MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

Year ended December 31, 2024

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

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Independent Auditor's Report

To the Board of Trustees
Monroe County Employees' Retirement System

Opinion

We have audited the accompanying financial statements of Monroe County Employees' Retirement System (the "System"), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise Monroe County Employees' Retirement System's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of Monroe County Employees' Retirement System as of December 31, 2024 and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Monroe County Employees' Retirement System, 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 Monroe County Employees' Retirement System'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Monroe County Employees' Retirement System'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 Monroe County Employees' Retirement System'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 the management’s discussion and analysis and required supplemental information, as identified in the table of contents 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.

UHY LLP

Farmington Hills, Michigan
May 12, 2025

Using This Report

This report consists of three parts: (1) management's discussion and analysis (this section), (2) the basic financial statements, and (3) required supplemental information. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financialstatements are followed by a section of required supplemental information that further explains and supports the information in the financial statements.

Condensed Financial Information

The table below compares key financial information in a condensed format between the current year and the prior year:

	2024	2023
Total assets	$ 257,558,700	$ 242,783,373
Total liabilities	205,387	235,684
Net position available for benefits	$ 257,353,313	$ 242,547,689
Net investment income	$ 24,901,444	$ 28,053,080
Total contributions	12,202,985	12,467,655
Retiree pension and annuity benefits	(20,887,342)	(18,536,104)
Refunds of contributions	(1,046,771)	(2,433,252)
General and administrative expenses	(364,693)	(208,391)
Net increase in net position available for benefits	$ 14,805,623	$ 19,342,988

Overall Fund Structure and Objectives

Monroe County Employees' Retirement System (the "System") exists to pay benefits to its members and retirees. Active members earn service credit that entitles them to receive benefits in the future. Benefits currently being paid are significantly greater than contributions currently being received. The excess of benefits over contributions must be funded through investment income. The public capital markets represent the primary source of investments.

Asset Allocation

The System has established asset allocation policies that are expected to deliver sufficient investment income over a very long period of time to satisfy the obligations to pay the benefits promised to the members of the System. The following is a summary of the System's adopted asset allocation as of December 31, 2024:

Asset Class	Long-Term Expected Real Rate of Return
Equities	2.94%
Bonds	0.63%
Real estate	0.19%
Direct lending	0.30%
Alternatives	0.36%
Cash or cash equivalents	0.01%

Investment Results

During the 2024 calendar year, US equity markets posted another strong year of gains. The large-cap S&P 500 Index finished 2024 with an exceptional 25.0% return. The weakest relative performance for the year was from the Russell 2000 Index, which still climbed 11.5%.

International markets also saw positive returns, though more muted than domestic stock markets. The MSCI EAFE Index returned 3.8%, while the MSCI Emerging Markets Index returned 7.5%.

Bond markets were slightly positive for the year. Investment-grade corporate bonds were the best-performing sector of the US Aggregate Index and gained 2.13% for the year. Treasuries lagged at 0.6% during the year. The bellwether fixed- income benchmark, the Bloomberg US Aggregate Index, climbed 1.3% in 2024.

The System's total return must always be considered in a longer-term context. The fund's investment horizon is long term, corresponding to the long-term nature of the System's liabilities. Therefore, the Board of Trustees establishes an asset allocation policy to control risks and generate expected returns that will enable the System to pay the benefits promised to members and retirees. Accordingly, the Board of Trustees must make investment decisions that it believes will be the most beneficial to the System over many years, not just one or two years.

See Footnote 3 for further investment detail.

Contacting the System's Management

This financial report is intended to provide a general overview of the System's finances and investment results in relation to actuarial projections. It shows the System's accountability for the money it receives from employer and employee contributions. If you have questions about this report or need additional information, we welcome you to contact the System's office at 840 South Roessler Street, Monroe, MI 48161.

