

CITY OF ST. AUGUSTINE
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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Independent Auditor's Report

**Board of Trustees
City of St. Augustine Municipal Firefighters'
Pension Trust Fund
St. Augustine, Florida**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the City of St. Augustine, Florida Municipal Firefighters' Pension Trust Fund (the "Plan") (a fiduciary component unit of the City of St. Augustine, Florida) as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

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, 2025 and 2024, and the respective change in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Municipal Firefighters' Pension Trust Fund and do not purport to, and do not present fairly, the financial position of the City of St. Augustine, as of September 30, 2025 and 2024, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the City's net pension liability (asset), schedule of ratios, schedule of contributions and schedule of pension investment returns on pages 20 through 25 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

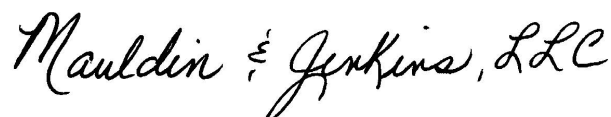
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plan's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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 supplementary 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 January 9, 2026, 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.



Bradenton, Florida
January 9, 2026

City of St. Augustine

Municipal Firefighters' Pension Trust Fund

STATEMENTS OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Receivables		
Interest and dividends	\$ 18,358	\$ 29,602
Contributions receivable	33,971	45,551
Total receivables	52,329	75,153
Investments:		
U.S. government securities and agencies	1,826,548	2,647,004
Corporate bonds and notes	803,040	1,563,813
Domestic fixed income investment fund	2,799,416	-
International fixed income investment fund	878,704	818,808
International equity investment fund	2,119,416	1,839,731
Domestic equity investment funds	14,140,021	12,652,144
Temporary investments	452,101	522,806
Total investments	23,019,246	20,044,306
Total assets	23,071,575	20,119,459
LIABILITIES		
Accounts payable	13,979	14,712
Due to broker	10,300	-
Total liabilities	24,279	14,712
NET POSITION		
Net position, restricted for pension benefits	\$ 23,047,296	\$ 20,104,747

See accompanying notes to financial statements.

City of St. Augustine

Municipal Firefighters' Pension Trust Fund

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Additions		
Contributions		
Employer	\$ 500,755	\$ 474,721
Plan participants	141,782	133,743
Total contributions	642,537	608,464
Intergovernmental revenue		
State excise tax rebate	314,187	292,566
Investment income		
Net appreciation in fair value of investments	1,858,341	3,510,098
Interest	121,076	151,782
Dividends	902,251	549,943
Total investment income	2,881,668	4,211,823
Less investment expenses	34,579	37,006
Net investment income	2,847,089	4,174,817
Total additions, net	3,803,813	5,075,847
Deductions		
Benefits		
Age and service	803,072	671,064
Administrative expenses	58,192	27,993
Total deductions	861,264	699,057
Increase in net position	2,942,549	4,376,790
Net position restricted for pension benefits		
Beginning of year	20,104,747	15,727,957
End of year	\$ 23,047,296	\$ 20,104,747

See accompanying notes to financial statements.

Notes To Financial Statements

NOTE 1. PLAN DESCRIPTION

The following brief description of the City of St. Augustine Municipal Firefighters' Pension Trust Fund (the "Plan") is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

General

The Plan was created in 1987 under City Ordinance 87-60 amending Section 20, Article V of the Code of the City of St. Augustine, Florida. The Plan was substantively amended in 1993, 1995, 2000, 2001, 2005, 2008, 2017, 2019 and 2025.

The Plan is a defined benefit pension plan covering all full-time firefighters and volunteers carried in the active membership rolls of the Fire Department of the City of St. Augustine, Florida (the "City"). Participation in the Plan is required as a condition of employment. The Plan provides for pension, death and disability benefits. In addition, the Plan is a local law plan subject to provisions of Chapter 175 of the State of Florida Statutes.

The Plan, in accordance with the above statutes, is governed by a five-member pension board. Two firefighters, two City residents and a fifth member elected by the other four members constitute the pension Board. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City of St. Augustine establishes the Plan's benefit levels and the Board of Trustees approves the actuarial assumptions used in the determination of contribution levels.

