

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES OF
THE ST. LUCIE COUNTY FIRE DISTRICT**

Pension Trust Fund of the St. Lucie County Fire District

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
September 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
The Retirement System for General Employees of the St. Lucie County Fire District
Port St. Lucie, Florida

Opinion

We have audited the accompanying financial statements of the Retirement System for General Employees of the St. Lucie County Fire District (the Fund) which comprise the statement of fiduciary net position as of September 30, 2023, and the related statement of changes in fiduciary net position for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the fiduciary net position of the Plan as of September 30, 2023, and the changes in its fiduciary net position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that schedule of changes in the District's net pension liability and related ratios, schedule of District contributions, and schedule of investment returns on pages 21-25 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

The Retirement System for General Employees of the St. Lucie County Fire District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 30, 2024 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Plan's internal control over financial reporting and compliance.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
May 30, 2024

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2023

ASSETS

Due from brokers	\$ 11,573
Prepaid expenses	2,550
Accrued investment income	25,549
Investments, at fair value	
Cash equivalents	291,200
U.S. government & federal agency obligations	1,276,307
Mortgage-backed securities	194,795
Corporate debt	2,224,556
Corporate stock	587,276
Mutual funds - domestic debt	1,774,258
Mutual fund - international equities	2,628,555
Mutual fund - domestic equities	6,910,281
Limited liability company	2,919,651
Collective trust	1,981,917
Total investments	<u>20,788,796</u>
 TOTAL ASSETS	 <u><u>\$ 20,828,468</u></u>

LIABILITIES

Accounts payable	<u>\$ 14,809</u>
 TOTAL LIABILITIES	 <u>14,809</u>
 FIDUCIARY NET POSITION FOR PENSION BENEFITS	 <u><u>\$ 20,813,659</u></u>

Read Accompanying Notes to Financial Statements

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended September 30, 2023

ADDITIONS

Contributions:

Employer contributions	\$ 1,664,486
Employee contributions	199,780
Total contributions	<u>1,864,266</u>

Investment income:

Net appreciation in fair value of investments	1,037,974
Interest and dividends	641,727
	<u>1,679,701</u>
Less investment expenses	<u>(108,962)</u>
Net investment income	<u>1,570,739</u>

TOTAL ADDITIONS	<u>3,435,005</u>
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DEDUCTIONS

Benefits paid to participants	1,156,191
DROP payments	82,433
Refunds to participants	4,089
Administrative expenses	<u>85,351</u>

TOTAL DEDUCTIONS	<u>1,328,064</u>
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NET INCREASE	2,106,941
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FIDUCIARY NET POSITION FOR PENSION BENEFITS

Beginning of year	<u>18,706,718</u>
End of year	<u><u>\$ 20,813,659</u></u>

Read Accompanying Notes to Financial Statements

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A - REPORTING ENTITY

The Retirement System for General Employees of the St. Lucie County Fire District (the Fund) is a single employer, defined benefit pension trust established by the Fire District on October 18, 2006, and subsequently amended and restated on September 17, 2014, for providing retirement, death and disability benefits to the Fire District general employees. These financial statements are only for the Retirement System for General Employees of the St. Lucie County Fire District and are not intended to present the basic financial statements of the Fire District. The Fund is under the supervision of a five member local independent Board of Trustees, who are selected for office under guidelines of the Fund. The Board of Trustees may make amendments to the plan after approval of the plan sponsor. The Plan Ordinance contains the complete and detailed information regarding the Plan

The benefits of the plan were previously covered under the Fort Pierce Retirement and Benefit System (City Plan). At inception, various investment securities and cash were transferred from the City Plan to the Fund based on calculations performed by the actuaries for both the City Plan and the Fund. The transfers of assets approximated \$6,600,000 (fair value) at the time of the transfer. Employer contributions began being deposited into the account at that time also.

The accounts of the Fund are included in the financial statements of the St. Lucie County Fire District as an integral part of those financial statements.

At September 30, 2023 the Plan included 36 retirees and/or beneficiaries currently receiving benefits and 37 terminated employees entitled to benefits but not yet receiving them plus 3 participants in the DROP. There are 70 active current participants in the Plan, of which 42 were vested and 28 were non-vested or partially vested.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

Basis of Accounting

The financial statements are presented in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), which designate accounting principles and financial reporting standards applicable to state and local government units. The accompanying financial statements include solely the accounts of the Plan which include all programs, activities and functions relating to the accumulation and investment of the assets and related income necessary to provide the service, disability and death benefits required under the terms of the Plan and amendments thereto.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN
ASSET MATTERS (CONTINUED)**

The Fund's accounting records and financial statements are prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues, which include contributions and investment income, are recognized when they are earned and collection is reasonably assured, and expenses are recognized when the liability is incurred. Employer contributions are recognized when due in accordance with the State of Florida Statutes. Benefits paid to members and contribution refunds are recognized when due and payable in accordance with the terms of the Plan. Gains and losses from the sale or exchange of investments are recognized on the transaction date. Investment and administrative expenses of the plan are financed from income and earnings of the plan and employer contributions. An independent investment manager and custodial bank handles all investment transactions and check writing duties.