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
Year Ended December 31, 2024

ASSETS	
Cash and short-term investments	**$ 43,910,252**
Investments:	
Domestic equities	**103,277,521**
International equities	**17,620,389**
Emerging market equities	**791,542**
Fixed income	**46,457,485**
Real assets	**344,340**
Limited partnerships	**44,984,376**
Receivables:	
Contributions receivable	**172,793**
Accrued income	**2**
Total assets	**257,558,700**
LIABILITIES	
Deferred revenue	**35,803**
Accounts payable and accrued expenses	**169,584**
Total liabilities	**205,387**
NET POSITION AVAILABLE FOR BENEFITS	**$ 257,353,312**

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year ended December 31, 2024

ADDITIONS	
Investment income:	
Interest and dividends	**$ 7,195,039**
Net increase in fair value of investments	**18,403,561**
Investment-related expenses	**(697,156)**
Net investment income	**24,901,444**
Contributions:	
Employer contributions	**10,961,549**
Member contributions	**1,241,436**
Total contributions	**12,202,985**
Total additions	**37,104,429**
DEDUCTIONS	
Benefits paid	**20,887,342**
Refunds of contributions	**1,046,771**
Administrative and office expense	**364,693**
Total deductions	**22,298,806**
Net Increase in Fiduciary Net Position	**14,805,623**
Net Position - Beginning of Year	**242,547,689**
Net Position - End of Year	**$ 257,353,312**

See notes to financial statements.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Accounting and Reporting Principles

The System follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the System:

Reporting Entity

Monroe County Employees' Retirement System (the "System") is an agent multi-employer defined benefit pension plan administered by the Monroe County Employees' Retirement System Board of Trustees (the "Board"). The System provides pension, disability, and death benefits, covering substantially all full-time employees of Monroe County, Michigan, its component units, and the Monroe County Community Mental Health Authority, which is a separate employer and plan as detailed below:

- Monroe County Library System
- Monroe County Road Commission
- County of Monroe
- Monroe County Community Mental Health Authority – Separate employer

The plan is closed for all employees of the County of Monroe, except those in Monroe County Road Commission and the Monroe County Library System.

The System was adopted by Monroe County, Michigan (the "County") pursuant to Michigan Compiled Laws, Section 46.12a. Benefit provisions are established and may be amended by the Board, as permitted by County ordinances. The financial statements of the System are also included in the financial statements of the County as a pension trust fund. The assets of the System include no securities of, or loans to the County or any other related party.

Basis of Accounting

The System uses the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. System member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Specific Balances and Transactions

Cash and Short-term Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Short-term investments are reported at cost, which approximates fair value.

Investments

Investments are reported at fair value or estimated fair value. Securities traded on a national or international exchange are valued at the last reported sale price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value as determined by the System's management.

Use of 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 andliabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The System from time to time during the periods covered by these financial statements may have bank balances in excess of its insured funds. Management has deemed this as a normal business risk.

Adoption of New Accounting Pronouncement

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, Accounting Changes and Error Corrections – an amendment to GASB Statement No. 62. This statement prescribes the accounting and financial reporting for 1) each type of accounting change and 2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior period, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The provisions of this statement were effective for the System's financial statements for the year ending December 31, 2024 and had no impact on the financial statements as a whole.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Pronouncement (Continued)

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, Compensated Absences. This Statement updates the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for 1) leave that has not been used and 2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement also established guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of date of the financial statements. The provisions of this statement were effective for the System's financial statements for the year ending December 31, 2024 and had no impact on the financial statements due to the System not having any payroll obligations.

NOTE 2 – PENSION PLAN

Plan Description

The Monroe County Employees' Retirement System Plan (the "System") is an agent multi-employer defined benefit pension plan that provides pensions for substantially all permanent full-time general employees of the County, its component unites and the Monroe Community Health Authority. Benefit terms for union employees have been established by contractual agreements between the County and the various employee union representations; amendments are subject to the same process.

The County's multiple-employer defined pension plan is defined as an agent plan as the assets of the trust are pooled for investment purposes, but separate accounts are maintained for each individual employer in the Trust. As a result, each participating employer's share of the pooled assets is legally available to pay the defined benefit pension of only its retirees.

Management of the System is vested in the retirement board, which consists of nine members: the Monroe County Board of Commissioners' (the "County Commission") chair or vice chair, at the discretion of the chair; a county commissioner selected by the County Commission; a citizen who is an elector of the County, selected by the County Commission; three members of the System, elected by the members of the System; one member of the System appointed by the Monroe County Library Board; one member elected from the Monroe County Road Commission; and one member who is a retiree and beneficiary of the System, elected by the Association of County Retired Employees, Inc.

