption notice form signed by a representative of the Plan, and are effective at the end of the calendar quarter in which the request is received.

There are no unfunded commitments for any investments as of the fiscal year end.

Concentration of credit risk: The Plan limits investment in the securities of any one issuer, other than the U.S. Government and its agencies, to no more than 5% of net position. The Plan had no investments in any one issuer that exceeded 5% of Plan net position as of year-end.

Foreign investments: The investment policy limits the foreign investments to no more than 25% of any manager's total Plan portfolio. As of year-end, the Plan had no foreign investments.

Note 4. Net Pension Liability (Asset)

The components of the net pension liability (asset) of the City as of September 30, 2021, were as follows:

Total pension liability	\$ 119,159,975
Plan fiduciary net position	154,687,711
City's net pension asset	<u>\$ 35,527,736</u>

Plan fiduciary net position as a percentage of the total pension liability	130%
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Amounts above do not include DROP and other amounts restricted for future benefit enhancements, since such amounts are not available to offset the total pension liability.

City of Coral Springs Firefighters' Retirement Plan

Notes to Financial Statements

Note 4. Net Pension Liability (Asset) (Continued)

Actuarial assumptions: The total pension liability was based on an actuarial valuation dated October 1, 2020, using certain actuarial assumption, the most significant of which were 7.25% for the investment rate of return and the discount rate, projected salary increases are service based and 2.50% for inflation.

The mortality assumption basis are as follows:

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018.

The most recent actuarial experience study was conducted and dated August 14, 2020.

Long-term expected rate of return: The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	50%	7.50%
International equity	15%	8.50%
Broad market fixed income	10%	2.50%
Real estate	15%	4.50%
Alternatives	5%	6.50%
Global Tactical Asset Allocation (GTAA)	5%	3.50%

City of Coral Springs Firefighters' Retirement Plan

Notes to Financial Statements

Note 4. Net Pension Liability (Asset) (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that Plan participant 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 participant rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan participants. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Rate of return: For the year ended September 30, 2021, the annual money-weighted rate of return on Plan investments, net of Plan investment expense was 20.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Sensitivity of the net pension asset to changes in the discount rate: The sensitivity of the net pension asset to changes in the discount rate was measured as seen below. The net pension liability of the City was calculated using the discount rate of 7.25%. It was also calculated using a discount rate that was 1-percentage-point lower (6.25%) and 1-percentage-point higher (8.25%) as follows:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net pension asset	\$ 19,670,519	\$ 35,527,736	\$ 48,673,479

City of Coral Springs Firefighters' Retirement Plan

**Required Supplementary Information
Schedule of Contributions from Employer and Other Contributors – Unaudited
Last Ten Years**

Year	2021	2020	2019	2018	2017
Actuarially determined employer contribution	\$ 3,599,707	\$ 3,811,837	\$ 3,912,459	\$ 3,758,133	\$ 3,432,180
Actual employer contribution (a)	3,599,707	3,811,837	3,990,271	3,758,133	2,786,119
Annual contribution deficiency (excess)	\$ -	\$ -	\$ (77,812)	\$ -	\$ 646,061
Covered payroll	\$ 15,226,115	\$ 15,354,699	\$ 14,483,662	\$ 14,193,075	\$ 13,459,531
Actual contributions as a percentage of covered payroll	23.64%	24.83%	27.55%	26.48%	20.70%

Year	2016	2015	2014	2013	2012
Actuarially determined employer contribution	\$ 3,306,199	\$ 3,207,505	\$ 3,309,242	\$ 3,412,941	\$ 3,568,053
Actual employer contribution (a)	3,069,685	2,669,685	4,157,476	3,985,102	3,568,053
Annual contribution deficiency (excess)	\$ 236,514	\$ 537,820	\$ (848,234)	\$ (572,161)	\$ -
Covered payroll	\$ 12,808,109	\$ 12,414,588	\$ 11,912,320	\$ 11,696,314	\$ 12,124,772
Actual contributions as a percentage of covered payroll	23.97%	21.50%	34.90%	34.07%	29.43%

Note to Schedule:

(a) Actual employer contribution only includes contributions towards current pension benefits and does not include DROP and other amounts restricted for future benefit enhancements.

This schedule is presented to illustrate the requirements of GASB Statement No. 67.

City of Coral Springs Firefighters' Retirement Plan

Required Supplementary Information

Schedule of Contributions from Employer and Other Contributors – Unaudited (Continued)

Assumptions and Methods

Fiscal Year Ended September 30, 2021

Methods and assumptions used to determine the actuarially determined contribution as of October 1, 2019:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	30 years
Asset valuation method	The actuarial value of assets is equal to the market value of assets, adjusted to reflect a five-year phase-in of the net investment appreciation (depreciation)
Inflation	2.50%
Salary increases	4.75% per annum
Investment rate of return	7.50%

Mortality: As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were the mortality tables used by the Florida Retirement System for special risk employees as follows:

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

Note to Schedule:

**City of Coral Springs
Firefighters' Retirement Plan**

**Required Supplementary Information
Schedule of Investment Returns – Unaudited
Last Ten Years**

Years Ended September 30:	Annual Money-Weighted Rate of Return, Net of Investment Expense
2021	20.56%
2020	7.68%
2019	4.82%
2018	10.03%
2017	11.76%
2016	9.49%
2015	-0.86%
2014	12.71%
2013	13.06%
2012	18.92%

Note to Schedule:

This schedule is presented to illustrate the requirements of GASB Statement No. 67.