During the fiscal year ended September 30, 2025 the Plan's membership consisted of:

Retirees and beneficiaries	
Currently receiving benefits	24
DROP retirees	3
Terminated employees entitled to but not yet receiving benefits	7
Total	<u>34</u>
Current employees	
Vested	15
Nonvested	19
Total	<u>34</u>

Pension Benefits

The pension plan provides retirement, death and disability benefits for its participants. A participant may retire with normal benefits after reaching age 55 and accumulating ten or more years of credited service or upon the completion of 25 years of credited service regardless of age. Normal retirement benefits will be calculated at 3.00% of the participant's average final compensation for each year of credited service completed for participants who are employed on or after January 1, 2008. The final average salary for purposes of calculating benefits is the greater of the participant's average salary during the highest five years of a participant's credited service or the participant's career average as a full-time firefighter, whichever is greater.

NOTE 1. PLAN DESCRIPTION (CONTINUED)

Pension Benefits (Continued)

A participant with ten or more years of credited service is eligible for deferred retirement. These benefits begin upon application on or after reaching age 50 and are computed the same as normal retirement, based upon the participant's final average salary and credited service at the date of termination. Benefits are reduced 3% per year for each year by which the participant's age at retirement preceded the participant's normal retirement age.

Participants who do not participate in the DROP may elect a percentage of benefit in a lump sum as follows:

- A. 10% as a lump sum and 90% paid under one of the optional forms.
- B. 15% as a lump sum and 85% paid under one of the optional forms.
- C. 20% as a lump sum and 80% paid under one of the optional forms.
- D. 25% as a lump sum and 75% paid under one of the optional forms.

Cost of Living Adjustments

A 3.0% post-retirement cost of living adjustment is provided for normal and disability retirees effective October 1, 2001 and on each subsequent October 1. This adjustment will be received only if it does not require the City funding above 2.5% of salaries. In addition, this adjustment shall not exceed either 3.0% or the average cost of living index as determined by the Bureau of Labor Statistics.

Disability Benefits

Disability benefits for service-related disabilities are paid to a participant for life, 120 payments guaranteed or recovery. Benefits are calculated at 2.5% plus 0.5% if under and until age 65 of the participant's average final compensation multiplied by the total years of credited service but will not be less than 42% of the participant's average final compensation.

Disability benefits for non-service-related disabilities are calculated at 2.5% plus 0.5% if under and until age 65 of the participant's average final compensation multiplied by his total years of credited service. Benefits are calculated at the accrued normal retirement amount if the disability occurs after normal retirement eligibility. If the disability occurs before normal retirement eligibility and the participant has not completed ten or more years of credited service, the disability benefit is not available.

Death Benefits

Participants with five years of credited service or who die in the line of duty shall receive a monthly benefit which is the actuarial equivalent of the monthly amount that would have been payable under normal retirement. If the deceased participant was under the age of 60 on the date of his death, his credited service shall be increased to include the period between the date of death and the date he would have attained age 60.

The beneficiary of a participant with less than five years of service and who dies but not in the line of duty shall receive a refund of the participant's accumulated contributions plus 3% interest.

Refund of Participant Contributions

A participant who terminates employment and is ineligible for pension benefits is refunded his or her contributions plus 3% interest.

NOTE 1. PLAN DESCRIPTION (CONTINUED)

Deferred Retirement Option Plan

Effective on January 1, 2005, any Plan participant who is eligible to receive an early or normal retirement pension may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a firefighter. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the participant as a result of retirement are accumulated and invested in the DROP to be distributed to the participant upon his or her termination of employment. A member who elects to participate in the DROP shall not be eligible for disability or preretirement death benefits under the pension plan. Participation in the DROP ceases for a Plan participant after 60 months.

For the years ended September 30, 2025 and 2024, the DROP balances for these participants totaled \$358,491 and \$219,035, respectively.

Chapter 175 Share Accounts

The City established an additional plan component to provide special benefits in the form of a supplemental retirement, termination, death and disability benefit to be in addition to the other benefits provided for the in the Plan. These benefits are entirely and solely funded by Chapter 175 premium revenues. Amounts allocated to this supplemental component ("Share Plan") are allocated to the members and DROP participants in the manner described within Section 20 of the City Ordinances.

Effective September 30, 2019, the City approved an ordinance creating a supplemental retirement benefit consist of an individual share account for each active firefighter, including DROP participants, employed by the City of St. Augustine on or after the effective date. The initial amount allocated to the members' share accounts was \$131,748. Beginning with the fiscal year ended September 30, 2020, all premium tax revenues received each year in excess of \$162,413 shall be credited to the members' share account and the other half shall be used to reduce the City's required contributions to the Plan. Beginning with the fiscal year ended September 30, 2025, all premium tax revenues received each year in excess of \$162,413 shall be split 60/40, with 60% of the excess allocated to the members' share accounts and the other 40% used to reduce the City's annual required contributions to the Plan.

Members' share accounts are credited with premium tax revenues and investment earnings or losses and distributed in accordance with Plan provisions.

