

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**

Pension Trust Fund of the St. Lucie County Fire District

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

September 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
St. Lucie County Fire District Firefighters' Pension Trust Fund
Port St. Lucie, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the St. Lucie County Fire District Firefighters' Pension Trust Fund (a Pension Trust Fund of the St. Lucie County Fire District) (the Plan) as of and for the year ended September 30, 2019 and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the St. Lucie County Fire District Firefighters' Pension Trust Fund as of September 30, 2019 and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 25-28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which generally 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.

The St. Lucie County Fire District Firefighters' Pension Trust Fund has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board under its Statement No. 34 has determined is necessary to supplement, although not required to be a part of the basic financial statements.

Other Information

Our audits were conducted for the purpose of forming an opinion on the Plan's basic financial statements as a whole. The accompanying Schedule of Investment and Administrative Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

That Schedule 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 the basic financial statements themselves and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.

Fort Pierce, Florida

June 24, 2020

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2019**

ASSETS

Cash	
Contributions receivable	\$ 62,564
Accounts receivable	2,212,862
Accrued interest and dividends	388,360
Prepaid expense	670
Due from brokers	67,631
Investments at fair value:	
Cash equivalents	7,007,542
U.S. government and agency obligations	9,197,950
Mortgage-backed securities	892,944
Corporate debt	70,061,366
Corporate stock	45,239,288
Mutual fund - international equities	13,014,699
Mutual fund - domestic equities	51,290,701
Limited liability company	31,515,503
Collective trust	<u>39,960,570</u>
 TOTAL INVESTMENTS	 <u>268,180,563</u>
 TOTAL ASSETS	 <u>270,912,650</u>

LIABILITIES

Accounts payable	206,709
Due to TerraCap	8,544,907
Refunds payable	<u>14,363</u>
 TOTAL LIABILITIES	 <u>8,765,979</u>

NET POSITION HELD IN TRUST FOR PENSION BENEFITS \$ 262,146,671

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended September 30, 2019

ADDITIONS

Contributions:

State contribution	\$ 2,212,862
Employer contributions	13,499,356
Employee contributions	1,741,467
Participant buy-back	5,167
Total contributions	<u>17,458,852</u>

Investment income:

Net appreciation in fair value of investments	5,795,034
Interest and dividends	6,784,318
	<u>12,579,352</u>
Less: investment expenses	(1,878,217)
Net investment income	<u>10,701,135</u>

TOTAL ADDITIONS	<u>28,159,987</u>
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DEDUCTIONS

Benefits paid to participants	12,665,517
DROP payments	1,713,864
Refund of contributions	4,672
Administrative expenses	122,979
	<u>14,507,032</u>

TOTAL DEDUCTIONS	<u>14,507,032</u>
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NET INCREASE	13,652,955
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NET POSITION HELD IN TRUST FOR PENSION BENEFITS

Beginning of year	<u>248,493,716</u>
End of year	<u>\$ 262,146,671</u>

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE A - REPORTING ENTITY

The Pension Trust Fund of the St. Lucie County Fire District, (the Plan), a component unit of the St. Lucie County Fire District, is a single-employer, defined benefit contributory pension trust established under the provisions of Chapter 175, Florida Statutes, for the benefit of certified firefighters in the St. Lucie County Fire District. The Fund is under the supervision of a five-member local independent Board of Trustees, who are selected for office under the provisions of Florida Statute 175 with two citizens appointed by the Fire District, two members of the Plan elected by Plan members and one member elected by the other four members of the Trustees. The Board of Trustees may make any amendments to the plan after approval of the plan sponsor and within the guidelines of applicable Florida statutes.

On October 18, 2006, the St. Lucie County Fire District approved the creation of a new public employee retirement system for the benefit of certified firefighters in the District. The purpose of the Pension Trust Fund of the St. Lucie County Fire District was to provide a more complete set of benefits to the firefighters in which the District was the plan sponsor and could authorize additional benefits and enhancements that were not available in the previous primary plan for the firefighters which was the City of Fort Pierce Retirement and Benefit System. Effective with the close of activity on April 30, 2007, the assets and liabilities of the St. Lucie County Fire District Chapter 175 Firefighters' Supplemental Pension Trust Fund were transferred to the newly established Pension Trust Fund under control of that Board of Trustees. Activities of the Chapter 175 Firefighters' Supplemental Pension Trust Fund are now encompassed by that new Plan. In April, 2007, the applicable net assets of the Fort Pierce Retirement and Benefit System, were also transferred in to this Plan along with the assets of the Chapter 175 Firefighters' Supplemental Pension Trust Fund.

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

As of September 30, 2019, membership of the plan consisted of 217 retired participants or beneficiaries receiving benefit payments including 39 DROP retirees, and approximately 354 active members. There are 261 participants vested or partially vested in the plan and 93 non-vested plus 22 terminated plan members entitled to but not yet receiving benefits. At September 30, 2019, monthly benefit payments were approximately \$1,149,230.

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

Basis of Accounting

The Fund's accounting records and financial statements are prepared using the accrual basis of accounting. Income is recorded when earned; costs and expenses are recorded when incurred.

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

The accompanying financial statements include solely the accounts of the Plan which include all programs, activities and functions relating to the accumulation and investment of the assets and related income necessary to provide the service, disability and death benefits required under the terms of the Plan and the amendments thereto.