Recently Issued Accounting Standards

The accompanying financial statements are presented in accordance with GASB, Statement No. 67 *Financial Reporting for Pension Plans*, as amended by GASB No. 82, and the Codification of Governmental Accounting and Financial Reporting Standards. For plans, the standards build upon the existing framework for financial reports, enhance the note disclosures and required supplementary information, and require the presentation of new information about annual money-weighted rates of return in the notes to the financial statements. The accompanying financial statements include solely the accounts of the Plan which include all programs, activities and functions relating to the accumulation and investment of the assets and related income necessary to provide the service, disability and death benefits required for the Plan.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities and the reported amounts of revenue and expenses. Accordingly, actual results may differ from those estimates.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS (CONTINUED)

Valuation of Investments

Investments are reported at fair value and are managed by third-party investment managers. Short-term investments are reported at cost, which approximates market value. Securities traded on a national exchange are valued at the last reported sales price on the last day of the year. The investment custodian and the individual money managers price each investment instrument using various third-party pricing sources. Mutual funds including proprietary funds and common collective funds are valued at net asset value based on the underlying investments. Limited partnership and limited liability company investments are valued at the fair market value reported price based on the audited financial statements of the investment based on the underlying investments in the entity.

There were no investments in, loans to, or leases with parties related to the pension plan as of or for the year ended September 30, 2023.

Federal Income Taxes

The Plan previously received a favorable determination letter from the Internal Revenue Service indicating that the Plan is qualified and exempt from Federal income taxes under Section 401 of the Internal Revenue Code, subject to the limitations under Section 415 and applicable Treasury Regulations. The Board believes that the Plan, with subsequent amendments, is designed and continues to operate in compliance with the applicable requirements of the Internal Revenue Code.

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to September 30, 2023, to determine the need for any adjustments to and / or disclosures within the audited financial statements for the year ended September 30, 2023. Management has performed their analysis through May 30, 2024.

NOTE C - PLAN CONTRIBUTIONS AND OTHER INFORMATION

The Fire District is the plan sponsor under a single employer public employee retirement system covering substantially all the general employees of the Fire District. The Fire District, in accordance with the state statutes, established the plan and has the ability to amend the plan. Participants should refer to the summary plan description for more complete information.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE C - PLAN CONTRIBUTIONS AND OTHER INFORMATION (CONTINUED)

The plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The Board and sponsor have opted to fund the plan with an annual contribution early in the plan year.

The normal cost and actuarial accrued liabilities are determined using an individual entry age normal cost actuarial funding method. Unfunded actuarial accrued liabilities are being amortized at a level percent of payroll over periods of 1-30 years.

The Fire District funded the pension plan totaling \$1,664,486 early in the plan year for general plan participants to meet the actuarially determined annual contribution. Employee contributions were previously not required for the plan until the employer contribution rate exceeds 28%. Employee contributions would be required for any actuarially determined contribution rate above 28%. Employee contributions began in 2014. Beginning October 1, 2019, employees began contributing 3.78% of pensionable compensation. Members entering the DROP prior to October 1, 2021 shall continue to contribute their existing employee contribution of 1.78% of pensionable wages. The District had A prepaid contribution of \$5,058 as of September 30, 2023.

NOTE D – BENEFIT PROVISIONS

Retirement Benefits

All full-time employees are eligible to participate on the date of employment. Normal retirement is provided for after 25 years of service or age 60 and 5 years of service (5 years of service required if hired after September 30, 2014). The benefit is calculated at 3% of average final salary times years of continuous service with the employer. Benefits are payable in a monthly annuity for life of the retired member with other options available. Calculations of benefits are based on the highest 5 years out of the last 10 years. The 5 years are required to be consecutive.

A deferred retirement option is available based upon satisfaction of the normal retirement options. Benefit amount is computed as a normal retirement but based on service and final salary at the time of termination. Death and disability benefits are also available through the plans.