If a member or DROP participant terminates employment for any reason or dies and he/she or their beneficiary is otherwise entitled to receive the balance in the member's share account, the member's share account shall be valued by the Plan's actuary on the next valuation date following death or termination of employment. Payment of the share account balance shall be made as soon as administratively practicable following the valuation date, but not later than 180 days following the valuation date.

For the years ended September 30, 2025 and 2024, the actuarial valuation report included share fund balances totaling \$538,652 and \$400,278, respectively.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Basis of accounting is the method by which revenues and expenses are recognized in the accounts and are reported in the financial statements. The accrual basis of accounting is used for the Plan. Under the accrual basis of accounting, revenues are recognized when they are earned and collection is reasonably assured, and expenses are recognized when the liability is incurred. Plan member contributions are recognized in the period in which the contributions are due. City contributions to the Plan as calculated by the Plan's actuary, are recognized as revenue when due and the City 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.

Reporting Entity

The financial statements presented are only for the Plan and are not intended to present the basic financial statements of the City of St. Augustine, Florida. The Plan is included as a fiduciary component unit in the City's Annual Comprehensive Financial Report (ACFR) for the years ended September 30, 2025 and 2024, which are separately issued documents. Anyone wishing further information about the City is referred to the City's ACFR.

Financial Statement Presentation

The accompanying financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statement 67, *Financial Reporting for Defined Benefit Pension Plans and the Codification of Governmental Accounting and Financial Reporting Standards*, which covers the reporting requirements for defined benefit pensions established by a governmental employer. 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 City's Pension Ordinance and the amendments thereto.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Administrative Expenses

All administrative costs of the Plan are financed through investment earnings. The Plan has no undue investment concentrations.

Method Used to Value Investments

Investments in common stock and bonds traded on a national securities exchange are valued at the last reported sales price on the last business day of the year; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the past reported bid and asked prices; investments in securities not having an established market value are valued at fair value as determined by the Board of Trustees. The fair value of an investment is the amount that the Plan could reasonably expect to receive for it in a current sale between market participants, other than in a forced or liquidation sale. Purchases and sales of investments are recorded on a trade date basis.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Method Used to Value Investments (Continued)

During the fiscal year ended September 30, 2025, the Plan's investments included an international equity investment fund, a domestic equity investment fund, a domestic fixed income investment fund and an international fixed income investment fund. Each share of the fund represents a partial ownership in an underlying portfolio of securities.

Shares of these funds trade on exchanges at prices at above or below their most recent net asset value (NAV). The NAV is based on the value of the underlying assets owned by the fund minus its liabilities and then divided by the number of shares or percentage of ownership outstanding.

Investment income is recognized on the accrual basis as earned. Unrealized appreciation in fair value of investments includes the difference between cost and fair value of investments held. The net realized and unrealized investment appreciation or depreciation for the year is reflected in the statement of changes in Plan net assets.

Custody of Assets

Custodial and investment services are provided to the Plan under contract with a national trust company having trust powers. The Plan's investment policies are governed by Florida State Statutes and ordinances of the City of St. Augustine, Florida.

Asset Allocation

In order to provide for a diversified portfolio, the Board has engaged investment professional(s) to manage and administer the fund. The investment manager(s) are responsible for the assets and allocation of their mandate only and may be provided an addendum to this policy with their specific performance objectives and investment criteria. The Board has established the following asset allocation targets for the total fund:

Asset Class	Target	Range	Benchmark Index
Domestic equity	50%	40% - 60%	Russell 3000
International equity	10%	5% - 25%	MSCI ACW ex. U.S. 50% Bloomberg Int.
Domestic fixed income	30%	20% - 40%	Agg / 50% Bloomberg U.S. Agg
Global fixed income	5%	0% - 10%	Strategy Index**
GTAA	5%	0% - 10%	Strategy Index**

**Portfolio Benchmark Index component will reflect the appropriate measure index to correspond to the assets class that is funded within the Plan.

The investment consultant will monitor the aggregate asset allocation of the portfolio and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, contributions and withdrawals from the portfolio will be executed proportionally based on the most current market values available. The Board does not intend to exercise short-term changes to the target allocations.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rate of Return

For the years ended September 30, 2025 and 2024, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 14.26% and 26.58%, respectively.

Authorized Plan Investments

The Board recognizes that the obligations of the Plan are long-term and that its investment policy should be made with a view toward 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 gains or losses commensurate with the prudent investor rule and Chapter 175 of the Florida Statutes.