Contributions are recognized in the period in which the contributions are due. Benefits, refunds and administrative and investment expenses are recognized when due and payable by the Plan.

The accompanying financial statements are presented in accordance with GASB, Statement No. 67 *Financial Reporting for Pension Plans*, as amended by GASB No. 82, and the Codification of Governmental Accounting and Financial Reporting Standards. The standards require a plan sponsor to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The standards also enhance accountability and transparency through revised and new note disclosures and required supplementary information. For plans, the standards build upon the existing framework for financial reports, enhance the note disclosures and required supplementary information, and require the presentation of new information about annual money-weighted rates of return in the notes to the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. The Fund uses various investment instruments which, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of the investment securities will occur in the near term such that changes could materially affect amounts reported in the financial statements.

Valuation of Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates market value. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Investments in securities not having an established market value are valued at fair value as determined by the Board of Trustees based on information provided thereto. The limited partnership investment is valued based upon the audited financial statements of the partnership based upon the underlying investments therein. The fair

ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

Valuation of Investments (continued)

value of an investment is the amount the Plan could reasonably expect to receive for it in a transaction between a willing buyer and a willing seller, other than a forced liquidation sale. Gains and losses from the sale or exchange of investments are recognized on the transaction date. Mutual funds are valued at net asset value as reported which is based on the value of the underlying investments.

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 at year end. The net realized and unrealized investment appreciation or depreciation for the year is reflected in the Statement of Changes in Fiduciary Net Position. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of plan investments.

Custody of Assets

Custodial services for plan investments are provided for the Plan under contract with a national trust company having trust powers in the State of Florida. The Plan's investment policies are governed by Florida Statutes and ordinances of the St. Lucie County Fire District.

Federal Income Taxes

The Plan previously received a favorable determination letter from the Internal Revenue Service indicating that the Plan is qualified and exempt from Federal income taxes. The Board believes that the Plan is designed and continues to operate in compliance with the applicable requirements of the Internal Revenue Code after subsequent amendments. The Board believes that its investments are in compliance with applicable requirements for its tax exempt status and in regards to unrelated business taxable income and therefore no allowance has been recorded in these financial statements for Federal income taxes.

Administrative Costs

All administrative costs of the Plan are financed through employer contributions and investment earnings in the Plan.

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to September 30, 2019, to determine the need for any adjustments to and / or disclosures within the audited financial statements for the year ended September 30, 2019. Management has performed their analysis through June 24, 2020. As a result of the spread of COVID-19, economic uncertainties have risen which are likely to negatively impact the investments held by the Plan, though such potential impact is unknown at this time.

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE C - PLAN BENEFITS AND OTHER INFORMATION

The following brief description of the Fund's Pension Plan (the Plan) is provided for general information purposes only. Participants should refer to the Pension Trust Fund plan document, St. Lucie County Fire District record of Resolutions and Chapter 175, Florida Statutes, for more complete information.

The monthly retirement allowance under defined benefit provisions is based upon stated pension factors that increase depending upon age of the participant and years of service. These pension factors may be re-determined on a prospective basis to retired members and surviving spouses if the Plan's actuarial valuation of benefits indicates minimum funding requirements are unlikely to be met by the assets of the Fund and anticipated future revenues.

Pension Benefits

The pension plan provides for retirement, death and disability benefits for the participants.

A participant or spouse of a participant is eligible for deferred benefits after the participant has attained 5 years of service. This requirement is not applicable for participants whose death, personal injury or disease arises solely from the performance of duty. Regular retirement is allowed at age 55 with five or more years of service (ten years service required if hired after September 30, 2014) or at any age with 25 or more years of service. There are various other factors regarding benefits and eligibility due to disability. Total benefit is years of service times 3% of final average salary. Salary includes lump sum payments for accumulated leave.

Early retirement benefits are available upon reaching age 50 and a minimum of 5 years of credited service. The deferred monthly benefit will begin based on what would have been the member's normal retirement date with the benefit determined in the same manner for normal retirement except that credited service and average final compensation shall be determined as of the early retirement date. The immediate monthly benefit is calculated similarly except that the benefit is reduced by the actuarially determined amount if the member had retired on the normal retirement date with a maximum of 3% for each year prior to the normal retirement date.

Post retirement cost of living adjustments are made by the Board of Trustees based on investment results and meeting certain guidelines established within the plan document relative to exceeding the actuarial interest assumption. Benefits are increased by a percentage of the base retirement benefit amount.

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

NOTE C - PLAN BENEFITS AND OTHER INFORMATION (CONTINUED)

Participants may select a method for payment of benefits from the following options:

- Option A. The actuarial equivalent of the participant's straight life annuity in a reduced amount payable throughout his or her life, and, following the death of the retired member, the payments shall be continued for the remainder of the lifetime to a designated beneficiary
- Option B. The actuarial equivalent of the straight life annuity, payable in reduced amounts throughout the participant's life, with a designated beneficiary to receive either of the following upon the participant's death;
- a. Joint and survivor annuity - A continuation of the actuarially determined reduced annuity throughout the beneficiary's life, or
 - b. Modified joint and survivor annuity - A continuation of 50%, 66 2/3%, or 75% of the annuity throughout the beneficiary's life.
- Option C. An increased annuity payable throughout the participant's life, terminating at death with no benefit ever paid to a surviving beneficiary.