**City of Coral Springs
Firefighters' Retirement Plan**

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios – Unaudited
Last Eight Years**

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	\$ 3,989,849	\$ 4,789,849	\$ 4,413,393	\$ 3,558,204	\$ 3,367,278	\$ 3,115,093	\$ 3,036,432	\$ 3,619,881
Interest	8,049,029	8,187,356	6,699,310	6,752,391	5,869,494	5,316,210	5,426,558	4,297,600
Demographic experience	1,221,565	(2,429,730)	(433,121)	(385,276)	(843,752)	(1,503,467)	(781,690)	7,626
Assumption changes	-	(5,919,509)	10,335,292	-	2,588,902	-	(8,086,717)	-
Contributions – buy back	16,268	3,754	-	-	-	-	-	-
Benefit payments	(2,295,968)	(1,654,782)	(1,226,405)	(833,316)	(758,448)	(662,875)	(699,229)	(496,377)
Changes in benefit terms	-	-	-	89,760	-	-	(197,858)	-
Net change in total pension liability	10,980,743	2,976,938	19,788,469	9,181,763	10,223,474	6,264,961	(1,302,504)	7,428,730
Total pension liability – beginning	108,179,232	105,202,294	85,413,825	76,232,062	66,008,588	59,743,627	61,046,131	53,617,401
Total pension liability – ending	119,159,975	108,179,232	105,202,294	85,413,825	76,232,062	66,008,588	59,743,627	61,046,131
Plan fiduciary net position:								
Contributions – employer and state	3,599,707	3,811,837	3,990,271	3,758,133	2,786,119	3,069,685	2,669,685	4,157,476
Contributions – member	1,338,591	1,338,367	1,279,792	1,295,062	1,209,511	1,134,480	1,084,035	1,042,328
Contributions – buy back	16,268	3,754	-	-	-	-	-	-
Net investment (loss) income	26,309,129	8,971,668	5,294,905	9,337,547	9,668,604	6,820,097	(493,412)	6,614,161
Benefit payments	(2,295,968)	(1,654,782)	(1,226,405)	(833,316)	(758,448)	(662,875)	(699,229)	(496,377)
Administrative expenses	(233,125)	(172,480)	(153,696)	(118,709)	(133,399)	(114,194)	(87,545)	(60,964)
Net change in plan fiduciary net position	28,734,602	12,298,364	9,184,867	13,438,717	12,772,387	10,247,193	2,473,534	11,256,624
Plan fiduciary net position – beginning	125,953,109	113,654,745	104,469,878	91,031,161	78,258,774	68,011,581	65,538,047	54,281,423
Plan fiduciary net position – ending (1)	154,687,711	125,953,109	113,654,745	104,469,878	91,031,161	78,258,774	68,011,581	65,538,047
Net pension asset – ending	\$ 35,527,736	\$ 17,773,877	\$ 8,452,451	\$ 19,056,053	\$ 14,799,099	\$ 12,250,186	\$ 8,267,954	\$ 4,491,916
Plan fiduciary net position as a percentage of total pension asset	130%	116%	108%	122%	119%	119%	114%	107%
Covered payroll	\$ 15,226,115	\$ 15,354,699	\$ 14,483,662	\$ 14,193,075	\$ 13,459,531	\$ 12,808,109	\$ 12,414,588	\$ 11,912,320
Net pension asset as a percentage of covered payroll	233.33%	115.76%	58.36%	134.26%	109.95%	95.64%	66.60%	37.71%

Note to Schedule:

- The fiduciary net position excludes net position amounts restricted for DROP benefits and future plan benefit enhancements. Such amounts are not available to offset the total pension liability (See Note 1).
- This schedule is presented to illustrate the requirements of GASB Statement No. 67. Currently, only data for the fiscal years presented are available.

**City of Coral Springs
Firefighters' Retirement Plan**

**Supplementary Information
Schedule of Administrative Expenses
Fiscal Year Ended September 30, 2021**

Administrative expenses:	
Communications	\$ 2,139
Registration fees (FPPTA)	3,213
Office supplies	10,528
Auditing fees	15,000
Legal fees	39,000
Actuary fees	51,207
Other professional services	112,038
Total administrative expenses	\$ 233,125

**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***

Independent Auditor's Report

Board of Trustees
City of Coral Springs Firefighters' Retirement Plan
Coral Springs, 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 statements of fiduciary net position of the City of Coral Springs Firefighters' Retirement Plan (the Plan), which comprise the statements of fiduciary net position as of September 30, 2021, the statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 18, 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 (internal control) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

RSM US LLP

Fort Lauderdale, Florida
April 18, 2022