Permissible investments include obligations of the U.S. Treasury and U.S. agencies, high capitalization common or preferred stocks, pooled equity funds, high quality bonds or notes and fixed income funds. In addition, the Board requires that Plan assets be invested with no more than 70% in stocks and convertible securities measured at cost at the end of each reporting period. During 2023, the investment policy was updated to comply with applicable requirements of Chapter 203-28, Laws of Florida, including Section 112.662, along with the regulations adopted by the Department of Management Services. Further information regarding the permissible investments from the Plan can be found in the Plan's Investment Policy Goals and Guidelines.

Actuarial Cost Method

The Plan has elected the Frozen Entry Age method for funding purposes. This method allocates the actuarial present value of each participant's projected benefit on a systematic basis over the participant's earnings from the date of entry into the Plan through the date of retirement.

Funding Policy

Effective with the beginning of the first full payroll period following September 22, 2008 participant contributions will be 5%. Previously participants contributed 4.00% of their annual earnings to the Plan. Prior to October 1, 1993, contributions to the Plan were made on an after-tax basis. Subsequent to this date, contributions are made on a pre-tax basis pursuant to an amendment to the Plan. These contributions are designated as employer contributions under Section 414(h)(2) of the Internal Revenue Code. Contribution requirements of the Plan's participants are established and may be amended by the City of St. Augustine, Florida.

A rehired member returning to work within 90 days from termination may buy back past service by paying into the Plan the amount of contributions that the participant would otherwise have paid for such continuous past service, plus the interest that would have been earned had such funds been invested by the Plan during that time.

A rehired member returning to work more than 90 days from termination may buy back past service by paying into the Plan the actuarially calculated amount of contributions that the participant would otherwise have paid for such continuous past service.

The City's funding policy is to make actuarially computed monthly contributions to the Plan in amounts, such that when combined with participants' contributions and the state insurance excise tax rebate, all participants' benefits will be fully provided for by the time that they retire.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Taxes

A favorable determination letter indicating that the Plan is qualified and exempt from federal income taxes has not been requested from the Internal Revenue Service. The Board believes that the Plan is designed and continues to operate in compliance with the applicable requirements of the Internal Revenue Code.

Risk and Uncertainties

The Plan invests in a variety of security investments. Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Derivatives

The Plan has no instrument that, in whole or in part, is accounted for as a derivative instrument.

Subsequent Event

Management has considered subsequent events through January 9, 2026 which is the date that the financial statements were available to be issued, no events have occurred that require disclosure in or adjustments to the financial statements.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

Fifth Third Bank periodically holds uninvested cash in its respective capacity as custodian for the Plan. These funds exist temporarily as cash in the process of collection from the sale of securities.

Investments

Investments that are not evidenced by securities that exist in physical or book-entry form include investments in open-ended pooled investment (mutual) funds.

The Plan's investments are segregated into separate accounts and are managed under an investment agreement with Fifth Third Bank. This account gives Fifth Third the custodianship but gives Agincourt Capital Management, LLC the authority to manage the investments. Investment management and custodial fees are calculated quarterly as a percentage of the fair market value of the Plan's assets managed.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

The Plan's investment in the following investment funds represent more than 5% of Plan assets as of September 30, 2025:

Investment Fund	Fair Value September 30, 2025
Alger Capital Appreciation Portfolio	\$ 3,193,525
Dodge and Cox Income FD	2,799,146
Eaton Vance Atlanta Capital SMID	1,245,441
Vanguard Total Stock Market Index	6,417,718
Vanguard Equity Income FD-AD	2,315,678
Total	<u>\$ 15,971,508</u>

Each share of the Fund represents a partial ownership in an underlying portfolio of securities. Shares of these funds can be bought and redeemed from the issuing fund by all shareholders at a price based on NAV.

The Plan's investments are uninsured and unregistered and are held in the custodian's or the Bank's accounts in the Plan's name.

The Plan held the following fixed income investments as of September 30, 2025 and 2024:

				September 30, 2025
				Average
	Fair Value	Fair Value	September 30, 2025	Effective
Investment Type	September 30, 2025	September 30, 2024	S&P Rating	Duration (Years)
U.S. government securities and agencies	\$ 1,826,548	\$ 2,647,004	AAA - NR	4.52
Corporate bonds	803,040	1,563,813	AAA - BBB+	4.14
Domestic fixed income investment fund	2,799,416	-	NR	6.13
International fixed income investment fund	878,704	818,808	A - BBB+	3.84
Temporary investment funds	452,101	522,806	NR	Daily
Total	\$ 6,759,809	\$ 5,552,431		

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. Through its investment policies the Plan manages its exposure to fair value losses arising from increasing interest rates. The Plan limits the effective duration of its investment portfolio through the adoption of the Merrill Lynch government/corporate bond index benchmark. It is expected that the average duration of the total fixed income portfolio will not exceed 150% of the duration of the index.

