

**BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
FIREFIGHTERS' RETIREMENT SYSTEM**

**SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2020 VALUATION DATE**



When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2020 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2020

	ACTUAL	HYPOTHETICAL	
	7.50%	5.50%	9.50%
<u>Total Pension Liability</u>			
Service Cost	2,374,553	3,841,646	1,514,905
Interest	7,318,463	7,037,795	7,326,757
Changes of Benefit Terms	636,608	843,422	497,731
Differences Between Expected and Actual Experience	506,294	484,701	543,009
Changes of Assumptions	4,629,394	6,477,540	3,428,465
Contributions - Buy Back	33,881	33,881	33,881
Benefit Payments, Including Refunds of Employee Contributions	(4,332,094)	(4,332,094)	(4,332,094)
Net Change in Total Pension Liability	11,167,099	14,386,891	9,012,654
Total Pension Liability - Beginning	95,450,447	123,155,897	76,473,800
Total Pension Liability - Ending (a)	<u>\$ 106,617,546</u>	<u>\$ 137,542,788</u>	<u>\$ 85,486,454</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	3,995,262	3,995,262	3,995,262
Contributions - State	838,786	838,786	838,786
Contributions - Employee	644,373	644,373	644,373
Contributions - Buy Back	33,881	33,881	33,881
Net Investment Income	4,724,715	4,724,715	4,724,715
Benefit Payments, Including Refunds of Employee Contributions	(4,332,094)	(4,332,094)	(4,332,094)
Administrative Expenses	(61,878)	(61,878)	(61,878)
Net Change in Plan Fiduciary Net Position	5,843,045	5,843,045	5,843,045
Plan Fiduciary Net Position - Beginning	73,917,766	73,917,766	73,917,766
Plan Fiduciary Net Position - Ending (b)	<u>\$ 79,760,811</u>	<u>\$ 79,760,811</u>	<u>\$ 79,760,811</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 26,856,735</u>	<u>\$ 57,781,977</u>	<u>\$ 5,725,643</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2020	79,378,043	-	7,293,019	-	5,679,865	77,764,889
2021	77,764,889	-	5,107,788	-	5,640,825	78,297,926
2022	78,297,926	-	5,198,826	-	5,677,388	78,776,488
2023	78,776,488	-	5,444,961	-	5,704,051	79,035,578
2024	79,035,578	-	5,813,284	-	5,709,670	78,931,964
2025	78,931,964	-	6,056,215	-	5,692,789	78,568,538
2026	78,568,538	-	6,537,744	-	5,647,475	77,678,269
2027	77,678,269	-	6,860,597	-	5,568,598	76,386,270
2028	76,386,270	-	7,212,792	-	5,458,491	74,631,969
2029	74,631,969	-	7,317,547	-	5,322,990	72,637,412
2030	72,637,412	-	7,657,680	-	5,160,643	70,140,375
2031	70,140,375	-	7,911,391	-	4,963,851	67,192,835
2032	67,192,835	-	8,154,087	-	4,733,684	63,772,432
2033	63,772,432	-	8,260,685	-	4,473,157	59,984,904
2034	59,984,904	-	8,432,905	-	4,182,634	55,734,633
2035	55,734,633	-	8,598,450	-	3,857,656	50,993,839
2036	50,993,839	-	8,653,142	-	3,500,045	45,840,742
2037	45,840,742	-	8,698,338	-	3,111,868	40,254,272
2038	40,254,272	-	8,715,820	-	2,692,227	34,230,679
2039	34,230,679	-	8,665,880	-	2,242,330	27,807,129
2040	27,807,129	-	8,615,065	-	1,762,470	20,954,534
2041	20,954,534	-	8,569,634	-	1,250,229	13,635,129
2042	13,635,129	-	8,494,239	-	704,101	5,844,991
2043	5,844,991	-	8,385,099	-	-	-

*All DROP Balances paid in 2020.