Members with less than the required years of service are eligible for a refund of contributions upon termination.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE D – BENEFIT PROVISIONS (CONTINUED)

Disability Benefits

Duty disability benefits have no age or service requirements for eligibility. Benefit amount is calculated as a normal retirement based upon service projected to the end of the duty disability period and final average salary at the time of disability. The minimum benefit is 66 2/3% (previously 75%) of the final average salary during the duty disability period. The duty disability period ends on the earliest of the 25th anniversary of the member's hire date or the date the member attains age 60 but not prior to 5 years from the date of duty disability retirement. Non-Duty disability benefits are available after 5 or more years of service. The benefit amount is computed as a normal retirement but based upon service and final average salary at the time of disability. No benefits are payable with less than 5 years of service.

Death Benefits

Death benefit for duty-related death has no age or service requirements. The minimum duty death benefit is 75% of final average salary subject to workers' compensation offset. The non-duty death benefit is available after 5 or more years of service and is computed based upon a normal retirement payable immediately.

Deferred Retirement Option Plan

The plan offers members an option of entering the DROP. The DROP is for members who continue their employment with the Fire District past the normal retirement date and choose to freeze their accrued benefit and establish a separate account within the plan which is credited for the benefits not received plus an investment rate of return based on the calculated actuarial rate of return provided for in the most recent annual actuarial valuation less one half percent (.5%). DROP participation is limited to 72 months (previously 60 months).

The plan allows for post-retirement COLA increases dependent upon investment returns in excess of actuarial interest assumptions, not to exceed 5%. There have been no COLA increases.

NOTE E – NET PENSION LIABILITY

Principal actuarial assumptions used in the valuation of October 1, 2023, are summarized as follows:

- Mortality - Female: PubG.H-2010 (Above Median) for Employees.
- Male: PubG.H-2010 (Above Median) for Employees, set back one year.
- Investment rate of return – 7.40% per year compounded annually, net of investment related expenses.
- Salary increases – 4% - 9% until the assumed retirement age.
- Funding method –Individual Entry Age Normal actuarial cost method.
- Administrative expense (other than investment management fees) – \$82,643

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE E – NET PENSION LIABILITY (CONTINUED)

- Asset Valuation Method – the Actual Value of Assets reflects a five-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a five-year period.

The October 1, 2023 actuarial valuation determined that the actuarial experience has been more unfavorable than expected over the course of the previous year, an investment return of 4.38% which fell short of the 7.4% assumption.

The net pension liability of the Sponsor on September 30, 2023, as reported in the October 1, 2022 actuarial valuation, is as follows:

Total Pension Liability	\$ 33,091,811
Fiduciary Net Position	(20,814,469)
Net Pension Liability for Plan	<u>\$ 12,277,342</u>

Fiduciary net position as a percentage of the total pension liability.	62.90%
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There is an immaterial difference in the fiduciary net position as calculated above when compared to the financial statements net position due to various audit adjustments subsequent to year end.

NOTE F – CASH AND INVESTMENTS

The Board recognizes that the obligations of the Plan are long-term in nature and that its investment policies should be designed for the performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return defined as interest and dividend income plus realized and unrealized capital appreciation as set forth within the prudent investor rule. The policy of the Board as set forth in its Investment Policy Statement is allowable investments shall include:

1. Time deposits or savings accounts of a national bank, state bank, or savings and loan institution insured by the Federal Deposit Insurance Corporation.
2. Obligations of the United States or obligations guaranteed as to principal and interest by the Government of the United States or an agency thereof.
3. Bonds, stocks or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, of the District of Columbia that are listed on a recognized national exchange and an investment an investment quality rating within the top four ratings. The total bonds holding a rating below the three highest classifications shall not exceed 15% of the total bond portfolio based on market value.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE F – CASH AND INVESTMENTS (CONTINUED)

4. Equity investment (mutual funds, common stock, convertible bonds, convertible preferred issues and preferred stock) in a corporation listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market. Foreign issues are limited to those that settle in U.S. dollars and are traded on one or more recognized national exchanges, such as NASDAQ or the OTC.
5. Securities and Exchange Commission registered money market funds limited to issues of the United States Government and its agencies and cash equivalents.
6. Comingled equity, bond or money market funds whose investments are restricted to securities meeting the previous criteria including real estate investment trusts.
7. Real Estate Investment Trust (REIT's) that trade on a national exchange and diversified private real estate programs that offer a prudent means of liquidity.
8. Hedge funds may have a maximum lock in period of 12 months.

For a more detailed and comprehensive list of available investments, the Investment Policy Statement as approved by the Board of Trustees should be referenced. Florida statutes and trust investment policy authorize the Trustees to invest funds in various investments.