Credit Risk

Credit risk is the risk that a debt issuer will not fulfill its obligations. Consistent with state law the Plan's investment guidelines limit its fixed income investments to a quality rating of "a" or equivalent as rated by Moody's or by Standard & Poor's board rating services at the time of purchase. Fixed income investments which are downgraded below the minimum rating must be liquidated at the earliest beneficial opportunity.

Custodial Credit Risk

Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another party in the event of a financial failure. The Plan requires all securities to be held by a third-party custodian in the name of the Plan. The Plan does not believe that it has custodial credit risk exposure as all of its securities are insured, registered and held by an outside custodian.

Investment in Foreign Markets

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.

Foreign Tax Withholdings and Reclaims

Withholding taxes on dividends from foreign securities are provided for based on rates established via treaty between the United States of America and the applicable foreign jurisdiction, or where no treaty exists at the prevailing rate established by the foreign country. Foreign tax withholdings are reflected as a reduction of dividend income in the statement of changes in fiduciary net position. Where treaties allow for a reclaim of taxes, the Plan will make a formal application for refund. Such reclaims are included as an addition to dividend income.

NOTE 4. NET INCREASE (DECREASE) IN REALIZED AND UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS

The Plan's investments appreciated (depreciated) in value during the fiscal years ended September 30, 2025 and 2024 as follows:

	2025	2024
Unrealized appreciation	\$ 1,619,812	\$ 3,554,449
Realized gain (loss), net	238,529	(44,351)
Net appreciation in fair value of investments	<u>\$ 1,858,341</u>	<u>\$ 3,510,098</u>

The calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) in the fair value of Plan investments.

Unrealized gains and losses on investments sold in 2025 that had been held for more than one year were included in net appreciation (depreciation) reported in the prior year.

NOTE 5. INVESTMENTS

Investments at fair value as of September 30, 2025 and 2024 are summarized as follows:

Investments	2025 Market Value	2024 Market Value
U.S. government securities and agencies	\$ 1,826,548	\$ 2,647,004
Corporate bonds	803,040	1,563,813
Domestic fixed income investment fund	2,799,416	-
International fixed income investment fund	878,704	818,808
International equity investment funds	2,119,416	1,839,731
Domestic equity investment fund	14,140,021	12,652,144
Temporary investments	<u>452,101</u>	<u>522,806</u>
Total	<u>\$ 23,019,246</u>	<u>\$ 20,044,306</u>

NOTE 6. PLAN AMENDMENTS

Ordinance 2025-02, adopted June 9, 2025, states that for plan years beginning October 1, 2024 and after, all premium tax revenues received each year in excess of \$162,413 shall be split 60/40, with 60% of the excess allocated to the members' share accounts and the other 40% used to reduce the City's annual required contributions to the Plan.

No Plan provisions were modified during the fiscal year ended September 30, 2024.

NOTE 7. INVESTMENT MEASUREMENT AT FAIR VALUE

Fair Value Hierarchy

The accounting standards break down the fair value hierarchy into three levels based on how observable the inputs are that make up the valuation. The most observable inputs are classified as Level 1 where the unobservable inputs are classified as Level 3.

Level 1 – inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

As a general rule, any asset that has a daily closing price and is actively traded will be classified as a Level 1 input.

Level 2 – inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly. Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in active markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

As a general rule, if an asset or liability does not fall into the requirements of a Level 1 or Level 3 input, it would default to Level 2. With Level 2 inputs, there is usually data that can be easily obtained to support the valuation, even though it is not as easily obtained as a Level 1 input would be.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As a general rule, Level 3 inputs are those that are difficult to obtain on a regular basis and require verification from an outside party, such as an auditor or an appraisal, to validate the valuation.

The Plan categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following total recurring fair value measurements as of September 30, 2025 and 2024:

- Debt securities – Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used by Interactive Data Pricing and Reference Data, LLC to value securities based on the securities' relationship to benchmark quoted prices.
- Mutual funds – The rationale for inclusion in Level 1 or Level 2 points to the unobservable inputs involved in mutual fund pricing. Mutual funds do not trade using bid and ask, as with ETF's or common stock. Instead, the prices are determined by the net asset value of the underlying investments at the close of business for the next day's open. The underlying assets themselves may include a variety of Level 1 and Level 2 securities and some may be valued using matrix pricing which interpolates the price of a security based on the price of similar securities.