Number of Years Expected Benefit Payments Sustained: 23.70

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 5.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2020	79,378,043	-	7,293,019	-	4,165,234	76,250,258
2021	76,250,258	-	5,107,788	-	4,053,300	75,195,770
2022	75,195,770	-	5,198,826	-	3,992,800	73,989,744
2023	73,989,744	-	5,444,961	-	3,919,699	72,464,482
2024	72,464,482	-	5,813,284	-	3,825,681	70,476,879
2025	70,476,879	-	6,056,215	-	3,709,682	68,130,346
2026	68,130,346	-	6,537,744	-	3,567,381	65,159,983
2027	65,159,983	-	6,860,597	-	3,395,133	61,694,519
2028	61,694,519	-	7,212,792	-	3,194,847	57,676,574
2029	57,676,574	-	7,317,547	-	2,970,979	53,330,006
2030	53,330,006	-	7,657,680	-	2,722,564	48,394,890
2031	48,394,890	-	7,911,391	-	2,444,156	42,927,655
2032	42,927,655	-	8,154,087	-	2,136,784	36,910,352
2033	36,910,352	-	8,260,685	-	1,802,901	30,452,568
2034	30,452,568	-	8,432,905	-	1,442,986	23,462,649
2035	23,462,649	-	8,598,450	-	1,053,988	15,918,187
2036	15,918,187	-	8,653,142	-	637,539	7,902,584
2037	7,902,584	-	8,698,338	-	-	-

*All DROP Balances paid in 2020.

Number of Years Expected Benefit Payments Sustained: 17.91

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2020	79,378,043	-	7,293,019	-	7,194,496	79,279,520
2021	79,279,520	-	5,107,788	-	7,288,934	81,460,666
2022	81,460,666	-	5,198,826	-	7,491,819	83,753,659
2023	83,753,659	-	5,444,961	-	7,697,962	86,006,660
2024	86,006,660	-	5,813,284	-	7,894,502	88,087,878
2025	88,087,878	-	6,056,215	-	8,080,678	90,112,341
2026	90,112,341	-	6,537,744	-	8,250,130	91,824,727
2027	91,824,727	-	6,860,597	-	8,397,471	93,361,601
2028	93,361,601	-	7,212,792	-	8,526,744	94,675,553
2029	94,675,553	-	7,317,547	-	8,646,594	96,004,600
2030	96,004,600	-	7,657,680	-	8,756,697	97,103,617
2031	97,103,617	-	7,911,391	-	8,849,053	98,041,279
2032	98,041,279	-	8,154,087	-	8,926,602	98,813,794
2033	98,813,794	-	8,260,685	-	8,994,928	99,548,037
2034	99,548,037	-	8,432,905	-	9,056,501	100,171,633
2035	100,171,633	-	8,598,450	-	9,107,879	100,681,062
2036	100,681,062	-	8,653,142	-	9,153,677	101,181,597
2037	101,181,597	-	8,698,338	-	9,199,081	101,682,340
2038	101,682,340	-	8,715,820	-	9,245,821	102,212,341
2039	102,212,341	-	8,665,880	-	9,298,543	102,845,004
2040	102,845,004	-	8,615,065	-	9,361,060	103,590,999
2041	103,590,999	-	8,569,634	-	9,434,087	104,455,452
2042	104,455,452	-	8,494,239	-	9,519,792	105,481,005
2043	105,481,005	-	8,385,099	-	9,622,403	106,718,309
2044	106,718,309	-	8,238,518	-	9,746,910	108,226,701
2045	108,226,701	-	8,081,189	-	9,897,680	110,043,192
2046	110,043,192	-	7,892,565	-	10,079,206	112,229,833
2047	112,229,833	-	7,688,708	-	10,296,621	114,837,746
2048	114,837,746	-	7,466,291	-	10,554,937	117,926,392
2049	117,926,392	-	7,227,420	-	10,859,705	121,558,677
2050	121,558,677	-	6,969,945	-	11,217,002	125,805,734
2051	125,805,734	-	6,701,306	-	11,633,233	130,737,661
2052	130,737,661	-	6,422,006	-	12,115,033	136,430,688
2053	136,430,688	-	6,133,777	-	12,669,561	142,966,472
2054	142,966,472	-	5,839,315	-	13,304,447	150,431,604
2055	150,431,604	-	5,540,795	-	14,027,815	158,918,624
2056	158,918,624	-	5,242,561	-	14,848,248	168,524,311
2057	168,524,311	-	4,945,597	-	15,774,894	179,353,608
2058	179,353,608	-	4,650,662	-	16,817,686	191,520,632
2059	191,520,632	-	4,359,649	-	17,987,377	205,148,360
2060	205,148,360	-	4,073,544	-	19,295,601	220,370,417
2061	220,370,417	-	3,793,353	-	20,755,005	237,332,069
2062	237,332,069	-	3,520,045	-	22,379,344	256,191,368
2063	256,191,368	-	3,254,325	-	24,183,600	277,120,643
2064	277,120,643	-	2,996,861	-	26,184,110	300,307,892
2065	300,307,892	-	2,748,416	-	28,398,700	325,958,176
2066	325,958,176	-	2,509,913	-	30,846,806	354,295,069
2067	354,295,069	-	2,282,236	-	33,549,625	385,562,458
2068	385,562,458	-	2,066,250	-	36,530,287	420,026,495
2069	420,026,495	-	1,862,664	-	39,814,040	457,977,871
2070	457,977,871	-	1,671,934	-	43,428,481	499,734,418
2071	499,734,418	-	1,494,301	-	47,403,790	545,643,907
2072	545,643,907	-	1,329,766	-	51,773,007	596,087,148