The election shall be made prior to the pension commencement date. If all annuity payments terminate before the system has paid an aggregate amount less than the former member's contributions, the difference will be paid to the estate or legal representative of the former member

Deferred Retirement Option Plan

Any Plan participant who is eligible to receive a normal retirement pension may elect to participate in a deferred retirement option plan (DROP) while continuing his or her employment with the Fire District. Participation in the DROP ceases for a participant after the earlier of 5

Deferred Retirement Option Plan (continued)

years or termination of employment. Upon termination of participation in the DROP all monthly benefits and investment earnings or loss or interest shall cease to be transferred to the participants DROP account. Upon termination of employment any amounts remaining in the participants account shall be paid to the participant under terms selected.

Death Benefit

For any deceased participant who had been actively employed and eligible for early, normal or delayed retirement, the benefit payable for a line-of-duty death shall be an annuity equal to the

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE C - PLAN BENEFITS AND OTHER INFORMATION (CONTINUED)

greater of the accrued benefit or 75% of salary calculated as of the date of death payable to the beneficiary. Any benefit will be subject to offset for the amount of workers' compensation award paid. For a non-line-of-duty death benefit, the beneficiary will receive the actuarial equivalent of the accrued normal retirement benefit for life. Non-vested benefits are based on the participant's accumulated contributions.

Disability Benefit

Disability benefits for line-of-duty disabilities are covered from the date of employment and are paid to the participant for life. The disability annuity under the standard form of payment shall be 75% of the member's final average salary. Disability payments are based on the benefit amount accrued at the date of disability of final compensation when calculated with workers' compensation offset allowances. Disability benefits for non-line-of duty disabilities are paid to the participant for life. Benefits are calculated at the accrued normal retirement benefit amount if the disability occurs after normal retirement eligibility. If the disability occurs before normal retirement eligibility and the participant has completed 5 or more years of service, the non-disability is computed as the normal retirement benefit with a minimum of 25% of the participant's final average salary. These minimum percentage calculations are provided by State law for plan compliance. If the member dies after retirement but before receiving retirement benefits for a period of 10 years, the same benefit will be paid to the beneficiary for the balance of that 10-year period.

Supplemental Benefit

Members are also eligible for a monthly supplemental benefit based upon age at date of retirement multiplied by a factor ranging from \$12 to \$44. Death and disability benefits are also a part of the supplemental benefits based on previous requirements noted above. The death and disability benefits are based on the same calculations with a minimum of \$700 per month. Members in the DROP do not receive the supplemental benefit while in the DROP.

Refund of Contributions

A participant who terminates employment with less than five years of service and is not eligible for other benefits under the Plan shall be entitled to a refund of their contributions plus interest. For members hired after October 1, 2014, the employment requirement is ten years of service.

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

NOTE D – PLAN'S FUNDED STATUS

The Plan's funded status as of the September 30, 2019 actuarial valuation is presented below:

	(1)	(2)	(3)	(4)	(5)	(6)
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) Entry Age	FUNDED RATIO (1)/(2)	UNFUNDED AAL (UAAL) (2)-(1)	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL (4)/(5)
2019	268,879,630	374,427,934	71.8%	105,548,304	32,834,609	321.5%

The required schedule of funding progress follows the notes to the financial statements presenting multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The net pension liability of the Sponsor on September 30, 2019, as reported in the October 1, 2019 actuarial valuation, is as follows:

Total pension liability	\$ 367,901,593
Plan fiduciary net position	<u>(261,280,711)</u>
Sponsor's net pension liability	<u>\$ 106,620,882</u>
Plan fiduciary net position as a percentage of the total pension liability	71.02%

There is an immaterial difference in the fiduciary net position as calculated above when compared to the financial statements net position due to various audit adjustments subsequent to year end. The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019. The assumptions used for the actuarial valuation to measure the total pension liability are based on the RP2000 Generational, (Female: 100% Annuitant White Collar, Scale BB, Male: 10% Annuitant White Collar/ 90% Annuitant Blue Collar, Scale BB) with an assumed rate of return of 8% compounded annually, net of investment-related expenses, with an inflation rate of 2.7% resulting in a 5.3% real rate of return. The projected salary increases are service based. The Entry Age Normal Actuarial Cost Method is used to determine the funding method with the actuarial valuation of assets using a five-year smoothing methodology for the difference between expected and actual investment earnings. The mortality table is based on a study of over 650 public safety funds with a 10% margin for future mortality improvements.

NOTE E - CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

The significant assumptions are based upon the most recent experience study dated September 12, 2016.

The funding policy for the plan is actuarially determined for employer contributions after applying

ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE E - CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE (CONTINUED)

revenue. State contributions, which are financed by a 1.85 percent excise tax on property insurance policies issued on property within St. Lucie County, Florida as provided under provisions of Chapter 175, Florida Statutes, are received from the State of Florida on an annual basis.

