



May 17, 2021

Mr. Albert Lovingood  
Resource Centers, LLC  
4360 Northlake Blvd., Suite 206  
Palm Beach Gardens, FL 33410

**Re: St. Lucie County Fire District Firefighters' Pension Trust Fund  
GASB No. 67 Disclosure Information for Measurement Period Ending September 30, 2020 and  
GASB No. 68 Disclosure Information for Reporting Period Ending September 30, 2021**

Dear Albert:

As requested, we have prepared the actuarial disclosure information required under Governmental Accounting Standards Board (GASB) Statement Number 67 and 68 for the measurement period ending September 30, 2020 and the GASB No. 68 reporting year ending September 30, 2021. Enclosed are the following exhibits:

- Executive Summary
- Schedule of Changes in Net Pension Liability and Related Ratios for Measurement Year
- Schedule of Employer's Net Pension Liability
- Notes to Net Pension Liability
- Pension Expense Under GASB No. 68
- Statement of Outflows and Inflows Arising from Current Reporting Period
- Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods
- Summary of Remaining Deferred Outflows and Inflows of Resources
- Schedule of Contributions
- Notes to Schedule of Contributions
- Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

The actuarial valuation of the liabilities has been determined as of the beginning of the year, October 1, 2019 (based on the actuarial valuation results reported in the October 1, 2019 actuarial valuation report dated June 24, 2020), and "rolled forward" to the measurement date, September 30, 2020. If significant changes occur during the year, such as benefit changes or changes in assumptions or methods, these may need to be reflected in the process. This report is based on the actuarial valuation report dated June 24, 2020 that was provided to the Board and should be considered in conjunction with that report. Please refer to the October 1, 2019 Actuarial Valuation Report for additional information related to participant data, economic and demographic assumptions, and benefit provisions.

The enclosed exhibits were based upon draft financial information as of September 30, 2020, which was furnished by the Plan Auditor. If any of this information changes during the auditing process, then these exhibits will need to be revised.

Please note that there are other items not listed above that will be required in the Plan's financial statements and/or the Fire District's Comprehensive Annual Financial Report (CAFR) to fully comply with GASB No. 67 and 68 standards. This additional information will need to be provided by the Plans' investment consultants, accountants or other financial statement preparers.

### **Required Disclosures**

This information is intended to assist in preparation of the financial statements of the Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB Statement No. 67 and 68. These calculations have been made on a basis that is consistent with our understanding of this Statement.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement No. 67 and 68. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 67 and 68 may produce significantly different results.

This report was prepared at the request of the Board and is intended for financial reporting purposes for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the Retirement System only in its entirety and only with permission of the Board. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

The calculations in this report are based on financial information as of September 30, 2020 as well as the October 1, 2019 Actuarial Valuation dated June 24, 2020. Please refer to that report for information concerning plan provisions, active members, terminated members, retirees and beneficiaries. We reviewed the information provided by the Plan Administrator for internal and year-to-year consistency, but did not audit the information. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based on the assumptions, methods, and plan provisions outlined in this report and the October 1, 2019 Actuarial Valuation Report. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic



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assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author of the report prior to relying on information in the report.

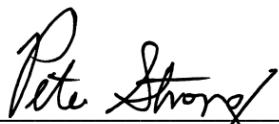
This report was prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

Peter N. Strong and Jeffrey Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The undersigned actuaries are independent of the plan sponsor.

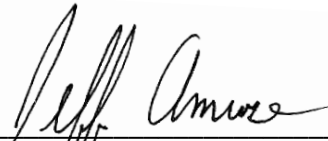
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

We welcome your questions and comments.

