

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
GENERAL EMPLOYEES' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2022 VALUATION DATE



April 27, 2023

VIA E-MAIL

Ms. Lisa Gendron
Bonita Springs Fire Control & Rescue District
27701 Bonita Grande Drive
Bonita Springs, FL 34135

Re: Bonita Springs Fire Control and Rescue District General Employees' Retirement System
Section 112.664, Florida Statutes Compliance

Dear Lisa:

Please find enclosed the annual disclosures that satisfy the October 1, 2022 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Sara E. Carlson, ASA, EA, MAAA
Enrolled Actuary #23-8546

Enclosures

cc via email: Scott R. Christiansen, Board Attorney
cc via email: Anna-Marie Waller, Pension Administrator

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, 2022 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, 2022

	ACTUAL	HYPOTHETICAL	
	7.40%	5.40%	9.40%
Discount Rate:			
<u>Total Pension Liability</u>			
Service Cost	196,502	301,870	134,628
Interest	369,814	349,044	376,618
Changes of Benefit Terms	480,509	692,600	351,057
Differences Between Expected and Actual Experience	269,775	359,494	205,848
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(207,835)	(207,835)	(207,835)
Net Change in Total Pension Liability	1,108,765	1,495,173	860,316
Total Pension Liability - Beginning	4,904,901	6,265,821	3,975,869
Total Pension Liability - Ending (a)	<u>\$ 6,013,666</u>	<u>\$ 7,760,994</u>	<u>\$ 4,836,185</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	232,093	232,093	232,093
Contributions - Employee	80,032	80,032	80,032
Net Investment Income	(981,463)	(981,463)	(981,463)
Benefit Payments, Including Refunds of Employee Contributions	(207,835)	(207,835)	(207,835)
Administrative Expenses	(21,592)	(21,592)	(21,592)
Net Change in Plan Fiduciary Net Position	(898,765)	(898,765)	(898,765)
Plan Fiduciary Net Position - Beginning	5,026,310	5,026,310	5,026,310
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,127,545</u>	<u>\$ 4,127,545</u>	<u>\$ 4,127,545</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,886,121</u>	<u>\$ 3,633,449</u>	<u>\$ 708,640</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.40%

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
2022	4,127,545	-	314,760	-	293,792	4,106,577
2023	4,106,577	-	332,253	-	291,593	4,065,917
2024	4,065,917	-	359,723	-	287,568	3,993,762
2025	3,993,762	-	374,161	-	281,694	3,901,295
2026	3,901,295	-	387,742	-	274,349	3,787,902
2027	3,787,902	-	402,016	-	265,430	3,651,316
2028	3,651,316	-	410,090	-	255,024	3,496,250
2029	3,496,250	-	416,684	-	243,305	3,322,871
2030	3,322,871	-	426,007	-	230,130	3,126,994
2031	3,126,994	-	457,050	-	214,487	2,884,431
2032	2,884,431	-	451,987	-	196,724	2,629,168
2033	2,629,168	-	450,968	-	177,873	2,356,073
2034	2,356,073	-	448,884	-	157,741	2,064,930
2035	2,064,930	-	448,779	-	136,200	1,752,351
2036	1,752,351	-	452,144	-	112,945	1,413,152
2037	1,413,152	-	451,166	-	87,880	1,049,866
2038	1,049,866	-	448,551	-	61,094	662,409
2039	662,409	-	446,389	-	32,502	248,522
2040	248,522	-	441,523	-	-	-

Number of Years Expected Benefit Payments Sustained: 18.56

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.40% 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: Discount Rate = 5.40%

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
2022	4,127,545	-	314,760	-	214,389	4,027,174
2023	4,027,174	-	332,253	-	208,497	3,903,418
2024	3,903,418	-	359,723	-	201,072	3,744,767
2025	3,744,767	-	374,161	-	192,115	3,562,721
2026	3,562,721	-	387,742	-	181,918	3,356,897
2027	3,356,897	-	402,016	-	170,418	3,125,299
2028	3,125,299	-	410,090	-	157,694	2,872,903
2029	2,872,903	-	416,684	-	143,886	2,600,105
2030	2,600,105	-	426,007	-	128,903	2,303,001
2031	2,303,001	-	457,050	-	112,022	1,957,973
2032	1,957,973	-	451,987	-	93,527	1,599,513
2033	1,599,513	-	450,968	-	74,198	1,222,743
2034	1,222,743	-	448,884	-	53,908	827,767
2035	827,767	-	448,779	-	32,582	411,570
2036	411,570	-	452,144	-	-	-