Contribution requirements as determined as of the September 30, 2017 actuarial valuation and subsequently updated with the September 30, 2019 valuation for the plan year ending September 30, 2019 required total contributions of \$17,300,440 (sponsor and employee). Sponsor contributions were estimated to be approximately \$15,917,788 of which \$1,980,171 was expected to be received in state contributions with the balance of \$13,937,617 from the Fire District. The 2018 actuarial valuation reflected a calculated excess sponsor contribution carryforward to 2019 of \$132,150 which was available to the Fire District to apply to future contributions. The 2019 actuarial valuation calculated the current year excess contribution to be \$338,431 to arrive at an increased prepaid contribution of \$470,581 available as of October 1, 2019 for future years. In 2019, actual contributions were \$13,499,356 by the Fire District and \$2,212,862 by the State of Florida.

An actuarial valuation of the plan is performed every year by the Plan's actuarial consultants. The actuarial valuation as of September 30, 2019 dated May 21, 2020, found anticipated revenues to be sufficient to fund the benefits provided by the Plan in accordance with the provisions of Chapter 112 and Chapter 175, Florida Statutes. The actuarial cost method used in the valuation is the Individual Entry Age Normal method with the level percent of payroll used for amortizing unfunded liabilities over a period of 1-30 years (closed). The asset valuation method used to determine the actuarial value of assets is 5 year smoothing. The Plan's actuarial consultants reported the pension fund experience was less favorable than as expected on the basis of the actuarial assumptions for the year ended September 30, 2019, resulting in an actuarial loss. The loss was mainly attributable to an investment return experience of 6.37% which is below the 8% assumption and lower than expected employee turnover and unfavorable mortality experience. These losses were partially offset by lower than expected increases in Pensionable Compensation.

For financial reporting purposes, the projection of benefits does not explicitly incorporate the potential effects of the legal limit on employer contributions noted previously.

NOTE F - CASH AND INVESTMENTS

Investments

The Board recognizes that the obligations of the Plan are long-term in nature and that its investment policies should be designed for the performance and return over a number of years.

ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE F - CASH AND INVESTMENTS (CONTINUED)

The general investment objective is to obtain a reasonable total rate of return defined as interest and dividend income plus realized and unrealized capital appreciation as set forth within the prudent investor rule and Chapter 175 of the Florida Statutes. The investment policy of the Board, and as authorized by Chapter 175 of the Florida Statutes, shall be allowed to invest in:

1. Time deposits or savings accounts of a national bank, a state bank, or savings and loan institution insured by the Federal Deposit Insurance Corporation.
2. Obligations of the United States or obligations guaranteed as to principal and interest by the Government of the United States or an agency thereof.
3. Bonds, stocks or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia that are listed on a recognized national exchange and an investment quality rating within the top four ratings. The total of bonds holding a rating below the three highest classifications shall not exceed 15% of the total bond portfolio based on market value.
4. Equity investment (mutual funds, common stock, convertible bonds convertible preferred issues and preferred stock) in a corporation listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market. Foreign issues are limited to those that settle in U.S. dollars and are traded on one or more recognized national exchanges, NASDAQ or the OTC.
5. Securities and Exchange Commission registered money market funds limited to issues of the United States Government and its agencies and cash equivalents.
6. Commingled equity, bond or money market funds whose investments are restricted to securities meeting the previous criteria including real estate investment trusts.
7. Real Estate Investment Trusts (REIT's) that trade on a national exchange and diversified private real estate programs that offer a prudent means of liquidity.

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

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

NOTE F - CASH AND INVESTMENTS (CONTINUED)

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

<u>INVESTMENTS</u>	Percent <u>Actual</u>	Percent <u>Target</u>	Long Term <u>Expected ROR</u>	Weighted <u>Average ROR</u>	Long Term <u>Expected Real ROR</u>	Weighted Average <u>Real ROR</u>
Large Cap	22.0%	22.0%	9.7%	2.1%	7.3%	1.6%
Mid Cap	11.6%	12.0%	11.8%	1.4%	9.4%	1.1%
Small Cap	7.2%	8.0%	9.0%	0.7%	6.5%	0.5%
Infrastructure	5.5%	4.0%	10.5%	0.4%	8.1%	0.3%
Convertible	12.4%	12.0%	8.7%	1.0%	6.3%	0.8%
International	10.1%	10.0%	5.1%	0.5%	2.7%	0.3%
Private Real Estate	6.8%	6.0%	7.3%	0.4%	4.9%	0.3%
Core Fixed Income	8.6%	8.0%	6.0%	0.5%	3.6%	0.3%
Short-Term	7.5%	7.0%	5.5%	0.4%	3.1%	0.2%
Cash	1.9%	1.0%	3.0%	0.0%	60.0%	0.0%
High Yield	4.8%	5.0%	8.1%	0.4%	5.7%	0.3%
Alternatives	1.7%	5.0%	6.3%	0.3%	3.9%	0.2%
Total	<u>100.1%</u>	<u>100.0%</u>				

The annual money-weighted rate of return on plan investments (calculated as the internal rate of return on plan investments, net of plan investment expense) was 3.6% for the year ended September 30, 2019 as calculated by the Plan's investment monitor and advisor. The money-weighted rate of return expresses investment performance, net of plan investment expenses, as adjusted for the changing amounts actually invested on a monthly basis.

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

The following presents the pension liability of the District, calculated using the discount rate of 8.0%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (7%) or 1% higher (9%) than the current rate:

	1% Decrease <u>7.00%</u>	Current Discount Rate <u>8.00%</u>	1% Increase <u>9.00%</u>
Sponsor's net pension liability	\$ 146,086,277	\$ 106,620,882	\$ 73,577,285

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

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE F - CASH AND INVESTMENTS (CONTINUED)

projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate of 8% was also the rate used for the previous year's calculation of net pension liability.