The retirement board has full and unrestricted discretionary power and authority to invest and reinvest the monies and assets of the plan within the guidelines of applicable state law. The retirement board has opted to employ investment counsel to advise in the purchasing and disposition of investments. Investments are managed by multiple money managers. The plan follows the investment guidelines as established within the ordinance. The board has established a written Investment Policy addressing limitations and latitudes by investment type and categories. Temporary investment funds held by the custodian in a money market fund are classified as short term cash equivalents within the investment account.

The Pension Trust Fund's investments are uninsured and unregistered investments for which the securities are held by the Pension Trust Fund's custodian in the Pension Trust Fund's name. The plan carried no investments that individually represented 5% or more of the Plan's net assets available for benefits as of September 30, 2023. The Plan has no instruments that are accounted for as a derivative investment under GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* during the year.

Investments not evidenced by securities that exist in physical or book-entry form include investments in mutual funds.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE F – CASH AND INVESTMENTS (CONTINUED)

Florida statutes and the plan investment policy authorize the Trustees to invest funds in various investments. The long term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation and actual allocation as of September 30, 2023 are summarized in the following table:

INVESTMENTS	Percent <u>Actual</u>	Percent <u>Target</u>	Long Term <u>Expected ROR</u>	Weighted <u>Average ROR</u>	Long Term <u>Expected Real ROR</u>	Weighted Average <u>Real ROR</u>
Large Cap	21.3%	22.0%	9.8%	2.2%	7.3%	1.6%
Mid Cap	11.3%	12.0%	10.9%	1.3%	8.3%	1.0%
Small Cap	7.8%	8.0%	8.2%	0.7%	5.7%	0.5%
Infrastructure	4.6%	4.0%	7.6%	0.3%	5.1%	0.2%
Convertible	11.4%	12.0%	8.4%	1.0%	5.9%	0.7%
International	8.4%	10.0%	5.4%	0.5%	2.9%	0.3%
Private Real Estate	11.1%	12.0%	8.5%	1.0%	5.9%	0.7%
Core Fixed Income	8.8%	7.0%	4.0%	0.3%	1.5%	0.1%
Short - Term	8.1%	7.0%	4.5%	0.3%	1.7%	0.1%
Cash	1.4%	1.0%	2.4%	0.0%	-0.1%	0.0%
Alternatives	5.9%	5.0%	4.0%	0.2%	2.3%	0.1%
Total	100%	100.0%		7.8%		5.3%

The annual money-weighted rate of return on plan investments (calculated as the internal rate of return on plan investments, net of plan investment expense) was 8.1% for the year ended September 30, 2023. The money-weighted rate of return expresses investment performance, net of plan investment expenses, as adjusted for the changing amounts actually invested on a monthly basis.

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

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.4%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.4%) or 1% higher (8.4%) than the current rate:

	1% Decrease <u>(6.4%)</u>	Current Discount <u>(7.4%)</u>	1% Increase <u>(8.4%)</u>
Plan's Net Pension Liability	16,036,527	12,277,342	9,125,116

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE F – CASH AND INVESTMENTS (CONTINUED)

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate of 7.5% was the rate used for the previous year's calculation of net pension liability.

The Fund categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Fund has the following recurring fair value measurement as of September 30, 2023:

	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
Cash Equivalents (Temporary Investment Funds)	\$ 291,200	\$ 291,200	\$ -	\$ -
Debt securities				
U.S. government securities	171,059	-	171,059	-
Federal obligations	1,105,248	-	1,105,248	-
Mortgage-backed securities	194,795	-	194,795	-
Corporate debt - domestic	2,171,746	-	2,171,746	-
Corporate debt - international	52,810	-	52,810	-
Mutual funds - domestic debt	1,774,258	-	1,774,258	-
	<u>5,469,916</u>	<u>-</u>	<u>5,469,916</u>	<u>-</u>
Equity Securities				
Corporate stocks - domestic	587,276	587,276	-	-
Mutual funds - international equities	2,628,555	2,628,555	-	-
Mutual funds - domestic equities	6,910,281	6,910,281	-	-
Warrants / Rights	-	-	-	-
	<u>10,126,112</u>	<u>10,126,112</u>	<u>-</u>	<u>-</u>
	<u>15,887,228</u>	<u>\$ 10,417,312</u>	<u>\$ 5,469,916</u>	<u>\$ -</u>
Net Asset Value				
Limited liability company - real estate investment	2,919,651			
Collective trust	1,981,917			
	<u>\$ 20,788,796</u>			

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE F – CASH AND INVESTMENTS (CONTINUED)