NOTE 2 – PENSION PLAN (Continued)

Benefits Provided

The System provides retirement, disability, and death benefits. For the County and Monroe County Agency employees, benefit terms are established by negotiations between the County Commission and the employees through collective bargaining agreements and may be amended by the County Commission.

For Monroe County Library System employees, the terms are established by the Library administration and Library Board of Trustees. For Monroe County Road Commission employees, the terms are established by the Road Commission Board of Trustees through collective bargaining. For Monroe County Community Mental Health Authority employees, the terms are established by the Mental Health Board of Trustees through collective bargaining.

Plan Membership

The following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	880
Inactive plans members entitles to but not yet receiving benefits	222
Active plan members	510
Total employees covered by the plan	1,612

Contributions

State law requires public employees to make pension contributions in accordance with an actuarial valuation. The System hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the Board of Trustees in accordance with the union contracts and plan provisions.

For the year ended December 31, 2024, the active member contribution rate ranged from 0.00 percent to 3.6 percent of annual pay, and the contribution as a percentage of payroll for the various departments was 35.35 percent for the General County, 54.31 percent for Monroe County Agency, 43.55 percent for the Sheriff's Office, 18.63 percent for Monroe County Library System, 18.47 percent for Monroe County Road Commission, 36.34 percent for Mental Health, and 31.89 percent for Central Dispatch.

NOTE 2 – PENSION PLAN (Continued)

Net Pension Liability of the County

The net pension liability of the County has been measured as of December 31, 2024 based on benefits inforce as of that date and is composed of the following:

Total pension liability	$ 335,563,980
Plan fiduciary net position	(257,353,312)
Net pension liability of the county	$ 78,210,668
Plan fiduciary net position as a percentage of the total pension liability	76.69%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2024. The liability was determined using an inflation assumption of 2.25 percent, assumed salary increases of 2.75 to 5.0 percent (including inflation), an investment rate of return (net of investment expenses) of 7.0 percent, and the Pub-2010 General Mortality Table with MP-2021 generational improvement scale. These assumptions are based on a study of actual experience for the plan during 2015-2018.

Discount Rate

The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that system contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

NOTE 2 – PENSION PLAN (Continued)

Investment Rate of Return

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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return as of the December 31, 2024 measurement date for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equities	2.94%
Bonds	0.63%
Real estate	0.19%
Direct lending	0.30%
Alternatives	0.36%
Cash or cash equivalents	0.01%

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

The following presents the net pension liability of the County, calculated using the discount rate of 7 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Asset Class	1 Percentage Point Decrease 6.00%	Current Discount Rate 7.00%	1 Percentage Point Increase 8.00%
Net pension liability of the County	$ 115,420,726	$ 78,210,668	$ 46,810,299

Assumption Changes

There were no changes in assumptions to the plan during the plan year.

NOTE 2 – PENSION PLAN (Continued)

Investment Policy

The System's policy in regards to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2024:

Asset Class	Minimum	Target	Maximum
Equities	42.50%	60.00%	77.50%
Fixed income	16.00%	29.00%	43.50%
Real estate	5.00%	10.00%	15.00%
Alternatives	0.00%	0.00%	10.00%
Cash or cash equivalents	0.00%	1.00%	5.00%

Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.43 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 2 – PENSION PLAN (Continued)

Pension Plan Reserves

In accordance with state law, the following reserves are required to be set aside within the pension plan:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The employee reserve is credited as employee contributions are received throughout the year; the System maintains a record of the amount contributed by each employee and crediting of interest shall be the rate of interest per annum, compounded annually, as reflected in the 10-year U.S. Treasury rate for the prior calendar year ended on December 31. For any employees who terminate before vesting in the pension plan, their balance is returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

The balances of the reserve accounts are as follows:

Retiree reserve (as of the beginning of the year)	$ 203,002,000
Employee reserve at December 31, 2024	8,881,982
Total	$ 211,883,982

NOTE 3 – DEPOSITS AND INVESTMENTS

The System is authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investments according to Michigan Public Act 314 of 1965, as amended. The System's deposits and investment policies are in accordance with statutory authority.