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2073	596,087,148	-	1,178,134	-	56,572,318	651,481,332
2074	651,481,332	-	1,039,088	-	61,841,370	712,283,614
2075	712,283,614	-	912,211	-	67,623,613	778,995,016
2076	778,995,016	-	797,007	-	73,966,669	852,164,678
2077	852,164,678	-	692,934	-	80,922,730	932,394,474
2078	932,394,474	-	599,432	-	88,549,002	1,020,344,044
2079	1,020,344,044	-	515,951	-	96,908,177	1,116,736,270
2080	1,116,736,270	-	441,922	-	106,068,954	1,222,363,302
2081	1,222,363,302	-	376,817	-	116,106,615	1,338,093,100
2082	1,338,093,100	-	320,101	-	127,103,640	1,464,876,639
2083	1,464,876,639	-	271,221	-	139,150,398	1,603,755,816
2084	1,603,755,816	-	229,580	-	152,345,897	1,755,872,133
2085	1,755,872,133	-	194,522	-	166,798,613	1,922,476,224
2086	1,922,476,224	-	165,322	-	182,627,388	2,104,938,290
2087	2,104,938,290	-	141,244	-	199,962,428	2,304,759,474
2088	2,304,759,474	-	121,577	-	218,946,375	2,523,584,272
2089	2,523,584,272	-	105,646	-	239,735,488	2,763,214,114
2090	2,763,214,114	-	92,824	-	262,500,932	3,025,622,222
2091	3,025,622,222	-	82,536	-	287,430,191	3,312,969,877
2092	3,312,969,877	-	74,270	-	314,728,610	3,627,624,217
2093	3,627,624,217	-	67,585	-	344,621,090	3,972,177,722
2094	3,972,177,722	-	62,117	-	377,353,933	4,349,469,538
2095	4,349,469,538	-	57,554	-	413,196,872	4,762,608,856
2096	4,762,608,856	-	53,627	-	452,445,294	5,215,000,523
2097	5,215,000,523	-	50,135	-	495,422,668	5,710,373,056
2098	5,710,373,056	-	46,929	-	542,483,211	6,252,809,338
2099	6,252,809,338	-	43,898	-	594,014,802	6,846,780,242
2100	6,846,780,242	-	40,964	-	650,442,177	7,497,181,455
2101	7,497,181,455	-	38,071	-	712,230,430	8,209,373,814
2102	8,209,373,814	-	35,192	-	779,888,841	8,989,227,463
2103	8,989,227,463	-	32,314	-	853,975,074	9,843,170,223
2104	9,843,170,223	-	29,442	-	935,099,773	10,778,240,554
2105	10,778,240,554	-	26,554	-	1,023,931,591	11,802,145,591
2106	11,802,145,591	-	23,644	-	1,121,202,708	12,923,324,655
2107	12,923,324,655	-	20,741	-	1,227,714,857	14,151,018,771
2108	14,151,018,771	-	17,893	-	1,344,345,933	15,495,346,811
2109	15,495,346,811	-	15,162	-	1,472,057,227	16,967,388,876
2110	16,967,388,876	-	12,599	-	1,611,901,345	18,579,277,622
2111	18,579,277,622	-	10,238	-	1,765,030,888	20,344,298,272
2112	20,344,298,272	-	8,119	-	1,932,707,950	22,276,998,103
2113	22,276,998,103	-	6,277	-	2,116,314,522	24,393,306,348
2114	24,393,306,348	-	4,720	-	2,317,363,879	26,710,665,507
2115	26,710,665,507	-	3,441	-	2,537,513,060	29,248,175,126
2116	29,248,175,126	-	2,424	-	2,778,576,522	32,026,749,224
2117	32,026,749,224	-	1,649	-	3,042,541,098	35,069,288,673
2118	35,069,288,673	-	1,080	-	3,331,582,373	38,400,869,966
2119	38,400,869,966	-	678	-	3,648,082,615	42,048,951,903
2120	42,048,951,903	-	406	-	3,994,650,412	46,043,601,909
2121	46,043,601,909	-	234	-	4,374,142,170	50,417,743,845
2122	50,417,743,845	-	131	-	4,789,685,659	55,207,429,373
2123	55,207,429,373	-	70	-	5,244,705,787	60,452,135,090
2124	60,452,135,090	-	36	-	5,742,952,832	66,195,087,886
2125	66,195,087,886	-	18	-	6,288,533,348	72,483,621,216