Number of Years Expected Benefit Payments Sustained: 14.91

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.40% 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: Discount Rate = 9.40%

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
2022	4,127,545	-	314,760	-	373,196	4,185,981
2023	4,185,981	-	332,253	-	377,866	4,231,594
2024	4,231,594	-	359,723	-	380,863	4,252,734
2025	4,252,734	-	374,161	-	382,171	4,260,744
2026	4,260,744	-	387,742	-	382,286	4,255,288
2027	4,255,288	-	402,016	-	381,102	4,234,374
2028	4,234,374	-	410,090	-	378,757	4,203,041
2029	4,203,041	-	416,684	-	375,502	4,161,859
2030	4,161,859	-	426,007	-	371,192	4,107,044
2031	4,107,044	-	457,050	-	364,581	4,014,575
2032	4,014,575	-	451,987	-	356,127	3,918,715
2033	3,918,715	-	450,968	-	347,164	3,814,911
2034	3,814,911	-	448,884	-	337,504	3,703,531
2035	3,703,531	-	448,779	-	327,039	3,581,791
2036	3,581,791	-	452,144	-	315,438	3,445,085
2037	3,445,085	-	451,166	-	302,633	3,296,552
2038	3,296,552	-	448,551	-	288,794	3,136,795
2039	3,136,795	-	446,389	-	273,878	2,964,284
2040	2,964,284	-	441,523	-	257,891	2,780,652
2041	2,780,652	-	433,708	-	240,997	2,587,941
2042	2,587,941	-	427,908	-	223,155	2,383,188
2043	2,383,188	-	422,713	-	204,152	2,164,627
2044	2,164,627	-	414,102	-	184,012	1,934,537
2045	1,934,537	-	403,701	-	162,873	1,693,709
2046	1,693,709	-	391,846	-	140,792	1,442,655
2047	1,442,655	-	379,773	-	117,760	1,180,642
2048	1,180,642	-	367,555	-	93,705	906,792
2049	906,792	-	355,013	-	68,553	620,332
2050	620,332	-	342,485	-	42,214	320,061
2051	320,061	-	330,012	-	-	-

Number of Years Expected Benefit Payments Sustained: 29.97

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.40% 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, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
	7.40%	5.40%	9.40%
Investment Rate of Return:	7.40%	5.40%	9.40%
Minimum Required Contribution (Fixed \$)	\$369,288	\$582,659	\$202,744
Minimum Required Contribution (% of Payroll)	34.1%	53.8%	18.7%
Expected Member Contribution	75,683	75,683	75,683
Expected Sponsor Contribution (Fixed \$)	\$293,605	\$506,976	\$127,061
Expected Sponsor Contribution (% of Payroll)	27.1%	46.8%	11.7%

ASSETS

Actuarial Value ¹	4,918,565	4,918,565	4,918,565
Market Value ¹	4,127,545	4,127,545	4,127,545

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	4,546,001	6,638,916	3,306,473
Disability Benefits	97,791	138,368	72,533
Death Benefits	14,030	18,017	11,227
Vested Benefits	148,896	252,394	92,333
Refund of Contributions	32,331	33,141	31,574
Service Retirees	2,078,115	2,477,433	1,779,055
DROP Retirees ¹	0	0	0
Beneficiaries	0	0	0
Disability Retirees	395,699	481,616	334,674
Terminated Vested	0	0	0
Total:	7,312,863	10,039,885	5,627,869
Present Value of Future Salaries	7,441,677	8,261,955	6,773,579
Present Value of Future Member Contributions	520,917	578,337	474,151
Total Normal Cost	211,759	320,487	147,002
Present Value of Future Normal Costs (Entry Age Normal)	1,321,930	2,314,150	804,351
Total Actuarial Accrued Liability (EAN) ¹	5,990,933	7,725,735	4,823,518
Unfunded Actuarial Accrued Liability (UAAL)	1,072,368	2,807,170	(95,047)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.40%	5.40%	9.40%
<u>PENSION COST</u>			
Normal Cost (with interest)	219,594	329,140	153,911
Administrative Expenses (with interest)	24,029	23,798	24,261
Payment Required To Amortize UAAL (with interest)	125,665	229,721	24,572
Minimum Required Contribution	\$369,288	\$582,659	\$202,744

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2022.