The composition of fixed income investments as of September 30, 2023, along with the credit quality and remaining duration in years, is summarized as follows:

Security Description	Years to Maturity					S&P Rating
	<1	1-5	5-10	10-20	>20	
Corporate bonds & notes	\$ -	\$ 1,073,755	\$ 297,578	\$ 41,856	\$ -	BBB-AAA
U.S. Govt. & Federal obligations	-	89,416	82,761	449,771	-	AAA
Mortgage-backed securities	119,014	182,540	550,439	-	-	AAA
Convertible securities	60,883	747,645	-	-	-	NR - A+
	<u>\$ 179,897</u>	<u>\$ 2,093,356</u>	<u>\$ 930,778</u>	<u>\$ 491,627</u>	<u>\$ -</u>	

Fixed income securities have inherent financial risks, including credit risk and interest rate risk. Credit risk for fixed income securities is the risk that the issuer will not fulfill its obligations. Nationally recognized statistical rating organizations (“NSROs”), such as Moody’s and Standard and Poor’s, assign credit ratings to security issuers and issues that indicate a measure of potential credit risk to investors. Fixed income securities considered investment grade are those rated at least Baa by Moody’s and BBB by Standard and Poor’s. The mutual fund had an effective duration of 3.3 years and effective maturity of 4.2 years as of September 30, 2023.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of fixed income securities. Effective duration, a commonly used measure of interest rate risk, incorporates a security’s yield, coupon, final maturity, call features and other imbedded options into

one number expressed in years that indicates how price-sensitive a security or portfolio of securities is to changes in interest rates. The effective duration of a security or portfolio indicates the approximate percentage change in fair value expected for a one percent change in interest rates. The longer the duration, the more sensitive the security or portfolio is to changes in interest rates.

Concentration of credit risk is an increased risk of loss occurs as more investments are acquired from one issuer (i.e. lack of diversification). Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, an entity may be unable to recover deposits, or collateral securities, that are in the possession of an outside party. The Plan requires all securities to be held by a third party custodian in the name of the Plan. The investments in mutual funds are considered unclassified pursuant to the custodial risk categories of GASB Statement No. 3, because they are not evidenced by securities that exist in physical or book-entry form. No investments (other than U.S. Government and Federal Agency obligations) individually represent 5% or more of the plans net assets available for benefits listed at fair value at September 30, 2023.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE F – CASH AND INVESTMENTS (CONTINUED)

Foreign currency risk is the exposure that the plan is subject to in regards to the ownership of international mutual funds or investment securities. The mutual funds are traded in U.S. dollars but the underlying investments are of multiple foreign currencies. Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized or unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

NOTE G – DESIGNATIONS

A portion of the fiduciary's net position is designated for benefits that accrue in relation to the DROP account as further described in Note D. Allocations to the DROP fiduciary account for the year ended September 30, 2023 are presented below:

Assets at Beginning of Year	\$ 2,207,730
Allocable Contributions	89,162
Retirement Benefit Payments	(82,433)
Interest	166,283
Total Designated Plan Net Position	<u>2,380,742</u>
Undesignated Plan Net Position	18,432,917
Total Plan Net Position	<u><u>\$ 20,813,659</u></u>

NOTE H – RISKS AND UNCERTAINTIES

The plan invests in various investment securities. Investment securities are exposed to various risks such as interest rates, 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 the investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of fiduciary net position. The plan, through its investment advisor, monitors the fund's investments and the risks associated with those investments on a regular basis which the fiduciary believes minimizes these risks to current market conditions.

NOTE I – PLAN TERMINATION

Although it has not expressed an intention to do so, the District may terminate the Plan at any time by written ordinance. In the event that the Plan is terminated or contributions to the Plan are permanently discontinued, the benefits of the participants in the Plan at such termination date would be nonforfeitable.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE J – PLAN CHANGES

2023

- There were no changes in benefits, methods or assumptions since the prior valuation.

2022

Plan Changes

- There were no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

- Amortization method – The Unfunded Actuarial Accrued Liability (UAAL) has been consolidated with this valuation of the plan. All future changes to the UAAL will be amortized as a level dollar over 15 years.
- Investment return – Is lowered from 7.50% to 7.40% (net of investment-related expenses).
- Salary Increases – Have been modestly increased for the first ten years of Credited Service.
- Retirement Rates – Have been slightly increased for those retiring with less than 25 years of Credited Service.
- Withdrawal Rate – Have been modified to reflect experience since the prior experience study.