There are no limitations or restrictions on withdrawals for the investments that are recorded at amortized cost.

The System's cash and investments are subject to several types of risk, which are examined in more detail below.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates.The System's investment policy does not restrict investment maturities.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

At year end, the System had the following investments and maturities:

Investment	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. Treasury	$ 23,396,278	$ -	$ 6,957,777	$ 16,438,501	$ -
Corporate Bonds	11,696,039	993,418	6,238,176	3,516,059	948,386
Total	$ 35,092,317	$ 993,418	$ 13,195,953	$ 19,954,560	$ 948,386

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The System's investment policy emphasizes appropriate risk/return parameters and compliance with Public Act 314 of 1965, as amended, and gives discretionary authority to its investment managers, as opposed to establishing specific credit rating benchmarks. As of year-end,the credit quality ratings of debt securities per Moody's (other than the U.S. government) are as follows:

Investment	A1	A2	A3 and Below	Not Rated
Corporate Bonds	$ 1,449,847	$ -	$ 10,230,704	$ 15,488

Concentration of Credit Risk

The System's investment policy requires that no manager will hold more than 5 percent of its portion of the total fund in any single company, and no more than 5 percent may be held in any single common stock. At December 31, 2024, the System's investment portfolio was not concentrated.

Fair Value Measurements

The System categorizes its fair value measurements within the fair value hierarchy established by generally 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, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

The System has the following recurring fair value measurements as of December 31, 2024:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2024
Debt Securities:				
U.S. Treasury Securities	$ -	$ 23,396,278	$ -	$ 23,396,278
Corporate Bonds	-	11,696,039	-	11,696,039
Total debt securities	-	35,092,317	-	35,092,317
Equity Securities - Stocks	102,858,882	-	-	102,858,882
Mutual Funds	30,540,079	-	-	30,540,079
Total invesmtents by fair value level	$ 133,398,961	$ 35,092,317	$ -	$ 168,491,278
Investments Measured at NAV:				
Commingled Funds				17,143,605
Hedge Funds				4,650,363
Real Estate Funds				23,190,408
Total investments measured at NAV:				44,984,376
Total Investments				$ 213,475,654

Mutual funds and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of debt securities at December 31, 2024 was determined primarily based on Level 2 inputs.The System estimates the fair value of these investments based on prices that have been evaluated by independent pricing services. Such evaluated prices may be determined by using inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals, maturities, call features, and ratings among other factors.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

The valuation method for investments measured at net asset value per share (or its equivalent) is presented in the table below.

Investments in Entities that Calculate Net Asset Value per Share

The System holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At December 31, 2024, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Frequency, if Eligible	Redemption Notice Period
Comingled Funds	$ 17,143,605	$ -	Immediate	N/A
Hedge Funds	4,650,363	-	Quarterly	Up to 90 Days
Equity Real Estate	23,190,408	576,725	Quarterly	Up to 90 Days
Total investments measured at NAV	$ 44,984,376	$ 576,725		

The commingled fund class includes investments in funds that invest predominantly in fixed-income instruments in U.S., developed, and emerging-market countries. The funds invest across a diverse group of security types, including government, corporate, and mortgage-backed debt and across the credit quality spectrum of investment grade and high yield. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

The equity real estate class includes investments in funds whose objective is to acquire, develop, own, and operate a diversified portfolio of real estate investments in commercial property. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

The hedge fund class includes investment in funds whose objective is to achieve substantial capital appreciation with limited volatility. The strategy is designed to achieve modest correlation to global equity and fixed-income returns. The funds pursue a multiseriately, multimanager approach to hedge fund investing and invest in four broad strategies: long/short equity, relative value, event driven/distressed, and global macro. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

NOTE 4 – SUBSEQUENT EVENTS

The System has performed a review of events subsequent from December 31, 2024 to May 12, 2025, the date the financial statements were available to be issued.