Sincerely yours,



Peter N. Strong, FSA, EA, MAAA, FCA  
Senior Consultant and Actuary



Jeffrey Amrose, EA, MAAA, FCA  
Senior Consultant and Actuary

PS/bmi

Enclosures



# EXECUTIVE SUMMARY

## GASB Statement No. 67 and 68

|   |                    |
|---|--------------------|
| Actuarial Valuation Date                            | October 1, 2019    |
| Measurement Date of the Net Pension Liability       | September 30, 2020 |
| Employer's Fiscal Year Ending Date (Reporting Date) | September 30, 2021 |

### Membership as of Actuarial Valuation Date

|                                |               |
|--------------------------------|---------------|
| Number of                      |               |
| - Retirees and Beneficiaries   | 217           |
| - Inactive, Nonretired Members | 22            |
| - Active Members               | 354           |
| - Total                        | 593           |
| Covered Payroll                | \$ 32,236,603 |

### Net Pension Liability

|   |                |
|---|----------------|
| Total Pension Liability   | \$ 396,809,848 |
| Plan Fiduciary Net Position   | 286,724,324    |
| Net Pension Liability   | \$ 110,085,524 |
| Plan Fiduciary Net Position as a Percentage<br>of Total Pension Liability | 72.26 %        |
| Net Pension Liability as a Percentage<br>of Covered Payroll               | 341.49 %       |

### Development of the Single Discount Rate

|  |        |
|--|--------|
| Single Discount Rate   | 7.60 % |
| Long-Term Expected Rate of Investment Return   | 7.60 % |
| Long-Term Municipal Bond Rate*   | 2.41 % |
| Last year ending September 30 in the 2020 to 2119 projection period<br>for which projected benefit payments are fully funded | 2119   |

**Total Pension Expense** \$ 18,078,247

### Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience                                   | \$ 2,174,781                      | \$ 4,173,385                     |
| Changes in assumptions  | 7,444,396                         | -                                |
| Net difference between projected and actual earnings<br>on pension plan investments | 7,049,297                         | 2,782,359                        |
| <b>Total</b>  | <b>\$ 16,668,474</b>              | <b>\$ 6,955,744</b>              |

\*Source: Fidelity General Obligation AA rate as of September 30, 2020.