The Fund's investments at year-end are shown on the following page. The Fund's investments are held by an independent custodial Trust department and include uninsured and unregistered investments for which the securities are held by the Pension Trust Fund's custodian, but not in the Pension Trust Fund's name or, in the case of mutual funds or alternative investments, in the Fund's name.

The GASB 40 financial statement disclosure requirements enhances the deposit and investment risk disclosures by updating the custodial credit risk disclosure requirements of GASB 3 and addressing

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE F - CASH AND INVESTMENTS (CONTINUED)

investments or the requirements for reporting certain repurchase agreements and reverse repurchase agreements, and it maintains, with modification, the level-of-detail disclosure requirements of Statement 3.

The Fund categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Fund has the following recurring fair value measurement as of September 30, 2019:

	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
Cash Equivalents (Temporary Investment Funds)	\$ 7,007,542	\$ 7,007,542	\$ -	\$ -
Debt securities				
U.S. government securities	2,330,398	-	2,330,398	-
Federal obligations	6,867,552	-	6,867,552	-
Mortgage-backed Securities	892,944	-	892,944	-
Corporate debt - domestic	68,710,974	-	68,710,974	-
Corporate debt - international	1,350,392	-	1,350,392	-
	<u>80,152,260</u>	<u>-</u>	<u>80,152,260</u>	<u>-</u>
Equity Securities				
Corporate stocks - domestic	45,239,288	45,239,288	-	-
Mutual funds - international equities	13,014,699	13,014,699	-	-
Mutual funds - domestic equities	51,290,701	51,290,701	-	-
Limited liability company - real estate investment	31,515,503	-	-	31,515,503
	<u>141,060,191</u>	<u>109,544,688</u>	<u>-</u>	<u>31,515,503</u>
	228,219,993	116,552,230	80,152,260	31,515,503
Net Asset Value				
Collective trust	<u>39,960,570</u>			
	<u>\$ 268,180,563</u>			

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

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
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September 30, 2019

NOTE F - CASH AND INVESTMENTS (CONTINUED)

longer the time to maturity, the greater the exposures to interest rate risk. Through its investment policies the plan manages its exposure to fair value losses from increasing interest rates. The composition of fixed income securities at September 30, 2019, along with the credit quality and remaining duration in years, is summarized as follows:

Security description	Years to Maturity					S&P Rating
	<1	1 - 5	5 - 10	10-20	>20	
Corporate bonds & notes	\$2,065,860	\$24,877,724	\$3,550,920	-	-	BBB - AAA
U.S. Govt. & Federal obligations	1,042,364	3,120,872	5,002,375	-	-	AAA
Mortgage-backed securities	249,831	642,959	-	-	-	AAA
Convertible securities	188,395	12,721,955	2,572,367	-	1,464,312	NR - A+
Mutual fund	1,385,550	9,944,249	9,588,120	1,210,117	524,289	AAA - D
	<u>\$4,932,000</u>	<u>\$51,307,759</u>	<u>\$20,713,782</u>	<u>\$1,210,117</u>	<u>\$1,988,601</u>	

Vanguard High-Yield Corporate Fund seeks a high and sustainable level of current income by investing primarily in below-investment-grade corporate securities offering attractive yields. The fund emphasizes higher credit quality and lower risk than are typical of other high-yield funds. Using a long-term, fundamental process, the advisor applies intensive credit analysis to identify high-yielding companies with stable or improving prospects. The fund maintains broad diversification in its below-investment-grade holdings. It also holds investment-grade issues suffering from near-term weakness and U.S. Treasury bonds. The advisor's strategy seeks to reduce default risk and limit capital depreciation potential. The resulting portfolio generally has a lower yield-to-maturity, higher average credit quality, and lower volatility than the Bloomberg Barclays U.S. Corporate High Yield Bond Index. The fund purchases securities paying cash coupons and avoids zero-coupon or pay-in-kind bonds. The fund had an effective duration of 2.9 years and effective maturity of 3.8 years as of September 30, 2019.

The limitations pertaining to the Fund's investments restrict the equity investments to no greater than 50% of the Fund assets on a cost basis. Additionally, no more than 5% of the Fund's assets on a cost basis shall be invested in the capital stock of any one issuing company nor may the investment in any one company exceed 5% of the outstanding capital stock of the company. Foreign investments shall not exceed 10% of the Fund's assets on a cost basis. Various other investments are particularly prohibited.

Foreign currency risk is the exposure that the plan is subject to in regards to the ownership of international mutual funds. The mutual funds are traded in U.S. dollars but the underlying investments are of multiple foreign currencies.

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Fund's investments are either held in the name of the Fund or held in trust under the Fund's name.

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE G – HISTORICAL TREND INFORMATION

Historical trend information designed to provide information about the Plan's progress made in accumulating sufficient assets to pay benefits when due is presented beginning on page 24.

Detailed information regarding the funding of the plan is contained in the Supplemental Information accompanying the financial statements. The schedule of funding progress included in the required supplemental information presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE H - DESIGNATIONS

A portion of the plan's assets are designated for benefits that accrue in relation to the DROP account further described in Note C. Allocations and activity in the DROP account for the year ended September 30, 2019 are presented below.