Subsequent to year end, the financial markets have experienced significant levels of volatility that may cause a change in the value of the investments held at year end. While such declines may be temporary, investment values are subject to market fluctuations and the timing of any such recovery is unknown at the present time.

REQUIRED SUPPLEMENTARY INFORMATION

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

LAST TEN YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 3,503,517	$ 3,727,775	$ 3,620,333	$ 3,844,641	$ 4,362,926	$ 4,074,075	$ 4,101,406	$ 3,852,383	$ 4,007,459	$ 3,901,674
Interest	22,383,845	22,037,553	21,635,900	21,063,909	21,081,489	19,978,752	19,397,343	19,352,896	18,590,127	18,114,296
Different between expected and actual experience	4,377,975	857,702	740,344	2,453,150	(5,171,654)	3,537,130	2,161,876	(6,474,450)	4,215,420	(1,665,060)
Changes in assumptions	-	-	-	502,383	(1,090,383)	6,163,076	-	-	-	4,100,832
Benefit payments, including refunds	(21,934,113)	(20,969,356)	(19,762,893)	(19,174,057)	(18,656,412)	(17,920,601)	(16,734,297)	(15,955,473)	(15,567,005)	(15,081,332)
Net Change in Total Pension Liability	8,331,224	5,653,674	6,233,684	8,690,026	525,966	15,832,432	8,926,328	775,356	11,246,001	9,370,410
Total Pension Liability - Beginning of year	327,232,756	321,579,082	315,345,398	306,655,372	306,129,406	290,296,974	281,370,646	280,595,290	269,349,289	259,978,879
Total Pension Liability - End of year	$ 335,563,980	$ 327,232,756	$ 321,579,082	$ 315,345,398	$ 306,655,372	$ 306,129,406	$ 290,296,974	$ 281,370,646	$ 280,595,290	$ 269,349,289
Plan Fiduciary Net Position										
Contributions - Employer	$ 10,961,549	$ 11,326,381	$ 9,373,158	$ 10,989,552	$ 10,409,663	$ 9,853,368	$ 8,359,272	$ 8,483,096	$ 8,044,525	$ 7,938,586
Contributions - Member	1,241,436	1,141,274	1,219,272	1,054,601	887,537	916,775	944,299	868,337	851,150	897,929
Net investment income (loss)	24,901,444	28,053,081	(31,470,513)	36,218,813	29,159,039	32,962,466	(11,080,239)	24,707,505	12,409,450	(1,133,015)
Administrative expenses	(364,693)	(208,391)	(392,189)	(291,904)	(200,788)	(214,400)	(210,357)	(148,861)	(169,405)	(233,746)
Benefit payments, including refunds	(21,934,113)	(20,969,356)	(19,762,893)	(19,174,057)	(18,656,412)	(17,920,601)	(16,734,297)	(15,955,473)	(15,567,005)	(15,081,332)
Net Change in Plan Fiduciary Net Position	14,805,623	19,342,989	(41,033,165)	28,797,005	21,599,039	25,597,608	(18,721,322)	17,954,604	5,568,715	(7,611,578)
Plan Fiduciary Net Position - Beginning of year	242,547,689	223,204,700	264,237,865	235,440,860	213,841,821	188,244,213	206,965,535	189,010,931	183,442,216	191,053,794
Plan Fiduciary Net Position - End of year	$ 257,353,312	$ 242,547,689	$ 223,204,700	$ 264,237,865	$ 235,440,860	$ 213,841,821	$ 188,244,213	$ 206,965,535	$ 189,010,931	$ 183,442,216
County's Net Pension Liability - Ending	$ 78,210,668	$ 84,685,067	$ 98,374,382	$ 51,107,533	$ 71,214,512	$ 92,287,585	$ 102,052,761	$ 74,405,111	$ 91,584,359	$ 85,907,073
Plan Fiduciary Net Position as a Percent of Total Pension Liability	76.69%	74.12%	69.41%	83.79%	76.78%	69.85%	64.85%	73.56%	67.36%	68.11%
Covered Employee Payroll	$ 32,794,549	$ 33,974,870	$ 32,505,906	$ 37,227,720	$ 36,622,993	$ 35,112,555	$ 35,798,576	$ 35,292,710	$ 34,786,368	$ 34,514,128
County's Net Pension Liability as a Percent of Covered Employee Payroll	238.49%	249.26%	302.64%	137.28%	194.45%	262.83%	285.07%	210.82%	263.28%	248.90%