*This is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities.*



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

## GASB Statement No. 67/68

| Measurement period ending September 30,<br>Reporting period ending September 30,  | 2020<br>2021  | 2019<br>2020  | 2018<br>2019  | 2017<br>2018  | 2016<br>2017  | 2015<br>2016  | 2014<br>2015  |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total Pension Liability</b>  |               |               |               |               |               |               |               |
| Service Cost  | \$ 8,669,135  | \$ 8,544,622  | \$ 8,739,717  | \$ 8,413,158  | \$ 7,617,762  | \$ 6,756,436  | \$ 6,448,008  |
| Interest  | 29,501,465    | 27,873,646    | 26,235,299    | 24,806,668    | 22,704,064    | 21,443,603    | 20,052,241    |
| Benefit Changes   | (77,188)      | 2,213         | -             | -             | -             | -             | -             |
| Difference between actual & expected experience                                   | (1,964,741)   | (1,303,360)   | (446,737)     | (2,212,835)   | 5,799,419     | (2,639,844)   | -             |
| Assumption Changes  | 8,384,417     | -             | -             | -             | 880,921       | -             | -             |
| Benefit Payments  | (15,600,368)  | (14,379,381)  | (14,157,492)  | (12,926,081)  | (11,090,001)  | (10,605,241)  | (8,353,250)   |
| Refunds   | (4,465)       | (4,672)       | -             | -             | -             | -             | -             |
| Other (buybacks)  | -             | -             | 148,879       | 66,116        | 436,534       | 181,859       | 62,591        |
| Other (adj.'s to Excess State Contribution Reserve)                               | -             | 100,541       | 19,663        | (600,000)     | -             | 146,952       | 341,222       |
| <b>Net Change in Total Pension Liability</b>                                      | 28,908,255    | 20,833,609    | 20,539,329    | 17,547,026    | 26,348,699    | 15,283,765    | 18,550,812    |
| <b>Total Pension Liability - Beginning</b>  | 367,901,593   | 347,067,984   | 326,528,655   | 308,981,629   | 282,632,930   | 267,349,165   | 248,798,353   |
| <b>Total Pension Liability - Ending (a)</b>                                       | \$396,809,848 | \$367,901,593 | \$347,067,984 | \$326,528,655 | \$308,981,629 | \$282,632,930 | \$267,349,165 |
| <b>Plan Fiduciary Net Position</b>  |               |               |               |               |               |               |               |
| Contributions – Employer (from city)  | \$ 14,102,186 | \$ 13,499,356 | \$ 12,432,420 | \$ 10,491,862 | \$ 9,857,950  | \$ 8,012,096  | \$ 6,715,212  |
| Contributions – Employer (from state)   | 2,266,661     | 2,212,862     | 2,131,983     | 1,980,171     | 2,019,113     | 2,066,680     | 2,260,950     |
| Contributions – Non-Employer contributing entity                                  | -             | -             | -             | -             | -             | -             | -             |
| Contributions – Member (incl. buyback contributions)                              | 2,237,514     | 1,746,633     | 1,524,279     | 1,426,605     | 1,205,642     | 917,870       | 218,871       |
| Net Investment Income   | 21,747,827    | 9,842,866     | 16,126,023    | 20,363,126    | 15,705,167    | (4,740,495)   | 16,072,750    |
| Benefit Payments  | (15,600,368)  | (14,379,381)  | (14,157,492)  | (12,926,081)  | (11,090,001)  | (10,605,241)  | (8,353,250)   |
| Refunds   | (4,465)       | (4,672)       | -             | -             | -             | -             | -             |
| Administrative Expense  | (171,702)     | (130,794)     | (137,126)     | (145,313)     | (121,137)     | (118,004)     | (109,156)     |
| Other (Adjustment to Beginning Net Position)                                      | 865,960       | -             | -             | -             | -             | -             | -             |
| <b>Net Change in Plan Fiduciary Net Position</b>                                  | 25,443,613    | 12,786,870    | 17,920,087    | 21,190,370    | 17,576,734    | (4,467,094)   | 16,805,377    |
| <b>Plan Fiduciary Net Position - Beginning</b>                                    | 261,280,711   | 248,493,841   | 230,573,754   | 209,383,384   | 191,806,650   | 196,273,744   | 179,468,367   |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                                   | \$286,724,324 | \$261,280,711 | \$248,493,841 | \$230,573,754 | \$209,383,384 | \$191,806,650 | \$196,273,744 |
| <b>Net Pension Liability - Ending (a) - (b)</b>                                   | 110,085,524   | 106,620,882   | 98,574,143    | 95,954,901    | 99,598,245    | 90,826,280    | 71,075,421    |
| <b>Plan Fiduciary Net Position as a Percentage<br/>of Total Pension Liability</b> | 72.26 %       | 71.02 %       | 71.60 %       | 70.61 %       | 67.77 %       | 67.86 %       | 73.41 %       |
| <b>Covered Payroll</b>  | \$ 32,236,603 | \$ 31,838,334 | \$ 34,385,000 | \$ 29,737,023 | \$ 30,282,933 | \$ 32,510,512 | \$ 31,156,266 |
| <b>Net Pension Liability as a Percentage<br/>of Covered Payroll</b>               | 341.49 %      | 334.88 %      | 286.68 %      | 322.68 %      | 328.89 %      | 279.38 %      | 228.13 %      |



## SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY

### GASB Statement No. 67/68

| Measurement<br>Period Ending<br>September 30, | Total<br>Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability | Plan Fiduciary Net<br>Position as a % of<br>Total Pension Liability | Covered<br>Payroll | Net Pension Liability<br>as a % of<br>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%   |
| 2020  | 396,809,848                   | 286,724,324                    | 110,085,524              | 72.26%  | 32,236,603         | 341.49%   |



# NOTES TO EMPLOYER'S NET PENSION LIABILITY

## GASB Statement No. 67/68

**Valuation Date:** October 1, 2019  
**Measurement Date:** September 30, 2020  
**Reporting Period Ending:** September 30, 2021