Assets at Beginning of Year	\$ 33,858,637
Allocated Contributions	3,059,955
Retirement Benefit Payments	(1,713,864)
Interest	<u>2,698,774</u>
Total Designated Plan Net Position	<u>\$ 37,903,502</u>
Undesignated Plan Net Position	<u>224,243,169</u>
Total Plan Net Position	<u><u>\$ 262,146,671</u></u>

NOTE I – 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 Statement of Fiduciary Net Position.

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE J – PLAN CHANGES

2019

Plan Changes

For FY 2018-2019 Unit members who are members of the St. Lucie County Fire District Firefighters' Pension Trust Fund, shall contribute 5.0% of pensionable wages, which shall be paid towards employees' contribution to the Plan.

Actuarial Assumption/Method Changes

- The investment return assumption was lowered from 8.0% to 7.6%, effective October 1, 2019. This assumption is scheduled to be decreased in the future by 0.10% per year until 7.0% is reached.
- The mortality tables were updated from the mortality tables used by the Florida Retirement System (FRS) for Special Risk Class members in the July 1, 2018 FRS Actuarial Valuation to the rates used in the July 1, 2019 FRS Actuarial Valuation. Please see the Actuarial Assumptions and Cost Method section for more details.
- The payroll growth assumption to project Covered Payroll to the contribution year was lowered from 6.37% (the average salary increase assumption) to 3.0% (the wage inflation assumption).
- For the October 1, 2019 actuarial experience gain/loss base, and all future actuarial experience gain/loss bases, the amortization period was increased from 10 years to 20 years. Also, for all current and future assumption changes, the amortization period was increased from 20 to 25 years.

2018

Plan Changes

There were no changes in benefits since the prior valuation.

2017

Plan Changes

There were no changes in benefits since the prior valuation.

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE J – PLAN CHANGES (CONTINUED)

Actuarial Assumption/Method Changes

- Since the prior valuation, the mortality table has changed to comply with Chapter 2015-157, Laws of Florida to be the same rates as used in the July 1, 2018 Florida Retirement System (FRS) valuation for special risk lives. Previously, the July 1, 2015 FRS rates for special risk lives were used.
- Given the District's communication that a lump sum payment at the beginning of each fiscal year is not feasible, the valuation of the Plan incorporates a half-year interest load (using the current 8% valuation assumption for investment return) for determination of the total and District funding requirements. Therefore, it is assumed the District will deposit its contribution requirement equally throughout the year, starting with the fiscal year beginning October 1, 2019.
- The payroll growth assumption was lowered from 3.0% to 2.9%, in compliance with Chapter 112, Florida Statutes. This change had a minimal impact on the amortization payment for the 10/1/2015 UAAL Fresh Start Base.

2016

Plan Changes

Pursuant to Resolution 622-16, effective the first payroll following October 1, 2018, an increase in the Member Contribution Rate from 0.5% to 4.0% of Pensionable Wages for active and DROP participants (the 2.0% of Base Pay contribution requirement is eliminated). Contributions collected from DROP participants will continue to offset the Plan's future Unfunded Actuarial Accrued Liability.

Details regarding the above change are set forth in the September 27, 2018 Actuarial Impact Statement.

Actuarial Assumption/Method Changes

As the result of a special Experience Study, the Board of Trustees adopted changes to the following assumptions in conjunction with this valuation of the Plan:

- Normal Retirement rates
- Salary increases
- Mortality (as mandated by Chapter 2015-157, Laws of Florida)
- Turnover rates

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE J – PLAN CHANGES (CONTINUED)

Details of the above changes are set forth in the Actuarial Assumptions and Methods section of the actuarial valuation report.

2015

Plan Changes

Pursuant to Resolution 605-15, an increase in the Member Contribution Rate (including contributions for DROP participants) of 0.6% of payroll, which is estimated as sufficient to reduce the District's contribution rate to 28.0% of payroll. In lieu of an actual change in the Member Contribution Rate, additional State Monies will be made available for the purpose of lowering the District's funding rate to 28.0% of payroll. Please note that while the Resolution sets the Member Contribution Rate at 0.6% of payroll, it must instead be increased by 0.6% of payroll to meet the goal of reducing the District's funding rate from 28.6% to 28.0%. In the coming fiscal year, there has been no change in the actual employee funding percent rate of the plan.

Additionally, Resolution 605-15 does not require an increase in the 2% of Base Pay contribution requirement.

Details regarding the above change are set forth in our May 3, 2018 Actuarial Impact Statement.

Actuarial Assumption/Method Changes

As approved by the Trustees at the May 21, 2015 Board Meeting, a Fresh Start for the Unfunded Actuarial Accrued Liability (UAAL) has been implemented with this valuation of the Plan. The amortization period for the combined UAAL (including the 2015 experience loss) was determined such that the annual amortization payment remains approximately the same as under the prior methodology.

For purposes of the Fresh Start, the newly established base is amortized with a 3% payroll growth assumption. The amortization period/method for future UAAL bases will be as follows:

- Experience Gains and Losses – 10 years, level dollar
- Method and Assumption Changes – 20 years, level dollar
- Benefit Changes – 30 years, level dollar

Previously, a thirty-year amortization period, level percentage of pay, was used for all changes to the UAAL.