NOTE 7. INVESTMENT MEASUREMENT AT FAIR VALUE (CONTINUED)**Fair Value Hierarchy (Continued)**

- Fixed income funds – Valued using pricing models maximizing the use of observable input for similar securities. This includes basing value on yield currently available on comparable securities of issues with similar credit ratings.
- Equity funds – Valued at market prices for similar assets in active markets.
- Common stock – Valued at quoted market prices for identical assets in active markets.

Investments by fair value level	(Level 1)	(Level 2)	(Level 3)	2025
U.S. government securities and agencies	\$ -	\$ 1,801,553	\$ 24,995	\$ 1,826,548
Corporate bonds	-	803,040	-	803,040
Domestic fixed income investment fund	-	2,799,416	-	2,799,416
International fixed income investment fund	-	878,704	-	878,704
International equity investment funds	-	2,119,416	-	2,119,416
Domestic equity investment fund	14,140,021	-	-	14,140,021
Temporary investments	452,101	-	-	452,101
Total investments by fair value level	<u>\$ 14,592,122</u>	<u>\$ 8,402,129</u>	<u>\$ 24,995</u>	<u>\$ 23,019,246</u>
Investments by fair value level	(Level 1)	(Level 2)	(Level 3)	2024
U.S. government securities and agencies	\$ -	\$ 2,647,004	\$ -	\$ 2,647,004
Corporate bonds	-	1,563,813	-	1,563,813
International fixed income investment fund	-	818,808	-	818,808
International equity investment funds	-	1,839,731	-	1,839,731
Domestic equity investment fund	12,652,144	-	-	12,652,144
Temporary investments	522,806	-	-	522,806
Total investments by fair value level	<u>\$ 13,174,950</u>	<u>\$ 6,869,356</u>	<u>\$ -</u>	<u>\$ 20,044,306</u>

NOTE 8. PLAN TERMINATION

Although it has not expressed an intention to do so, the City may terminate the Plan at any time by a written ordinance of the City Commission of St. Augustine, duly certified by an official of the City. In the event that the Plan is terminated or contributions to the Plan are permanently discontinued, the benefits of each firefighter in the Plan at such termination date would be non-forfeitable.

NOTE 9. COMMITMENTS AND CONTINGENCIES

As described in Note 1, certain members of the Plan are entitled to refunds of their accumulated contributions, without interest, upon termination of employment with the City prior to being eligible for pension benefits. The portion of these contributions which are refundable to participants who may terminate with less than ten years of service has not been determined.

NOTE 10. RISK AND UNCERTAINTIES

The Plan invests in a variety of investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

NOTE 11. NET PENSION LIABILITY (ASSET) OF THE CITY

The components of net pension liability (asset) of the City as of September 30, 2025 and 2024 were as follows:

	2025	2024
Total pension liability	\$ 21,816,714	\$ 20,368,669
Plan fiduciary net position	(23,047,296)	(20,104,747)
City's net pension liability (asset)	<u>\$ (1,230,582)</u>	<u>\$ 263,922</u>
Plan fiduciary net position as a percentage of total pension liability (asset)	<u>105.64%</u>	<u>98.70%</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2024 updated to September 30, 2025 using the following actuarial assumptions:

Inflation	2.50%
Salary scale	5.00%
Investment rate of return	7.15%
Discount rate	7.15%

Mortality Rate Healthy Active Lives:

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

Male: PubH-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 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 for healthy lives are projected generationally with Mortality Improvement Scale MP-2021.

All rates are projected generationally with Mortality Improvement Scale MP-2021.

The above-described mortality assumption rates were mandated by Chapter 2015-157, *Laws of Florida*. The law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2024 FRS valuation report for special risk employees.

NOTE 11. NET PENSION LIABILITY (ASSET) OF THE CITY (CONTINUED)**Actuarial Assumptions (Continued)**

The most recent actuarial experience study used to review the other significant assumptions was dated August 10, 2021.