**Methods and Assumptions Used to Determine Net Pension Liability:**

|                           |   |
|---------------------------|---|
| Actuarial Cost Method     | Entry Age Normal  |
| Inflation                 | 2.5%  |
| Salary Increases          | 5.5% to 25.0% depending on service, including inflation   |
| Investment Rate of Return | 7.6%  |
| Retirement Age            | Experience-based table of rates that are specific to the type of eligibility condition  |
| Mortality                 | The PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement), and the PUB-2010 Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2019 Actuarial Valuation of the Florida Retirement System. |

**Other Information:**

Notes See Discussion of Valuation Results in the October 1, 2019 Actuarial Valuation Report (dated June 24, 2020).



**PENSION EXPENSE**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2021**  
**(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2020)**  
**GASB Statement No. 67 and 68**

**Pension Expense**

|   |                      |
|---|----------------------|
| 1. Service Cost   | \$ 8,669,135         |
| 2. Interest on the Total Pension Liability                                      | 29,501,465           |
| 3. Current-Period Benefit Changes   | (77,188)             |
| 4. Employee Contributions (made negative for addition here)                     | (2,237,514)          |
| 5. Projected Earnings on Plan Investments (made negative for addition here)     | (20,030,680)         |
| 6. Pension Plan Administrative Expense  | 171,702              |
| 7. Other Changes in Plan Fiduciary Net Position                                 | -                    |
| 8. Other Changes in Total Pension Liability (Excess State Contribution Reserve) | -                    |
| 9. Recognition of Outflow (Inflow) of Resources due to Liabilities              | 861,767              |
| 10. Recognition of Outflow (Inflow) of Resources due to Assets                  | 1,219,560            |
| <b>11. Total Pension Expense</b>  | <b>\$ 18,078,247</b> |





**STATEMENT OF OUTFLOWS AND INFLOWS  
ARISING FROM CURRENT REPORTING PERIOD  
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2021  
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2020)  
GASB Statement No. 67 and 68**

**A. Outflows (Inflows) of Resources due to Liabilities**

|  |                     |
|--|---------------------|
| 1. Difference between expected and actual experience of the Total Pension Liability due to (gains) or losses   | \$ (1,964,741)      |
| 2. Assumption Changes (gains) or losses  | \$ 8,384,417        |
| 3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}   | 6.6                 |
| 4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability      | \$ (297,688)        |
| 5. Outflow (Inflow) of Resources to be recognized in the current pension expense for assumption changes  | <u>\$ 1,270,366</u> |
| 6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities  | \$ 972,678          |
| 7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability | \$ (1,667,053)      |
| 8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for assumption changes   | <u>\$ 7,114,051</u> |
| 9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities   | \$ 5,446,998        |

**B. Outflows (Inflows) of Resources due to Assets**

|  |                |
|--|----------------|
| 1. Net difference between projected and actual earnings on pension plan investments due to (gains) or losses | \$ (2,583,107) |
| 2. Recognition period for Assets {in years}  | 5.0            |
| 3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets               | \$ (516,621)   |
| 4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets          | \$ (2,066,486) |



**STATEMENT OF OUTFLOWS AND INFLOWS  
ARISING FROM CURRENT AND PRIOR REPORTING PERIODS  
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2021  
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2020)  
GASB Statement No. 67 and 68**

**A. Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current Pension Expense**

|                       | Outflows<br>of Resources | Inflows<br>of Resources | Net Outflows<br>of Resources |
|-----------------------|--------------------------|-------------------------|------------------------------|
| 1. Due to Liabilities | \$ 2,105,408             | \$ 1,243,641            | \$ 861,767                   |
| 2. Due to Assets      | 2,509,208                | 1,289,648               | 1,219,560                    |
| <b>3. Total</b>       | <b>\$ 4,614,616</b>      | <b>\$ 2,533,289</b>     | <b>\$ 2,081,327</b>          |