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE J – PLAN CHANGES (CONTINUED)

2014

Plan Changes

Resolution 583-14, adopted September 17, 2014, and effective October 1, 2014, provided for DROP eligibility for Members eligible for Early Retirement, additional Member Contributions on Base Pay, and a tiered benefit structure for Members hired after September 30, 2014.

Actuarial Assumption/Method Changes

- In conjunction with the September 30, 2014, Actuarial Impact Statement, it is assumed that 10% of Members who attain Early Retirement eligibility will elect to take Early Retirement as a result of the amended DROP eligibility requirements.
- In conjunction with this valuation of the Plan, the payroll growth assumption was reduced from 4.5% to 4.3% for the purpose of compliance with the requirements of Part VII of Chapter 11 2, Florida Statutes. This decrease resulted in an increase in the annual UAAL amortization payment of approximately \$85,000.

2013

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

2012

Resolution N. 554-12, adopted September 19, 2012, and effective October 1, 2012, provided the following changes:

- An increase in the Member Contribution Rate from .50% to .59% for the period October 1, 2012 through September 20, 2013.
- An increase in the “frozen” State Contribution from \$1,631,989 to \$1,919,728. This will become effective with the fiscal year ending September 30, 2013.

2011

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

2010

The service purchase provision was changed to allow the pay used in the service purchase calculation to be included in the final earnings calculation provided such service is purchased within the last ten years of employment and the salary used for the service purchase calculation is

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE J – PLAN CHANGES (CONTINUED)

one of the four highest in such ten year period. To value the effect of the Plan amendment, it was assumed that projected retirement benefits will increase by an average of .20%.

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS AND ACTUARIALLY DETERMINED CONTRIBUTIONS

SCHEDULE OF FUNDING PROGRESS

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL	FUNDED RATIO (1)/(2)	UNFUNDED	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL (4)/(5)
		LIABILITY (AAL) Entry Age		UAAL (2)-(1)		COVERED PAYROLL
2010	152,085,000	195,430,000	77.8%	43,345,000	29,222,000	148.3%
2011	158,741,616	223,130,935	71.1%	64,389,319	26,291,209	244.9%
2012	175,228,821	224,633,306	78.0%	49,404,485	26,210,490	188.5%
2013	181,107,241	250,058,907	72.4%	68,951,666	26,696,002	258.3%
2014	190,131,196	266,041,158	71.5%	75,909,962	26,728,918	284.0%
2015	202,999,982	289,258,430	70.2%	86,258,448	30,156,226	286.0%
2016	219,742,915	308,423,471	71.2%	88,680,556	30,093,503	294.7%
2017	235,393,178	327,797,016	71.8%	92,403,838	31,241,424	295.8%
2018	252,105,896	345,861,169	72.9%	93,755,273	34,385,000	272.7%
2019	268,879,630	374,427,934	71.8%	105,548,304	32,834,609	321.5%

This schedule uses projected covered payroll for actuarial calculations.

ACTUARIALLY DETERMINED CONTRIBUTIONS

Fiscal Year Ended September 30,	Actuarial Valuation Date	Actuarially Determined Contribution	Contributions		Contribution Excess (deficiency)	Covered Payroll	Contribution as % of Covered Payroll
			in relation to Actuarially Determined Contributions	Contribution			
2014	2012	8,634,940	8,634,940	-	31,156,266	27.71%	
2015	2013	9,931,824	9,931,824	-	32,510,512	30.55%	
2016	2014	11,877,064	11,877,063	-	30,282,933	39.22%	
2017	2015	13,072,033	13,072,033	-	29,737,023	43.96%	
2018	2016	14,412,592	14,544,741	132,149	34,385,000	42.30%	
2019	2017	15,273,245	15,611,677	338,432	31,838,334	49.03%	

Notes to Schedule

Valuation Date: 10/01/17

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:

Funding Method: Entry Age Normal Actuarial Cost Method
Mortality: Healthy Lives: RP2000
Actuarial Value of Assets: The Actuarial Value of Assets utilizes a five-year smoothing methodology.
Inflation: 2.7% per year.
Salary Increases: 5.1% - 8.3%
Projected benefit at retirement of termination is increased 11% to account for non-regular compensation.
Payroll Growth: 3%-limited to actual ten-year average payroll growth by Florida Statute
Interest Rate: 8% per year compounded annually, net of investment related expenses.

ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND
REQUIRED SUPPLEMENTAL INFORMATION
ANNUAL MONEY- WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE