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS - PENSION
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 11,131,638	$ 10,620,151	$ 10,922,818	$ 10,160,066	$ 10,255,731	$ 9,353,368	$ 8,395,905	$ 8,446,463	$ 8,044,525	$ 7,938,586
Contributions in relation to the actuarially determined contribution (includes supplemental pension benefit funding)	10,961,549	11,326,381	9,373,158	10,989,552	10,409,663	9,853,368	8,359,272	8,483,096	8,044,525	7,938,586
Contribution Excess (Deficiency)	$ (170,089)	$ 706,230	$ (1,549,660)	$ 829,486	$ 153,932	$ 500,000	$ (36,633)	$ 36,633	$ -	$ -
Covered Payroll	$ 32,794,549	$ 33,974,870	$ 32,505,906	$ 37,227,720	$ 36,622,993	$ 35,112,555	$ 35,798,576	$ 35,292,710	$ 34,786,368	$ 34,514,128
Contributions as a Percentage of Covered Payroll	33.42%	33.34%	28.84%	29.52%	28.42%	28.06%	23.35%	24.04%	23.13%	23.00%

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	reported. Contributions for FY 2024 were determined based on the actuarial valuation as of December 31, 2022. The most recent actuarial valuation for funding purposes was as of December 31, 2023.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Liabilities were amortized using a 20-year level percent of payroll-closed, with the exception of Monroe County Community Mental Health Authority liabilities, which were amortized using a level-dollar method for the valuation as of December 31, 2012.
Remaining amortization period	20 years. At the February 19, 2020 Board meeting, the Board adopted a 20-year layered amortization with 2 percent annual payment increases (except for the Mental Health Divisior for which the payments are level). Future unanticipated unfunded actuarial liability (UAAL) will be amortize over a 20-year period from the point incurred, resulting in a schedule of UALL payments.
Inflation	2.25%
Salary increases	2.75% - 5.00%, varies by employee group
Investment rate of return	7.00% (net of investment expenses)
Mortality	For General County, County Agency, County Library, Road Commission, Mental Health, and Central Dispatch: The Fully Generational Pub-2010 General Employees Mortality Table using Projection Scale MP-2021. For the Sheriff's Office: The Fully Generational Pub-2010 Public Safety Mortality Table, using Projection Scale M-2021.

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF INVESTMENT RETURNS
LAST TEN YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-Weighted Rate of Return - Net of Investment Expense	4.4%	4.8%	4.1%	4.3%	13.1%	17.7%	-5.7%	13.3%	6.6%	-0.2%

Changes in Assumptions

In 2015, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 6.95 to 7 percent and updating the mortality tables from RP-2000 Mortality Table to RP-2014 Blue Collar Annuitant Table.

In 2019, amounts reported as changes of assumptions resulted from change in the inflation assumption from 3 to 2.25 percent; assumed salary increases range from 3 to 5.50 percent (including inflation) to a range of 2.75 to 5 percent (including inflation); and mortality table from the Fully Generational RP-2014 Blue Collar Mortality Tables for males and females, using projection scale MP-2014, to the Pub-2010 General Mortality Table with MP-2019 generational improvement scale.

In 2020, amounts reported as changes of assumptions resulted from change in the mortality table from the Pub- 2010 General Mortality Table with MP-2019 generational improvement scale to the Pub-2010 General Mortality Table with MP-2020 generational improvement scale.

In 2021, amounts reported as changes of assumptions resulted from the projection scale for mortality improvements updated from Scale MP-2019 to Scale MP-2020.

In 2022, the mortality improvement projection scale applied to the mortality tables was updated from the SOA Scale MP-2020 to the SOA Scale MP-2021, causing a slight increase in the Accrued Liability.

In 2023, there were no changes to plan provisions or assumptions since the prior year valuation.

In 2024, there were no changes to plan provisions or assumptions since the prior year valuation.