**B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense**

|   | Outflows<br>of Resources | Inflows<br>of Resources | Net Outflows<br>of Resources |
|---|--------------------------|-------------------------|------------------------------|
| 1. Differences between expected and actual experience                               | \$ 724,927               | \$ 1,243,641            | \$ (518,714)                 |
| 2. Assumption Changes   | 1,380,481                | -                       | 1,380,481                    |
| 3. Net Difference between projected and actual earnings on pension plan investments | 2,509,208                | 1,289,648               | 1,219,560                    |
| <b>4. Total</b>   | <b>\$ 4,614,616</b>      | <b>\$ 2,533,289</b>     | <b>\$ 2,081,327</b>          |

**C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses**

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources | Net Deferred Outflows<br>of Resources |
|---|-----------------------------------|----------------------------------|---------------------------------------|
| 1. Differences between expected and actual experience                               | \$ 2,174,781                      | \$ 4,173,385                     | \$ (1,998,604)                        |
| 2. Assumption Changes   | 7,444,396                         | -                                | 7,444,396                             |
| 3. Net Difference between projected and actual earnings on pension plan investments | 7,049,297                         | 2,782,359                        | 4,266,938                             |
| <b>4. Total</b>   | <b>\$ 16,668,474</b>              | <b>\$ 6,955,744</b>              | <b>\$ 9,712,730</b>                   |

**D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses**

| Year Ending<br>September 30 | Net Deferred Outflows<br>of Resources |
|-----------------------------|---------------------------------------|
| 2022                        | \$ 2,138,481                          |
| 2023                        | 3,231,475                             |
| 2024                        | 2,753,148                             |
| 2025                        | 203,342                               |
| 2026                        | 802,676                               |
| Thereafter                  | 583,608                               |
| <b>Total</b>                | <b>\$ 9,712,730</b>                   |



**SUMMARY OF REMAINING DEFERRED  
OUTFLOWS AND INFLOWS OF RESOURCES  
GASB Statement No. 67 and 68**

| <u>Date<br/>Established</u>                  | <u>Source</u>        | <u>Recognition<br/>Period (years)</u> | <u>Original<br/>Amount</u> | <u>Years<br/>Remaining</u> | <u>Remaining<br/>Amount</u> | <u>Amount<br/>Recognized in<br/>Current Expense</u> |
|--|----------------------|---------------------------------------|----------------------------|----------------------------|-----------------------------|---|
| <b><u>Deferred Outflows of Resources</u></b> |                      |                                       |                            |                            |                             |   |
| 9/30/2016                                    | Assumption Changes   | 8.0                                   | \$ 880,921                 | 4.0                        | \$ 440,460                  | \$ 110,115  |
| 9/30/2016                                    | Liability Exp. Loss  | 8.0                                   | 5,799,419                  | 4.0                        | 2,899,708                   | 724,927   |
| 9/30/2018                                    | Investment Exp. Loss | 5.0                                   | 2,391,640                  | 3.0                        | 1,434,984                   | 478,328   |
| 9/30/2019                                    | Investment Exp. Loss | 5.0                                   | 10,154,401                 | 4.0                        | 8,123,521                   | 2,030,880   |
| 9/30/2020                                    | Assumption Changes   | 6.6                                   | <u>8,384,417</u>           | 6.6                        | <u>8,384,417</u>            | <u>1,270,366</u>                                    |
|  |                      | SUBTOTAL:                             | 27,610,798                 |                            | 21,283,090                  | 4,614,616   |
| <b><u>Deferred Inflows of Resources</u></b>  |                      |                                       |                            |                            |                             |   |
| 9/30/2015                                    | Liability Exp. Gain  | 7.0                                   | (2,639,844)                | 2.0                        | (754,242)                   | (377,121)   |
| 9/30/2016                                    | Investment Exp. Gain | 5.0                                   | (285,772)                  | 1.0                        | (57,154)                    | (57,154)  |
| 9/30/2017                                    | Investment Exp. Gain | 5.0                                   | (3,579,366)                | 2.0                        | (1,431,746)                 | (715,873)   |
| 9/30/2017                                    | Liability Exp. Gain  | 7.0                                   | (2,212,835)                | 4.0                        | (1,264,476)                 | (316,119)   |
| 9/30/2018                                    | Liability Exp. Gain  | 7.0                                   | (446,737)                  | 5.0                        | (319,100)                   | (63,820)  |
| 9/30/2019                                    | Liability Exp. Gain  | 6.9                                   | (1,303,360)                | 5.9                        | (1,114,467)                 | (188,893)   |
| 9/30/2020                                    | Investment Exp. Gain | 5.0                                   | (2,583,107)                | 5.0                        | (2,583,107)                 | (516,621)   |
| 9/30/2020                                    | Liability Exp. Gain  | 6.6                                   | <u>(1,964,741)</u>         | 6.6                        | <u>(1,964,741)</u>          | <u>(297,688)</u>                                    |
|  |                      | SUBTOTAL:                             | (15,015,762)               |                            | (9,489,033)                 | (2,533,289)   |
|  |                      | <b>GRAND TOTAL:</b>                   | <b>\$ 12,595,036</b>       |                            | <b>\$ 11,794,057</b>        | <b>\$ 2,081,327</b>                                 |