<u>FYE</u>	<u>%</u>
2014	8.8%
2015	-2.4%
2016	8.0%
2017	9.6%
2018	6.9%
2019	3.9%

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

ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY OF THE SPONSOR

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 8,544,622	\$ 8,739,717	\$ 8,413,158	\$ 7,617,762	\$ 6,756,436	\$ 6,448,008
Interest	27,873,646	26,235,299	24,806,668	22,704,064	21,443,603	20,052,241
Change in excess state money	100,541	19,663	(600,000)	-	146,952	341,222
Changes of benefit terms	2,213	-	-	-	-	-
Differences between expected and actual experience	(1,303,360)	(446,737)	(2,212,835)	5,799,419	(2,639,844)	-
Changes of assumptions	-	-	-	880,921	-	-
Contributions - buy back	-	148,879	66,116	436,534	181,859	62,591
Benefit payments, including refunds of employee contributions	(14,384,053)	(14,157,492)	(12,926,081)	(11,090,001)	(10,605,241)	(8,353,250)
Net change in total pension liability	20,833,609	20,539,329	17,547,026	26,348,699	15,283,765	18,550,812
Total pension liability - beginning	347,067,984	326,528,655	308,981,629	282,632,930	267,349,165	248,798,353
Total pension liability - ending (a)	<u>\$ 367,901,593</u>	<u>\$ 347,067,984</u>	<u>\$ 326,528,655</u>	<u>\$ 308,981,629</u>	<u>\$ 282,632,930</u>	<u>\$ 267,349,165</u>
Plan fiduciary net position						
Contributions - employer	\$ 13,499,356	\$ 12,432,420	\$ 10,491,862	\$ 9,857,950	\$ 8,012,096	\$ 6,715,212
Contributions - state	2,212,862	2,131,983	1,980,171	2,019,113	2,066,680	2,260,950
Contributions - employee	1,746,633	1,375,400	1,360,489	769,108	736,011	156,280
Contributions - buy back	-	148,879	66,116	436,534	181,859	62,591
Net investment income	9,842,866	16,126,023	20,363,126	15,705,167	(4,740,495)	16,072,750
Benefit payments, including refunds of employee contributions	(14,384,053)	(14,157,492)	(12,926,081)	(11,090,001)	(10,605,241)	(8,353,250)
Administrative expense	(130,794)	(137,126)	(145,313)	(121,137)	(118,004)	(109,156)
Net change in plan fiduciary net position	12,786,870	17,920,087	21,190,370	17,576,734	(4,467,094)	16,805,377
Plan fiduciary net position - beginning	248,493,841	230,573,754	209,383,384	191,806,650	196,273,744	179,468,367
Plan fiduciary net position - ending (b)	<u>\$ 261,280,711</u>	<u>\$ 248,493,841</u>	<u>\$ 230,573,754</u>	<u>\$ 209,383,384</u>	<u>\$ 191,806,650</u>	<u>\$ 196,273,744</u>
Net pension liability - ending (a) - (b)	<u>\$ 106,620,882</u>	<u>\$ 98,574,143</u>	<u>\$ 95,954,901</u>	<u>\$ 99,598,245</u>	<u>\$ 90,826,280</u>	<u>\$ 71,075,421</u>
Plan fiduciary net position as a percentage of the total pension liability	71.02%	71.60%	70.61%	67.77%	67.86%	73.41%
Covered employee payroll	\$ 31,838,334	\$ 34,385,000	\$ 29,737,023	\$ 30,282,933	\$ 32,510,512	\$ 31,156,266
Net pension liability as a percentage of covered employee payroll	334.88%	286.68%	322.68%	328.89%	279.38%	228.13%

Notes to Schedule:

Valuation Date: October 1, 2018

Measurement Date: September 30, 2019

Reporting Period Ending: September 30, 2020

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method Entry Age Normal

Inflation: 2.7%

Salary Increases: 5.5% to 25.0% depending on service, including inflation

Investment Rate of Return: 8.0%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition

Mortality: RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates as used for Special Risk Class members of the Florida Retirement System (FRS) in the July 1, 2018 Actuarial Valuation. Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2018 Actuarial Valuation Report (dated September 16, 2019).

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

Source: Foster & Foster Actuaries and Consultants, GASB No 67 & 68 report dated May 22, 2019

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF NET POSITION LIABILITY OF THE SPONSOR**

Actuarial Valuation Date	Total Pension Liability	Plan Fiduciary Net Position	Sponsor Net Pension Liability	Fiduciary Net Pension As % of Total Pension Liability	Covered Payroll	Net Pension Liability as % of Covered Payroll
2014	\$ 267,349,165	\$ 196,273,744	\$ 71,075,421	73.41%	\$ 31,156,266	228.13%
2015	282,632,930	191,806,650	90,826,280	67.86%	32,510,512	279.38%
2016	308,981,629	209,383,384	99,598,245	67.77%	30,282,933	328.89%
2017	326,528,655	230,573,754	95,954,901	70.61%	29,737,023	322.68%
2018	347,067,984	248,493,841	98,574,143	71.60%	34,385,000	286.68%
2019	367,901,593	261,280,711	106,620,882	71.02%	31,838,334	334.88%

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

Source: Foster & Foster Actuaries and Consultants

**ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION TRUST FUND**
SCHEDULE OF INVESTMENT AND ADMINISTRATIVE EXPENSES
For the year ended September 30, 2019

	Investment Expenses	Administrative Expenses
Accounting fees	\$ -	\$ 9,800
Actuary fees	-	18,725
Administrative services	-	42,118
Computer services	-	1,131
Custodial fees	31,984	-
Dues and subscriptions	-	-
Insurance	-	6,285
Investment management fees	1,710,981	-
Investment monitor	135,252	-
Legal fees	-	25,020
Membership fees	-	850
Medical Evaluations	-	1,500
Medical Records	-	314
Miscellaneous	-	888
Postage	-	156
Seminar and travel	-	15,424
Storage	-	768
	<hr/>	<hr/>
Total investment and administrative expenses	<u>\$ 1,878,217</u>	<u>\$ 122,979</u>
Percentage of plan net position	0.72%	0.05%