2021

Plan Changes

- The DROP changed from five to six years. Members currently in the DROP can make a one-time election to move into the six-year DROP which had to be done by March 31, 2022. The six-year DROP has a different interest for those members who enter the six-year DROP.
- Line-of-Duty disability benefits were adjusted for maximum of 66 2/3%

2020

Plan Changes

- Pursuant to Resolution 707-20, effective October 1, 2021, a change in the definition of 100% Vesting decreasing from 10 to 5 years.
- Details regarding the above change are set forth in our September 16, 2022 Actuarial Impact Statement.

Actuarial Assumption/Method Changes

- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2021 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE J – PLAN CHANGES (CONTINUED)

- The investment return assumption is lowered from 8.00% to 7.75% in conjunction with this valuation.
- There have been no method changes since the prior valuation.

2019

- There were no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

- Effective October 1, 2021, the valuation of the Plan incorporates a quarter-year interest load (using the current 8% valuation assumption for investment return) for determination of the Total and District funding requirements to reflect the District's lump sum funding approach.
- Effective October 1, 2022, the payroll growth assumption was lowered from 2.83% to 2.31%, in compliance with Chapter 112, Florida Statutes.

2018

- There were no changes in benefits, methods or assumptions since the prior valuation.

2017

- There were no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

- Since the prior valuation, the mortality table has changed to comply with Chapter 2015-157, Laws of Florida to be the same rates as used in the July 1, 2021 Florida Retirement System (FRS) valuation for other than special risk lives. Previously, the July 1, 2015 FRS rates for other than special risk lives were used.

2016

Plan Changes

- Given the District's communication that a lump sum payment at the beginning of each fiscal year is not feasible, this valuation of the Plan incorporates a half-year interest load (using the current 8% valuation assumption for investment return) for determination of the Total and District funding requirements. Therefore, it is assumed the District will deposit its contribution requirement equally throughout the year, starting with the fiscal year beginning October 1, 2022.
- Pursuant to Resolution 622-16, Effective October 1, 2021, a change in the definition of Member Contributions from 2.00% of Base Pay to 1.78% of Pensionable Wages.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE J – PLAN CHANGES (CONTINUED)

- Contributions collected from DROP participants will continue to offset the Plan's future Unfunded Actuarial Accrued Liability.

Actuarial Assumption/Method Changes

- Normal Retirement rates
- Salary increases
- Mortality (as mandated by Chapter 2015-157, Laws of Florida)
- Turnover rates
- Bases established prior to October 1, 2021 – amortized with a payroll growth assumption that will not exceed 2.83%.
- Experience gains and losses established on and after October 1, 2021 – 10 years, level dollar
- Method and assumption changes established on and after October 1, 2021 – 20 years, level dollar
- Benefit changes established on and after October 1, 2021 – 30 years, level dollar.

2015

- There were no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

- Mortality rates are based on the RP2000 Combined Healthy Table, projected to 2015 with Schedule AA. The prior valuation projected rates to 2014.

2014

Plan Changes

- Effective October 1, 2014, compensation is limited to 300 hours of overtime pay per year. Unused sick and vacation time as of September 30, 2014 that is not used prior to retirement may be included in pensionable compensation, but hours after September 30, 2014 are excluded.
- The definition of vesting was modified to be 100% after 5 years of Credited Service for Members hired prior to October 1, 2014. For Members hired on or after October 1, 2014, 100% after 10 years of Credited Service.
- Effective October 1, 2014, Member's will contribute 2.00% of Base Pay. These contributions will also apply to Members participating in DROP.
- A Member shall not participate in the DROP beyond the time of attaining 32 years of service.
- The options for interest crediting on the DROP accounts was modified.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE J – PLAN CHANGES (CONTINUED)

Plan assumptions (10-1-2014 valuation date actuarial study used for fiscal year ended 9-30-14):

- Earnings rate: 8% compounded annually
- Mortality Table in use; RP 2000 Combined Healthy (Sex Distinct); Projection Scale AA to valuation date.
- Salary Increases – 4.6% - 8.7% until the assumed retirement age. (Averaging 5.8%)
- Funding method – Individual Entry Age Normal actuarial cost method.
- Inflation rate – 3.2% per year, compounded annually.
- Asset Valuation Method – actuarial value equal to market value initially, thereafter a 5 year smoothing method.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