## SCHEDULE OF CONTRIBUTIONS

### GASB Statement No. 67

| Measurement<br>Period Ending<br>September 30, | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Actual Contribution<br>as a % of<br>Covered Payroll |
|---|---|------------------------|--|--------------------|---|
| 2014  | \$ 8,634,940                              | \$ 8,634,940           | \$ -                                   | \$ 31,156,266      | 27.71%  |
| 2015  | 9,931,824                                 | 9,931,824              | -                                      | 32,510,512         | 30.55%  |
| 2016  | 11,877,063                                | 11,877,063             | -                                      | 30,282,933         | 39.22%  |
| 2017  | 13,072,033                                | 13,072,033             | -                                      | 29,737,023         | 43.96%  |
| 2018  | 14,412,592                                | 14,544,741             | (132,149)                              | 34,385,000         | 42.30%  |
| 2019  | 15,273,245                                | 15,611,677             | (338,432)                              | 31,838,334         | 49.03%  |
| 2020  | 16,315,048                                | 16,368,847             | (53,799)                               | 32,236,603         | 50.78%  |



## NOTES TO SCHEDULE OF CONTRIBUTIONS

### GASB Statement No. 67

**Valuation Date:** October 1, 2018  
**Notes** Actuarially determined contribution rates are calculated as of the October 1st which is two years prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

|                               |   |
|-------------------------------|---|
| Actuarial Cost Method         | Entry Age Normal  |
| Amortization Method           | Level Percent of Pay for 2015 Fresh Start amortization base; Level Dollar for all other amortization bases; Closed  |
| Remaining Amortization Period | 29 years  |
| Asset Valuation Method        | 5-year smoothed market  |
| Inflation                     | 2.7%  |
| Salary Increases              | 5.5% to 25.0% depending on service, including inflation   |
| Investment Rate of Return     | 8.00%   |
| 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, as mandated by Florida Statutes Chapter 112.63. |

**Other Information:**  
**Notes** See Discussion of Valuation Results in the October 1, 2018 Valuation Report.

## SINGLE DISCOUNT RATE GASB Statement No. 67/68

A single discount rate of 7.60% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.60%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.60%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 7.60%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

### Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

| <b>1% Decrease</b> | <b>Current Single Discount</b> | <b>1% Increase</b> |
|--------------------|--------------------------------|--------------------|
| <b>6.60%</b>       | <b>Rate Assumption</b>         | <b>8.60%</b>       |
| <b>6.60%</b>       | <b>7.60%</b>                   | <b>8.60%</b>       |
| \$ 152,100,139     | \$ 110,085,524                 | \$ 74,807,358      |