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2126	72,483,621,216	-	9	-	6,885,944,015	79,369,565,222
2127	79,369,565,222	-	5	-	7,540,108,696	86,909,673,913
2128	86,909,673,913	-	2	-	8,256,419,022	95,166,092,933
2129	95,166,092,933	-	1	-	9,040,778,829	104,206,871,761
2130	104,206,871,761	-	-	-	9,899,652,817	114,106,524,578

*All DROP Balances paid in 2020.

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2022

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL	
	7.50%	5.50%	9.50%
Minimum Required Contribution (Fixed \$)	\$5,952,511	\$9,385,620	\$3,220,794
Minimum Required Contribution (% of Payroll)	65.2%	102.8%	35.2%
Expected Member Contribution	639,606	639,606	639,606
Expected State Money	838,786	838,786	838,786
Expected Sponsor Contribution (Fixed \$)	\$4,474,119	\$7,907,228	\$1,742,402
Expected Sponsor Contribution (% of Payroll)	49.0%	86.6%	19.0%

ASSETS

Actuarial Value ¹	81,886,425	81,886,425	81,886,425
Market Value ¹	79,378,043	79,378,043	79,378,043

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	66,189,242	102,229,196	45,149,286
Disability Benefits	773,586	1,108,235	565,163
Death Benefits	226,576	309,871	169,159
Vested Benefits	2,124,112	3,444,479	1,374,990
Refund of Contributions	128,841	136,686	121,800
Service Retirees	51,094,522	62,420,566	42,967,655
DROP Retirees ¹	6,904,085	8,077,482	6,087,941
Beneficiaries	1,242,610	1,567,215	1,043,187
Disability Retirees	2,045,972	2,580,510	1,682,826
Terminated Vested	782,453	1,095,461	580,148
Share Plan Balances ¹	0	0	0
Total:	131,511,999	182,969,701	99,742,155
Present Value of Future Salaries	86,989,476	98,109,113	78,025,807
Present Value of Future Member Contributions	6,089,263	6,867,638	5,461,806
Total Normal Cost	2,480,108	4,069,779	1,555,020
Present Value of Future Normal Costs (Entry Age Normal)	22,709,228	42,170,304	12,729,935
Total Actuarial Accrued Liability ¹	108,802,771	140,799,397	87,012,220
Unfunded Actuarial Accrued Liability (UAAL)	26,916,346	58,912,972	5,125,795

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2022

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL	
	7.50%	5.50%	9.50%
<u>PENSION COST</u>			
Normal Cost (with interest)	2,573,112	4,181,698	1,628,883
Administrative Expenses (with interest)	72,131	71,436	72,826
Payment Required To Amortize UAAL (with interest)	3,307,268	5,132,486	1,519,085
Minimum Required Contribution	\$5,952,511	\$9,385,620	\$3,220,794

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2020.