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 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 the pension Plan's target asset allocation as of September 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	50%	7.50%
International equity	10%	8.50%
Domestic fixed income	30%	2.50%
Global Fixed Income	5%	3.50%
GTAA	5%	3.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. 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.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.15%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease 6.15%	Current Single Discount Rate Assumption 7.15%	1% Increase 8.15%
City's net pension liability (asset)	\$ 1,501,341	\$ (1,230,582)	\$ (3,496,548)

REQUIRED SUPPLEMENTARY INFORMATION

City of St. Augustine
Municipal Firefighters' Pension Trust Fund

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET)
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022
Total pension liability				
Service cost	\$ 526,650	\$ 537,021	\$ 460,149	\$ 451,826
Interest	1,465,305	1,333,945	1,228,926	1,174,436
Share plan allocation	91,065	65,077	50,769	19,365
Changes in excess state money	-	-	-	-
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	(274,604)	650,554	340,015	(149,914)
Changes of assumptions	442,701	-	-	-
Contributions - buy-back	-	-	-	-
Benefit payments, including refunds of employee contributions	(803,072)	(671,064)	(708,441)	(775,421)
Net change in total pension liability	<u>1,448,045</u>	<u>1,915,533</u>	<u>1,371,418</u>	<u>720,292</u>
Total pension liability, beginning	<u>20,368,669</u>	<u>18,453,136</u>	<u>17,081,718</u>	<u>16,361,426</u>
Total pension liability, ending (a)	<u><u>\$ 21,816,714</u></u>	<u><u>\$ 20,368,669</u></u>	<u><u>\$ 18,453,136</u></u>	<u><u>\$ 17,081,718</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 500,755	\$ 474,721	\$ 360,604	\$ 316,980
Contributions - state	314,187	292,566	263,950	201,143
Contributions - employees	141,782	133,743	135,552	122,262
Contributions - buy-back	-	-	-	-
Net investment income (loss)	2,847,089	4,174,817	1,788,425	(3,289,329)
Benefit payments including refunds of employee contributions	(803,072)	(671,064)	(708,441)	(775,421)
Administrative expenses	(58,192)	(27,993)	(46,397)	(57,555)
Net change in Plan fiduciary net position	<u>2,942,549</u>	<u>4,376,790</u>	<u>1,793,693</u>	<u>(3,481,920)</u>
Plan fiduciary net position, beginning	<u>20,104,747</u>	<u>15,727,957</u>	<u>13,934,264</u>	<u>17,416,184</u>
Plan fiduciary net position, ending (b)	<u><u>\$ 23,047,296</u></u>	<u><u>\$ 20,104,747</u></u>	<u><u>\$ 15,727,957</u></u>	<u><u>\$ 13,934,264</u></u>
Net pension liability (asset), ending (a) - (b)	<u><u>\$ (1,230,582)</u></u>	<u><u>\$ 263,922</u></u>	<u><u>\$ 2,725,179</u></u>	<u><u>\$ 3,147,454</u></u>

2021	2020	2019	2018	2017	2016
\$ 359,621	\$ 336,036	\$ 325,027	\$ 311,731	\$ 275,743	\$ 234,355
1,057,354	1,046,101	964,117	893,103	740,339	787,330
17,203	30,460	-	-	-	-
-	-	-	(389,245)	88,941	(295,791)
-	-	11,011	116,195	-	378,685
311,459	44,590	84,337	316,244	160,964	124,845
693,753	111,627	-	-	(32,498)	393,462
-	-	-	-	-	924
(704,866)	(710,129)	(743,255)	(753,841)	(767,735)	(700,051)
1,734,524	858,685	641,237	494,187	465,754	923,759
14,626,902	13,768,217	13,126,980	12,632,793	12,167,039	11,243,280
<u>\$ 16,361,426</u>	<u>\$ 14,626,902</u>	<u>\$ 13,768,217</u>	<u>\$ 13,126,980</u>	<u>\$ 12,632,793</u>	<u>\$ 12,167,039</u>
\$ 278,301	\$ 269,544	\$ 359,136	\$ 349,974	\$ 225,053	\$ 196,389
196,819	194,675	184,434	176,271	163,451	157,404
111,265	106,077	102,020	97,030	92,832	81,793
-	-	-	-	-	924
2,434,343	1,617,023	509,441	1,063,931	1,158,206	1,082,244
(704,866)	(710,129)	(743,255)	(753,841)	(767,735)	(700,051)
(54,462)	(42,062)	(54,443)	(41,140)	(47,428)	(47,394)
2,261,400	1,435,128	357,333	892,225	824,379	771,309
15,154,784	13,719,656	13,362,323	12,470,098	11,645,719	10,874,410
<u>\$ 17,416,184</u>	<u>\$ 15,154,784</u>	<u>\$ 13,719,656</u>	<u>\$ 13,362,323</u>	<u>\$ 12,470,098</u>	<u>\$ 11,645,719</u>
<u>\$ (1,054,758)</u>	<u>\$ (527,882)</u>	<u>\$ 48,561</u>	<u>\$ (235,343)</u>	<u>\$ 162,695</u>	<u>\$ 521,320</u>