ACTUARIALLY DETERMINED CONTRIBUTIONS

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTIONS IN RELATION TO ACTUARIALLY DETERMINED CONTRIBUTIONS	CONTRIBUTION (EXCESS) DEFICIENCY	COVERED PAYROLL	CONTRIBUTION AS A % OF COVERED PAYROLL
2014	702,300	702,300	-	3,103,328	23%
2015	735,269	744,779	(9,510)	3,406,109	22%
2016	776,518	767,008	9,510	3,487,284	22%
2017	901,184	901,184	-	3,505,587	26%
2018	1,142,444	1,142,444	-	3,924,067	29%
2019	1,173,176	1,212,067	(38,891)	4,249,746	29%
2020	1,233,587	1,233,587	-	4,273,654	29%
2021	1,347,014	1,308,123	38,891	4,419,132	30%
2022	1,566,332	1,571,390	(5,058)	4,739,031	33%
2023	1,664,486	1,664,486	-	5,298,280	31%

Notes to Schedule:

Valuation Date: 10-1-21

Methods and assumptions used to determine contribution rates can be found in the October 1, 2021 Actuarial Calculation for the Retirement System for General Employees of the St. Lucie County Fire District prepared by Foster & Foster Actuaries and Consultants.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSES**

<u>FYE</u>	<u>%</u>
9/30/2014	8.7%
9/30/2015	-2.8%
9/30/2016	8.6%
9/30/2017	9.6%
9/30/2018	6.6%
9/30/2019	3.9%
9/30/2020	8.3%
9/30/2021	21.7%
9/30/2022	-13.3%
9/30/2023	8.1%

GASB 67 was implemented in the FYE 9/30/14.

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service Cost	\$ 790,252	\$ 732,901	\$ 656,999	\$ 568,397	\$ 581,841	\$ 555,937	\$ 534,619	\$ 465,817	\$ 401,536	\$ 427,957
Interest	2,284,285	2,144,225	2,028,170	1,892,852	1,772,916	1,699,376	1,552,067	1,371,489	1,311,410	1,228,609
Changes of benefits	-	-	(21,870)	43,493	2,711	-	-	380	-	-
Difference between expected & actual experience	560,163	88,794	96,859	181,562	167,506	(334,676)	651,945	497,174	(191,787)	-
Changes of assumptions	-	473,627	735,431	909,118	-	-	-	765,434	-	-
Contributions- Buy Back	-	-	-	-	-	-	52,088	-	-	131,524
Benefit Payments (Including refunds on termination)	(1,242,712)	(1,192,982)	(1,154,275)	(1,064,472)	(1,041,745)	(1,018,266)	(923,078)	(899,921)	(769,746)	(683,561)
Net Change in Total Pension Liability	2,391,988	2,246,565	2,341,314	2,530,950	1,483,229	902,371	1,867,641	2,200,373	751,413	1,104,529
Total Pension Liability -Beginning	30,699,823	28,453,258	26,111,944	23,580,994	22,097,765	21,195,394	19,327,753	17,127,380	16,375,967	15,271,438
Total Pension Liability -Ending (a)	\$ 33,091,811	\$ 30,699,823	\$ 28,453,258	\$ 26,111,944	\$ 23,580,994	\$ 22,097,765	\$ 21,195,394	\$ 19,327,753	\$ 17,127,380	\$ 16,375,967
Plan Fiduciary Net Position										
Contributions -Employer	\$ 1,664,486	\$ 1,571,390	\$ 1,308,123	\$ 1,233,587	\$ 1,212,067	\$ 1,142,444	\$ 901,184	\$ 767,008	\$ 744,779	\$ 702,300
Contributions -Employee	199,160	176,839	165,112	157,199	117,323	69,045	68,024	69,743	62,017	-
Contributions -Buy Back	-	-	-	-	-	-	52,088	-	-	131,524
Net Investment Income	1,569,384	(2,905,710)	3,807,478	1,326,456	590,655	935,615	1,214,052	1,005,074	(339,049)	977,459
Benefit Payments (Including refunds on termination)	(1,242,712)	(1,192,982)	(1,154,275)	(1,064,472)	(1,041,745)	(1,018,266)	(923,078)	(899,921)	(769,746)	(683,561)
Administrative Expense	(85,350)	(79,936)	(65,503)	(60,440)	(73,549)	(61,766)	(67,279)	(52,045)	(59,018)	(51,972)
Net Change in Plan Fiduciary Net Position	2,104,968	(2,430,399)	4,060,935	1,592,330	804,751	1,067,072	1,244,991	889,859	(361,017)	1,075,750
Plan Fiduciary Net Position -Beginning	18,709,501	21,139,900	17,078,965	15,486,635	14,681,884	13,614,812	12,369,821	11,479,962	11,840,979	10,765,229
Plan Fiduciary Net Position -Ending (b)	\$ 20,814,469	\$ 18,709,501	\$ 21,139,900	\$ 17,078,965	\$ 15,486,635	\$ 14,681,884	\$ 13,614,812	\$ 12,369,821	\$ 11,479,962	\$ 11,840,979
Net Pension Liability -Ending (a) -(b)	\$ 12,277,342	\$ 11,990,322	\$ 7,313,358	\$ 9,032,979	\$ 8,094,359	\$ 7,415,881	\$ 7,580,582	\$ 6,957,932	\$ 5,647,418	\$ 4,534,988
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.90%	60.94%	74.30%	65.41%	65.67%	66.44%	64.23%	64.00%	67.03%	72.31%
Covered Employee Payroll	\$ 5,298,280	\$ 4,739,031	\$ 4,419,132	\$ 4,273,654	\$ 4,249,746	\$ 3,924,067	\$ 3,505,587	\$ 3,487,284	\$ 3,406,109	\$ 3,103,328
Net Pension Liability as a Percentage Of Covered Employee Payroll	231.72%	253.01%	165.49%	211.36%	190.47%	188.98%	216.24%	199.52%	165.80%	146.13%