City of St. Augustine

Municipal Firefighters' Pension Trust Fund

SCHEDULE OF RATIOS LAST TEN FISCAL YEARS*

Year Ended September 30,	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll*	Net Pension Liability (Asset) as a Percentage of Covered Payroll
2016	95.71%	1,635,855	31.87%
2017	98.71%	1,856,640	8.76%
2018	101.79%	1,940,595	-12.13%
2019	99.65%	2,040,395	2.38%
2020	103.61%	2,121,547	-24.88%
2021	106.45%	2,307,226	-45.72%
2022	81.67%	2,445,235	127.92%
2023	85.32%	2,711,049	99.96%
2024	98.70%	2,674,859	9.87%
2025	105.64%	2,835,642	-43.40%

Notes to Schedule:

*The covered employee payroll numbers shown are in compliance with GASB 82.

City of St. Augustine Municipal Firefighters' Pension Trust Fund

SCHEDULE OF CONTRIBUTIONS LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution⁽¹⁾	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2016	303,615	353,793	(50,178)	1,635,855	21.63%
2017	334,010	388,504	(54,494)	1,856,640	20.93%
2018	438,963	526,245	(87,282)	1,940,595	27.12%
2019	437,053	532,559	(95,506)	2,040,395	26.10%
2020	442,767	433,774	8,993	2,121,547	20.45%
2021	470,674	482,496	(11,822)	2,307,226	20.91%
2022	500,051	498,758	1,293	2,445,235	20.40%
2023	575,827	573,785	2,042	2,711,049	21.16%
2024	686,636	702,210	(15,574)	2,674,859	26.25%
2025	774,130	723,877	50,253	2,835,642	25.53%

Notes to Schedule:

Valuation Date :

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2023 Actuarial Valuation for the City of St Augustine Firefighter's Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Changes of Assumptions :

For the measurement date September 30, 2025, there were no changes in assumptions from the valuation report.

⁽¹⁾ Actual Contributions for 2019 and subsequent years reflect requirements of Ordinance 2020-33. As of September 30, 2025, there is a prepaid contribution attributed to the City of approximately \$310,000 reflected in the actuarial report.

City of St. Augustine Municipal Firefighters' Pension Trust Fund

NOTES TO SCHEDULE OF CONTRIBUTIONS SEPTEMBER 30, 2025

Funding Method:	Frozen Entry Age Actuarial Cost Method.
Mortality Rate Healthy Active Lives:	Female: PubS.H.-2010 (Below Median) for Employees, set forward one year. Male: PubH-2010 (Below Median) for Employees, set forward one year.
Mortality Rate Healthy Retiree Lives:	Female: PubS.H-2010 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 for healthy lives are projected generationally with Mortality Improvements Scale MP-2018.

The above assumption rates were mandated by Chapter 2015-157, *Laws of Florida*. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida

Interest Rate:	7.15% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.
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City of St. Augustine
Municipal Firefighters' Pension Trust Fund

SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense
2016	9.77%
2017	11.42%
2018	8.83%
2019	3.91%
2020	11.83%
2021	16.15%
2022	-19.05%
2023	12.90%
2024	26.58%
2025	14.26%

SUPPLEMENTARY INFORMATION

City of St. Augustine

Municipal Firefighters' Pension Trust Fund

SCHEDULE OF INVESTMENT AND ADMINISTRATIVE EXPENSES FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Investment expenses		
Custodial fees	\$ 7,768	\$ 6,703
Investment management fees:		
Agincourt Capital Management, LLC	6,211	10,303
Performance monitor	20,600	20,000
Total investment expenses	\$ 34,579	\$ 37,006
Percentage of Plan net position	0.15%	0.18%
Administrative expenses		
Actuary fees	\$ 35,397	\$ 8,301
Legal fees	8,859	6,442
Audit fees	11,800	11,250
Fiduciary fees	2,136	2,000
Total administrative expenses	\$ 58,192	\$ 27,993
Percentage of Plan net position	0.25%	0.14%
Total investment and administrative expenses ^(a)	\$ 92,771	\$ 64,999

Notes to Schedule:

^(a) Investment fees do not include management fees withheld from investment funds.

OTHER AUDITOR'S REPORT



Independent Auditor's Report on internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

**Board of Trustees
City of St. Augustine Municipal Firefighters'
Pension Trust Fund
St. Augustine, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of St. Augustine Municipal Firefighters' Pension Trust Fund (the "Plan") (a fiduciary component unit of the City of St. Augustine, Florida) as of and for the year ended September 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated January 9, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Bradenton, Florida
January 9, 2026