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Notes to Schedule:

Valuation Date: October 1, 2022
Measurement Date: September 30, 2023
Reporting Period Ending: September 30, 2024

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method Entry Age Normal
Inflation: 2.5%
Salary Increases: 4.0% to 9.0% based on the Experience Study of July 15, 2022.
Investment Rate of Return: 7.4%
Retirement Age: Experience-based table of rates that are based on the Experience Study of July 15, 2022.
Mortality: The PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted
Female: PubG:H – 2010 (Above Median) for Employees.
Male: PubG:H – 2010 (Above Median) for Employees, ret back one year.
These rates are based on Chapter 2015-157, Laws of Florida used in the Florida Retirement System Valuation Report of July 1, 2021 for non-special-risk employees, with appropriate adjustments for plan demographics.

GASB 67 was implemented in FYE 09/30/14.
Source: Foster & Foster Actuaries & Consultants, GASB No. 67 & No. 68 report dated February 13, 2024

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET PENSION LIABILITY OF THE SPONSOR**

<u>Actuarial Valuation Date</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Sponsor Net Pension Liability</u>	<u>Fiduciary Net Position as % of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as % of Covered Payroll</u>
2014	\$ 16,375,967	\$ 11,840,979	\$ 4,534,988	72.31%	\$ 3,103,328	146.13%
2015	17,127,380	11,479,962	5,647,418	67.03%	3,406,109	165.80%
2016	19,327,753	12,369,821	6,957,932	64.00%	3,487,284	199.52%
2017	21,195,394	13,614,812	7,580,582	64.23%	3,505,587	216.24%
2018	22,097,765	14,681,884	7,415,881	66.44%	3,924,067	188.98%
2019	23,580,994	15,486,635	8,094,359	65.67%	4,249,746	190.47%
2020	26,111,944	17,078,965	9,032,979	65.41%	4,273,654	211.36%
2021	28,453,258	21,139,900	7,313,358	74.30%	4,419,132	165.49%
2022	30,699,823	18,709,501	11,990,322	60.94%	4,739,031	253.01%
2023	33,091,811	20,814,469	12,277,342	62.90%	5,298,280	231.72%

GASB 67 was implemented in the FYE 9/30/14.

Source: Foster & Foster Actuaries and Consultants

**RETIREMENT SYSTEM FOR GENERAL EMPLOYEES
OF THE ST. LUCIE COUNTY FIRE DISTRICT**
SCHEDULE OF INVESTMENT AND ADMINISTRATIVE EXPENSES
For the year ended September 30, 2023

	<u>Investment Expenses</u>	<u>Administrative Expenses</u>
Actuary fees	\$ -	\$ 18,505
Accounting fees	-	7,900
Administrative services	-	31,348
Custodial fees	6,137	-
Fiduciary & Cyber liability insurance	-	4,525
Investment management fees	57,595	-
Investment monitor	27,150	-
Partnership expense	18,080	-
Legal fees	-	7,950
Miscellaneous expenses	-	953
Seminars and travel	-	13,982
	<hr/>	<hr/>
Total investment and administrative expenses	<u>\$ 108,962</u>	<u>\$ 85,351</u>
 Percentage of Fiduciary Net Position	 0.52%	 0.41%

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS

To the Board of Trustees
The Retirement System for General Employees of the St. Lucie County Fire District
Port St. Lucie, FL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Retirement System for General Employees of the St. Lucie County Fire District, as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated May 30, 2024 .

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 Plan's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 and contracts, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
May 30, 2024